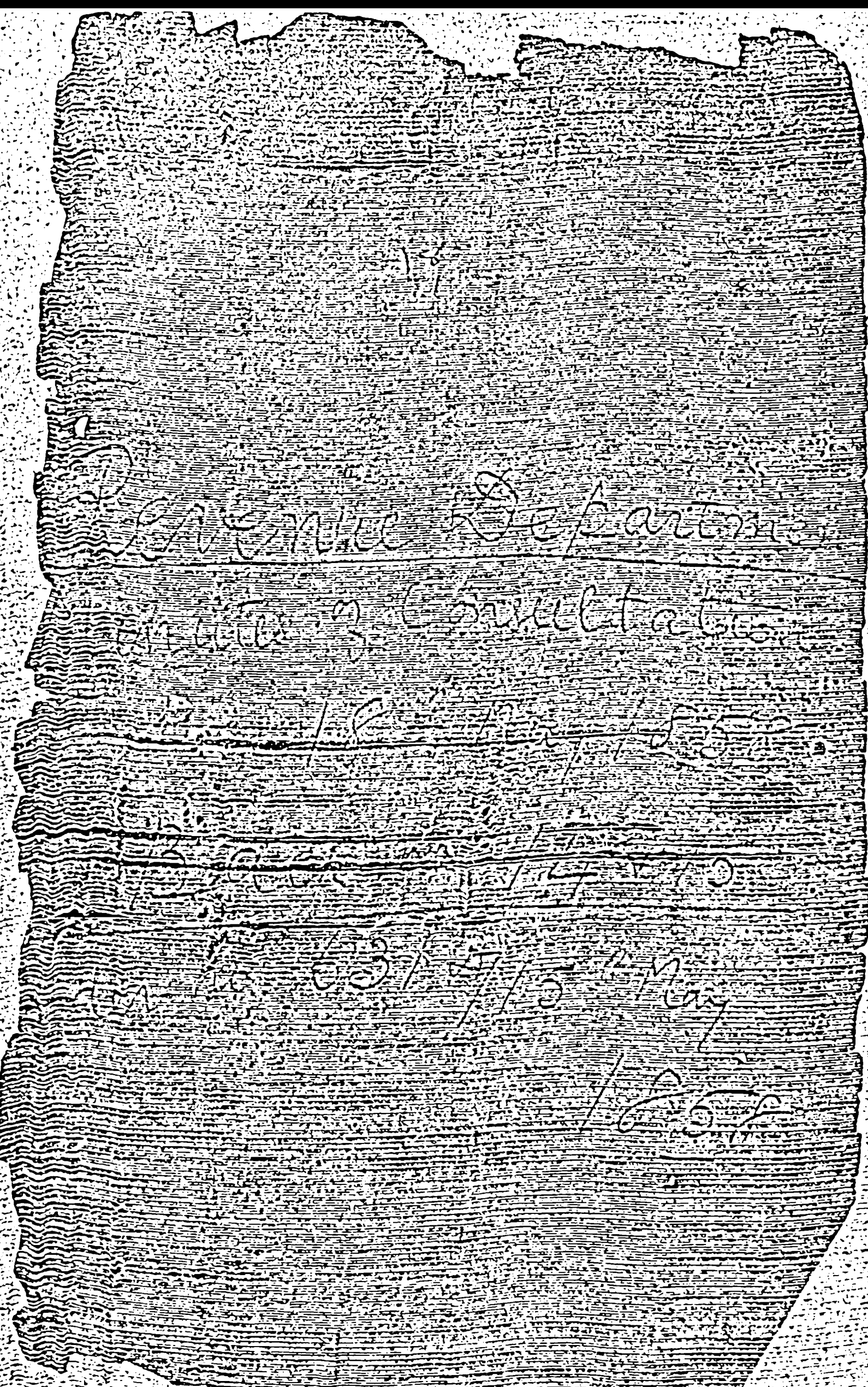




1871

General Department
of the Court

1871

1871

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பாடகாப்பு பிரதி-1

செப்பெயர் பெயர்: S. மார்ட்டின்

செப்பெயர் பெயர்: எல். எம். - 07/10

கொடுக்கப்பட்ட நாள்.

26/12/1853

செப்பெயர் பெயர்: 2ம் செப்பெயர்

செப்பெயர் பெயர்: 2ம் செப்பெயர்

செப்பெயர் பெயர்: 2ம் செப்பெயர்

Fort Saint, George, Revenue Consultation of 18th May 1853.

No. 14. Read the following Extract from the Proceedings of the Board of Revenue, dated 22d March 1853, No. 1009.

In Cons. 15th January 1853. Read again Extract Minutes Consultation under date 21th November 1857, No. 2167, Public Department, reviewing the Report of Lieutenant Colonel Cotton's tour of inspection in the Northern Districts.

1. There are several points in the above Extract Minutes Consultation which are referred for the consideration of the Board of Revenue, and regarding most of which references have had to be made to the local Authorities. These will be brought to the notice of Government in due course, but in the meantime the Board would wish to submit their opinions as to two questions which do not need a reference. 1st, as to the encouragement to be given to the cultivation of Sugar cane; and 2ly, as to the establishment of Inland Depôts for Salt, and Salt stores at the Sea ports.†

2. In para. 55 of his report, Colonel Cotton proposes that Government should take means to secure for the Sugar cane cultivation in Ganjam, a certain and cheap supply of water, so as to remove the present cost of irrigating by Wells. He remarks that in consequence of the very favourable climate of Ganjam, the cost of a constant supply of water for a whole year, would be smaller than in most districts.

3. To this the Board yield a most cordial assent, but it is not in their province to expatiate on the best mode of constructing the necessary works.

