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Part III.—Bengal.

APPENDIX A.

No. 1.—Letter to A. R. Young, Esq., Officiating Junior Secretary to the Bengal Board of Revenue, dated August 25th, 1854.

No. 2.—Letter, in reply, from A. R. Young, Esq., Officiating Junior Secretary to the Bengal Board of Revenue, dated September 16th, 1854.

Appendix A.—No. 1.

To A. R. YOUNG, Esq., Officiating Junior Secretary to the Board of Revenue, Lower Provinces.

Fort William, August 25, 1854.

Sir,

In pursuance of the inquiry which I have been commissioned by the Supreme Government to make, as to the practicability of carrying into effect any system under which the manufacture and sale of salt, in India, shall be absolutely free, subject only to such excise, or other duties, as may now, or from time to time, be levied on such salt so manufactured, I have the honour to request that the Board of Revenue will be so good as to favour me with their views at large on the question as it affects the Lower Provinces of the Bengal Presidency.

2. If the Board, judging from past discussions of the question, and from their own observations and experience, have come to the conclusion that it is impracticable, or unsafe, in place of the present system, to render the manufacture of salt absolutely free to all persons, under excise regulations, or even to substitute a system of modified excise, such as that of granting licences to private persons to manufacture salt at fixed localities, I shall be obliged to them to state what are the objections they entertain, and the difficulties which appear to them insuperable.

3. If, on the other hand, the Board have come to the conclusion that the change is feasible, and may be carried into effect with no greater expense to the State, or inconvenience to the Trade, and with the same safety to the revenue, I beg they will do me the favour to describe the extent to which, and the plan, gradually or otherwise, upon which the new system might, in their opinion, best be introduced, and whether in introducing it it would be necessary to make any, and if any, what, special regulations for the protection of the interests of the Molunghees, as the class whose services would be indispensable to any persons engaging in the manufacture. Also what changes would be necessary, under their plan, in the present preventive line and establishments.

4. I should wish also to be favoured with a full description of the system upon which the excise upon salt, as far as it exists in Bengal, is managed, and

to be informed whether the demand for solar evaporation salt in Bengal is limited, and if so, to what extent, and why, and how, this can be shown.

5. I beg further to be favoured with a description of the system of retail sales in the salt-producing districts, the several limits within which they prevail, the different prices and modes of management within each division, and by what officer in each they are managed and controlled, together with a notice of any changes which the Board may be contemplating in the limits, management, and prices. Also whether, in the opinion of the Board, the retail sale of salt by the Government in certain localities, at reduced prices, is not a violation of the rule laid down for observance in the pricing of Government salt, by which the Government is bound to sell each description of salt at a price equal to its actual cost of manufacture, plus the duty levied on Foreign salt; and, finally, whether the system of retail sales is really attended with benefit to the revenue, or whether the same revenue, on the whole, would not be obtained if the system were abandoned, and the retail districts left to be supplied by the rowannah merchants in the same manner as the rest of the country. Under a system of free manufacture and excise, there could be, of course, no such system as the present system of Government retail sales, or anything analogous to it.

6. I may observe that the subject of these sales is noticed in paragraphs 16 and 17 of the Board's Salt Report for the year 1852-53, and in paragraphs 9, 12, 25 to 27, and 33, of the Controller's Report for the same year.

7. I should wish also to be informed what are the Board's opinions as to the extent of smuggling, with their reasons for believing it to be great or small, in what forms they think it is principally carried on, and the amount of duty, in reduction of the present impost, which would, in their opinion, render it not worth the while of the smuggler to evade the tax.

8. I beg also to be favoured with a copy of any correspondence which may have taken place between the Board and the Government, on the question of making a change in the rate of duty from the 1st of April last, together with the Board's present views on that subject.

9. I request also to be informed of the nature and extent of the khularee rents and remissions, and how, and to what extent, they would be affected by the substitution of a system of free manufacture and excise for the present mode of realizing the revenue.

10. If there has been any late correspondence relating to the consumption of salt per head in Bengal, the price to consumers in different parts of the country, the relative quality of the manufacture of the different agencies, and the adulteration of the article after it passes into the hands of the dealers, I beg to be favoured with a copy of it; or, if the correspondence is bulky, the original may be sent.

11. Adverting to paragraphs 7 to 9 of the Board's report for 1852-53, and paragraphs 7 and 8 of the reply of the Bengal Government to the same, I request to be furnished with a copy of the further correspondence, if any, which may have taken place on the subject. It appears to me that the remedy proposed by the Board in their 9th paragraph, would be only a partial one, for at the same price the salt of superior quality would still have the preference.

12. In the province of Arracan, the manufacture and sale of salt is understood to be entirely free—no tax is taken on salt consumed in the province, and no duties are levied on exports or imports of that article; but salt is purchased there by Government, to supply the consumption elsewhere in Bengal. I should wish to be informed—

First. Why the home consumption and the exports and imports of salt in Arracan should be untaxed.

Second. Whether any preventive measures are taken in Arracan against salt being smuggled from that province into other parts of India.

Third. What precautions are taken in Arracan with respect to export salt, whether intended for ports in India, or ports out of India, with the view, in the former case, of securing the payment of the duty, and in both cases the delivery of the full quantity shipped at the port of import.

Fourth. To what places the salt purchased by Government in Arracan, for consumption in Bengal, is taken, and upon what system, and at what prices, the salt is purchased, and its transport provided for.

13. A trifling salt tax is, I believe, levied in the Amherst and Tavoy districts of the Tenasserim provinces, upon a system of licences, granted at the rate of 2 rupees for one year, for the manufacture of an unlimited quantity. I should wish to be favoured with all the information the Board may possess respecting the mode of manufacturing salt, and of collecting the revenue thereon, in the Tenasserim provinces, together with a notice of any rules in force there respecting import and export salt.

14. I shall be obliged by as early a reply as possible to this communication.

G. PLOWDEN,

Commissioner on Salt.

Appendix A.—No. 2.

SIR,

Fort William, September 16, 1854.

I am directed to acknowledge the receipt of your letter, dated the 25th ultimo, asking for information and the Board's opinion relative to certain matters connected with the inquiry you have been commissioned to make, as to the feasibility of a change of system in the manufacture and sale of salt, so far as the Lower Provinces of Bengal are concerned. The Board will notice the several points in the order in which you have put your queries, and as briefly as is consistent with completeness.

2. By a system which would "*render the manufacture of salt ABSOLUTELY FREE to all persons* under excise regulations," the Board understand to be meant, one under which permission would be given to any person to manufacture and store salt at any place and in any quantity,—if this be what is meant, they are of opinion that such a system would be not only "unsafe," but altogether destructive of the salt revenue, for this simple reason, that it would be totally impracticable to watch such a manufacture and store, over many thousands of miles of saliferous country, the greater part of which is covered with jungle. It is not evident, indeed, how any excise regulations could be applied to a manufacture so conducted.

3. But what you designate "a system of modified excise," has long appeared to the Board to be perfectly feasible, they would have been very glad to have seen such a system introduced when the 24 Pergunnahs Agency was first abolished; and in 1849—50 a proposition was submitted to government for making the experiment in Saugor Island, but the manner in which the suggestion was received put an effectual stop to any further agitation of the question. A plan which the Board have recently prepared, for the introduction of the system into some of the abandoned aurguns of the late 24 Pergunnahs Agency, is now under the consideration of Government, and the correspondence connected with it,* which is amongst the papers forwarded to you with my letter, dated the 13th instant, will put you in possession of the Board's views on the subject. In some other parts of the country, as for instance, in portions of the Balasore District, a similar system might without any difficulty be established; but in other salt-producing districts again, in which the salt grounds are scattered about among villages, and extend far inland, a system of excise could not, without great injury to the revenue, be introduced.

4. Whatever change of the kind is attempted must, it is clear to the Board, be introduced gradually, as private speculators may be found prepared to take up the field now occupied by Government, as otherwise there will be a risk of the supply of salt failing; but they see no reason why an excise system, such as they have proposed, should not be eventually extended, so as, in course of time, to admit of Government withdrawing altogether from any direct interference with the manufacture. To promote this desirable object, one of the members of the Board, Mr. Ricketts, thinks that encouragement should be given to private speculators to engage in the manufacture, by allowing them an advantage in the rate of duty levied on the salt made by them, but in this opinion Mr. Currie does not concur. The Molungees, the Board think, may well be left to take care of themselves, and to make their own terms with the master manufacturers.

5. You will observe in the arrangements suggested by the Board for carrying out their scheme for a manufacture of salt under excise, that no change is proposed (and they apprehend that no considerable change will be found practicable) in the strength and distribution of the existing preventive force; but additional establishments will be required, the cost of which however may probably not be greater than the proportion of the agency establishments charged to the general salt revenue, (*i.e.*, not included in the cost price of the salt of each agency) in accordance with the plan of adjustment recently approved by Government.

To G. Plowden, Esq.,
Commissioner of Inquiry on Salt.

* Board to Controller, dated July 29th.
Controller to Board, dated August 31.
Board to Government, dated 8th instant.

Salt.

H. Ricketts and E. Currie, Esqrs.

Paragraphs 2 and 3.
Board's opinion on the feasibility of a general system of excise, and the arrangements which would be necessary under such a system.

Paragraph 4.
Existing excise system.

6. The excise system as at present existing, is applied only to two sets of works, those of Narainpore and Goordah; at each there is a small establishment, under the control of the superintendent of salt chowkeys, to supervise the storage and delivery, which is easily managed, the brine (after being strengthened by evaporation in prepared fields) being boiled in iron pans in the immediate neighbourhood of the golah, and the produce passed at once into store. Accounts of the manufacture and the deliveries are of course kept by the excise officer. The duty is paid in the same manner as the price of Government salt. Should you require any further information on this subject, you can be furnished with the correspondence which preceded the introduction of the system.

Demand for Kurkutch
salt.

7. Solar evaporation salt, though cheaper than Pungah, is little used in Bengal, to the eastward there is no demand for it. It used to be sold at the Bullooah retail golahs, but there being a large stock of Arracan Pungah on hand, the latter was offered for sale, together with the Kurkutch, at an advance first of 4, and afterwards of 8 annas; even with this great difference of price the Pungah had a decided preference. Almost all the imported Kurkutch goes to Behar, where it is in general use. The consumption of the South of Cuttack,† is supplied by Kurkutch from the Chilka Lake, and in that province, wherever it can be had cheaper than Pungah, it would seem to be preferred to it. The Board are not aware of the reason for the small demand for Kurkutch in Bengal, but the fact is as stated.

Paragraph 5.
Retail Sales.

8. Annexed is a memorandum, showing the several chowkeys at which salt is sold retail, the prices at which it is sold, and the officers under whose management the sales are conducted. A copy is also herewith forwarded of part* of a correspondence, from which you will see that, in the Bullooah division, the retail sale limits have been greatly contracted, and the prices raised with a view to the eventual abandonment, in that superintendency, of the interference of Government, except in the islands of Sundeeep and Hattia. In the Jellalore division also, it is intended to reduce the limits within which salt is now sold by retail, a plan for that purpose being at present under the consideration of the Board. The annexed copy of the correspondence noted in the margin,† will explain the principle upon which this part of the business of the department is administered in Cuttack. The sales there would perhaps be more correctly designated as "local," than "retail" sales.

9. With regard to the question whether the sale of salt at reduced prices in certain localities is not a violation of the rule by which Government is bound to sell each description of salt, at a price equal to its actual cost plus the duty levied on Foreign salt, the Board desire me to observe that they are not aware that the Government has ever pledged itself, or has ever been expected, to give the rule such universal application, as would interfere with arrangements necessary for the proper administration of the department. As respects the general trade of the country, the rule has been rigorously adhered to, and this, the Board apprehend, is all that is required. The local exceptions are a question of expediency rather than of principle. It is quite certain that the markets which the retail sales at reduced rates are intended to supply, could never be available to the importer paying the full amount of duty.

10. In localities where salt is manufactured on account of Government, salt must either be supplied by Government at moderate rates, or the people must be allowed to consume untaxed salt. There is no other alternative. You ask whether the retail districts might not be left to be supplied by the rowannah merchants in the same manner as the rest of the country. The reply is, that no merchant would venture upon a market where he was almost certain to be undersold by the smuggler. The system is of course liable to abuse, and in Hidgellee and parts of Tumlook, beyond leaving the people without excuse for violating the law, it is probable that Government derives no great advantage from it. But in Chittagong and Cuttack, the case is far otherwise. In Chittagong, from its local circumstances, there can be little, or no, smuggling out of the district, and it adjoins Arracan, where the manufacture of salt is altogether free. If Government were to stop its sales, it cannot be doubted that an immense stimulus would be given to smuggling, the rowannah merchant would hesitate to occupy the abandoned field, and a large portion of the population would be literally compelled to consume illicit salt. The case is yet stronger as regards Cuttack, which is bounded on the south by the district of Ganjam, where salt is sold at one rupee per maund. At present all the country to the west and north-west as far possibly as Sirgoojeh, is supplied principally with Pooree Kurkutch and Cuttack Pungah. If the full Calcutta duty were levied on these salts, their export in that direction would cease, (except in so far as they might be smuggled without payment of duty) and their place would be supplied partly by untaxed

* Board to Government, April 29th last.

" " " July 29th following.

† Board to Government, dated July 31st, 1850,
Government to Board, dated August 15.

Board to Commissioner of Cuttack, dated August 26th.

‡ [Spelt "Kuttuk" in the Map, No. 11.]

salt from the westward, and partly by Ganjam salt, the profit upon which is considerably less than that on the Cuttack produce.

11. The Board are of opinion that, *so long as Government continues to manufacture*, local sales from Government depôts should be continued in the manufacturing localities. It is hardly necessary at present to consider what arrangement may be most suitable for Cuttack, in case of the excise system being eventually extended to that province.

12. This subject is treated generally in paragraphs 17, 23, of the printed Annual Report for 1852—53, to which I am directed to refer you. The Board hold to the opinion there expressed, that the only considerable amount of smuggling is from the manufacturing aurungs, and the agency depôts. It is of course much easier to prevent the manufacture of salt, than to prevent its fraudulent removal when manufactured. To what extent smuggling from the aurungs may be carried it is quite impossible to say. In Chittagong, it cannot be very considerable, because the quantity sold from the Government retail depôts is nearly sufficient to supply the consumption of the population, and there is small facility for smuggling out of the district. In Hidgellee, on the contrary, the greater part of the population of the district would seem to be supplied with illicit salt, and the case is the same with some parts of Tumlook. The seizures, too, which are frequently made during the manufacturing season by the agency officers, of dispatches of illicit salt, of from 5 to 10 maunds at a time, prove the existence of a contraband traffic of some extent. But there is a cordon of chowkeys under the superintendents of Jellasore and Midnapore, beyond the agency chowkeys, and from the rarity of important seizures in those chowkeys, Mr. Currie comes to the conclusion, that no very great quantity of salt finds its way beyond them. It is Mr. Ricketts' belief that very large quantities of salt are smuggled from the two agencies, and from the northern aurungs of Balasore, for he heard of smuggled salt wherever he went in Midnapore and the south western frontier.

Paragraph 7.
Smuggling.

13. There are better data for judging of the extent of smuggling from the agency depôts. Excess salt is certainly received into store, and that, in quantity more than sufficient to compensate for the somewhat short wastage allowance fixed by the rules of the department. But there is necessarily a limit to this excess; the Molunghees will give very good weight, but they would not submit quietly to any great exaction. The capacity of the store golahs too is pretty well known, and the informations of excess in store, which are not unfrequently made, rarely allege a surplus of more than 5 or 6 per cent. This sort of abuse is favoured by the provision of Regulation X, 1819, which allows an excess of 2½ per cent. over the rowannah quantity, in a despatch of salt to pass without penalty. The results of the weighments of cargoes seized on information of excess show, however, that the merchants are generally careful to keep within the allowed limit. The allegations of excess store are most frequent in regard to Tumlook and Hidgellee, but in the latter agency the general out-turn of the of the golahs weighed off for export to Sulkea, under the careful supervision of an European officer, is inconsistent with the supposition of the habitual receipt of a large excess. At Chittagong the weighment into store is conducted on a different principle, and is more exactly superintended than it can be in the other agencies. Taking all the deliveries from all the Bengal agencies into account, it may be safely assumed that the average excess delivery does not exceed from two to three per cent.

14. It is believed that there used to be formerly a good deal of smuggling from the sloops importing salt from Cuttack and Madras, on their way up the river, and of this there must always be considerable risk. But such arrangements as were possible have been made for checking the evil, and the general out-turn of the imports at Sulkeea, warrants the belief that they have been pretty successful.

15. The Board have no reason to suppose that any smuggling goes on at Sulkeea, and there is probably but little from the ships in the river, the rules of the Custom-house regarding salt cargoes being very strict, and, the Board believe, effective. Setting aside the just claims of the native manufacturers, there can be no question that the securest and the easiest way of raising a revenue from the consumption of salt would be to depend entirely on foreign supplies, imported in vessels of a tonnage sufficient to require pilots.

16. The Board continue of opinion for the reasons stated in their letter to Government, dated the 18th of March last (of which, and of the orders of Government in reply, a copy is transmitted,) that a reduction of the duty to rs. 2 per maund would be a desirable measure. But with reference to one of the questions asked by you in paragraph 7, I am to observe that the Board do not believe this reduction would have any considerable effect in checking smuggling, nor do they think that any reduction which could be made, short of the sacrifice of the greater part of the present salt revenue, would "render it not worth the while of smugglers to evade the tax."

Paragraph 8.
Change in the rate of
duty.

17. For an explanation of the nature of the Khullaree remissions, in 24 Pergunnahs and Bullooh, I am desired to refer you to Clauses 2, 4, Section 9,

Paragraph 9.
Khullaree rents.

Regulation I, 1824. The set off obtained by the assessment of such salt lands as could be traced, under clause 11 of that section, is, the Board believe, very inconsiderable. As these remissions are unconnected with the present question, you do not, the Board presume, require that the amount should be ascertained.* In Hidgellee and Tumlook the payment or remission enjoyed by the zemindars is called "salt moshaireh," and its nature is fully explained in the annexed copy of the resolution of Government, of the 30th of March, 1836. The Government is in possession of the salt and fuel lands formerly attached to these estates. The moshaireh has been declared permanent, and could not, the Board apprehend, be resumed without the consent of the parties, a consent which could be asked for only in the event of the lands being given over to them with permission to manufacture salt free of all restriction except payment of the Government tax.

18. Besides the moshaireh, of which a memorandum is subjoined, khullaree rents to the extent of rs. 18,442:6 are paid to the zemindars of certain settled estates in Hidgellee, and their nature is explained in paragraph 2 of the Board's letter to Government of the 27th of March last, a copy of which is herewith forwarded. The khullaree rents in Chittagong are paid from lands actually occupied by the salt department in accordance with clause 13 of the section already quoted, and may be given up at any time after due notice. The amount varies with the requirements of each season.