4. Colonel Cotton then remarks (para. 57) "Another relief that the Government might give to the sugar growers is, to take the revenue from the land after the crop is sold. If the security is good, the Government will not I am sure object to this innovation; and I am certain that if it were tried, it would be found that no native land-owner would allow the field to pass out of his possession that had once yielded him the profits of a full sugar crop. Land let on such favourable terms, and supplied with water for sugar the whole year through, might well be paid for at 15 Rupees an acre. It would be worth 50 Rupees."

5. In a country where almost the whole revenue is derived from the land, it has been held by all Governments that the crop is the security for that revenue. Under Native Government, and formerly under ours, it was usual not to permit a crop to be cut without a special order from the revenue authorities, but this is not now in force, and every means has lately been taken so to arrange the periods of the kists or instalments, as may best enable the cultivator to sell his produce without entirely losing the hold on the part of Government of his crop, in case of default. The experiment of permitting ryots to remove their crop before paying any part of the Government dues, would be as a general measure very hazardous, and the Board are not surprised to find Colonel Cotton stating that "there is not one, Sheristadar in the service who would not object to this." The Board are however anxious to give every encouragement to the cultivation of such a useful export as sugar, and would recommend Government to try the measure proposed by Colonel Cotton in Ganjam. If the "security is good" as Colonel Cotton observes, there really seems no objection; and the Board will instruct the Collector to inform them if there are the means of ascertaining what is the actual area of each separate portion of land yearly cultivated with sugar cane, with the view of assessing it at a fixed rate of 15 Rupees an acre, where the irrigation is sufficient for the whole year through. Instead of the time of sale, a certain period after cutting the cane, will be better.

6. The next point noticed by Col. Cotton, (para. 58) is the large sum required for the cuttings, when a new sugar cane garden is to be commenced, and if he were not generally averse to Government attempting any cultivation of its own, he would suggest that a few acres should be planted every year with cane to be distributed for cuttings. He has suggested this mode of giving an advance, to the owners of the Aska sugar works. The Board concur with Colonel Cotton in these remarks, and would not urge any Government interference in the matter.

Fort Saint George, Revenue Consultation of 18th May 1858.

* B.L. Pro. 4th July 1855.
para. 28.

† E. M. C. 11th March in
Cons. 12th July 1856,
No. 285, R. D. para. 5.

7. The Board would observe that they before* attempted to obtain some special consideration for sugar cane cultivation, being impressed with the value to this country of this branch of Agriculture, affording as it does so unlimited a field for what is so much required, namely exportable produce; but the Government observed† that while they were "desirous to relieve sugar cultivation of all unfair burdens, they were not disposed to foster that, or any other special product by favorable taxation."

8. The second subject which the Board proceed to consider, is with regard to Stores and Depôts for Government Salt.

9. The observations made by Colonel Cotton in paras. 83 to 112 of his report, are the result of personal investigation, and afford valuable information. They refer immediately to Ganjam, but remedial measures are proposed which affect the whole bearing of the Monopoly.

10. The Board are of opinion, both with Government and Colonel Cotton, that it should be an object to sell the greatest possible quantity of this necessary of life: but this question cannot be considered apart from that of revenue. Salt and Land are the two main sources of revenue, and must continue to be so as long as the State wishes to retain its solvency; unless some better source of taxation is pointed out. If the object were merely to sell the greatest possible quantity of salt, the monopoly price should be reduced from 1 Rupee to 2 annas a maund, or the cost of manufacture. The Board do not suppose such a step as this is contemplated, and therefore there must be some point where endeavouring to distribute the greatest possible quantity, the revenue by which the State is maintained must come into consideration; and Colonel Cotton admits this when (in para. 108) he states that his "object is to give the consumers all the advantage that can be given them without loss to the Government."

11. Colonel Cotton observes (para. 91) that the small consumption of salt in the interior, is owing more to the cost of carriage, than the price at which it is sold at the place of manufacture, and the Board believe that this remark holds good not only in Ganjam but every where.

12. The question then is, how to lessen this cost of carriage? Three modes present themselves independent of the question of Roads and the Monopoly price; 1st, to remove the place of sale from the swampy and desolate localities where it is now carried on, to the nearest high road, or sea-port; 2ndly, to establish Depôts in the interior; 3rdly, to grant Drawbacks to merchants selling wholesale, at specified places in the interior.

13. With regard to the first, the Board are of opinion with Colonel Cotton, that the Government who have the monopoly of the sale, should guarantee every facility of approach, both by sea, and land; and they would urge that steps be taken at once in every district where facility of access is wanting, to arrange for the transfer of the salt for sale to the nearest high-road, or sea-port after consultation with the district Engineer. It is not to be denied that the cost of this carriage though short in distance, will be expensive in outlay, on account of the nature of the soil in such localities, and the necessity for a double establishment, one at the place of manufacture, and one at the place of sale; but the Board still recommend that the price be not raised to the purchaser at the Depot, believing that the sales will so increase as to cover the expenditure. Madras itself may be referred to as an instance. The salt is made and temporarily stored at the places of manufacture 10 or 12 miles from Madras. The country is of such a nature that approaches either by carts or by boats up the creeks, must always be difficult; and if a convenient Depot had not been established in the town of Madras, there is little doubt but the sales would have been very far short of what they now are. It is true that the cost of carriage to the Depot (by boats) is smaller than it would be in most places, but the principle is the same, and even if the extra expenditure is only just covered by the extra sales, the propriety of the measure cannot admit of a doubt. The Depôts situated a short way up the rivers in Canara, are farther corroborations of the feasibility and success of the arrangement now proposed. If instead of transporting the Store to the high road, a branch road wide and solid enough can be made to the place of sale, this would answer the same purpose, but the usual nature of the soil, constantly trampled as it must be by thousands of bullocks, and cut up by cart wheels, will oblige Government, the Board anticipate, to meet the greater expense of entire removal of store.

Fort Saint George, Revenue Consultation of 18th May 1858.

14. Besides the above Depôts, the Board are of opinion that a store should be kept at each seaport where there is an export trade in salt, for sale at the usual export price.