19. By the arrangement existing in Cuttack the zemindars receive $1\frac{1}{2}$ annas per maund on all salt manufactured; one-third of which is paid to Government as land revenue. This arrangement was the subject of much correspondence in 1842, and, on the 28th December of that year, it was ruled that, in the event of Government abandoning the manufacture, the abstract right of the zemindars consists only in a release from the salt jumma, and the free possession of the fuel lands. The question as it affects the Mehals settled on a quit rent or fixed jumma was left undecided. The Board's views regarding it may be learnt from their letter† on the contemplated abolition of the Astrung aurungs, of which a copy is forwarded.

20. There are no sort of data available for ascertaining the consumption of salt per head, nor is there any correspondence on that particular subject of later date than Mr. Parker's minutes. Inquiries have frequently been made regarding the price to the consumer in different districts, and the Board are now furnished with returns by the several Collectors, an abstract of the last of which is among the accompaniments of this letter. The Board are not aware of any late correspondence regarding adulteration, except a recent letter from the Commissioner at Patna, regarding the mixture of puckwah‡ with agency salt, the subject of which is still under inquiry. Regarding the production of this "puckwah" there has been a vast deal of correspondence; but the matter is altogether foreign to the present inquiry.

21. There has been no further correspondence on this subject. The intense avidity with which the cheap salt is brought up, as soon as advertised, proves the desirableness of some measure of the kind. The difference of quality in the different descriptions is small compared with the difference of price, and it so happens that under the present system what difference there is, is in favour of the cheapest salt.

22. When the province was conquered there was no salt tax in Arracan, and the Board conclude it has not been thought necessary or expedient to impose one.

23. Full information on the subjects referred to in these questions will be found in a correspondence which took place in 1849-50, of which a copy is appended. The only precaution against smuggling is the prohibition of the storage of salt on or near the Naaf. The export of salt to Bengal, except such as is purchased on account of Government, is not allowed. Indeed Arracan has no salt trade, except with Pegu, and an occasional shipment to Mauritius.

24. All salt purchased by Government in Arracan is transported to Chittagong, usually in craft belonging to the latter port, and under contracts entered into by the owners with the salt agent. The salt is either purchased at once from the manufacturers, or contracts are made with them for its manufacture by an officer employed for the purpose under the control of the principal assistant. No advances are made; the salt is paid for on delivery at the Government golahs at Kyouk Phyou.

25. The information asked for in this paragraph will be found in a letter from the Commissioner of the Tenasserim Provinces to the address of the Secretary to the Government of Bengal, dated the 11th of January, 1850, a copy of which is herewith forwarded.

I have, &c.

A. R. YOUNG,
Officiating Junior Secretary.

* It can of course be learnt at once by a reference to the Accountant.

† Dated September 14th, 1852.

‡ The salt produced by manufacturers of saltpetre, which is generally more or less impure.

Paragraph 10.
Consumption of salt;—
Price;—Adulteration.

Paragraph 11.
Suggestion of the Board
for the equalisation of
prices.

Paragraph 12.
Arracan salt. 1st. Why
consumption untaxed?
2nd. Whether any pre-
cautions against smug-
gling are taken in
Arracan?
3rd. What precautions
are taken there in re-
gard to exports?
4th. Regarding Govern-
ment purchases in
Arracan.

Paragraph 13.
Particulars of tax in
Tenasserim.

APPENDIX B.

Notes on the Manufacture of Salt in the Tumlook Agency, dated September 23, 1852, by H. C. HAMILTON, Esq., Salt Agent, selected from the Records of the Bengal Government.

Enclosures.

- No. 1.—Statement of Salt out-turn, during 1850, 1851, 1852.
- No. 2.—Statement showing the number of Khullarees, Choolahs, and Maidahs worked, and of Molunghees, Coolies, Boats, Bullocks; &c., employed within the Tumlook Agency; together with the quantity of Salt to be manufactured in each Hoodah.
- No. 3.—Statement showing the number of Golahs stored and cleared of Salt of the manufacture of 1257 S.S., or 1850—51, at Ghaut Narainpore.
- No. 4.—Statement showing the number of Golahs stored and cleared of Salt, of the manufacture of 1258 S.S., or 1851—52, at Ghaut Narainpore.
- No. 5.—Statement showing the number of Hoodahs, Khuttees, Choolahs, Molunghees, &c., within the Tumlook Salt Agency, in 1259 S.S., or A.D. 1852—53.

APPENDIX B.

Notes on the Manufacture of Salt, in the Tumlook Agency, by
H. C. HAMILTON, Esq., Salt Agent.

Tumlook Salt Office, Midnapore, September 23, 1852.

The station of Tumlook, where the head quarters of the agency are fixed, is situated on the west bank of the River Roopnarain, and is distant up that river about 10 or 12 miles from its junction with the River Hooghly. By land it is 45 miles south-west from Calcutta, and from Midnapore about 40 miles. The agency, as at present constituted, is comprised of five aurungs, or manufacturing districts. It is bounded on the north and east by the Rivers Roopnarain and Hooghly. It extends from a few miles north of Tumlook to the Talputty Khaul,* within 4 miles of Kedgerree. To the south it is bounded by the northernmost Pergunnahs of the Hidgellee Agency, and to the west and south-west by the Chabookya river, a continuation of the Tengreekhaly and Huldee rivers, which divide Tumlook Proper from the three southern aurungs, Goomghur, Aurunganuggur, and Jellamoottah.

Boundaries and extent of
the agency.

2. The five aurungs are noted on the margin. The three latter were in 1848—49 transferred to this from the Hidgellee Agency; and the two former, since the agency was established, have been its principal manufacturing districts.

Aurung Tumlook.
„ Mysaudul.
„ Jellamoottah.
„ Aurunganuggur.
„ Goomghur.

3. The salt manufacture is carried on on the west bank of the River Hooghly, above Kedgerree, and on either side of the rivers Huldee, Tengreekhally, and Roykhally. The khullarees, or manufactories, are situated on both sides of

Salt, where manufac-
tured.

* A Khaul is either a natural creek or an artificial canal.

these large rivers, and on the banks of the numerous canals and creeks which are fed by them, and intersect the whole country comprised within this agency.

Capability of Agency.

4. These five aurungs, in favorable seasons, are capable of yielding during one season from 9 to 10 lacs of maunds* of salt. The largest quantity ever manufactured was in 1851, corresponding with 1258 S.S., when it reached 9,21,835 maunds.

The Taidad, or quantity of salt fixed for the season's manufacture, and its distribution (Sowdah) among the aurungs.

5. The "Taidad" is regulated according to the probable demand of the Calcutta Market, with reference to the stock in hand and the quantity expected from Liverpool and other places beyond the sea. It is fixed by the Board of Revenue from year to year, but during the last three years it has varied very considerably, rising or falling according to the imports into Calcutta, and other circumstances. In the subjoined statement the distribution of the Taidad among the several aurungs is exhibited, and the quantity of salt which was produced in each aurung during that period is also shown.

Pergunnahs.	Distribution of Taidad, or the Sowdah fixed, in			Actual Manufacture in		
	1850.	1851.	1852.	1850.	1851.	1852.
Tumlook	1,85,000	2,50,000	2,50,000	2,55,714	2,85,134	2,09,725
Mysaudul.....	1,85,000	2,75,000	2,50,000	2,67,960	2,65,172	2,03,454
Jellamoottah ..	65,000	1,50,000	1,20,000	1,23,066	1,47,142	1,12,605
Aurunganuggur	65,000	1,50,000	1,00,000	1,22,208	1,21,390	1,00,175
Goomghur.....	50,000	75,000	80,000	74,318	1,02,996	80,736
Total Mds...	5,50,000	9,00,000	8,00,000	8,43,269	9,21,835	7,06,695

6. For next season, or 1852—53, the Taidad has been fixed at only 7 lacs of maunds, and it has been distributed among the several aurungs as per margin.† It is probable, however, that the manufacture will be increased to a much larger extent, as there is a very ready sale for the salt of this agency.

The price of the salt.

7. For some years, the price which has been paid to the Molunghees, for the salt manufactured by them, has been fixed at 7 annas‡ per maund. For the ensuing season, it has been reduced to 6½ annas the maund of 80 tola weight, in aurungs Tumlook and Mysaudul; and to 6 annas in the three other aurungs which are situated on the south bank of the rivers Huldee and Tengreekhally. The reason for this difference in the price will be obvious, when it is considered that the molunghees of aurungs Mysaudul and Tumlook generally experience greater difficulty in clearing and preparing their "chattur," or salt lands, as well as in procuring fuel, than their brethren in the other aurungs. Their khullarees, too, are for the most part situated on khauls running inland, and at a greater distance from the large rivers. This is particularly applicable to Tumlook, but not to so great an extent to Mysaudul, where a further alteration in the price will, in all probability, be recommended on a future date.

8. It has been stated above that the Government give 6 and 6½ annas per maund, as the case may be, for every maund of salt which is delivered to our officers in the aurungs; but besides this cash payment, the several molunghees (manufacturers) receive gratuitously from the department certain grants of land in proportion to the extent of their khullarees, not only to enable them to establish their khullarees and "chattur" or salt lands, but also that they may supply themselves with fuel from the jungle, grass, and low brush-wood, which

* One maund equals 80 pounds Avoirdupois nearly.

†	Pergunnahs.	Sowdahs.
Tumlook	2,10,000
Mysaudul	2,10,000
Jellamoottah	1,00,000
Aurunganuggur	1,00,000
Goomghur	80,000
	Total Maunds ..	7,00,000

‡ For net charges, &c., see Inclosure No. 1.

grow spontaneously upon it, in some places close to their khullarees, in others at a mile or so distant from them.

9. From the early records it appears that when the privilege of manufacturing salt was taken out of the hands of the zemindars of the district, and monopolized by Government, the Government received from the zemindars of pergunnahs Mysaudul and Tumlook large tracts of jungle and waste land for their manufacturing purposes, allowing them in lieu remissions in the rent of their permanent settlement, as, also a monthly allowance usually termed "moshaireh," the former as a consideration for the land actually appropriated by Government, and the latter as compensation for the withdrawal of the manufacture of salt from within their respective zemindaries.

Compensation and Moshairah allowance granted to zemindars for the abolition of their salt manufacture, as well as for certain jungle lands appropriated by Government.

10. The above lands are now known in this district as "julpye," or fuel lands, and under that term are included such portions as have, from time to time been either cleared for the khullaries and chatturs, or (where they were found not to be required for the salt manufacture) let out on conditional leases in small parcels, or "chucks."

The Julpye or fuel lands.

11. The extent of julpye land at present claimed on the part of Government, in the several pergunnahs and aurungs, is represented to be:

	BGS.	C.	P.
In Pergunnah Tumlook	16,867	1	0
" Mysaudul	29,787	10	0 $\frac{3}{4}$
" Jellamoottah	10,178	0	0
" Aurunganugur	6,699	14	0 $\frac{3}{4}$
" Goomghur	17,646	10	0 $\frac{1}{2}$
Total	81,178	16	0 $\frac{3}{4}$

12. In pergunnahs Tumlook, Mysaudul, Aurunganuggur, and Goomghur, these lands are the exclusive property of Government; for those in pergunnah Jellamoottah, Government pays rent rupees 3,692 per annum to the zemindar. The amount of "moshaireh" or compensation annually paid to the zemindars of pergunnah Tumlook for the julpye situated in that aurung is rupees 15,671, and to the Raja of Mysaudul for those comprised in pergunnahs Mysaudul, Aurunganuggur, and Ghoomghur, rupees 22,121.

Amount Khullaree rents and Moshairah paid to zemindars.

13. For several years these julpye lands have been a continual cause of dispute between the agency officers and the zemindars, whose lands adjoin them; a large sum has been expended in their demarcation, but with little or no result in pergunnah Mysaudul, in consequence of the intrigues of the salt officers with the Raja of Mysaudul, who is also zemindar of three of the five pergunnahs comprised in this agency. The original khusra and measurement papers of the late Mr. Mason, on account of the year A.D. 1801, (by which alone the area and boundaries of these lands could have been perfectly identified), are not forthcoming, but such lands in pergunnah Mysaudul as were found by Lieutenant Mathison's survey to be in the undisturbed possession of the Department, are now to be marked off by the revenue authorities of Zillah Midnapore, by embankments or masonry pillars, as belonging to the State, all other parcels being given over to the zemindars. This proceeding will, it is hoped, put an end to further contention.

Disputes regarding the Julpye lands and the probability of their settlement.

14. It has been for some time an object with this agency to concentrate its khullarees, as much as possible, on the banks of large rivers, or where such is not practicable, to fix them on khauls in their vicinity, in order that the "doolye," or transport operations, may be facilitated and expedited. In carrying out these arrangements, some portions of the "julpye" lands situated at a distance from the khullarees have been given up, though from them Government now derives an increasing revenue, by letting them out on short and easy leases, as mentioned in paragraph 10. The income derived from these cultivated lands, and other miscellaneous sources, amounts to rupees 1,530 per annum, as shown in the subjoined statement, in which are distinguished the "julpye" lands, in the possession of molunghees, from such as are left under charge of the agent. The statement also shows the average rate at which these lands are allotted to the khullarees and choolahs. No great dependence can, it is feared, be placed on this latter calculation, as the same system does not prevail in any two of the pergunnahs, and much depends upon the capabilities of the fuel lands, and their distance from the khullarees. The average, however, in five aurungs appears to be beegahs 24-14-3 per khullaree.

Concentration of Khullaries on the banks of large rivers and adjacent khauls.

Pergunnahs.	Specification of Julpye lands				Revenue derived from Julpye lands, less out, including fisheries, ferries, &c.	Average Quantity of Julpye land allotted to Molunghees calculated on their.			
	Distributed among Molunghees.	Cultivated and otherwise appropriated.	Puttee and waste.	Total Julpye.		Khullarees.		Choolahs.	
	Bgs. C. P.	Bgs. C. P.	Bgs. C. P.	Bgs. C. P.		Total Khullarees.	Average Bgs. C. P.	Total Choolahs.	Average Bgs. C. P.
Tumlook	14,297 10 0	339 9 0	2,230 2 0	16,867 1 0	690 15 6	696½	20 13 4 0½	823	17 7 7 0½
Mysaudul	19,809 11 0	...	9,977 19 12	29,787 10 12	...	697½	28 7 13 0	768	25 15 11 0½
Jellamoottah	6,628 0 0	879 4 0	2,670 16 0	10,178 0 0	486 0 10	285	23 6 0 0	282	23 10 0 0
Aurunganuggur...	6,885 17 10	227 7 10	86 9 2	6,699 14 6	143 2 8	291	21 18 14 0	291	21 18 14 0
Goomghur	7,912 0 0	8 14 12	9,725 15 6	17,648 10 1	10 11 0½	270	29 6 0 0	270	29 6 0 0
Total	55,032 18 10	1,454 15 6	24,691 2 3	81,178 16 3	1,530 14 0½	2,240½	123 10 13 0½	2,434	117 18 0 6½

Subdivision of aurungs or pergunnahs into Hoodahs.

15. It has been remarked above that this agency is divided into five manufacturing districts or aurungs, and these aurungs, I should state, are subdivided into numerous "hoodahs," or independent jurisdictions, which are placed under the immediate charge of mohurirs, aided by zilladars, chuprassees, and auduldars, some of whom are employed temporarily, and others permanently, to superintend the manufacture, and preserve the julpye within their respective divisions. The whole of these establishments are subjected to the control of a pokhtân or manufacturing daroga, who is responsible for the efficient general management of the aurung under his charge; and to enable him to be constantly moving about, each daroga is allowed a palkee or bearer's allowance for ten months of the year, at the rate of rupees 15 per mensem.

Establishments.

16. To supervise so large a manufacture as from five to nine lacs of maunds of salt, the establishments are necessarily expensive, though they have been during the past few years reduced, as far as is compatible with the efficient working of the agency. On the margin* are given the fixed establishments of each aurung. The "arye pykes" are commonly known as "shikarees," their duty being to destroy wild buffaloes and wild pigs, which are most destructive to the "julpye," and abound throughout the aurungs.

Mofussil bungalows.

17. There are also in different parts of the agency small bungalows for the accommodation of the agent and his assistant, during their periodical and occasional tours, though no establishment beyond a sweeper, who is required also for the purposes of each catchery, is entertained at them.

Salaries.

18. The salaries of the pokhtân, or manufacturing darogas, are 80 and 50 rupees a month each, and those of the Mohurirs rupees 5, 10, and 12 each, according to the nature of their duties.

The hoodahs, and establishments entertained in each.

19. There are thirty-seven hoodahs comprised within the five aurungs, viz., four in aurung Tumlook, seven in Mysaudul, nine in Jellamoottah, eight in Goomghur, and nine in Aurunganuggur. Temporarily, during the manufacturing season, the establishments enumerated below are entertained, and these are distributed and located in divisions in different parts of the aurungs, under the charge of mootyan or independent mohurirs. Those officers who are connected with the manufacture are paid for nine months in the year, and those who are concerned in the weighment and transport operations, from five to nine months, according to circumstances; a certain number, however, of the zilladars, chuprassees and pykes are required, and supposed to do duty throughout the year, without any extra pay.

Pergunnahs.	Darogas.	Karkoon and Mohurirs.	Chuprassees and Sirdars.	Arye Pykes.
Tumlook	1	4	3	1
Mysaudul	1	4	3	1
Jellamoottah	1	4	6	1
Aurunganuggur	1	4	5	1
Goomghur	1	4	8	1

Designation of Officers.	Pergunnah Tumlook.		Pergunnah Mysaudul.		Pergunnah Jellamoottah.		Pergunnah Aurunganuggur.		Pergunnah Goomghur.		Grand Total.	
	Number employed.	Total Salary for period employed.	Number employed.	Total Salary for period employed.	Number employed.	Total Salary for period employed.	Number employed.	Total Salary for period employed.	Number employed.	Total Salary for period employed.	Total Number.	Total Salary.
		R. A. P.		R. A. P.		R. A. P.		R. A. P.		R. A. P.		R. A. P.
Julpye Mohurir	1	60 0 0	..	..	..	..	..	..	..	..	1	60 0 0
Arye Pyke or Shikaree	1	36 0 0	1	36 0 0	1	36 0 0	1	36 0 0	1	36 0 0	5	180 0 0
Dawk Chuprassee	1	30 0 0	1	30 0 0	1	30 0 0	1	30 0 0	1	30 0 0	5	150 0 0
Ditto ditto	1	22 8 0	2	45 0 0	1	22 8 0	1	22 8 0	1	22 8 0	6	135 0 0
Mohurir	1	72 0 0	..	..	..	..	..	..	..	..	1	72 0 0
Zilladar	10	400 0 0	9	360 0 0	9	360 0 0	9	360 0 0	8	320 0 0	45	1,800 0 0
Chuprassees.. .. .	4	90 0 0	4	90 0 0	1	30 0 0	4	60 0 0	..	..	13	270 0 0
Ditto	6	105 0 0	3	52 8 0	..	..	2	25 0 0	..	..	11	182 8 0
Pyke	14	196 0 0	13	182 0 0	..	..	..	..	..	..	27	378 0 0
Sirdar	7	122 8 0	7	122 8 0	..	..	..	..	..	..	14	245 0 0
Aduldar	32	640 0 0	32	640 0 0	27	540 0 0	27	540 0 0	24	480 0 0	142	2,840 0 0
Bhanga Mohurir	8	240 0 0	9	270 0 0	4	120 0 0	5	150 0 0	4	120 0 0	30	900 0 0
Kyals	8	160 0 0	9	180 0 0	4	80 0 0	5	100 0 0	4	80 0 0	30	600 0 0
Chapadars	48	500 0 0	45	450 0 0	20	250 0 0	25	312 8 0	20	250 0 0	158	1,762 8 0
Barbudyary Mohurir.. .. .	1	60 0 0	1	60 0 0	..	..	..	..	..	..	2	120 0 0
Naib ditto	1	30 0 0	1	30 0 0	..	..	..	..	..	..	2	60 0 0
Churrundars	9	112 8 0	12	150 0 0	9	112 8 0	8	100 0 0	10	125 0 0	48	600 0 0
Roojoonoveesh	3	135 0 0	3	135 0 0	2	90 0 0	2	90 0 0	2	90 0 0	12	540 0 0
Golepahurry	2	25 0 0	2	25 0 0	2	25 0 0	2	25 0 0	..	..	8	100 0 0
Pawnsway, or Boats .. .. .	..	19 8 0	..	..	..	70 0 0	..	..	..	..	..	89 8 0
Chuprassees.. .. .	1	12 8 0	..	..	1	15 0 0	..	..	..	..	2	27 8 0
Crossing Ghaut .. .. .	..	..	..	..	..	..	..	8 0 0	..	..	..	8 0 0
Auxiliary Chowkey Officers to watch } suspicious places	4	84 0 0	4	84 0 0
Head Chapadars	9	112 8 0	9	112 8 0
Total	163	..	163	..	82	..	92	..	75	..	575	11,316 8 0

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- Duties of zilladars and other subordinate officers. 20. A zilladar is required to visit daily every khullaree in his beat, to take an account of the salt actually manufactured by each molunghee, and, after entering it in his register, to forward it weekly to his immediate superior, the mootyan mohurir, who passes it on to the daroga. These mohurirs are next in rank to darogas, and are obliged to keep daily registers or diaries of their proceedings, and of any occurrences that may happen; they are also required to be constantly on the move within their divisions. The chuprassee remains among the khullarees under his charge, sees that the molunghees, coolies and others are present, and reports errors of omission and commission on their part to the mohurirs. The pykes and chowkeydars are variously employed. The diaries sent in by these mohurirs are regularly checked in the office, and it is the peishcar's duty to examine and report anything which may appear irregular, or requiring special notice. The darogas forward their accounts periodically to the agent. These accounts are carefully examined by the head accountant at the Sudder Office, and with him rests the responsibility of seeing that they are correct in figures and totals, as by them the advances are regulated, and the manufacture is carried on or stopped, as may appear advisable.
- Their diaries.
- System of keeping accounts, and the mode of supplying funds. 21. The salt accounts are kept from October to September. Funds are remitted on the application of the agent, (who is guided by the state of the season,) either from the general Treasury or from the Collector of Midnapore, and are usually supplied during the months of November, January, March and May. The agent, with his head quarters, leaves Tumlook as soon as the salt is all stored at Ghaut Narainpore, either for Calcutta or Midnapore, and as soon as the season will allow, he returns to the station, the climate not admitting of his remaining there during the rains.
- Commencement of season's operations. 22. The operations of the season commence usually with the issue of the first advance of cash to the molunghees; the manufacture follows in December, weather permitting, and ends with setting in of the rains, or as soon as the taidad is completed. The molunghees, in conjunction with the mofussil amlah, fix upon some lucky day for commencing their manufacture, or in other words, lighting their choolahs or fires; but the agent puts them out, or closes the manufacture, whenever he pleases.
- Advances, and the system adopted in regulating them. 23. The advances are calculated either upon the number of men each molunghee engages to assist him in carrying on his manufacture, or on the quantity of salt he contracts for. In aurungs Tumlook and Mysaudul, the molunghees receive their advances at the rate of rupees 3 for each cooly, and 1 rupee per choolah. In aurungs Goomghur, Jellamoottah, and Aurunganuggur, the other system prevails, the advances being calculated at the rate of 7 rupees per 100 maunds contracted for by each molunghee.
24. The first advance takes place during the last week in November, or early in December, in the presence of the agent or his assistant.* The second is called the ghas or fuel dadun (payment,) and is made in January or February, when care is taken that the advance shall be in proportion to the means of the manufacturer, with reference to his fuel store, the coolies he has engaged, the productive qualities of his khullaree and his other preparations, a rough calculation of the salt actually manufactured by him being at the same time taken. The third advance is usually applied for in April, and is, in fact, an unadjusted cash-payment on account of salt delivered to the agency officers; the season being then so far advanced that the weighments are going on, and each manufacturer's stock in hand is tolerably well known. The last, or fazil, dadun is a settlement of the accounts of each manufacturer.
- Settlement of molunghees' accounts, and close of season's operations. 25. As soon as orders are issued to close the operations of the season, all choolahs and boiling-pots are broken up, and an account current, according to a hath-chittat in the possession of each molunghee or manufacturer, is made out. Agreeably to this account, he receives any balance of cash which may be found to be due to him for salt delivered. This settlement occurs either in May or June, and is a busy time, as the agent is obliged to be careful that no balances are left outstanding on his books, (a thing unknown for the last twelve years), and that each manufacturer receives his proper dues.
- Hath-chitta. 26. Great care is taken in paying out the advances. The daroga and sudder officers fill up for each manufacturer, according to his *sowdaputtur* or agreement, a printed ticket or hath-chitta, (supplied from the office), in which are entered his name, number, hoodah, aurung, quantity of salt he contracts to manufacture, &c. These hath-chittas are all sealed and signed by the agent or his assistant, and English registers are kept in the office containing the names and particulars of every molunghee, the number of coolies he engages to employ, &c., &c.
- Advances where and how made. 27. When an advance is to be made, the pokhtan darogas, with a portion of their establishments, come into the sudder office in divisions, together with the molunghees of their respective aurungs. These are collected in a large verandah, where each molunghee delivers up his hath-chitta, which is passed on

* See paragraph 27.

† See paragraphs 26 to 28.

to the head mohurir sitting near the treasurer, who examines and enters it in his accounts. The hath-chitta is then made over to the treasurer, who notes it down and gives it to the poddar to be cashed. The sheristadar or peishcar, in turn, sits among these officers. Each molunghee is called up before him, receives and examines his money, and when satisfied that he has been paid in full, retires to an adjoining room. There he waits until one hoodah or a sufficient number of molunghees are collected. The hath-chittas are then taken from the molunghees and arranged consecutively; and on each molunghee being called by name, he appears before the agent or his assistant, (relieving each other), and is required to show his cash, and state the amount received by him. This done, the agent or his assistant, as it may be, signs the hath-chittas, enters the amount paid in an English register, which is kept for the purpose, and returns the hath-chitta to the molunghee, who takes it away home with him.

28. The same process goes on at each advance payment, and the agent thereby has an opportunity of hearing any complaints which parties interested in the manufacture may wish to make known to him. Contrary to common belief, molunghees are anything but a poor weakly race; they live, it is true, in a low country surrounded by malaria, but they have very few grievances. No doubt they are thankful to receive the Government money, but their profits are not sufficient to support them and their families, and hence they all cultivate rice either for themselves or their zemindars, besides manufacturing salt for Government. There is no difficulty experienced in keeping their accounts, and all payments as well as all weighments of salt received from a molunghee, are regularly entered in his hath-chitta, which he retains in *his own* possession as a check against the agent, no other account or payment being valid or binding him or Government.

29. The manufacturer is commonly called the molunghee, but the terms Etimam, Jr., Chooleah, and Muzzoor or Coolie, are also applied to the manufacturers. These may be distinguished as the contractor, his superintendent, and his common hired labourer, and they all work in the khullarees more or less.

30. A reference to the records shows that employment is daily given, in the manufacture alone, to no less than 2,303 molunghees and 14,707 coolies.

31. There is for the mofussil weighments an establishment of 218 men, and at each set of scales there are employed one hhangah mohurir, one kyal and six chappadars, besides molunghees, and others to fetch and carry the salt from the heaps to the scales.

32. In transporting the salt from the mofussil to the golahs or stores at Ghaut Narainpore, upwards of 500 boats and as many bullocks are engaged; these, on an average of five men to a boat, and one driver to five bullocks, give employment to 2,600 men; so that during the greater portion of the year upwards of 20,000 registered men (see margin),* besides their families and dependants, find employment under Government in this agency alone. In the tabular statement forming Enclosure No. 2, the above particulars in detail, besides other information, which may perhaps prove useful, are given.

33. In carrying on the manufacture, there is a good deal to contend with. Heavy rains and unseasonably high or low tides greatly impede it. The produce is also affected by fogs and cloudy or hazy weather. At the early part of the season, (as has been elsewhere remarked), especially in December and January, the manufacture is occasionally delayed by the tides not rising sufficiently high to fill the *joorees* (reservoirs), and to afford a supply of water for filtration through the *maidahs* (filterers). Again at the *sajun*, (the season during which the salt lands are prepared), should the spring-tides fail to rise sufficiently high to flood the chatturs, or should rain fall before the submersion is effected, much delay and great loss of time and labour are sustained by the molunghees. If, moreover, the tides from the prevalence of southerly winds are unseasonably high in December and January, and inundate the land, the result is equally injurious, as the water is at this season somewhat fresh.

34. In order, however, to prevent the admixture of fresh water from the hills, with that brought up by the spring tides, it is necessary to construct embankments or dams (besides the large dam across the Pertaubkhally at Ghaut Narainpore) across the Roykhally and another small river, the Kalleaghye.†

The general condition of molunghees and the opportunities given to them to make known their grievances.

Descriptions of manufacturers.

The number of molunghees and coolies employed. Mofussil weighment establishments.

Boats and bullocks employed in our transports.

Operations, how likely to be affected.

Precautions taken.

* Molunghees.. .. .	2,303
Coolies	14,407
Boat people.. .. .	2,500
Bullock drivers	100
Temporary Establishment	575
Purtal or weighment ditto	340
Fixed ditto at Golahs	100
Total	20,325

† The Kalleaghye river is a continuation of the Chaboorkya and Tengreekhally rivers, or rather the *Huldee* itself, which changes its name three or four times in its course from West to East, until it falls into the Hooghly.

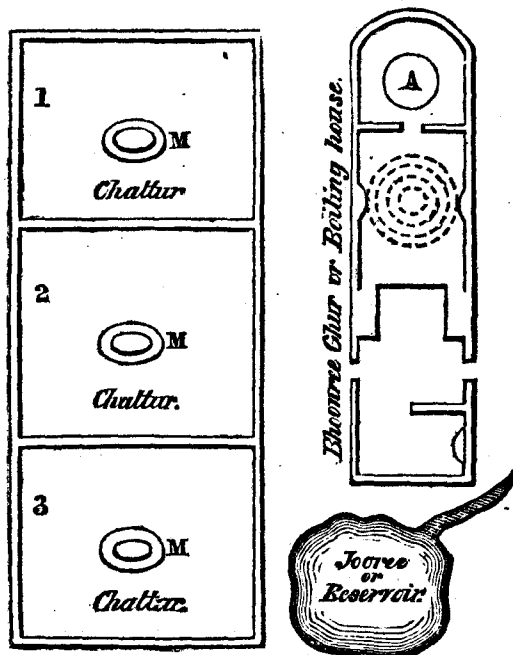
This is done at an expense yearly of about 700 rupees, but often to no purpose, for, should there be heavy rain in January, this bund is very liable to be carried away, when considerable interruption and injury occur to the department. The agent, however, guards against this danger to some small extent, and places the dam well up the river, at a spot where a small branch nulla affords an outlet for any sudden excess or accumulation of water. The width of the dam is made equal to the breadth of the river where it is to be thrown across, and by means of it, numbers of chattur, or salt fields, which would otherwise be left dry, are well saturated with salt-water, and the doolye operations of the season are in every way facilitated. This dam should not ordinarily be constructed until the river water becomes salt, or about the end of January. Up to that time, an outlet is required to allow of the complete drainage of the country on either bank of the Roykhally river, and the commerce of the country by this river route is not unnecessarily stopped by the dam being made at this period.

The salt manufacturing process.

35. Now will be described the process which is observed in the manufacture of salt in this agency; an explanation will be given of the several terms usually met with in the department, as well as of the mode in which each individual connected with it is employed; and in better illustration of the whole, a few sketches of the implements used by the molunghees, together with plans of their boiling-houses, &c., will be added.

A ground plan of a khullaree, with its maidahs, boiling-house, jooree, &c., &c.

36. A *khullaree* is the spot of ground which is appropriated by the molunghee or manufacturer for his salt-manufacturing purposes: it varies from one-half to three biggahs in extent, according to the number of chattur, or salt fields, he can manage to prepare and look after. Having selected a suitable spot of ground, the



molunghee divides it generally into three equal portions, and commences to clear it of every particle of jungle and grass, pulling up the roots, and removing the surface or upper stratum to the depth of a few inches; this soil with the grass, roots, &c., he places all round the fields, or chatturs, forming therewith a sort of bund or embankment, which he makes use of for confining the salt-water, with which he at various times submerges these fields. Great care is, and should be invariably, taken in clearing the chattur lands; for, the good colour and quality of the salt which is produced thereupon, will mainly depend upon this being done effectually. The lands are consequently frequently ploughed

and dug up during the rains in July and August, as well as afterwards in October; and a good molunghee, carefully watched by the pokhtan officers, will not allow a weed or vegetation of any sort to be seen on his chatturs. After ploughing, the lands are levelled by a *möye*, or lump-crusher, which is drawn over them by two bullocks with the molunghee or his cooly standing on it. By means of this *möye* all hard particles of earth are crushed and smoothed off, and the fields are then left to the action of the solar rays for five or six days, by which time the saline components of the earth rise to the surface, and are easily visible to the practised eye of the molunghee, in the shape of small blisters which, on being touched, crumble immediately to powder; and then commences what is usually called the ripening of the crop.

The *chappur* process.

37. When the field has arrived at this stage of ripeness, it is trodden down until it is quite even, by seven or eight men placing their feet close to each other, and moving sideways, or up and down in the field in every direction, so that every square inch of ground receives the impression of the men's feet and the weight of their bodies. This process is called *chappakurna*.

The material from which salt is manufactured.

38. About seven or eight days after this process, and a further exposure to the solar rays, all the moisture of the ground is evaporated, and the saline earth becomes as dust on the surface, impregnated with salt, and forms the material from which the salt is manufactured.—*Vide* paragraph 43.

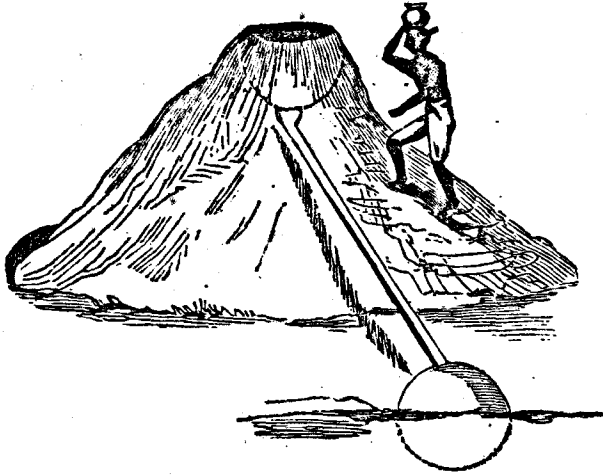
39. In each chattur, at a convenient spot, is dug a reservoir or *jooree* to contain the quantity of salt-water necessary to carry on the manufacture; the molunghee has to be careful in keeping this *jooree* well supplied from the adjacent river or canal on each returning spring-tide, and to effect this he excavates a small drain communicating with the river or canal, through which the salt-water is conveyed at high water spring-tides into the reservoir.

40. For this *jooree* and its drain, from two to four cottahs of land are required, and it is dug to the depth of four or five cubits, one supply lasting for about twenty days' manufacture. During the rains this reservoir or *jooree*, and its drain of course, become filled with fresh rain-water, but about the end of September the molunghee bales it out, clears away the salt that has accumulated, and replenishes it with salt-water from the first springs in October or early in November.

Size of *jooree*.

41. The *chattur* having been explained, the *maidah* next requires to be described. It is prepared in the following manner:—

The *maidah* or filterer with its *koonree* and *nad* attached.



reed or bamboo to connect the basin with the *nād*, or receiving vessel, and which is intended to act as a pipe to draw off the brine from the former to the latter. This *nād* is capable of containing from thirty to thirty-two ghurrahs of salt-water, and is attached to the *maidah*.

42. Over this *koonree* is laid a light bamboo frame, upon which is placed a layer of straw, and on that again a stratum of the *chattur* saline earth is thrown, and stamped down hard with the feet.

43. The molunghee with his coolies scrapes the saline earth (see paragraph 38) from the surface of his *chattur*, or salt field, with a scraper called a *khoorpa*, composed of a piece of iron with two wooden handles; he holds this in his hands, and seated on his hams, collects with it all the earth within his reach and around him into small heaps, about five or six feet apart; when several of these heaps are collected, they are carried to the *maidah* in quantities of one-half to two maunds at a time by two men, on a frame-work made of two bamboos and rope network; the men walk up the side of the *maidah* with these *jhoolahs*, and throw the earth over into the hollow or basin of the *maidah*, until it is filled to the brim: twenty-eight to thirty-six loads suffice to do this. Afterwards three or four men stamp it well down with their feet, and throw upon it about eighty ghurrahs* of salt-water, brought from the adjoining *jooree* or reservoir, already described. This quantity of water is, however, poured on the *maidah* at intervals, so as to ensure its not overflowing, but percolating gently and emptying itself, charged with the saline properties of the saline earth already there, through the reed pipe into the *nād* or reservoir (see plan above), near the base of the *maidah*. The above quantity of water is calculated to fill the *nād* with about thirty-two ghurrahs of strong brine ready for boiling.

44. After the saline earth has thus been partially deprived of its saline properties, it is taken out by the molunghees in their hands and thrown outside and around the *maidah*, and this refuse earth or *nād* is afterwards found to be useful as a manure, and is scattered by the molunghee over his *chattur*, with the view to increase its fecundity as a salt producing field.

45. From the aforementioned *nād* or receiver near the *maidah*, the molunghee carries the brine in a *banghy* over his shoulder in two gurrahs at a time, and pours it into the *thannah nād* or receiver, previously prepared, which is made capable of holding thirty to forty ghurrahs, and is close to, or outside, the boiling house, where he allows it to settle for about twenty-four hours to precipitate all impurities previous to its being removed for boiling. This is a very important matter, and unless it is carefully attended to, the salt will not turn out pure. When sufficiently clear, it is baled out with ghurrahs and carried into the boiling-house.

Thannah nad or brine receiver.

46. Towards the end of February, or early in March, if the manufacture has been progressing satisfactorily, the *chattur* lands from frequent scrapings become impoverished, and their saline properties nearly, if not entirely, exhausted.