15. The next question is as regards Inland Depôts. If there were reasonable data for supposing, as Colonel Cotton seems to do in para. 107, that the cost of carriage would be covered by increased sales, there could be no objection to the arrangement, but the Board do not see sufficient grounds for such expectation, except where there is water carriage, as at Madras and in Canara, but the Depôts in these Districts hardly come under the category of 'Inland' Depôts. It is apparently, because of the doubt above expressed, that Colonel Cotton in para. 108 proposes that where the ordinary land carriage is employed, the charge for carriages might be made, (i. e. added to the Monopoly price.)

16. The question of Inland Depôts for salt has often been discussed. If the charge for carriage is to be made, the objection is that Government are placing themselves in competition with the trader, and whilst their charge for carriage would always be greater than his would be, he is driven out of the market by their larger operations, and thus they make themselves responsible for the supply of the whole country. If the charge for carriage is not to be made, the objection is, that the attempt is vain to equalize prices, when their differences arise as in the case of salt, from natural causes, such as distance; and that this increase of price in proportion to distance from the coast would display itself even if the manufacture and sale were perfectly free, and as it is not caused by the fact of a Monopoly, the Government are not called upon to sacrifice revenue to counteract it.

17. The Board are aware that these arguments may be met by others, and if it is desired to enter more into the subject, they would refer to their "Memorandum on Salt" dated 17th June 1854* paras. 193, 194, 195, 196, in which their opinion was adverse to salt Depôts in the interior, and in favour of reducing the cost price and improving the roads, thereby enabling the people to purchase more largely.

18. The Court of Directors in 1823 were adverse to Depôts,† but in favour of them in ‡ Salt Commissioner's Report, Calcutta 1852; the subject however is hardly more than Edition, appendix K. No. 10 para. 9. just noticed by them.

19. Mr. Plowden in para. 708 of his Report concurs in the objections to Depôts, on the ground that the Government should not interfere to relieve purchasers from the unavoidable consequences of position.

20. In their letter of the 4th January 1855, the Board Dated 31st August 1852, No. 13. with reference to the view taken by the Court in 1852, In from Govt. 6th Novr. 1852. reiterated their objections to the Establishment of Depôts, In Cons. 20th Jan. 1853. as interfering with trade, and preferred a reduction of the Monopoly price.

21. On the 1st February 1856, the Board with reference to the facilities afforded by the Railway lately opened, proposed to Government the establishment of large salt Depôts at localities on the line of rail, believing that the cost of carriage would be more than covered by the increased sales.

22. On the 13th March 1856, No. 295, Revenue Department, the Government declined entering into a consideration of the question, because the future of the salt Revenue was so uncertain, and because they considered the Railway rates of carriage too high. They add that if it is the proposition of the Board, to offer the salt for sale at the Depôts without addition to the Monopoly price "they would not under any circumstances be prepared to approve of this plan."

23. On the 21st May 1856 the Board in reference to certain propositions made by Mr. Cammide, again adverted to the advantage that might accrue from Depôts on the Railway line, and the sale of salt at Monopoly price; but the subject has been disposed of by Government, who remarked§ that "the present correspondence furnishes strong reasons against any

§ E. M. C. 26th June in Cons. 7th July 1856,
No. 655 R. D.

Fort Saint George, Revenue Consultation of 18th May 1853.

interference with the Inland trade, which interference could only be justified in the opinion of Government, by necessity."

In Consultation 15th January 1853.
 "That they would take into consideration Col.
 "nel Cotton's suggestions for the establish-
 "ment of Inland Depots and for storing salt
 "at the Sea ports."

21. After this, the Board consider them-
 selves precluded from doing more in reply to
 the requisition of Government in Extract Minutes
 Consultation 21th November 1857, para. 40,
 than to recommend the establishment of De-
 pots and Stores at the nearest convenient local-
 ity to the place of manufacture, either on the high
 Road, or at a neighbouring seaport.

25. The 3d mode proposed for lessening the price of salt in the interior, (para. 12 of these
 Proceedings) is by drawbacks.

26. In para. 193 of their Salt Memorandum of 1851, the Board objected to drawbacks
 on the same principle nearly that they objected to Depots, and were of opinion that it would be
 necessary to make the drawback so great that the increased sales would not cover the expendi-
 ture. Mr. Plowden in para. 708 of his Re-
 port, concurs with the opinion expressed by
 Mr. Dalzell adverse to drawbacks, "because

† Appendix K. No. 12.

from the bulkiness of the commodity, the cost of carriage must enter so largely into the price in
 the interior, as to neutralize the effect of almost any drawback that could be granted without
 material detriment to the Monopoly."

27. Another difficulty with regard to drawbacks is, that though the drawback to cover
 the expense of private carriage, would not entail such an expenditure as the cost of public
 carriage, yet the delay and vexation caused to the trader, as in the case of Transit duties,
 by the necessity for unloading and reweighing would be great, for a Rawana received at the
 salt store would be no security, that the quantity entered in it was all brought to the place
 where the drawback was to be claimed.

28. The Board therefore, with the expressed views of Government before them, are not
 prepared again to advocate either Depots, (except close to the places of manufacture) or
 drawbacks.

The Government observe in para. 40 of Extract
 Minutes Consultation 21th November 1857, that "as
 In Consultation 15th January 1853. regards the salt trade, the interests of Government are
 "precisely those of a Merchant, and that the greater the facilities afforded to customers, the
 "greater is the inducement to trade." Bearing this principle in mind, the Board are under the
 impression that the facilities afforded to customers by Inland Depots will (unless on the line of
 Railway and cheap carriage) not induce that extension of trade which would in a mercantile
 view be productive of profit. They believe that the sales and the consumption will be increased
 in proportion as the means of communication, either by road, rail, or canal are rendered efficient,
 and that this is the most legitimate mode of procedure for Government to adopt. Improvement
 in this particular will be equally to the benefit of the Government Revenue, whether the salt
 be under Monopoly or Excise, whereas if the latter be adopted, the expense now incurred to
 organize Depots will be so much lost.

(A true Extract.)

(Signed) G. S. FORBES, Secretary.

No. 15.

ORDER THEREON, No. 631; dated 15th May 1853.

1. In reviewing Lieutenant Colonel F. C. Cotton's report upon his professional tour of
 inspection into the Northern Littoral Districts of the Madras Presidency,
 during March and April 1856, the Government, in Extract Minutes Consultation dated 21th November 1857, No. 2167 Public Works Department,
 among other points, requested the Board of Revenue to submit their opinions
 upon Lieutenant Colonel Cotton's suggestions as to the encouragement to
 be given to the cultivation of Sugar-cane, and the establishment of Inland Depots for salt, and
 salt stores at the sea ports.

Fort Saint George, Revenue Consultation of 18th May, 1853.

2. Lieutenant Colonel Cotton suggested two modes in which Government might encourage
 the cultivation of sugar. First by the construction of irrigation works which shall secure a sup-
 ply of water to cane cultivation throughout the year, and secondly, by taking the revenue after
 the crop is sold, holding the land as security. In paras. 2-7 of the Proceedings of the Board of
 Revenue above recorded, the question is discussed, and Lieutenant Colonel Cotton's remarks on
 the advisability of planting Government nurseries for cane cuttings, noticed.

3. The Board first "cordially assent" to the Superintending Engineer's proposal to secure
 a perpetual and cheap supply of water to the sugar-cane cultivation by means
 of works of irrigation to be hereafter formed. The Government observe
 that they have lately refused to sanction certain Estimates submitted by the
 Chief Engineer for tracing new roads in Ganjam,

considering that the Public Works Department
 in that District have now fully two years work
 on hand. At the same time they will not object to take into consideration, any general scheme
 which may be laid before them with reference to para. 56 of Lieutenant Colonel Cotton's report,
 to which the Chief Engineer has already been requested to draw the District Engineer's attention.

4. The Board of Revenue approve of the Superintending Engineer's suggestion to per-
 mit the removal of the cane crop before payment of the revenue which may,
 they think, be made payable within a certain fixed period after cutting the
 cane. It will only be necessary to be careful that the security tendered is
 perfectly tangible. The Government would wish to be made acquainted with the information
 which, in the latter part of para. 5, the Board say that they called for, but in the meantime are
 quite willing that the proposed system should be introduced.

It is observed that the sugar-cane plantations in Ganjam
 extended over to 4,775 acres in Fusly 1263 assessed at only
 Rupees 16,500, or less than 34 Rupees an acre. The pro-
 posed rate of 15 Rupees would produce a very large enhancement of the revenue derivable
 from this source, but, as it is only proposed to levy this fixed rate of Rupees 15, when the
 irrigation is sufficient for the whole year, it would probably only be applicable to a limited
 portion of the extent of the land on which the product in question is now raised.

5. With reference to the formation of Government nurseries, the Government are not of
 opinion that the scheme is open to such objection as if it were designed to derive any direct
 profit from the sale of the cuttings on the part of Government; the cuttings would be distri-
 buted at such a rate as would cover the cost of growing them, and the effect would be merely
 to place the better description of cane within the ryots reach, without loss to Government.
 But as it has been the avowed policy of Government of late years to interfere in no way with
 cultivation, at present they will only say that the proposition above referred to is one they will
 be prepared to consider if the Collector should represent that the difficulty to the ryots of pro-
 curing cane cuttings is such as to interfere with an extension of cultivation.

6. In para. 7 of their Proceedings, the Board imply that the Government disapproved of
 their former proposal to obtain some special consideration for sugar cultivation, but the very
 Extract from the order to which the Board refer, quoted by them, shews that it was the appli-
 cation of a specifically favorable taxation to which the Government objected. Such a course
 would be opposed to the system of not taxing a particular crop: It would be as improper to
 impose a particularly light tax on any specific crop as a particularly heavy one, but there can be
 no objection to relieve sugar cultivation of all unfair burdens, and to remove any obstruction
 which may at present impede an extension of the cultivation.

7. In the eighth and following paras. the Board discuss Lieutenant Colonel Cotton's sug-
 gestions with reference to Stores and Depots for Government Salt. These will be found in
 p. 88-112 of his report. The Board rightly assume that the object to be aimed at is to give
 the consumers of Salt all the advantage that can be given without loss to the Government, and
 in para. 11, they quote Colonel Cotton's observation that the small consumption of Salt in the
 interior is owing more to the cost of carriage, than to the price at which it is sold at the place
 of manufacture. It becomes an object therefore to lessen this cost of carriage.

Fort Saint George, Revenue Consultation of 18th May 1858.

Para. 12.

1. To remove the places of sale from the swamps where it is now carried on, to the nearest road, or port.
2. To establish Depôts in the interior.
3. To grant drawbacks to merchants selling wholesale at specified places in the interior.

Para. 23.

9. As regards the Inland Depôts and the drawback system, the Board are not prepared to advocate either. They show that this Government have virtually negatived the plan of Inland Depôts, for in Extract Minutes Consultation 13th March 1856 No. 295, Revenue Department the Government expressly said that they would not, under any circumstances, be prepared to approve of the plan of offering Salt for sale at the Depôts without addition to the monopoly price: and if a charge for carriage is to be made, the objection arises that Government are placing themselves in competition with the trader, and as the Board rightly consider, most disadvantageous competition.

Para. 17-20.

Para. 193-196.

The Board go on to quote their former opinions against the establishment of these Depôts, as enunciated in their Memorandum on Salt &c. And they refer to the similarly adverse opinion of Mr. Commissioner Plowden, as expressed in para. 703 of his report. Again with reference to the drawback system, they quote para. 193 of their Salt Memorandum of 1854, where an opinion is expressed that it would be necessary to make the drawback so great that the increased sales would not cover the expenditure; Mr. Plowden concurs in deprecating the system; and the Board shew in addition, that considerable delay and vexation would be entailed upon the trader. The Government concur with the Board of Revenue in rejecting these two alternatives, and they proceed to consider the first plan noticed by this Board; that of transferring the place of sale to more accessible localities than the present, such as store-houses situated on high roads, or at Sea ports.