The *doosra sayun*.

* The ghurrahs used by the molunghees are the largest sized red ghurrah, each capable of holding about three and a-half gallons.

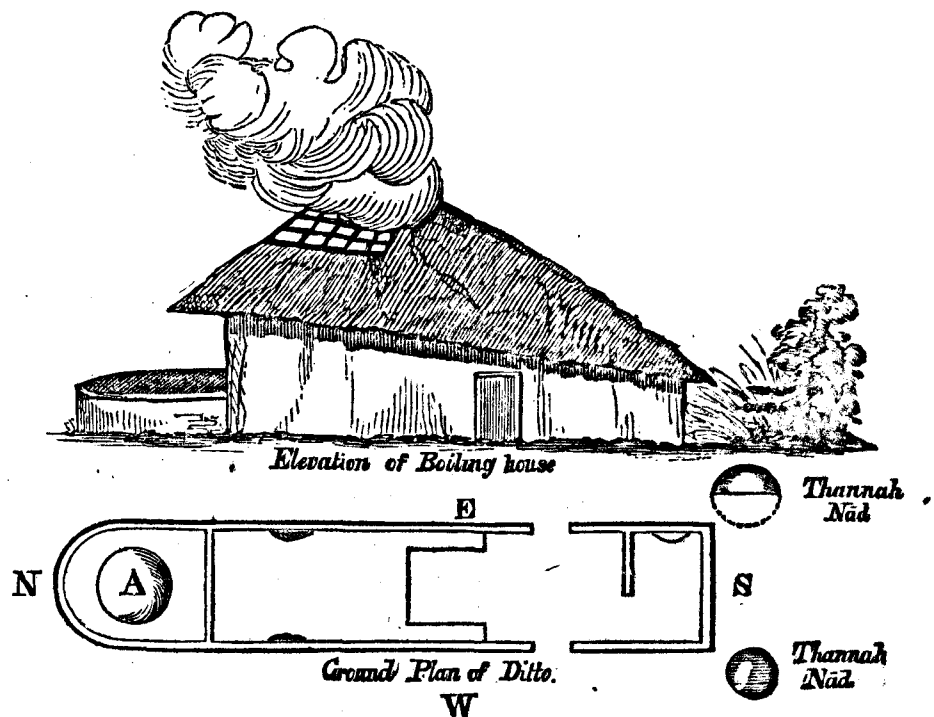
The chatturs then require to be renewed, in order that fresh salt earth may again be collected for replenishing the *maidah*; and then commences that part of the season called the *doosra sajun*, which signifies the re-preparation and re-impregnation of the chattur lands with salt through the medium of submersion. At this period, the same process of weeding, digging, ploughing, smoothing, &c., is had recourse to, as during the month of November, and the old worked-up *maidah* earth, as well as all other refuse from drains, &c., are thrown over the chatturs to increase the strength of the briny soil; after which the spring tides from the nearest rivers are allowed to come in and steep them. At this season (March and April) the river water is more brackish than earlier, and the operation of submersion is repeated three or four times according to the nature of the soil. Once or twice will suffice to saturate and renovate the new earth, if the chattur happens to be near the large rivers where the water contains a larger quantity of brine and saline matter; but it is had recourse to as often as four or five times, when the khullarees are situated a long way inland. If at this rather critical season the lands are properly prepared, and no rain should fall whilst undergoing the process, the chatturs are considered to have imbibed sufficient saline saturation to admit, with occasional submersions during April and May, of their yielding salt till the following February.

Thannahmuttee.

47. The *sajun* occupies nearly a month, during which little salt is made excepting from the *thannahmuttee*, which is an important matter, and should not be overlooked. By this term is meant surplus earth prepared on the chatturs, but which is not immediately required for use, and is collected in heaps in reserve for manufacturing purposes, during wet weather, or whilst the crop or *doosra sajun* is getting ready. The total manufacture in one day during a favourable season, in the five aurungs, has been as much as 9,000 maunds* of salt. The average in January 1852 was 7,031 maunds; in February, 7,014; in March, 2,461, and in April, only 2,690 maunds, when it ought to have been double that quantity.

A *bhoonree ghur* or boiling-house.

48. The *bhoonree ghur* or boiling-house, requires to be noticed as next in order. It is generally situated close to the chattur or salt-fields, and is built north and south. In length it is usually twenty-five or twenty-six cubits, and in breadth, seven to nine cubits; the south wall being about three or three and a-half cubits high, and the north wall six cubits, in order to admit of the furnace being built in the northern half of the building. The southern portion of it contains the baskets and implements of manufacture, and affords room for the molunghee and his coolies to eat, sleep, and rest. About one and a half cottahs of land is taken up in the site of a boiling-house, including the ground necessary for the store of grass and other fuel called the *jullan thanna*.



A *choolah* and a *jhant*.

49. The *choolah* or fire-place, with its curious and conically shaped boiler or *jhant* is constructed as follows; and there are one, two, or more *choolahs* attached to one khullaree; inside the boiling-house, in its northern compartment, is erected in the usual native way, a mud or earthen furnace, raised from the ground about two and a half to three cubits, as in the sketch; over its centre is the *jhant*, the diameter of which is about five cubits, it is made quite circular and is usually called a *jhant chukkur*.

* One maund equals 80 lbs.



*Interior of a Boiling house.
North Section.*

50. The clay with which this *chukkur* is prepared is extremely hard, and it lasts for many years. On this *chukkur* are arranged very carefully, in circles rising one above the other, in the shape of a pyramid, from 200 to 225 little conical-shaped earthen pots, called *koonrees*, each capable of containing about $1\frac{1}{2}$ seers of brine; these are cemented together merely with the same mud or clay with which the *jhānt chukkur* is made, and this clay hardens around them by the heat of the furnace, until the whole forms itself into a solid pyramid of little boilers, capable of boiling, in from four to six hours, in the aggregate, two basketsfull of salt or from two to three maunds in weight. The contents of these baskets are called a *jāl*, and the fire-place, or *choolah*, is immediately under the *jhānt*.

51. These little earthen pots, or *koonrees*, are filled with brine brought from the outside *thannah nād*; the fire is lighted, and the *pokhtan* or boiling commences. When the brine in the *koonrees* is partly evaporated, the Molunghee adds more, with a primitive ladle, made of a cocoanut fixed to a piece of bamboo, which he dips into the *ghurra* of brine placed near the *jhānt*, and so on, till he finds the *koonree* about three parts full of salt; all this time a cooly, who sits on the south side of the *choolah*, is occupied in feeding and keeping up the fire, by means of a long bamboo or two-pronged fork, called a *jalthellee*, with which he thrusts into it fuel, either jungle grass, paddy straw, or brushwood, and all and every kind of combustible matter within his power and means to collect. About as much grass or paddy straw as four men can carry is consumed at each boiling. As soon as the ashes increase, they are pushed through the hole at the back of the *choolah*, by a wooden rake, and are collected outside, in a hollow at the place marked A in the ground plan* of a *bhoonree ghur* given above. After four or five hours' boiling, all the aqueous contents of the *koonrees* having been evaporated in steam, the salt is taken out from them with an iron ladle, and deposited in two baskets, or *joorahs*, which are placed one on each side of the *choolah*, and there it is allowed to drain, whilst the Molunghee repeats the above process for another boiling.

52. The drainage from these baskets formerly produced, in a very simple manner, the well known *gachah*, which was for years the perquisite of the Sudder and Mofussil amlah, or officers, as well as of the molunghees. It was of superior quality, was highly valued, and was made in this manner:—the drainage from these baskets was allowed to fall on wisps of straw, shaped often into figures of men, animals, trees, &c., laid for the purpose at a hole or drain in the wall of the boiling-house, the crystals on which, as they formed, became the *gachah* salt. Its manufacture has been long prohibited, as it was supposed to have led to extensive smuggling, but compensation to the extent of 1,758 rupees 8 annas per annum was granted by Government for the withdrawal of the privilege of manufacturing it.

The boiling process.

Gachah salt and how made.

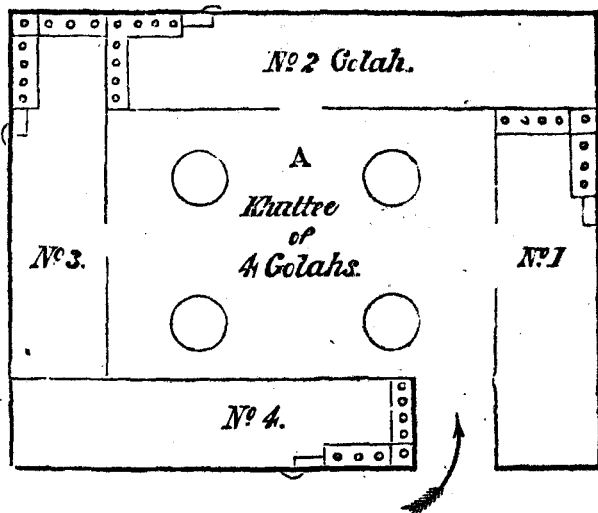
* See paragraph 48.

The *adulling* system.

53. The two baskets of salt just alluded to are then *adulled* or stamped with wooden stamps (of various sizes and shapes) provided the *aduldars* happen to be within call, after which it is removed to the *khuttee* of the Molunghee, which is generally near his boiling-house, where it is disposed of, as hereafter described.

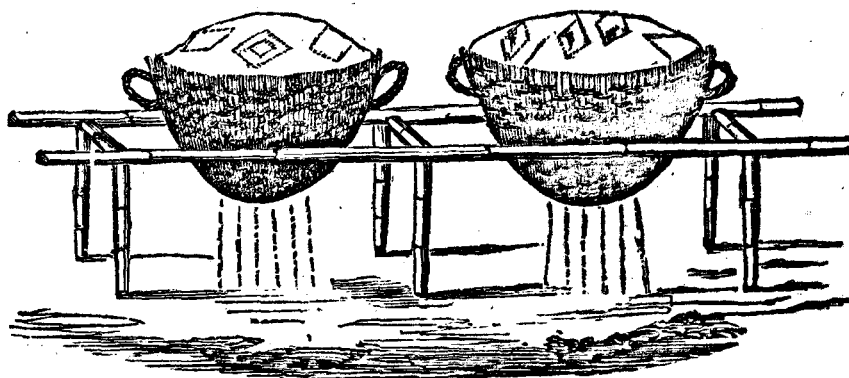
A *khuttee* or compound enclosure.

54. A *khuttee* is usually a square enclosure of various sizes, the centre is slightly elevated, with a slope to the sides, to carry off any moisture that may exude from the salt collected there; the floor is prepared with clay, mud, and sand, well beaten down, and the surface is made as smooth and hard as possible. On the four sides of the *khuttee* are *golahs* or salt store-rooms, belonging to as many molunghees as there are *golahs*; the *golahs* vary in size, but are usually 21 cubits long, 7 broad, 4½ high, and there is but one common entrance to the *khuttee*.



Salt drying process.

55. The two baskets of salt referred to in paragraph 51, and which are placed on either side of the *choolahs*, are now brought inside the *khuttee* and put on bamboo stands or frames, about a cubit or so high. In the two Tumlook



aurungs, they remain in this state only until the evening; but in the other three transferred aurungs, it has been, and is still, the custom to allow them to remain so for twenty-four hours. Should the salt not have been previously *adulled* it is now done, and in some instances the baskets with their contents, in others the contents alone, are removed to the inside of the molunghees' *golahs*. Here, again, they are left to drain and dry, either on bamboo frames, as before mentioned, or else on the ground. In some of the aurungs this drying process occupies only twenty-four hours, in others as much as a week. The salt thus dried is measured off by a *pherrah** and collected in a heap, at one end of the *golah*, which said heap is called a *maharas kundy*, and the salt forming it is from time to time duly *adulled* by the officers placed in charge of the *khuttee*.



The *maharas kundy*.

* Dimensions of a *pherrah*, or wooden measure box.

	ft.	in.
Average interior length	1	7 08
Ditto breadth	1	5
Ditto depth	0	11
Contents	2.06 cubic feet, or 3,568 cubic inches.	

56. Previous to the salt being stored in the molunghees' golahs, the floor of the golah is dug up, and the earth mixed with a quantity of ashes, after which it is beaten down hard and made to slope towards a drain, cut along the inside of the wall, by which means the *gewa-rus* or bittern is drained off, and conveyed through a small hole in the wall, into a pit or reservoir dug outside; this bittern is afterwards thrown on the Chatter lands, serving the purpose of manure.

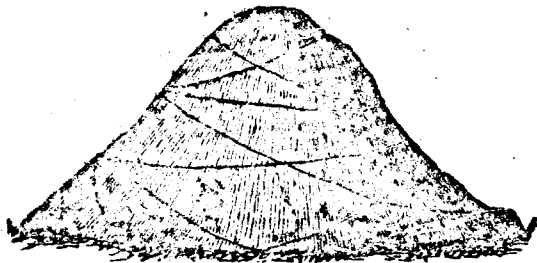
Precautions taken before salt is stored.

57. The *maharas kundy* salt is piled up on the hard floor thus prepared, and, with the exception of a lower stratum of a few inches, actually in contact with the ground, and of course more or less discoloured by the oozing bittern, the superincumbent mass generally is, or ought to be, a pure white. When it proves of a whity-brown or reddish tinge it is attributable to the nature of the soil or Chatter land, called *athyalla-muttee*, and which in some *khuttees* produces an indifferent quality of salt.

The *maharas kundy*, and the colour of the salt.

58. As soon as a sufficient quantity of salt has been manufactured and stored in the *khuttee* golahs, time being allowed for all moisture to have tolerably drained off, orders are solicited and issued for the next process, termed *bahar-kundy*.

Baharkundy.



A Bahar-kundy or heap of salt thatched over pending weighing.

This is done by the salt being brought out of the golahs and piled up in heaps in the open air, opposite to each molunghees' golah: it is then *adulled* all over, thatched with *joon* grass or straw, and bound round with ropes of the same material, to prevent the high winds disturbing the thatch. Around the base of the heap is placed a layer of clay or mud, which proves useful in absorbing

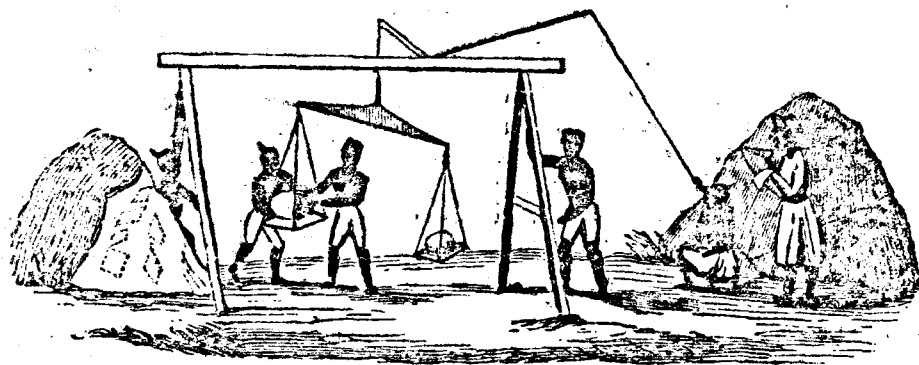
the moisture from the salt, and this layer of clay is changed and renewed three or four times, or as often as it appears to have become moistened. It remains in this state *baharkundied*, for the purpose of drying, for about a fortnight, and on the orders of the agent being received, it is weighed. Then follow the *Mofussil bhangah*, or weighments.

59. The salt being now tolerably dry, and the excavations of the Bankah Nullah and Narainpore khaul, being, or on the eve of being, completed, the *mofussil bhangah*, or weighments, are allowed to commence: say, the end of February, or more generally in March, and it may be somewhat earlier in Pergunnah Godinghur.

Bhangah weighments.

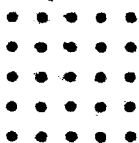
60. A large wooden frame supporting an iron beam with a pair of wooden scales (introduced, I believe, by the late Mr. H. Torrens, while Secretary to the Board of Customs, Salt, and Opium) with brass maund weights, baskets, &c.,

Plan of a set of scales and weights, and how worked.



are placed in front of the *kandy* or heap, a coarse *chutte* or gunny-cloth being spread near the scales to preserve the salt from dirt. A *kyal* or weighman, with a proportion of men called *Chapadars* (five or six to each scale); a *bhangah mohurir**; a man on the part of the Pokhtân darogah, who keeps the tally on a piece of paper called a *teepah*, scoring it off as per margin, each stroke counting for one basket. The molunghees concerned and some of the Pokhtân-âmla attend at the scales and watch this process. The salt is weighed, maund by maund,

by the *kyal*; he also keeps his own tally, by spreading a small quantity of salt on the ground before him, and making holes in rows of fives with his finger, thus: Each dot equals one maund, or turn of the scale. An empty basket is placed over the brass maund weight in one scale, and a corresponding basket filled with salt is placed in the opposite side. A head *chappadar* stands



* This officer checks and writes down the weighing on the part of the Darogah.

close to the scale, in which is placed the basket of salt, to which he adds or takes from a few chittacks* or seers, according to the sing-song indications of the old kyal or weighman, who, to a tune of his own, sings nearly as follows:

“Ramgopauley Punjaré .
Mál deeté hobé Punjaré .
Juldee chulo, Bhueyaré .
Ek paw deeté hobé Punjaré;”

and so on, as fast as possible, the scales being turned at every twenty-five or fifty maunds, according to the number of baskets used.

The commencement of darogah's responsibility.

61. The salt thus weighed is from that moment the property of Government and at its risk, the Pokhtán darogahs becoming responsible for it until they deliver it to the officers at Ghaut Narainpore. These officers are allowed a per centage of two and a-half per cent. for spillage, wastage, and dryage, and of late years it has been found that this allowance has more than covered the deficiency or difference between the Mofussil and Sudder Ghaut weighments.

Speedy transport necessary after weighment.

62. As soon as a convenient quantity has been weighed off, the salt is heaped up, *adulled* with the *aduls* of the bhangah mohurir and kyal, thatched over in the same way as has been already described,† and it remains in the khuttees, unless it can be immediately laden on boats, which should be ready, if possible, in the rivers or canals near at hand to convey the salt without delay to the receiving golahs at Narainpore. The doolye or transport of the salt, after it has once been received from the molunghees, cannot be effected too expeditiously to Ghaut Narainpore, as by so doing a tolerably good check is placed on smuggling, and the door is shut to chicanery and fraud, while Government are often saved great risk and loss of salt, by its not lying exposed in the aurungs to May gales and bad weather.

The use of the hath-chitta.

63. The quantity of salt delivered by each molunghee from his golah to the manufacturing darogahs at the Mofussil bhangah is regularly written down in his hath-chitta, in juxtaposition with the amount of cash he has received from Government as advances for the manufacture, and his *fazil dadun* accounts are eventually calculated thereupon.

Transport—preliminary measures.

64. Having disposed of the process observed in the manufacture, the preliminary measures carried on by the department for the transport of the salt from the aurungs to the sudder stores at Ghaut Narainpore must next be detailed.

Water communication to be carefully attended to.