Para. 27.

10. The Board agree with Lieutenant Colonel Colton that the Government, who have the monopoly of sale, should guarantee every facility of approach both by sea and by land; and they urge that steps be taken at once, where

Para. 13.

"facility of access is wanting, to arrange for the transfer of the sale for sale to the nearest highroad or sea-port, after consultation with the District Engineer, no increase in price being made at the Depôts over and above the Monopoly rates. In some cases it would be the better plan to construct a good road up to the present place of sale instead of making any transfer of such place. This is a question that depends in some degree on the nature of the country immediately around the salt pans. The opinion of the District Engineer will be required through the Central Office, on the relative advantages, and expense, of constructing good roads between the main communications and each of the salt pans, and establishing new Depôts on the main communications themselves. As a general question, the Government consider that the plan of constructing solid and good roads up to the present places of manufacture, would be preferable to that of transferring the place of sale, it would be more consistent with the policy under which the State declines to interfere to relieve purchasers from the unavoidable consequences of position; these consequences as the Board remark, are wholly unconnected with the monopoly, and are not therefore matters with which the Government can be called upon to interfere.

(Signed) W. H. BAYLEY,
Acting Secretary to Government.

Revenue 1858 Department
Cons: 18th May
No. 416

1413

4

Extract from the Proceedings of the Board of Revenue 22 March 58

Ex: from No. 1072 B. of Revenue 3rd July 1858 C. N. 1072 in Cons: 27 July

Submitting the views of the Board on the question of the encouragement to be given to the cultivation of Sugar Cane, such as re-opens the establishment of Inland Depôts for salt and salt stone at the sea ports.

No 14-15

With an Order No. 631
27 16 May 58

Extract from the Proceedings of the Board of Revenue, dated 22d March 1853.

In Com. 13th Jan. 1853. Local again Extract Minutes Consultation, under date 21th November 1852, No. 2167, Public Department, reviewing the Report of Lieutenant Colonel Cotton's tour of inspection in the Northern Districts.

1. There are several points in the above Extract Minutes Consultation, which are referred for the consideration of the Board of Revenue, and regarding most of which references have had to be made to the Local Authorities. These will be brought to the notice of Government in due course, but in the mean time the Board would wish to submit their opinions as to two questions, which do not need a reference.

Para 32 of R. M. C. 21st, as to the encouragement to be given to the cultivation of Sugar cane, and Para 40 of R. M. C. 22d, as to the establishment of Inland Depots for Salt, and Salt stores at the

Sea ports.

2. In para. 35 of his report, Colonel Cotton proposes that Government should take means to secure for the Sugar cane cultivation in Ganjam, a certain and cheap supply of water, so as to remove the present cost of irrigating by Wells. He remarks that in consequence of the very favourable climate of Ganjam, the cost of a constant supply of water for a whole year, would be smaller than in most districts.

3. To this the Board yield a most cordial assent, but it is not in their province to expatiate on the best mode of constructing the necessary works.

4. Col. Cotton then remarks (para. 57) "Another relief that the Government might give to the sugar growers is, to take the revenue from the land after the crop is sold. If the security is good, the Government will not I am sure object to this innovation; and I am certain that if it were tried, it would be found that no native land-owner would allow the field to pass out of his possession that had once yielded him the profits of a full sugar crop. Land let on such favourable terms, and supplied with water for sugar the whole year through, might well be paid for at 15 Rupees an acre. It would be worth 50 Rupees

in a country where the revenue is levied from the land. It has been held by all Governments that the crop is the security for that revenue. Under Native Governments, and formerly under ours, it was usual not to permit a crop to be cut without a special order from the revenue authorities, but this is not now in force, and every means has lately been taken to arrange the periods of the kists or instalments, as may best enable the cultivator to sell his produce without entirely losing the hold on the part of Government of his crop, in case of default. The experiment of permitting ryots to remove their crop before paying any part of the Government dues, would be as a general measure very hazardous, and the Board are not surprised to find Colonel Cotton stating that "there is not one Sheristadar in the service who would not object to this." The Board are however anxious to give every encouragement to the cultivation of such a useful export as sugar, and would recommend Government to try the measure proposed by Colonel Cotton in Ganjam. If the security is good, as Colonel Cotton observes, there really seems no objection, and the Board will instruct the Collector to inform them if there are the means of ascertaining what is the actual area of each separate portion of land yearly cultivated with sugar cane, with the view of assessing it at a fixed rate of 15 Rupees an acre, where the irrigation is sufficient for the whole year through. Instead of the time of sale, a certain period after cutting the cane, will be better.

5. The Board are also informed by Col. Cotton (para. 58) that the large sum required for the cultivation of a new sugar cane garden is to be commenced, and if he were not generally averse to Government attempting any cultivation of its own, he would suggest that a few acres should be planted every year with cane, to be distributed for cuttings. He has suggested this mode of giving an advance to the owners of the Aska sugar works. The Board concur with Colonel Cotton in these remarks, and would not urge any Government interference in the matter.

6. The Board would observe that they have attempted to obtain some special consideration for sugar cane cultivation, being impressed with the value to this country of this branch of Agriculture, affording as it does so unlimited a field for what is so much required, namely exportable produce; but the Government observed that while they were desirous to relieve sugar cultivation of all unfair burdens, they were not disposed to foster that, or any other special product by favourable taxation.

8. The second subject which the Board proceed to consider, is with regard to Stores and Depots for Government Salt.

9. The observations made by Colonel Cotton in paras. 53 to 112 of his report, are the result of personal investigation, and afford valuable information. They refer immediately to Ganjam, but remedial measures are proposed which affect the whole bearing of the Monopoly.