65. It has been stated in paragraph 62, that as soon as the salt is weighed over to the Mofussil officers, it should be transported to the head store golahs at Ghaut Narainpore; but previous to commencing upon these operations, it is necessary to be careful that the water communication is all perfect, as the *doolye* depends entirely on the khauls and canals being clear and properly excavated.

The Pertaubkhally canal, its excavation and tolls.

66. The principal channel of communication, through which the greater portion of the salt is brought from the aurungs to Ghaut Narainpore, is the Pertaubkhally canal; it runs according to compass nearly north and south through Pergunnah Tumlook, and connects the river Roopnarain with the Tengreekhally. The excavation of this khaul is a matter of great importance to the department, and the executive engineer of the division has charge of it. It is dammed up, however, about Christmas every year, nearly opposite to the golahs at Narainpore, in order, first, that a spacious and deep basin, for boats to anchor in whilst delivering their cargoes at the golahs, may be formed, and secondly, that the tides may be prevented entering the khaul from the River Roopnarain. By this means the water from the Huldee becomes confined in the khaul at its north-eastern entrance near the cross dam; otherwise the tide would run out at both ends, and leave the canal dry at low water.

The canal when open.

67. This canal is open to the public during the rains, and affords water communication from Calcutta to Midnapore *via* the Roykhally and Cossye rivers. The annual cost of its excavation during the past five years is given in the margin.‡ Whilst it remains open, tolls are collected on boats passing

* Fractional parts of a maund: 16 chittacks = 1 seer; 40 seers = 1 maund.

† *Vide* paragraph 58.

‡ Year.	Total Expenses.	Date of Opening Canal.
1848	1,298 5 10	27th February.
1849	1,774 10 11½	21st „
1850	3,691 5 6	16th March.
1851	4,111 13 9½	15th „
1852	4,621 2 11½	14th „
Total ..	15,497 7 0½	

through it, and annexed is a memorandum of these collections during the past five years.

Year.	Amount of Tolls collected from Salt-boats.	Amount of Tolls collected from Boats otherwise Laden.	Total of Collections.
1847-48	39 5 0	796 1 9	835 6 9
1848-49	47 4 6	618 0 3	665 4 9
1849-50	30 4 6	274 9 0	304 13 6
1850-51	44 7 2	368 13 7	413 4 9
1851-52	98 13 0	201 13 6	300 10 6
Total ..	260 2 2	2,259 6 1	2,519 8 3

68. The next canal of importance is the Bankah Nullah, situated in a parallel line eleven miles south-east of the Pertaubkhally, between the rivers Roopnarain and Huldee; a portion of the salt manufactured in aurungs Goomghur and Mysaudul (in which latter aurung this khaul is situated) is transported in boats through this canal into the River Roopnarain, and thence to Ghaut Narainpore. It has been always excavated, and the tolls, &c., collected by the agent, in his capacity of Collector of tolls ex-officio, under Regulation XVIII, of 1806. During the rainy season, and when not closed for the purpose of excavation, this canal affords a short cut, and a safe passage for boats of all descriptions proceeding from Calcutta to the westward towards Midnapore, as well as to the southward in the direction of Kedgerree and Hidgellee; and, besides this public advantage, there are a great number of khullarees situated on either side, as well as on the numerous small water-courses which empty themselves into it, all of which benefit by the canal being efficiently excavated.

The Bankah Nullah canal; its excavation and tolls.

69. The charges incurred, see margin,* in excavating this canal are annually increasing, owing to the enormous quantity of silt which has been dug out of it during the last half century, and the difficulty which consequently is now experienced in disposing of it.

70. The tolls have of late fallen off very considerably, see margin,† owing to the salt golabs at Ghaut Terropykeah and at other places formerly attached to Hidgellee having been abolished, and the thoroughfare not being so much had recourse to as formerly, when those stores were open to the salt merchants and public.

* Year.	Expenditure on Excavation.	Fixed Establishment.	Total Expenditure.
1841-42	1,725 13 10	588 0 0	2,313 13 10
1842-43	1,725 2 9	588 0 0	2,313 2 9
1843-44	2,157 0 7	588 0 0	2,745 0 7
1844-45	2,147 5 4	588 0 0	2,735 5 4
1845-46	2,205 14 0	588 0 0	2,793 14 0
1846-47	2,081 2 3	588 0 0	2,669 2 3
1847-48	2,086 9 0	588 0 0	2,674 9 0
1848-49	1,867 9 5	588 0 0	2,455 9 5
1849-50	1,808 15 6	588 0 0	2,396 15 6
1850-51	1,900 11 5	588 0 0	2,488 11 5
1851-52	2,659 3 1	588 0 0	3,247 3 1
Total ..	22,365 3 2	6,468 0 0	28,833 3 2

† Year.	Amount of Tolls collected from Salt Boats passing through the khaul.	Amount of Tolls collected from other Boats.	Total Collections.
1847-48	7,827 6 0	844 10 5	8,672 0 5
1848-49	5,469 8 6	1,259 13 6	6,729 6 0
1849-50	626 11 6	1,919 1 6	2,545 13 0
1850-51	206 13 0	1,654 1 9	1,860 14 9
1851-52	41 10 6	1,676 1 3	1,717 11 9
Total ..	14,172 1 6	7,353 12 5	21,525 13 11

The Hooghly route.

71. Independent of the aforementioned two canals, viz., the Pertaubkhally and Bankah Nullah, the Goomghur darogah transports to Ghaut Narainpore some portion of the Goomghur salt by the Hooghly, round by Diamond harbour and up the River Roopnarain. If the southerly breezes are not very violent, and the river is not very rough, this passage is available during the latter part of January, and throughout February, but boat manjees do not approve of the route, and a good deal of trouble is experienced in making them come by it at all.

The period required for the transport.

72. Experience has shown that seven full or new moon spring-tides are required to collect at Ghaut Narainpore the season's produce, without reference to the quantity* which may be brought there by the Hooghly route. As much as 1,75,000 maunds have been conveyed by one tide, but the following table shows how the transport has been managed during the two past seasons, and considering the means of transport, and the little loss sustained by wreck, &c., of boats in transit, it speaks well for these operations.

1850-51. Number of Tides.	Salt.	Boats.	1851-52. Number of Tides.	Salt.	Boats.
1st Tide, ending 25th March, 1851, including Goomghur salt	1,12,243	493	1st Tide, ending 17th April, 1852, including Goomghur salt	2,02,679	978
2nd Ditto ditto 7th April, 51.	1,49,984	725	2nd Ditto ditto 1st May, 52.	1,23,147	694
3rd Ditto ditto 21st ditto 51.	1,22,561	581	3rd Ditto ditto 18th ditto 52.	1,74,677	905
4th Ditto ditto 8th May, 51.	1,61,808	789	4th Ditto ditto 31st ditto 52.	1,50,282	826
5th Ditto ditto 20th ditto 51.	1,17,567	626	5th Ditto ditto 15th June, 52.	48,956	206
6th Ditto ditto 6th June, 51.	1,26,107	646	6th Ditto ditto .. .. .	..	..
7th Ditto ditto 30th ditto 51.	1,22,619	608	7th Ditto ditto .. .. .	..	..
Total	9,12,889	4,468	Total	7,01,641	3,669

The transport route.

73. The salt of the past season was transported to the Ghaut by the under-mentioned routes :—

	Salt.	No. of Boats.
	Maunds.	
By the Hooghly and Roopnarain rivers route	27,690	70
Up the Huklee and through the Pertaubkhally ditto	5,99,558	3,333
Up the Huldee and through the Bankah Nullah ditto	83,393	266
Total	7,01,641	3,669

The doolye, or transport operations.

Boat contractors and advances.

Transport contract rates.

74. The mode adopted for transporting the produce from the aurungs to Ghaut Narainpore is now to be explained.

75. The manufacturing darogahs arrange with a certain number of *khuttwahs* or boat contractors for the transport of the salt of their respective aurungs, and when the advances are being made to the molunghees these men are brought to the office for the purpose of receiving their dues. Each *khuttwah* receives from the agent a hath-chitta, showing the amount paid to him, the number of boats he is to supply, &c., and every payment is countersigned and made in the presence of the agent or his assistant. It is then entered in an English register kept for the purpose, in the same manner as is observed with the molunghees' accounts.

* About 30,000 maunds.

76. The charges vary, as per margin,* from rupees 4-8 to 1-4, for the transport of 100 maunds of salt from the hoodahs in which it is manufactured to Ghaut Narainpore, the labour of loading the boats in the aurungs, unloading them, thatching, and collecting the salt in heaps at Ghaut Narainpore, being included in these rates; and arrangements are made for the contract, during each season, of about 500 boats, as per particulars given below:—

Pergunnahs.	1850.	1851.	1852.
	Number of Boats employed.	Number of Boats employed.	Number of Boats employed.
Tumlook	115	134	131
Mysaudul	119	119	123
Jellamoottah	52	83	85
Aurunganugur	62	74	81
Goomghur	60	60	80
Total	408	470	500

77. The darogahs regulate the description of boats, and the agent is not very particular as to their size or number, provided the *doolye* or transportation progresses expeditiously. Advances are made in aurungs Tumlook and Mysaudul, at the rate of 35 or 40 rupees per boat, but in the three other aurungs they are entirely calculated on the tonnage of the boats engaged. The darogahs take security from the khuttwahs, and are themselves personally responsible for the advances, as also for the conduct of the boat people.

Size of boats and the rates of advance.

78. Where boats cannot get close to the molunghees' khuttees (which occurs in aurungs Mysaudul and Aurunganugur) the salt is laden on bullocks at the expense of the molunghees, and conveyed to the river side or bank of the canal, to some convenient spot which is selected and prepared for the purpose, and is called a *thannah khuttee*; here the salt is collected in large heaps, adulled, and thatched as particularized before, or else it is put on board of boats, which should be in readiness there to receive their cargoes. This is called the *tukrar doolye*,† and at times it causes great annoyance, for though the molunghees know full well that all extra expense in removing their salt to the river or khaul side is to be borne by them, (otherwise their khullarees would be abolished,) they invariably contest the matter regularly every year. About 500 bullocks are daily employed in this mode of land transport.

Tukrar doolye and thannah khuttee.

79. After the salt in the aurungs is laden on board the receiving boats, it is adulled or stamped all over by the aduls of the local officers; the boats are placed in charge of churrundars, 8 or 10 boats to one churrundar or chupprasee, and despatched to Ghaut Narainpore. The manjee of each boat holds

Churrundars, and boats intransit, how guarded.

* Pergunnahs.	From Hoodah to Ghaut Narainpore.	Rate allowed on 100 Maunds transported.
Tumlook	Sewrabereah	Rs. A. P. 1 4 0
	Burgodah Lychanpore	
Mysaudul	Ausnaa on the Tengreekhally	2 11 0
	Ditta at Chundyakhall	2 15 0
	Teeroparah, including Tereoparah and Western and Eastern Goomye	3 0 0
	Kanchunpore and Teeroparah, including Etamuggrah and Kes-subpore	2 14 0
Jellamoottah,	Esurdah	3 4 0
	Banskhanah	
	Joychunderbar	2 15 0
	Boora-Boores	2 11 0
Goomghur	Tengreekhally and Bhogobankhally	3 0 0
	From Talpattykhal to Sewrabereah, including 1st and 2nd Divisions of Goomghur	4 8 0
	From Sewrabereah to Ballyghattah, including 1st Division	3 8 0
Aurunganugur	From Ballyghattah to Tereopakya Chuch Markhutti, including various Divisions	3 4 0
	From Tereopakya to Patgodah	2 14 0
	All alike	2 15 0

† Disputed transport.

ticket, and a chellaun or register of every day's despatch is sent in to the intendant or receiving officer at Ghaut Narainpore. The tickets are made to tally with the chellauns; in the former, the quantity of salt put on board each boat, the name of the molunghee who manufactured it, the manjee's name, and other matters, are entered.

Rojoonovees, their duty.

80. Each Pokhtân darogah is permitted to nominate and employ at Ghaut Narainpore, at the expense of Government, two or three confidential men as *rojoonoveeses*, whose duty it is to receive charge of the salt from the churrundars as it arrives at the Ghaut, and to be present at the Ghaut weighments on the part of their respective darogahs. As soon as any salt boat reaches the Ghaut, the manjee and the churrundar in charge inform the Ghaut officers of it, whereupon a spot for landing the salt is pointed out to them; each boat is then carefully examined by the Ghaut officers to ascertain that the aduls or stamps on the heaps have not been disturbed, and if all is right, the salt of that particular chellaun is heaped (*baharkundied*) in one place. The boatmen then thatch it over carefully with grass, brought with them from the Mofussil for that purpose, and exactly the same measures are taken for its protection as those mentioned in paragraph 58.

The quick despatch of empty boats to aurungs necessary.

81. As soon as boats have discharged their cargoes at Narainpore, they are sent back, under charge of churrundars, as quickly as possible to the aurungs, to bring in another cargo; and so on, as long as the tides will permit the free navigation of the khauls. During a portion of the neap tides even, a smaller description of boat brings on the salt from the *thannah khuttees* on the banks of the Pertaubkhally canal, so that no time is allowed to be lost.

Period allowed for *baharkundy* at Ghaut Narainpore for the purpose of drying the salt.

82. The *kundy* or heap thus deposited at the Ghaut, remains intact, as a general rule, about fifteen days, before it is weighed and stored in the golahs. An exception is made, however, when the salt is found to be tolerably dry, or the weather is threatening; but of late, there has been such a great and constant demand made by the merchants for the salt of this agency, that the agent has been compelled to store it as expeditiously as possible, in the endeavour to satisfy the run upon the Ghaut. A golah, now-a-days, is no sooner stored, than it is forthwith opened for delivery, and nearly one-half of this season's produce was sold in one day.

Furtal weighments at Ghaut Narainpore.

83. The salt already collected in the *khuttees* being sufficiently dry, and another fleet of boats being expected at Ghaut Narainpore, the process called the *furtal* weighments, and the storing of the salt in the golahs commence.

The Ghaut *khuttees*, golahs, &c.

84. At Ghaut Narainpore, there are three *khuttees* or enclosures, two on the north, and the third on the south side of the Narainpore canal: a wooden bridge connects them. The two former, viz., the *khazana-khuttee* and *roogoonath-khuttee*, are surrounded with one embankment without any division between them; the latter, or *nya-khuttee*, is a part, and is similarly enclosed. In the centre of these *khuttees* stand the salt golahs. In the *khazana-khuttee* there are five golahs, capable of holding 3,50,000 maunds of salt; in the *roogoonath-khuttee* can be stored 4,50,000 maunds in fifteen golahs; and in the *nya-khuttee* there is room for 6,50,000 maunds in fourteen golahs. A golah is a long building supported on strong wooden pillars, with a mud wall about four or five feet high all round; a very thick grass roof, wholly impervious to rain, covers it, and at either end there are doors.

Ghaut weighments—how carried on.

85. The weighments are carried on in the same manner as is explained in paragraph 60 of this memorandum. They are attended to by the intendant and the Ghaut officers, in the presence of the *rojoonoveeses* or confidential agents of the Pokhtân darogahs. Each *khuttee* is usually placed under the charge of one of the head Ghaut officers: the weighments into each golah are carefully checked and kept, and the intendant is responsible for everything which occurs at the Ghaut. The agent and his assistant are usually twice every day at the Ghaut during this very busy season, and oftener when necessary, their presence being particularly required to see that the salt is dry and good, and that the weighments are going on correctly, and, if there should be any disputes, to adjust them. There are generally at work ten sets of scales, and from 15,000 to 20,000 maunds of salt per diem can be stowed away; but as the golahs fill, the work goes on slower, though generally the salt received by one tide, is cleared off before the despatch by the next tide reaches the Ghaut.

Scales by whom worked—rate paid for, and mode of storing.

86. A set of scales is usually worked by the men noted below,* and they are paid at the rate of three rupees for every 1,000 maunds stored, including all expenses. A basket is filled from the adjacent *kundy* or heap, put into the scales, weighed to one maund, then taken out, upset into another basket and carried direct to the golahs, opposite to each of which a large wisp of straw is placed, and upon this wisp some ten or a dozen coolies wipe their naked feet, enter the golah and remain there to receive the baskets brought to the door by the outside coolies, who at the threshold, transfer them to those inside; these

* A kyal, six chapadars, one goolpahurry, one teepanovees, one rojoonovees, besides coolies, &c.

men walk up over the heap of salt, and having deposited their load, return the empty baskets to the outsiders, who have, in the meantime, brought to the door their baskets re-filled with salt from the scale; and thus, the object of preventing dirt from the feet of the coolies being trampled into and mixed with the salt, is in some measure attained, while the process of storage, from there being so much method and regularity at the Ghaut, proceeds without the slightest interruption, although there are from 1,000 to 1,500 men employed in emptying boats, weighing salt into golahs in one *khuttee*, delivering it out to merchants in another, &c.

87. As the sale of the salt depends chiefly upon its good quality and colour, every endeavour is made to keep it as clean as possible, and it only twice comes in contact with the ground or mud floor, viz., once in the Narainpore *khuttee* and again inside the golah, though this does not much affect its colour; some salt must however be spilt on the ground in transitu from the heap to the golah, but it is small in quantity, and when this spillage and the sweepings are found too dirty to put in a golah, they are thrown away, or if another golah is about to be filled, this, as well as any inferior salt, is placed at the bottom, to serve as a foundation.

88. As soon as any golah is filled, the mass of salt is adulled or stamped all over with the intendant's adul, after which the agents *guy*, or check adul, is affixed thereupon. The golah is then closed in the presence of the agent or his assistant, the doors, one at either end, are sealed with the agent's seal and fastened with two padlocks, the key of one lock together with the adul, remaining in the intendant's possession, and the key of the other locks, together with the seal and check adul, remaining in charge of the agent.

89. The whole of the salt stores at Ghaut Narainpore, are under the exclusive charge of the intendant, who receives a salary of rupees 250* per mensem, a wastage allowance of 2½ per cent., to cover deficiencies arising from atmospheric causes, being also granted to him. Some years since, this allowance was considerably exceeded, but of late, the average† deficit on the out-turn weighment of each golah, has not been above a few maunds, so that neither the Government nor the intendant have lost anything.

90. No salt is sold by the agent, but for the supply of this district under the retail‡ system which is in force; and, with the exception of about 20,000 maunds which are required for this purpose, the whole stock is advertised for sale in the *Calcutta Gazette*. The rate at present is fixed at rupees 318 per 100 maunds, and it is disposed of at the office of the Board of Revenue in the following manner.§

91. When any merchant is desirous of purchasing salt, he pays into the General Treasury the amount of his contemplated purchase at the above rate; in return, he obtains a receipt which he presents with a written application at the office of the Board of Revenue, and, in exchange, he receives a document called a *char*, *tunkha*, or delivery order on the salt agent of Tumlook, to deliver over to the merchant the quantity of salt he has purchased and paid for, a *rowannah* or pass to protect the salt, (after delivery) in transit through the salt chowkeys or preventive limits, being simultaneously granted to the purchaser by the Board of Revenue.