10. The Board are of opinion, both with Government and Colonel Cotton, that it should be an object to sell the greatest possible quantity of this necessary of life: but this question cannot be considered apart from that of revenue. Salt and Land are the two main sources of revenue, and must continue to be so as long as the State wishes to retain its solvency, unless some better source of taxation is pointed out. If the object were merely to sell the greatest possible quantity of salt, the monopoly price should be reduced from 1 Rupee to 2 Annas a maund, or the cost of manufacture. The Board do not suppose such a step as this is contemplated, and therefore there must be some point where in endeavouring to distribute the greatest possible quantity, the revenue by which the State is maintained comes into consideration, and Colonel Cotton admits this when (in para. 103) he states that his "object is to give the consumers all the advantage that can be given them without loss to the Government."

11. Colonel Cotton observes (para. 91) that the small consumption of salt in the interior, is owing more to the cost of carriage, than the price at which it is sold at the place of manufacture, and the Board believe that this remark holds good not only in Ganjam but every where.

12. The question then is, how to lessen this cost of carriage? Three modes present themselves independent of the question of Roads and the Monopoly price: 1st, to remove the place of sale from the swampy and desolate localities where it is now carried on, to the nearest high road, or sea-port; 2ndly, to establish Depots in the interior; 3rdly, to grant Drawbacks to merchants selling wholesale, at specified places in the interior.

13. With regard to the first, the Board are of opinion with Colonel Cotton, that the Government who have the monopoly of the sale, should guarantee every facility of approach, both by land and water, and that the most important steps be taken at once in every district where facility of access is wanting, to arrange for the transfer of the salt for sale to the nearest high road, or sea-port, after consultation with the district Engineer. It is not to be denied that the cost of this carriage though short in distance, will be expensive in outlay, on account of the nature of the soil in such localities, and the necessity for a double establishment, one at the place of manufacture, and one at the place of sale; but the Board still recommend that the price be not raised to the purchaser at the Depot, believing that the sales will so increase as to cover the expenditure. Madras itself may be referred to as an instance. The salt is made and temporarily stored at the place of manufacture 10 or 12 miles from Madras. The country is of such a nature that approaches either by carts, or by boats up the creeks, must always be difficult; and if a convenient Depot had not been established in the town of Madras, there is little doubt but the sales would have been very far short of what they now are. It is true that the cost of carriage to the Depot (by boats) is smaller than it would be in most places, but the principle is the same, and even if the extra expenditure is only just covered by the extra sales, the propriety of the measure cannot admit of a doubt. The reports submitted a short way up the rivers in Canara, are further corroborations of the feasibility and necessity of the arrangement now proposed. If instead of transporting the Store to the high road, a branch road is made solid enough can be made to the place of sale, this would answer the same purpose, but the Government, the Board anticipate, to meet the greater expense of entire removal of the Store.

14. Besides the above Depots, the Board are of opinion that a Depot should be kept at each seaport where there is an export trade in salt, for sale at the usual export price.

15. The next question is as regards Inland Depots. If there were reasonable data for supposing, as Colonel Cotton seems to do in para. 107, that the cost of carriage would be covered by increased sales, there could be no objection to the arrangement; but the Board do not see sufficient grounds for such expectation, except where there is water carriage, as at Madras and in Canara, but the Depots in these Districts hardly come under the category of "Inland Depots." It is apparent, because of the doubt above expressed, that Colonel Cotton in para. 108 proposes that, where the ordinary land carriage is employed, the charge for carriage might be made (i. e. added to the Monopoly price).

16. The question of Inland Depots for salt has often been discussed. If the charge for carriage is to be made, the objection is that Government are placing themselves in competition with the trader, and whilst their charge for carriage would always be greater than his, would be, he is driven out of the market by their larger operations, and thus they make themselves responsible for the supply of the whole country. If the charge for carriage is not to be made, the objection is, that the attempt is vain to equalize prices, when their differences arise as in the case of salt, from natural causes, such as distance; and that this increase of price in proportion to distance from the coast would display itself even if the manufacture and sale were perfectly free, and as it is not caused by the Government, it is not for the Government to counteract it.

17. The Board are aware that these arguments may be met by others, and if it is desired to enter more into the subject, they would refer to their "Memorandum on Salt" dated 17th June 1854, paras. 193, 194, 195, 196, in which their opinion was adverse to salt Depots in the interior, and in favour of reducing the cost price and improving the roads, thereby enabling the people to purchase more largely.

18. The Court of Directors in 1823 were adverse to Depots, but in favour of them in 1852; the subject however is hardly more than just noticed by them.

19. Mr. Plowden in para. 709 of his Report concurs in the objections to Depots, on the ground that the Government should not interfere to relieve purchasers from the unavoidable consequences of position.

20. In their letter of the 4th January 1855, the Board with reference to the view taken by the Court in 1852, reiterated their objections to the establishment of Depots, as interfering with trade, and preferred a reduction of the Monopoly price.

21. On the 1st February 1856, the Board with reference to the facilities afforded by the Railways, lately opened, proposed to Government the establishment of large salt depots at stations on the line of rail, believing that the cost of carriage would be more than covered by the increased sales.

22. On the 15th March 1856 No. 295 R. D. the Government declined entering into a consideration of the question, because the future of the salt Revenue was so uncertain, and because they considered the Railway rates of carriage too high. They add that if it is the proposition of the Board, to offer the salt for sale at the Depots without addition to the Monopoly price "they would not under any circumstances be prepared to approve of this plan."

23. On the 21st May 1856 the Board in reference to certain propositions made by Mr. Canham, again adverted to the advantage, that might accrue from Depots on the Railway line, and the sale of salt at Monopoly price; but the subject has been disposed of by Government, who remarked that "the present correspondence furnishes strong reasons against any interference with the Inland trade, which interference could only be justified in the opinion of Government, by necessity."