92. On presenting the *tunkha* and rowannah at the office,|| an order is written on the back of the *tunkha* for the intendant at Ghaut Narainpore to have the quantity of salt specified therein, weighed off to the merchant, or his goomastah; and as soon as the goomastah has procured boats, carts or bullocks, as the case may be, he takes delivery, and grants a receipt for the salt, after which a chellaun is granted to him, from the agent's office (on return of the *tunkha* from the intendant) showing particulars of the salt, mode of transport, &c.

93. Merchants are allowed to keep their salt purchased from the golahs, uncleared, and undelivered for 90 days, after which period they are obliged to pay golah rent to Government at the rate of 4 rupees per mensem for every 100 maunds. *Tunkhas* and rowannahs issued by the Board of Revenue,¶ are purchased and sold in the Calcutta markets like any other Government acknowledgment, and no small profit is obtained by these transactions.

Care taken to preserve the good colour of the salt.

Golahs when filled, how adulled and closed.

See Revenue Board's Circular. September 20, 1851.

Salt stored at Narainpore is kept under charge of the Ghaut intendant.

Salt how sold.

Sales of salt at the office of the Board of Revenue—how effected.

Delivery orders.

Period merchants may keep their salt in the Government Golahs.

* £25 sterling.

† See Enclosures Nos. 3 and 4.

‡ There are nine retail venders paid by Government for the sale of salt throughout the agency. The rate at which the salt is sold, is at present fixed at 2 rupees 12 annas per maund of 80 lbs., and there are two Ghauts at which the salt may be purchased.

§ This is written subject to correction by the Board of Revenue.

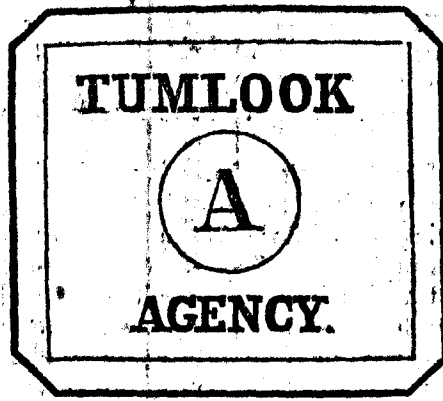
|| At Tumlook.

¶ See notice issued by the late Board of Customs, Salt and Opium, dated 30th April, 1844.

Salt boats how cleared.

94. The cargoes of boats laden at Ghaut Narainpore, are stamped* over by the nazir of this agency, with an adul of the device given on the margin, and seals are affixed to all bags of salt transported by land on carts, or by bullocks.

Daily advices of sales.



95. Daily advices are received from the Board of Revenue, of such sales as are effected at their office and registers are kept of all rowannahs and chellauns which pass through this agency; these two documents are kept with the salt under charge of manjees of boats, or churrundars, but "chars" or "tunkhas" are forwarded monthly to the revenue accountant, as vouchers in proof of the deliveries of salt from Ghaut Narainpore.

Boats when cleared are no longer under the control of the agent.

96. As soon as boats are cleared and passed at the Ghaut,† they are no longer under the control of the agent, but come under the surveillance of the chowkey or preventive department, which department is quite distinct from the agency. The agent is, however, ex-officio superintendent of salt chowkeys within his own limits, and an establishment of six darogahs and four independent mohurirs, aided by a staff of 32 chaprassées and 74 chowkeydars, is entertained in this division for the suppression of smuggling, and to prevent the vend of contraband salt.

Superintendent of salt chowkey establishment.

HENRY C. HAMILTON, *Agent.*

* This process is had recourse to, to protect the salt through the Preventive Station limits—and the centre letter is changed from time to time, information of the same being regularly forwarded to superintendents of Salt Chowkeys.

† At Narainpore.

Inclosure No. 1.

Salt Out-turn during 1850—51 and 185

Pergunnahs.	Last <i>cool</i> rendered to Board in			Salt actually manufactured.			Net Salt delivered at Ghaut Narainpore and Terropakyah.			Salt lost by wreck, or in any other way in			Spillage, Wastage, &c., in			Total loss in			Net payment for Salt actually manufactured			Average rate per maund after charging all expenses at the Agency in			
	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	1850.	1851.	1852.	
Tumlook	2,21,558	2,39,372	1,75,909	2,55,714	2,85,134	2,09,725	2,53,785	2,83,422	2,08,685	1,362	139	186	567	1,573	854	1,929	1,702	1,040	Rs. 11,874	A. 14	P. 0	Rs. 1,24,746	A. 2	P. 0	91,805
Mysaudul	2,25,101	2,39,227	1,74,706	2,67,960	2,65,172	2,03,454	2,53,845	2,63,567	2,03,009	12,946	587	..	1,169	1,018	445	14,115	1,605	445	Rs. 1,27,232	A. 14	P. 8	Rs. 1,16,012	A. 12	P. 0	89,103
Goomghur	70,937	96,446	73,088	74,318	1,02,996	80,736	61,448	1,02,821	80,010	12,825	..	665	44	175	51	12,870	175	724	Rs. 32,514	A. 6	P. 1	Rs. 45,060	A. 12	P. 0	35,362
Aurunganuggur	1,13,473	1,12,697	88,809	1,22,208	1,21,390	1,00,175	1,21,130	1,21,271	99,942	895	..	48	183	119	185	1,078	119	233	Rs. 53,466	A. 5	P. 3	Rs. 53,108	A. 9	P. 0	45,826
Jellamoottah	1,10,844	1,28,903	96,868	1,23,066	1,47,142	1,12,605	1,22,861	1,46,716	1,12,159	..	250	223	205	175	222	205	425	446	Rs. 53,841	A. 11	P. 3	Rs. 64,375	A. 0	P. 1	49,264
Total	7,41,912	8,16,645	6,09,380	8,43,269	9,21,835	7,06,695	8,13,069	9,17,793	7,03,805	28,029	976	1,123	2,170	3,061	1,767	30,200	4,037	2,890	Rs. 3,68,930	A. 3	P. 3	Rs. 4,03,302	A. 13	P. 10	3,09,322

Manufacture closed in 1850 on the 31st May, 1850, a very sickly, though dry, season.

Ditto closed in 1851 on the 5th June, 1851, a very dry April and May.

Ditto closed in 1852 on the 10th May, 1852, an extremely wet ditto.

Tumlook Salt Office,
September 23, 1852.

HENRY C. HAMILTON, Agent.

BENGAL.

Inclosure No. 2.

STATEMENT showing the number of Khullarees, Choolahs, and Maidahs worked, and of Molunghees, Coolies, Boats, Bullocks, &c., employed, within the Tumlook Agency, together with the quantity of Salt to be manufactured in each Hoodah.

Specification of Khullarees, &c.	Pergunnah Tumlook.				Pergunnah Mysaudul.							Pergunnah Jellambottah.								
	Hoodahs.				Hoodahs.							Hoodahs.								
	Shamrabareah.	Buragodah.	Lychunpoor.	Ausnan.	Western Goonye.	Eastern Goonye.	Terroparrah.	Conchunpoor.	Cassubpoor.	Essurdah.	Baraskanah.	Joychunderbar, 1st Division.	Joychunderbar, 2nd Division.	Joychunderbar, 3rd Division.	Booraboore, 1st Division.	Booraboore, 2nd Division.	Booraboore, 3rd Division.	Tengrakhallee, 1st Division.	Bhogobankhallee, 1st Division.	Enogobankhallee, 2nd Division.
Khullarees, or spot of ground appropriated by the molunghee for his manufacture	183	67	126	319	143	116	145	84	86	65	56	31	29	35	29	31	37	27	35	35
Choolahs, or furnaces, including boiling houses..	230	89	148	357	176	112	161	88	93	78	60	31	29	34	29	31	36	27	34	35
Maidah, or filterers ..	506	182	346	883	356	292	353	221	232	175	175	122	119	131	117	132	125	141	130	137
Molunghees, manufacturers..	206	82	118	293	169	110	160	88	92	78	60	31	29	34	29	31	36	27	35	35
Coolies, labourers	1,222	491	896	2,132	917	626	832	527	511	412	332	222	203	217	215	233	251	224	272	269
Sowdah, or quantity of salt to be manufactured in each Hoodah	64,000	19,000	43,400	1,18,600	55,750	34,800	32,400	32,950	34,000	21,500	18,800	12,300	10,325	8,425	10,725	15,775	15,800	14,350	17,450	14,650
Boats .. .. .	..	131	..	..	..	..	123	..	..	..	..	..	..	85	..	..	..	..	..	..
Bullocks .. .. .	..	..	..	..	..	..	150	..	..	..	..	..	..	..	..	..	..	..	..	..
Temporary establishment ..	..	163	..	..	..	..	963	..	..	..	..	..	..	..	82	..	..	..	..	..

Inclosure No. 2—Statement continued.

Specification of Khullarees, &c.	Pergunnah Goomghur.								Pergunnah Aurunganuggur.								Total.	
	Hoodahs.								Hoodahs.									
	Southern, 1st Division.	Ditto, 2nd Division.	Eastern, 1st Division.	Ditto, 2nd Division.	Northern, 1st Division.	Ditto, 2nd Division.	Western, 1st Division.	Ditto, 2nd Division.	Aurunganuggur.	Naman Eastern, 1st Division.	Ditto, 2nd Division.	Ditto, 3rd Division.	Naman Western, 1st Division.	Ditto, 2nd Division.	Arashell, 1st Division.	Ditto, 2nd Division.		Debakurpoor.
Khularies or spot of ground appropriated by the molunghee for his manufacture ..	30	17	36	37	32	38	47	33	32	34	35	32	32	26	29	23	48	2,344½
Choolahs or furnaces, including boiling houses..	30	17	36	37	32	38	47	33	32	34	35	32	32	26	29	23	48	2,439
Maidahs or filterers ..	108	72	121	152	97	110	167	122	137	145	157	150	146	128	127	88	168	7,140
Molunghees, manufacturers..	30	17	36	37	32	38	47	33	32	34	35	32	32	26	29	23	48	2,303
Coolies, labourers ..	173	103	192	242	183	211	304	188	207	204	223	205	221	189	204	112	243	14,407
Sowdah or quantity of Salt to be manufactured in each Hoodah ..	7,925	5,175	12,025	13,650	8,600	9,475	13,725	9,425	10,000	14,000	15,000	12,000	12,000	8,800	200	4,200	13,000	8,00,000 mds.
Boats ..	..	..	..	80	..	..	..	..	..	..	..	81	..	..	..	..	..	500
Bullocks ..	..	..	..	..	..	..	..	..	..	..	..	351	..	..	..	..	..	501
Temporary establishment ..	..	..	..	92	..	..	..	..	..	..	..	75	..	..	..	..	..	575

Tumlook Salt Office, September 23, 1852.

HENRY C. HAMILTON, Agent.

303

BENGAL.

463

Inclosure No. 3.

Number of Golahs stored and cleared of Salt of the Manufacture of 1257 S.S., or 1850—51, at Ghaut Narainpore.

Number of Golahs.	When Stored.	When opened for Delivery.	Date of final Weighment or Clearance.	Quantity of Salt Stored.			Quantity of Salt Delivered.			Wastage, &c.			Average Wastage on 100 Maunds.			
				M.	s.	c.	M.	s.	c.	M.	s.	c.	M.	s.	c.	K.
1	From 10th June to 30th June, 1851	5th April, 1852	26th May, 1852	64,972	0	0	64,222	20	0	749	20	0	1	6	2	1
2	" 9th April to 24th May, 1851	28th Feb., 1852	5th April, 1852	65,500	0	0	65,074	0	0	426	0	0	0	26	0	1
3	" 21st April to 30th June, 1851	21st Jan., 1852	27th Feb., 1852	64,504	0	0	64,351	10	0	152	30	0	0	9	7	0
4	" 1st June to 22nd June, 1851	15th Dec., 1851	21st Jan., 1852	64,551	0	0	64,532	0	0	19	0	0	0	1	2	1
5	" 18th May to 22nd June, 1851	25th Nov., 1851	15th Dec., 1851	62,068	0	0	62,053	0	0	15	0	0	0	0	15	0
6	" 26th March to 24th May, 1851	20th June, 1851	7th July, 1851	42,500	0	0	42,493	0	0	7	0	0	0	0	10	0
7	" 22nd March to 21st April, 1851	26th April, 1851	14th June, 1851	50,000	0	0	49,999	0	0	1	0	0	0	0	1	0
10	" 7th April to 15th May, 1851	12th Nov., 1851	25th Nov., 1851	25,000	0	0	24,996	0	0	4	0	0	0	0	10	0
13	" 22nd April to 9th June, 1851	Ditto	Ditto	32,500	0	0	32,495	0	0	5	0	0	0	0	9	0
15	" 13th May to 19th June, 1851	26th Sept., 1851	5th Nov., 1851	24,600	0	0	24,600	0	0							
16	" 23rd March to 12th May, 1851	Ditto	Ditto	22,000	0	0	21,997	0	0	3	0	0	0	0	8	0
17	" 4th April to 11th May, 1851	5th Nov., 1851	12th Nov., 1851	23,000	0	0	22,997	0	0	3	0	0	0	0	4	0
18	" 5th May to 12th May, 1851		27th Sept., 1851	30,000	0	0	29,995	0	0	5	0	0	0	0	10	0
20	" 18th April to 5th June, 1851	17th Sept., 1851	25th Sept., 1851	28,000	0	0	27,997	0	0	3	0	0	0	0	6	0
22	" 24th March to 5th April, 1851	11th Sept., 1851	17th Sept., 1851	40,515	0	0	40,512	0	0	3	0	0	0	0	4	0
23	" 6th April to 7th June, 1851	5th Aug., 1851	13th Aug., 1851	42,334	0	0	42,333	0	0	1	0	0	0	0	1	0
24	" 11th May to 6th June, 1851	13th Aug., 1851	21st Aug., 1851	38,009	0	0	37,993	0	0	16	0	0	0	1	10	0
25	" 28th April to 7th June, 1851	21st Aug., 1851	28th Aug., 1851	43,614	0	0	43,601	0	0	13	0	0	0	1	3	0
26	" 2nd April to 21st June, 1851	26th July, 1851	5th Aug., 1851	36,747	0	0	36,742	0	0	5	0	0	0	0	8	0
29	" 24th April to 11th May, 1851	28th Aug., 1851	2nd Sept., 1851	31,622	0	0	31,622	0	0	6	0	0	0	0	12	0
30	" 27th March to 13th May, 1851	3rd Sept., 1851	10th Sept., 1851	35,803	0	0	35,802	0	0	6	0	0	0	0	10	0
7A.	" 16th June to 29th June, 1851	7th July, 1851	26th July, 1851	49,948	0	0	49,946	0	0	2	0	0	0	0	2	0
Total Maunds ..				9,17,798	0	0	9,16,352	30	0	1,445	10	0	6	6	4	0

APPENDIX TO SALT REPORT.

Tumlook Salt Office, September 23, 1852.

HENRY C. HAMILTON, Agent.

Inclosure No. 4.

NUMBER of GOLAHs Stored and Cleared of Salt of the Manufacture of 1258 S.S. or 1851-52 at Ghaut Narainpore.

Number of Golahs.	When Stored.	When Opened for Delivery.	Date of Final Weighment or Clearance.	Quantity of Salt Stored.			Quantity of Salt Delivered.			Wastage, &c.			Average Wastage on 100 Maunds.		
				Mds.	S.	C.	Mds.	S.	C.	Mds.	S.	C.	Mds.	S.	C.
1	From 29th May to 6th June, 1852	12th June, 1852	23rd June, 1852	27,130	0	0	27,129	0	0	1	0	0	0	2	7½
2	" 20th May to 6th June, 1852	12th August, 1852	31st August, 1852	52,600	0	0	52,564	0	0	36	0	0	0	2	11
3	" 8th April to 19th May, 1852	19th August, 1852	8th September, 1852	65,800	0	0	65,751	0	0	49	0	0	0	2	15½
4	" 29th April to 5th June, 1852	2nd August, 1852	19th August, 1852	59,500	0	0	59,472	0	0	28	0	0	1	14	2½
5	" 14th Feb. to 27th April, 1852	10th May, 1852	12th June, 1852	66,500	0	0	66,497	0	0	3	0	0	0	2	3½
6	" 22nd April to 30th May, 1852	Not yet opened		41,000	0	0	40,940	10	0	59	30	0	5	13	2½
7	" 7th ditto to 30th May, 1852			50,000	0	0	49,918	0	0	82	0	0	6	9	0
9	" 7th to 28th May, 1852	29th Sept., 1852	6th October, 1852	21,000	0	0	20,980	0	0	20	0	0	3	12	3½
10	" 20th to 29th May, 1852	17th July, 1852	27th July, 1852	23,200	0	0	23,195	0	0	5	0	0	0	13	16
11	" 28th May to 7th June, 1852	8th Sept., 1852	24th September, 1852	22,700	0	0	22,677	0	0	23	0	0	4	0	17
13	" 21st May to 7th June, 1852	25th Sept., 1852	Golahs not yet cleared	31,490	0	0	31,418	0	0	72	0	0	9	2	1
15	" 7th to 26th May, 1852	7th Oct., 1852		26,700	0	0	26,949	0	0	51	0	0	7	10	1
16	" 9th to 27th May, 1852	10th Sept., 1852	29th September, 1852	23,300	0	0	23,278	0	0	22	0	0	3	12	8½
17	" 6th to 26th April, 1852	Not yet opened		23,700	0	0	23,643	0	0	57	0	0	9	9	3
18	" 14th to 27th April, 1852			20th July, 1852	2nd August, 1852	30,000	0	0	29,993	0	0	7	0	0	0	14	18½
19	" 7th to 27th April, 1852	28th July	4th August, 1852	24,000	0	0	23,995	0	0	5	0	0	0	13	6½
20	" 27th April to 2nd June, 1852	31st August, 1852	10th September, 1852	26,800	0	0	26,793	0	0	7	0	0	0	14	0
22	" 6th April to 8th June, 1852	3rd July, 1852	17th July, 1852	43,604	0	0	43,597	0	0	7	0	0	0	10	5½
24	" 10th April to 7th June, 1852	23rd June, 1852	3rd July, 1852	39,729	0	0	39,724	0	0	5	0	0	0	8	0
Total Maunds..				698,753	0	0	698,213	10	0	539	30	0	3	11	14

Tumlook Salt Office, September 23, 1852.

HENRY C. HAMILTON, Agent.

BENGAL.

Inclosure No. 5.

STATEMENT showing the Number of Hoodahs, Khuttees, Choolas, Molunghees, &c., within the Tumlook Salt Agency, in 1259 S.S., or 1852-53 A.D.

Name of Auring or District.	Number and Name of Hoodahs or Division in each Auring.		Number of Khuttees in each Hoodah or Division.	Number of Molunghees or Salt Manufacturers in each Hoodah.	Number of Choolahs or Salt-boiling fire places in each Hoodah.	Number of Khullarees or Salt Manufactories in each Khuttee or separate Enclosures.	Probable daily Produce of Salt from each Khuttee.	Number of Goolahs or Store Houses in each Khuttee.	Probable Annual Produce of each Khuttee.
	No.	Name.							
Tumlook	1	Sewrabariah	35	205	221	179 12 0	434	205	65,434
	2	Burgodah	8	82	53	64 12 0	137	82	20,855
	3	Lychunpore	21	107	149	126 0 0	371	136	50,153
		Ausnan	21	134	141	150 8 0	400	141	53,094
		Ausnan Narikaldoy	12	102	107	92 4 0	256	102	30,328
4	Ausnan Kholakhally	11	81	91	71 0 0	195	95	30,136	
			108	711	792	684 4 0	1,793	761	2,50,000
Mysaudul	1	Goomye Western	21	170	174	142 13 0	375	170	59,170
	2	Goomye Eastern	16	101	113	117 4 0	262	113	37,525
	3	Taroparah	23	142	153	136 12 0	339	152	54,364
	4	Couchunpore	11	79	80	82 12 0	202	80	32,365
	5	Kasubpore	12	87	87	85 8 0	226	87	35,780
	6	Essordaha	12	65	66	56 4 0	144	66	21,765
	7	Banskhana	8	49	51	47 0 0	105	51	15,775
			103	693	724	668 5 0	1,653	719	2,56,744
Jellamoottah	1	Joychunderbar .. 1st Division	10	31	31	6 0 0	80	31	11,425
		Joychunderbar .. 2nd Division		26	26	10 0 0	100	26	11,725
		Joychunderbar .. 3rd Division		32	32	6 0 0	95	32	11,100
	2	Boorabooree .. 1st Division	13	23	28	10 0 0	70	23	10,125
		Boorabooree .. 2nd Division		31	31	15 0 0	85	31	14,950
		Boorabooree .. 3rd Division		36	36	10 0 0	125	36	13,125
	3	Tengrahally	13	26	26	15 0 0	85	26	13,375
		Bhogobankhally .. 1st Division		33	33	15 0 0	130	33	17,675
		Bhogobankhally .. 2nd Division		35	35	6 0 0	80	35	16,500
						86	278	273	93 0 0	350	273	1,25,000

Inclosure No. 5.—Statement *continued*.

Name of Aurang or District.	Number and Name of Hoodahs or Division in each Aurang.		Number of Khuttees in each Hoodah or Division.	Number of Molunghees or Salt Manufacturers in each Hoodah.	Number of Choolahs or Salt-boiling fire places in each Hoodah.	Number of Khullarees or Salt Manufactories in each Khuttee or separate Enclosure.	Probable daily Produce of Salt from each Khuttee.	Number of Golahs or Store Houses in each Khuttee.	Probable Annual Produce of each Khuttee.
	No.	Name.							
Goomghur	1	Southern 1st Division	4	166	29	29 0 0	82	29	11,050
"	2	Southern 2nd Division	4	99	17	17 0 0	64	18	8,000
"	3	Eastern 1st Division	5	205	36	36 0 0	112	36	14,725
"	4	Eastern 2nd Division	5	191	33	33 0 0	111	40	14,950
"	5	Northern 1st Division	5	176	30	30 0 0	102	30	10,525
"	6	Northern 2nd Division	4	169	34	34 0 0	85	34	11,275
"	7	Western 1st Division	8	226	44	44 0 0	157	44	16,825
"	8	Western 2nd Division	5	158	30	30 0 0	71	32	12,650
			40	1,390	253	253 0 0	784	263	1,00,000
Aurunganugur	1	Aurunganugur	8	36	38	36 0 0	89	36	13,100
"	2	East Natnan 1st Division	6	27	28	27 0 0	104	27	12,800
"	3	East Natnan 2nd Division	7	32	39	35 0 0	133	35	19,200
"	4	West Natnan 1st Division	4	32	33	32 0 0	145	32	16,100
"	5	West Natnan 2nd Division	6	32	35	32 0 0	115	32	15,100
"	6	West Natnan 3rd Division	4	26	28	26 0 0	131	26	13,600
"	7	Arrashall 1st Division	8	34	34	34 0 0	87	34	10,000
"	8	Arrashall 2nd Division	6	32	32	32 0 0	133	32	13,000
"	9	Arrashall Dabakurpore	5	31	31	31 0 0	53	31	7,100
			54	182	298	285 0 0	990	285	1,25,000
		Grand Total	341	3,254	2,345	1,983 0 0	6,070	2,306	8,56,744

BENGAL.

Tumlo & Salt Agency, September 23, 1852.

HENRY C. HAMILTON, Agent.

APPENDIX C.

Papers prepared by the Salt Commissioner.

- No. 1.—Note on the Manufacture, Storage, Sale, and Delivery of Salt in the Hidgellee Agency.
- No. 2.—Note on the Manufacture, Storage, Sale, and Delivery of Salt in the Chittagong Agency.
- No. 3.—Note on the Manufacture, Storage, Sale, and Delivery of Salt in the Balasore, Central Cuttack and Pooree Agencies, in the Province of Cuttack, adapted principally from the Revenue Commissioner, Mr. Samuells' Report on the Salt Operations of the Province for the year 1853-4, and from the annexures to that Report.

Enclosures.

- No. 1.—Translation of an Engagement executed by Bhooyah Chytun Churn Kur, Zemindar of Tuppay Sartha, in Pergunnah Sautmolung, Zillah Cuttack, dated September 28, 1809.
- No. 2.—Translation of Agreement of Jagheerdar of Malood, &c., dated May 8, 1820.
- No. 3.—Note on the Manufacture of Salt at the Narainpore and Goordah Salt Works.
- No. 4.—Note on the Rise, Progress, and Present State of the Salt Preventive System in the Lower Provinces of the Bengal Presidency.

Enclosure.

- A.—Statement showing the Salt Chowkey Superintendencies in the Lower Provinces of the Bengal Presidency, the number of Preventive Posts or Chowkeys in each Superintendency, the Statistics of each, the Charges incurred on account of each, and the total cost of the Salt Preventive Service.
- No. 6.—Note on the System of Retail Sale of Salt by the Government.

Enclosures.

- A.—Rules for Regulating the Sale, Possession and Transport of Salt in the Province of Cuttack, prepared by Mr. Commissioner Blunt in 1823, and legalized by Regulation 10 of 1826.
- A. No. 1.—Form of Rowannah to be granted for Salt destined for the supply of the Hill Tributary Estates of Cuttack.
- A. No. 2.—Form of Rowannah to be granted for salt destined for the Territories of Sumbulpore or Singbhoorn.
- A. No. 3.—Form of Rowannah to be granted to Purchasers of Salt exceeding the quantity of 20 maunds, for sale and consumption, within the Mogulbundee.
- A. No. 4.—Form of Char Chittees to be granted to Retail Dealers by Golah Darogahs.

Appendix C.—No. 1.

Note on the Manufacture, Storage, Sale, and Delivery of Salt in the Hidgellee Agency.

The Hidgellee Agency is the largest of the Bengal agencies. Its headquarters are at Kontai, a small town situated about five miles inland from the shores of the Bay of Bengal. It is bounded on the north by the Tumlook Agency, on the south and east by the Bay of Bengal and the River Hooghly, on the south-west by the Soobunrceka river, which separates it from the Balasore District and Agency, and on the west by the remaining portion of the district of Midnapore, of which the Hidgellee pergunnahs are a component part. Its length from north to south-west is about 48 miles, and its breadth from east to west about 20 miles. A map* of the agency, in combination with the Tumlook Agency, accompanies, in which the manufacturing and fuel localities of the agency are exhibited.

Boundaries and extent of the agency.

2. The agency, as at present constituted, consists of the six aurungs, or manufacturing districts, specified in the margin.† Of these, the Bograi aurung was re-opened last season, after the manufacture in it had been abandoned upwards of twelve years. This measure was resorted to in order to meet, by extension of the home manufacture, a portion of the expected decrease in the foreign supply.

Division into aurungs.

3. The manufacture of salt is carried on, on the north side of the Bay of Bengal, in the tract of country extending from Bograi to Kedgerree, on both sides of the Russool-poor, Peechabong, Bagdah, Boroj and Surpye rivers, and on the banks of the numerous canals and creeks which are fed by them, and which intersect the whole country comprised within the agency.

Salt where manufactured.

4. The 6 aurungs, in a favourable season, are capable of yielding from 8 to 11 lacs of maunds of salt.

Capability of agency.

5. The price paid to the molunghees for the salt manufactured by them has been fixed in Bograi at 5 annas per maund. In the other aurungs it has been gradually reduced, in the course of years, from 11 annas to $5\frac{1}{2}$ annas per maund. In three of these, viz., Bahareemootah, Errinch, and Majnamootah, it was on one occasion reduced to 5 annas, but this being found to be too low a rate in those aurungs, it was raised in the next year to the rate paid in the two remaining aurungs, viz., $5\frac{1}{2}$ annas.

Price of the salt.

6. In addition to the money payment, the molunghees are allowed, as in Tumlook, the free use of the Government salt lands occupied by their khullarees, and also of the fuel which grows spontaneously on the Government julpye, or fuel lands. This fuel consists of a long coarse grass and brushwood, and is required for the purpose of boiling the brine. In some localities, the julpye, or fuel lands, are contiguous to the khullarees; in others, they are a mile or so distant from them.

7. The Government is in possession, by right of property, of the salt and fuel lands formerly attached to certain estates in Hidgellee, the owners of which enjoy a permanent allowance, termed "Salt Moshaireh," as a compensation for the loss of the profit which the zemindars of those estates used to derive from the management of the Government salt revenue before the establishment of the monopoly. The annual payments under this head amount to 26,184r. 5a. $10\frac{1}{2}$ p.

Salt moshaireh allowance to zemindars.

8. The salt moshaireh allowance paid to the zemindars in the Hidgellee and Tumlook Agencies is quite distinct in its nature from the khullaree remissions, or deductions of salt jumma, granted in the 24 pergunnahs and Bulloah, and quite distinct also from the allowance paid under the same designation (Moshaireh) to the zemindars in the Cuttack agencies.

9. In settled estates, the revenue paid by zemindars prior to the establishment of the salt monopoly had consisted of two items—land revenue and salt revenue.

10. The Government, in establishing the salt monopoly, retained the latter item khas, that is, under direct management of its officers.

11. The zemindars, under engagements, thus became entitled to receive a deduction of such part of their jumma as had been paid upon salt assets.

12. In the case, then, of settled estates, Government separated and took over the salt and fuel lands as a distinct property, and excluded all payment on account of them from the Land Revenue Settlement. Only the bare salt jumma was deducted; no compensation was allowed, in addition, for loss of the profit which the zemindars derived from the management of that portion of the estate from which the salt jumma was derived, probably because, at that time, the zemindars were looked upon as mere farmers, to whom the Government might assign the management of any lands, or not, as they pleased.

* Map No. 8.

† Beecool, Bahareemootah, Nurroahmootah, Errinch, Majnamootah, Bograi.

13. These deductions are the khullaree remissions still granted in the 24 pergunnahs and Bulloah. They have been declared perpetual by clause 4, section 9, Regulation I, of 1824; but, as provided by clause 7 of the same section, the deductions are still retained on the Land Revenue Books, and are debited to the Salt Department.

14. In estates which were held *khas* prior to the establishment of the salt monopoly, the zemindars excluded from management received, in the Land Revenue Department, a malikana in lieu of their profit from managing that portion of their estates which yielded the land revenue, and were therefore considered to be also entitled to a separate allowance, under the name of moshairah, from its being paid monthly, in lieu of the profit they had derived from the management of that portion which yielded the salt jumma; and this they accordingly received.

15. When the land revenue jumma was afterwards settled with these excluded zemindars in Hidgellee and Tumlook, the salt and fuel lands were separated and appropriated by the Government, and excluded from the assessment, but the moshairah originally allowed, as above, was continued, and as it was arranged that, notwithstanding the settlement, the zemindars should not be restored to the actual charge of their estates, but that the Collector, who was also the salt agent, should continue to manage them on their behalf, a further allowance of 10 per cent. on the land revenue jumma, in addition to the original moshairah, was granted to the zemindars, in order to reconcile them to leaving their estates in the management of the salt officer for the benefit of the salt department, and to facilitate the Government management of the monopoly.

16. Subsequently, when the Government resolved to readmit the excluded zemindars to the actual management of their estates, those who acceded to the terms offered became entitled in perpetuity to their salt allowances, as well the moshairah fixed originally on the establishment of the monopoly, as the additional allowance of 10 per cent. on the land revenue jumma subsequently granted, in compensation for further advantages gained for the Salt Department by their continued exclusion from management.

17. At that time the zemindar of the Majnamootah Estate in Hidgellee remained recusant, but on the occasion of a settlement subsequently effected it was determined by the Government, in a Resolution dated the 30th of March, 1836, that the original moshairah should be continued to the proprietors in possession of that estate, as a perpetual allowance granted on the establishment of the salt monopoly, whether the estate was managed by themselves, under engagements with Government, or by the Government on their behalf, in consequence of their failing to perform their engagements, or from other cause; but that the payment of the additional sum subsequently allowed should subsist upon the condition of the proprietors continuing to furnish to the Salt Department the aids and facilities in consideration of which it was granted.

18. Neither of the allowances are alienable from the estates, and the Majnamootah Estate, being at present under Government management, from failure of the proprietors to perform their engagements, the additional allowance, under the peculiar condition attaching to it in that estate, has been suspended, and the original moshairah only is paid.

19. It would seem, from the foregoing account, that when the Government admitted the excluded zemindars of the *khas* estates to settlement and possession, they might properly have resumed both the allowances, merely excluding from the assessment, as had been done in the case of the settled estates, the salt and fuel lands separated and appropriated as a distinct Government mehal; unless, indeed, as is not improbable, the manufacture of salt in the estates had been extended in the interval to the prejudice of the land revenue assets; but the allowance having been declared permanent could not now be resumed without the consent of the parties—a consent which could only be asked for in the event of the lands being given over to them with permission to manufacture salt free of all restriction, except payment of the Government tax.

20. Some of the Government salt and fuel lands, both those for which only a deduction was made from the jumma of the estates to which they belonged, and those for which moshairah is also paid in Hidgellee and Tumlook, have become cultivated and culturable, and such of them as could be traced have been assessed under clause 11, Regulation I, of 1824, with a land revenue payment, but the offset thus obtained against the remissions, and the payments in the Salt Department, are very inconsiderable.

21. The nature of the moshairah paid to the zemindars in the Cuttack agencies, is fully described in the note* on those agencies.

Khullaree rents
paid to zemindars.

22. Besides the moshairah, khullaree rents are paid to the zemindars of certain estates, in the Hidgellee and Tumlook Agencies, for the use of their salt and fuel lands occupied by Government. These rents are not *remissions* originally made from the jumma of zemindars upon the assumption of the salt monopoly; they are composition for a *cess* formerly levied by the zemindars at the rate of 1 rupee 8 annas a head, from all the labourers in the khullarees established on their estates. The Government possession of the salt and fuel land is, by prescription at least, subject to this capitation tax, which represents in fact the rent of the lands, but the payment would cease in the event of the discontinuance of the manufacture on the part of the Government. The khullaree rents are thus of a nature entirely different from the moshairah of the Hidgellee and Tumlook estates, and the khullaree *remissions* of the 24 pergunnahs, with both of which they have been sometimes confounded. The payments in the Hidgellee Agency under the head of khullaree rents, amounted last year to rs. 22,409 : 10 : 11½.

* Appendix C, No. 3, paragraphs 24 to 32.

23. In addition to the moshairh and khullaree rents, 1,300 maunds of salt are annually allowed under the designation of khorakee or diet salt, for the household consumption of the several proprietors of estates in which salt is manufactured in this agency, paid partly in kind, and a part in money, at the rate per maund paid to the molunghees for salt. The allowance is a pure indulgence which might be resumed at once, and would certainly cease in the event of the Government abandoning the manufacture. The similar annual allowances in the Tumlook agency, aggregate maunds 563 30.

24. The salt and fuel lands in possession of the Salt Department, have been defined by survey and the erection of masonry pillars. Salt and fuel lands.

25. Formerly the khullarees were scattered all over the different salt lands of the agency, but lately they have been concentrated as much as possible on the banks of the several rivers and creeks, in order to facilitate supervision of the manufacture and transportation of the salt. Concentration of the manufacture.

26. The six aurungs comprise 83 subdivisions, called hoodahs, viz:— Subdivision of aurungs.

Beercool .. .. .	..	..	..	..	..	..	21
Bahareemootah .. .. .	..	..	..	..	..	..	15
Nurroahmootah .. .. .	..	..	..	..	..	..	15
Errinch .. .. .	..	..	..	..	..	..	9
Majnamootah .. .. .	..	..	..	..	..	..	9
Bograi .. .. .	..	..	..	..	..	..	14
Total							83.

27. The fixed establishment employed to supervise the manufacture of each aung is given below. Fixed establishments.

Pergunnahs or Aurungs.	Number of Darogahs.	Number of Karkoons or Accountants.	Number of Chuprassees, &c.	Number of Ooriah Mohurrirs.
Beercool and Kalindee	1	5	13	1
Bahareemootah	1	4	12	1
Errinch	1	4	11	1
Nurroahmootah	1	3	8	1
Majnamootah	1	3	6	1
Bograi	1	3	9	1
Total..	6	22	59	6

28. During the manufacturing season, temporary establishments are entertained as shown below. Temporary establishments.

Manufacturing Establishment entertained for Eight Months.

Designation of Officers.	Beercool.			Bahareemootah.			Nurroahmootah.			Errinch.			Majnamootah.			Bograi.			Grand Total.		
	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.
Hoodahdars...	21	840	17640	15	600	9000	16	600	9600	9	360	3240	9	360	3240	14	560	7840	23	920	21160
Chuprassees...	5	112	560	5	100	500	6	92	552	...	...	...	1	24	240	14	224	1120	31	336	1344
Adildars ...	66	1,056	67,656	46	736	47,136	47	752	47,896	29	464	47,896	30	480	47,896	38	608	47,896	256	3,936	4,096
Beavers...	8	192	1,536	8	192	1,536	8	192	1,536	8	192	1,536	8	192	1,536	9	192	1,536	48	576	1,536
Ferry establs.	7	138	966	...	...	...	2	27	54	1	27	54	...	...	...	12	144	1,728	22	270	3,234
Pansoway ...	...	...	...	...	...	...	1	14	14	...	...	...	...	...	...	...	...	...	1	14	14
Total ...	167	2,225	16,225	74	1,629	12,812	79	1,819	14,552	47	1,084	10,840	44	1,052	10,520	86	1,728	14,552	441	5,376	21,928

Establishments entertained for the Weighments and Transport Operations for Six Months.