24. After this, the Board consider themselves precluded from doing more in reply to the requisition of Government in Extract Minutes Consultation 24th November 1857 para. 40, than to recommend the establishment of Depots and Stores at the nearest convenient locality to the place of manufacture, either on the high Road, or at a neighbouring seaport.

25. The 3d mode proposed for lessening the price of salt in the interior, (para. 12 of these Proceedings) is by Drawbacks.

26. In para. 193 of their Salt Memorandum of 1854, the Board objected to Drawbacks on the same principle nearly that they objected to Depots, and were of opinion that it would be necessary to make the Drawback so great that the increased sales would not cover the expenditure. Mr. Plowden in para. 709 of his Report concurs with the opinion expressed by Mr. Dalrymple adverse to drawbacks, "because from the bulkiness of the commodity, the cost

of carriage must enter so largely into the price in the interior, as to neutralize the effect of almost any drawback that could be granted without material detriment to the Monopoly.

27. Another difficulty with regard to Drawbacks is, that though the Drawback to cover the expense of private carriage, would not entail such an expenditure as the cost of Public carriage, yet the delay and vexation caused to the trader, as in the case of Transit duties, by the necessity for unloading and reweighing would be great, for a *Lawans* received at the salt store would be no security that the quantity entered in it was all brought to the place where the Drawback was to be claimed.

28. The Board therefore, with the expressed views of Government before them, are not prepared again to advocate either Depôts, (except close to the places of manufacture) or Drawbacks.

The Government observe, in para 40 of Extract Minutes Consultation, 24th Is Com 18th July, 1854. November 1857, that "as regards the salt trade, the interests of Government are precisely those of a Merchant, and that the greater the facilities afforded to customers, the greater is the inducement to *trading* this principle in mind, the Board are under the impression that the facilities afforded to customers by Inland Depôts will (unless on the line of Railway and cheap carriage) not induce that extension of trade which would in a mercantile view be productive of profit. They believe that the sales and the consumption will be increased in proportion as the means of communication, either by road, rail, or canal are rendered efficient, and that this is the most legitimate mode of procedure for Government to adopt. Improvement in this particular will be equally to the benefit of the Government Revenue, whether the salt be under Monopoly or Excise, whereas if the latter be adopted, the expense now incurred to organize Depôts will be so much lost.

(A true Extract.)

Edw. M. L.

Secretary

To: J. FORBES, Esq.
Acting Secretary to Government,
Revenue Department.

C204/11 C 1228-228
17/11/57

1475

Underlying the principle of
monopoly on the question of salt is
consequence to the government & the
extension of foreign commerce
to regard the establishment
of inland depôts for salt
and salt stores at the depôts

15th Dec 1857 15th Dec 1857

15th Dec 1857 15th Dec 1857

Extract from the Minutes
of the Board of Revenue

Revenue 1858-59
14/16

6 1415 Revenue Department

N^o 631

Extract from the Minutes of Consultations
Under date the 15th May 1858

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

Here entered 22nd March 1858
N^o 1009

In reading Lieutenant
Colonel T. E. Collier's report
upon his professional tour
of inspection into the
Northern Litoral District
of the Madras Presidency,
during March and April
1856, the Government, in
Council, Minutes Consultations
dated 21st November
1857, N^o 2467 Public Works
Department, among other
points, requested the Board
of Revenue to submit
there

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Wf
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third opinion upon said
Colonel Cotton's suggestions
as to the encouragement
to be given to the Cultiva-
tion of sugar cane,
and the establishment
of Island Depots for
salt, and salt stores
at the sea port.

Para 10

2. Lieutenant Colonel
Cotton suggested that the
Government
might encourage the
Cultivation of sugar.
Thirdly by the construction
of Irrigation works on
which shall secure a
supply of water to come
cultivation throughout
the year, and secondly,
by holding the revenue
after the crop is sold,
holding the lands as
security. In para 207
of

9

1415

of the Proceedings of the
Board of Revenue above
recorded, the question
is discussed, and the
Colonel Cotton's request
on the expediency of
planting Government
nurseries for raising cuttings
noted.

Para 3

The Board first
cordially assent to the
desideratum of increasing
proposed to secure a
perpetual and cheap
supply of water to the
sugar cane cultivation
by means of works of irri-
gation to be hereafter
formed. The Government
above that they have
lately refused to sanction
certain Estimates as
submitted by the Chief
Engineer for tracing new
roads.

C. M. C. 1415: 1415: 1415

roads in Georgia, considering that the Public Works Department will have ^{at} least ^{at} distinct ^{at} least now fully two years work in hand. At the same time they will not object to take into consideration any general scheme which may be laid before them with reference to paras 5 & 6 of Lieutenant Colonel Cotton's report, to which the Chief Engineer has already been requested to draw the District Engineer's attention.

And The Board of
Revenue approve of
the Superintending
Engineer's suggestion to
permit the removal of
the canal crop before
payment

Pardon

[illegible]

14 15

10

The plan of
 payment of the sum
 which may, they think,
 be made payable with
 in a certain fixed period
 after cutting the cane.
 It will only be ne-
 cessary to be careful that
 the security tendered is
 perfectly tangible. The
 Government would ex-
 pect to be made ac-
 quainted with the in-
 formation which, in
 the latter part of
 June, the Board say
 that they called for, but
 at the same time are
 quite willing that the
 proposed system should
 be introduced. It is
 desired that the sugar
 plantations in es-
 tablishment extended over
 17,175 acres in July 1863
 and a paper

offered at only 64 1/2 Rs, 500, ^{and the whole}
 or less than 3 1/2 Rs per ^{to the} ~~acre~~ ^{acre}. The proposed
 rate of 15 Rs per acre would ^{be a} ~~be a~~ ^{be a}
 produce a very large
 enhancement of the
 revenue derivable from
 the source, but, as
 it is only proposed
 to buy this fixed
 rate of Rs 15,
 when the irrigation
 is sufficient for
 the whole year, it
 would probably only
 be applicable to a
 limited portion of
 the extent of land
 on which the pro-
 duct in question is
 now raised.

With reference to
 the formation of
 Government
 nurseries

1415

But even in the
 case of the
 Government
 nurseries

nurseries, the Government
 are not of opinion that the
 scheme is open to such an
 objection as if it were de-
 signed to derive any direct
 profit from the sale of
 the cuttings on the part of
 the Government, the cuttings
 would be distributed at
 such a rate as would cover
 the cost of growing them,
 and the effect would be
 merely to place the better
 description of cane within
 the reach of the people, without
 loss to Government. But
 as it has been the avowed
 policy of Government of
 late years to interfere in
 no way with cultivation,

(1415)

And as presented they will
only say that the pro-
positions are referred to and
they will be prepared to
consider if the Collector
should represent that the
difficulty to the Ryots
of procuring cane cuttings
is such as to interfere with
an extension of cultivation.

6. In para 7 of their
Proceedings the Board
expressly state that the Govern-
ment disapproved of their
former proposal to obtain
some special consideration
for sugar cultivation, but
the very extract from the
order to which the Board
are referred by them,
shows:

1415
12
It is shown that it was the ap-
plication of a specially
favourable taxation to
which the Government
objected. Quicka cannot
wonder to be opposed to the
system of not taxing a
particular crop. It would
be as improper to impose
a particularly light tax
on any specific crop as a
particularly heavy one,
but there can be no objection
to the sugar cultivation
of all unfair burdens, and
to remove any obstruction
which may at present
impede an extension of
the cultivation.
7. In the eighth and
following paras the Board
discuss

discovered. Such local conditions
suggested in the reference
to Store and Depots for
Government Salt. These
will be found in P. 88-112
of the report. The
Board rightly assume
that the object to be aimed
at is to give the consumers
of salt all the advantages
that can be given without
loss to the Government.
And in para 11, they quote
Col. Campbell's observation
that the small consumers
of salt in the interior
are injured more by the cost
of carriage, than by the price
at which it is sold at the
place of manufacture.
It becomes an object
therefore

13 14/5
para 12.

therefore to open the coast
of carriage. The Board suggest
three ways in which this
can be done.
1. To remove the place
of sale from the warehouse
where it is now carried on
to the nearest road or port.
2. To establish Depots
in the interior.
3. To grant drawback
to merchants selling
wholesale at specified
places in the interior.
As regards the
Salt and Depots and the
drawback system, the Board
are not prepared to advocate
either. They know that the
Government

para 28.

Government have virtually
negated the plan of
Island Depots, for in
East Mev. Com. 13 March
1856 at 295 New. Dip. the
Government expressly said
that they would not under
any circumstances be pre-
pared to approve of the
plan of offering Salt for
sale at the Depots without
addition to the monopoly
price, and if ^a charge
for carriage is to be made,
the objection arises that
Government are placing
themselves in competition
with the trader, and as the
Board rightly consider
most disadvantageous
competition.

January 20. 14/5 Competition. The Board
go on to quote their former
opinion against the
establishment of these
Depots, as enunciated in
their Memorandum on
Salt 1750. And they refer
to the similar by adverse
opinion of Mr. Leaman
vs. Mr. Plimden, as a
proof in support of his
report. Again with re-
ference to the drawback
system, they quote P. 175 of
their Salt Memorandum
of 1854, where an opinion
is expressed that it would
be necessary to make the
drawback so great that the
increased sales would not
cover the expenditure,
etc.

Mr. Plowden concurs in
dispreaching the system,
and the Board when in
addition, that considerable
delay and vexation would
be excited upon the trader.
The Government concurs
with the Board of
Revenue in rejecting these
two alternatives, and they
proceed to consider the
first plan proposed by
the Board, that of trans-
ferring the place of sale
to more accessible localities
than the present, such as
shore houses situated on
high roads, or at sea-ports.
The Board agree
with the Secretary
that

para 27

para 13.

75

1413

that the Government, who
have the monopoly of sale,
should guarantee every
facility of approach both
by sea and by land, and they
urge that steps be taken
"at once, where facilities of
access are wanting, to arrange
for the transfer of the salt
for sale to the nearest high
road or sea port, after con-
sultation with the District
"Engineer" and wherever in-
sufficiently made at the
District office and where the
high roads are in a bad
condition, to have the better
plan to be carried out
as far as possible, and the
of sale in order of priority
and transfer of such place
The

This is a question that depends
in some degree on the nature of
the country immediately
around the salt pans. The
opinions of the District
Engineer will be required
through the Central Office,
on the relative advantages,
(and expense), of constructing
any good roads between the
main communication
and each of the salt pans,
and establishing new
depots on the main com-
munications themselves.
As a general question,
the Government consider
that the plan of construct-
ing solid and good roads up
to the present place of
manufacture,

1415 manufacture, would be pre-
ferable to that of transfer-
ring the place of sale, it
would be more consistent
with the policy under which
the state declines to interfere
with private purchasers from
the unavoidable consequence
of possession, these can-
not be called upon to
mark, are wholly unaccount-
able with the trade policy, and
are not therefore matters
with which the Government
can be called upon to
interfere on the surface.
The Board of
Revenue
Chief Engineer
Chief Engineer

Revenue 1858 Depart
Dy to Cons 18 May

N^o 631

Extract Min. of Cons
Dy 15 May 1858

Ex. Pro B of Rev 8/12 Nov 58
Ch. 1762 w/ Cons
17-18

Reviewing the Board's
remarks on Lt Col F. C. Carter
Report upon his professional
Tour of inspection into the North
Littoral Districts of the
Presidency and his suggestion
as to the more judicious
management of the
Cane and the establishment
of inland depots for salt
and salt stores at the sea
ports.

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