Designation of Officers.	Beercool.			Bahareemootah.			Nurooahmootah.			Errinch.			Majnamootah.			Bogra.			Grand Total.		
	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.	No. Employed.	Salary per Month.	Total Salary during Season.
Bhangah } Mohurrira }	10	6	360	8	6	288	8	6	288	6	6	216	5	6	180	7	6	252	44	6	1,584
Koyals ...	10	5	300	8	5	240	8	5	240	6	5	180	5	5	150	7	4	168	44	4	1,278
Chuppadders ...	60	2½	900	48	2½	720	48	2½	720	36	2½	540	30	2½	450	43	2	504	264	2½	3,284
Churrundars	20	2½	294	12	2½	180	12	2½	180	8	2½	120	8	2½	120	14	2½	210	74	2½	1,104
Golpahurees...	...	...	...	...	...	...	...	...	...	3	2	36	2	2	24	...	...	...	6	2	60
Total ...	100	...	1,854	76	...	1,428	76	...	1,428	59	...	1,092	50	...	924	70	...	1,134	431	...	7,860
Grand Total...	207	...	4,182	150	...	3,056	155	...	3,247	106	...	2,126	98	...	1,976	156	...	2,862	872	...	17,449

Salaries and duties of the establishments.

29. The salaries of the officers on the fixed establishment, and the duties of the officers on both establishments, fixed and temporary, are nearly the same as in the Tumlook Agency, there being no material difference.*

30. The manufacture generally commences, as in Tumlook, about the middle of December, and ends with the setting-in of the rains in the first or second week of June, or as soon as the quantity of salt ordered to be made has been supplied.

Advances to molunghees and settlement of their accounts.

31. The system and process of making advance payments to the molunghees and settling their accounts, are the same as in the Tumlook Agency,† excepting that in Hidgellee the first advance is calculated in all cases upon the quantity of salt the molunghee contracts to make, 5 to 7 rupees per 100 maunds being the rate of advance.

Manufacturers and manufacturing process.

32. The manufacturers bear the same designations as in Tumlook;‡ 13,680 persons are daily employed in the manufacture during the season, viz.—2,123 molunghees or manufacturers, and 11,557 coolies, or common labourers. The process of manufacture is precisely the same as in the Tumlook Agency, but the position of the Hidgellee Agency being more advantageous, from its greater proximity to the sea, salt is produced with less difficulty, in greater quantities, and of a superior quality.

Mofussil weighments.

33. The Mofussil weighments, are conducted precisely as in the Tumlook Agency.§ The salt is at the risk of Government as soon as it has been weighed over to the charge of the Pokhtan darogahs, who, as chief supervisors of the manufacture, become responsible for it, receiving an allowance of two per cent. for spillage, wastage, and dryage, until the salt is re-weighed and stored in the Government golahs.

Transport of salt to the Government golahs.

34. The system and process of transporting the salt to the Government golahs, or warehouses,|| are essentially the same as in the Tumlook Agency. The rates of charge and the number of boats and bullocks employed are also proportionately the same. The channels of water communication from the manufacturing places to the store depôts, of which there are five within the agency, are very numerous. The two principal are the Mirzapore and Koonjoopore khauls or creeks, where tolls are collected by the agent in his capacity of Collector of Tolls, ex-officio, under Regulation XVIII, of 1806. These khauls are cleared of their silt through the agency of the Public Works Department. The smaller creeks are cleared under the orders of the salt agent, as occasion requires. The principal channels which do not require excavation are those mentioned at paragraph 3. The table below exhibits the cost incurred under the salt agency, for the excavation of the smaller channels during the past 5 years.

Aurungs.	1849-50.			1850-51.			1851-52.			1852-53.			1853-54.		
	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.	R.	A.	P.
Beercool ..	50	0	0	138	6	3	52	8	0	50	0	0	60	0	0
Bahareemootah ..	74	0	0	57	6	0	50	4	0	..	..	..	..	..	..
Narooahmootah ..	..	..	..	359	15	3	91	0	0	..	..	..	98	7	6
Errinch ..	..	..	..	67	6	5	73	7	6	..	..	..	..	..	..
Majnamootah ..	150	11	6	270	10	4	157	7	6	167	7	8	229	14	3
Bograi ..	..	..	..	..	..	..	..	..	..	..	..	..	359	13	6
Total ..	274	11	6	893	12	3	424	11	0	217	7	8	748	3	3

* See paragraphs 15 to 20 of the notes on the Tumlook Agency, Appendix B.

† See paragraphs 23 to 28 of the notes on the Tumlook Agency, Appendix B.

‡ See paragraphs 29 to 57 of the notes on the Tumlook Agency, Appendix B.

§ See paragraphs 58 to 61 of the notes on the Tumlook Agency, Appendix B.

|| See paragraphs 62 to 82 of the notes on the Tumlook Agency, Appendix B.

35. The expenditure incurred in the Public Works Department for clearing the Mirzapore and Koonjoopore' khauls, and the tolls collected by the agent at those khauls, during the same period, are shown on the margin.*

36. The weighments into store are conducted, and the stock is secured, essentially in the same manner as in the Tumlook Agency.† The following table exhibits all particulars concerning the situation and capacity of the 5 store depôts.

Weighments and storing at the depôts.

Names of the Ghauts at which the Depôts are maintained.	Number of Khuttees or enclosures.	Number of Golahs in each inclosure.	Estimated quantity of Salt each Golah is capable of containing.	Estimated quantity of Salt which can be stored at each Depôt.	Quantity of Salt stored at each Depôt in the past Year.	Proportion of the produce of each Aurung stored at each Depôt in the past Year.
Russoolpoor	1	9	55,000	4,95,000	1,67,743	Two-thirds of the produce of Bahareemootah and more than one-half of that of Errinch.
Kishenuggur	1	4	55,000	2,20,000	2,35,126	The whole produce of Majnamootah and upwards of one-third of that of Beercool.
Ramnuggur	1	6	55,000	3,30,000	2,01,788	The remaining produce of Beercool.
Worth Kalinnuggur ..	1	6	50,000	3,00,000	2,47,233	The remaining produce of Behareemootah and Errinch and the whole produce of Nurroahmootah.
Pooreeghatta	1	2	67,500	1,35,000	58,712	The whole produce of Bograi.
Total	5	27	2,82,500	14,80,000	9,10,602	

37. Two or three sets of scales are worked at each depôt, each set giving a weighment as at Tumlook, of 1,500 to 2,000 maunds daily. The charge for weighing varies at the different depôts from 2 rupees to 2rs. 4as. per 100 maunds. There being 5 depôts in the Hidgellee Agency, and these being situated at considerable distances from the agent's head-quarters, the weighments into store cannot be superintended by the agent or his assistant, so closely as in the Tumlook Agency, where there is only one store depôt, and that in the immediate vicinity of the agent's office.

38. Each depôt is under the charge of an officer, called an intendant, who is responsible for the out-turn of the stock, less an allowance of 2½ per cent. for wastage from atmospheric causes. These officers receive a salary of 100 rupees per mensem, except the

Year.	Expenditure for excavations.		Amount of Toll collected.	
	R.	A. P.	R.	A. P.
1849-50	2,506	5 11	1,215	0 0
1850-51		A	1,215	0 0
1851-52	4,158	1 11	1,215	0 0
1852-53			452	8 6
1853-54			901	0 0
Total	6,664	7 10	4,998	8 6

† See paragraphs 83 to 89 of the notes on the Tumlook Agency, Appendix B.

Salt how sold and delivered.

intendant at the Pooreghatta depôt, who receives a salary of only 80 rupees per mensem, his charge being comparatively a small one.

39. The mode of sale and delivery of the produce, and the precautions taken to protect the salt through the preventive chowkey limits, are essentially the same as in the Tumlook Agency.* Of the whole produce, only about 3,000 maunds are retailed within the agency limits, the remainder is carried away by merchants in quantities seldom exceeding 2,000 maunds, for the supply of the districts of Midnapore, Hooghly, Nuddeah, and other districts in Lower Bengal.

40. Two years ago, when the importations of Foreign salt into the Port of Calcutta were very extensive, the greater portion of the salt of this agency remained on hand, and it was necessary, in order to dispose of it, to transport it from the district depôts to the Sulkeea Golahs, but since the foreign importations have declined, the whole produce has been cleared at the district depôts, and it has not been necessary to transport any part of it to the Sulkeea Golahs for sale.

41. The price at present fixed on Hidgellee salt, deliverable at the agency depôts, is 301rs. per 100 maunds, of which 250rs. is the duty or profit, and the remaining 51rs. is considered to be the cost.

42. The agent of Hidgellee is not now, as the Tumlook agent still is, the superintendent of salt preventive chowkeys within the limits of his agency.

GEO. PLOWDEN,
* Commissioner.

Appendix C.—No. 2.

Note on the Manufacture, Storage, Sale, and Delivery of Salt in the Chittagong Agency.

Boundaries of the agency.

1. This agency is coextensive with the district of the same name. It extends along the east coast of the Bay of Bengal, from the River Fenny, the boundary on the north between the districts of Tipperah and Chittagong, up to the Naaf river, and its tributary the Mòoroosay, which separate it on the south from the province of Arracan. On the west, it is separated from Burmah by almost impenetrable forests and mountains.

2. The head quarters of the agency are at the station of Chittagong, which is situated on the right, or north, bank of the river Kurnafullee or Kurrunfoolee, nine miles from the mouth.

Salt manufacturing localities.

3. Salt can be manufactured all along the sea coast, but the agency, as now constituted, consists of only two aurungs or manufacturing districts, viz., Jooldeah and Barchur. Formerly salt was also manufactured in other places on the coast, and in the adjoining district of Bullooh, as shown on the margin.† These localities were gradually abandoned, and the manufacture concentrated within the present limits.

Aurungs and their subdivisions.

4. Aung Jooldeah is situated on the main land, about 25 miles south of the station of Chittagong, and extends from Kuddumrussool on the north, 4 miles south of the Sunker or Lungoo river, to Burra Sooneah on the south, a distance of about 16 miles, its breadth varying from half a mile to 2½ miles. It includes 10 subdivisions,‡ called mokáms, each of which is again subdivided into jurisdictions of varying sizes, called kitábuts. The chief manufacture is carried on along the banks of a large creek called the Julkuddur khaul, and the remainder on the shores of the bay, as shown in the accompanying map,§ in which all

* See paragraphs 90 to 96 of the notes on the Tumlook Agency, Appendix B.

† Chittagong	Potungah Nizampore Soneah Chur.
Bullooh	Lall Gunge Neez Bullooh Dukhin Shabazpoor Dhunnee Munnea Baminee Sundeeep Hatteeah Chur Hazaree Jugodeeah Durrah.

‡ Bhallookhallee, Shurrul, Koonneeah, Loodeer Ghaut, Khodye Gonah, Julkudder, Boil Tullee, Chota Soonoa, Burra Soonoa, Alukdeeah.

§ Map No. 9.

the manufacturing localities of the agency are exhibited, as also the sites of the preventive stations and the Government wholesale and retail depôts. This aurung when fully worked, is capable of yielding from 4 to 5 lacs of maunds of salt, and of accommodating upwards of 500 manufactories, producing from 600 to 1,100 maunds of salt each in the season.

5. Aurung Barchur lies to the south west of the Jooldeah aurung, from which it is separated by the Kotubdeah channel, the manufacture being generally confined to two islands, viz., Kootubdeah and Mutturbarree, the former about 13 and the latter about 8 miles in length. In some years, however, when a larger out-turn than usual has been desired, it has been necessary to extend the manufacture to the neighbouring island of Mascall, and about 15 miles further south, to the shores of the main land, opposite to that island, near Cox's bazaar.

6. This aurung contains 21 subdivisions, viz.:

Kootubdeah Island.. .. .	.. .. .	.. .. .	Khoodeeah Theke. Kawn Khallee. Hum-bollah. Pillut-cottah. Abacheeah-Cottah. Goyner-Cottah. Noa Colly.
Mutturbarree Island .. .. .	.. .. .	.. .. .	Raj Ghaut. Soosumah. Moor Khallee. Sakeradeah. Dokanneeah. Thakoormeeah. Khan kattee. Banniah kattee.
Mascall Island .. .. .	.. .. .	.. .. .	Kandeeah khattah. Goruck Bhattah.
Main land near Cox's Bazaar .. .. .	.. .. .	.. .. .	Korooseool. Poke Khallee. Gomah Tullee. Chowpuldundee.

This aurung is capable of accommodating from 4 to 500 separate works, and of producing from 3 to 4 lacs of maunds of salt in the season.

7. The two aurungs, in favourable seasons, are thus capable of yielding between 8 and 9,00,000 of maunds. The largest out-turn appears to have been obtained in 1850—51, when Jooldeah produced 4,46,492 maunds, and Barchur, including Mascall and the Mokam, near Cox's bazaar, 3,89,842 maunds, making a total of 8,36,334 maunds; but it is very doubtful whether they will ever again be able to produce so much, as some of the lands in Shurrul and Alukdeeah, in aurung Jooldeah, have been washed away by the sea. Capability of the agency.

8. The price paid to the molunghees for the salt manufactured by them, was reduced last season from 8 annas to 7 annas per maund, and the agent is of opinion that any further reduction is impracticable. To each molunghee salt lands are assigned sufficient for the establishment of his works, but his fuel is not found him as in the Tumlook and Hidgellee Agencies. Price of the salt.

9. About one dhroon, or nearly seven acres of land, is the space allotted for each set of works; within this space a good molunghee will, in a fair season, make from 1,000 to 1,100 maunds of salt.

10. The molunghees, for the most part, make their own arrangements for fuel, but advances are also made by the agent to contractors for the collection of firewood, and the molunghees are permitted to purchase, if they please, from this stock, the price being deducted in their account.

11. The salt-producing lands occupied by the agency in this district are simply rented from the proprietors, in accordance with the provisions of clause 13, section 9, Regulation I, of 1824, and may be given up at any time. Rent is paid only for the land actually occupied, and its amount, in consequence, varies with the requirements of each season. The annual rent at present paid amounts to 4,337 rupees 14 annas 7 pies, viz., Khullaree rents.

To zemindars .. .. .	.. .. .	.. .. .	3,639 2 0
To the Collector of the district for land belonging to Government .. .. .	.. .. .	.. .. .	698 12 7
Total .. .. .	.. .. .	.. .. .	4,337 14 7

12. Each aurung is placed under the immediate charge of a goomastah, who receives a salary of 100 rupees per mensem, and furnishes security to the amount of rupees 5,000, for the due fulfilment of his responsibilities. The contracts with the molunghees are all made through him, and he is responsible for any balances which may accrue on sums advanced to them; but the due receipt by the molunghees of all money payable to them is Establishments and their duties. Goomastahs.

always tested by the salt agent, or his European assistant. The goomastahs also contract for erecting embankments to keep out the high tides. The cost of embankments is somewhat heavy in this agency, as the manufacturing lands are situated so low, that were there no embankments, most of them would be submerged during the high tides of March and April, and the manufacture would cease very early in the season. The goomastahs are answerable for the solidity of the embankments, and receive 1 rupee for each kovah or hole of dry earth, and from 1 rupee 11 annas to 2 rupees for the same quantity of soft mud, making their own arrangements with the mud cutters. A kovah is a hole measuring 10 by 10 cubits at the surface, sloping inwards on the sides to a depth of $3\frac{1}{2}$ cubits, and containing about 250 solid cubits.

Office establishment.

13. The goomastahs have under them two establishments, viz., an office establishment, employed principally in keeping the accounts, and a chur or field establishment to look after the manufacture. The former is partly permanent, temporary additions being made to it during the manufacturing season, as follows:

Designation of Officers.	Aurang Jooldeah.						Aurang Barchur.					
	Permanent.			Temporary.			Permanent.			Temporary.		
	Number Employed.	Rate of Monthly Salary.	Total Salaries per Month.	Number Employed.	Rate of Monthly Salary.	Total Salaries per Month.	Number Employed.	Rate of Monthly Salary.	Total Salaries per Month.	Number Employed.	Rate of Monthly Salary.	Total Salaries per Month.
Goomastah ..	1	100	100	..	..	..	1	100	100	..	..	..
Sheristadar ..	1	30	30	..	..	..	..	..	..	1	25	25
Mohurrir ..	1	15	15	..	..	..	2	14	28	..	..	..
" ..	..	..	..	1	20	20	..	..	..	..	..	..
" ..	..	..	..	1	14	14	..	..	..	..	..	..
" ..	..	..	..	3	10	30	..	..	..	2	10	20
Burkundazes ..	4	4	16	6	4	24	3	4	12	4	4	16
Stationery ..	..	..	5	..	..	..	..	..	3	..	..	..
Total ..	7	..	166	11	..	88	6	..	143	7	..	61

Chur or field establishment.

14. The chur or field establishment is altogether temporary, it is employed only during the manufacturing season, and varies every year, according to the number of salt works. One mohurrir and one chuprassee are generally entertained for every 10 to 14 sets of works, a chur mohurrir's charge being designated a kitabut. The sheristadars and mohurrirs of the office establishment are each placed in charge of one or more of the subdivisions or mokams, and of the chur mohurrirs included in them. They are called mootayans, and are expected to be as much as possible among the works, pushing on the manufacture, and seeing that no smuggling takes place. They are bound to report immediately any irregularity which may come to their knowledge, and it is further their duty to look after the due loading of the salt on the boats in the aurungs.

15. The chur mohurrirs receive 6 rupees each per mensem, and the chuprassees 3 rupees. The mohurrirs are expected to visit each salt work under their charge, at least once every day, to measure with a pherrah, or wooden measure, of one maund capacity, the salt manufactured during the previous 24 hours, to see it stored in the molunghee's golah, and to stamp it. The quantity ascertained by measure is entered in the day book, and a similar entry is made in the molunghee's golah shoomar, or golah account paper, which is always suspended in the golah for the inspection of the supervising officers. The chur mohurrirs send in to the mootayans weekly statements of the quantity of salt manufactured in each set of works within their respective kitabuts or beats, and of the quantity transported from the aurungs. The mootayans copy these statements into their books, and forward the originals to the goomastahs, by whom copies are sent to the agent and to the European assistant, who remains in the aurungs supervising the manufacture, throughout the season. The chur mohurrirs measure the salt into the boats, and transmit with each boat a chelaun or invoice of the quantity loaded on it.

16. The chur chuprassees aid the chur mohurrirs in their duties, and have also to watch the works, and prevent the surreptitious removal of salt.

17. An estimated sum of rupees 1350 per mensem is allowed to cover the cost of the chur or field establishment, including boat hire for the aurung officers and other miscellaneous contingencies; but the actual expenditure varies with the number of works opened in the season, and is generally considerably below the estimated sum. Last year the expenditure was rupees 521, and in the previous year rupees 710.

18. After the first spring tides in December, by which time the rice harvest has been gathered in, the molunghees begin to leave their homes for the places of manufacture, the journey and the preparations for it occupying a week or ten days. On reaching the aurungs, another week or ten days is taken up in hutting themselves, and constructing their works. If, therefore, the spring tides occur in the beginning of December, the manufacture can be commenced in the last week of that month, otherwise it is commenced in the beginning of January, and kept up without intermission till the middle of March, or sometimes, weather permitting, until the middle of April.

Period of manufacture.

19. The advances to the molunghees are regulated in a very different manner from the system in force in the Tumlook and Hidgellee Agencies. In those agencies the molunghees have not to purchase their fuel, they have only to cut it in the immediate vicinity of their khullarees, and it is of a kind which involves little labour in the cutting; they reside also, generally speaking, near their khullarees, and coolies or common labourers are procurable in any numbers, at a very low rate of remuneration. In Chittagong, on the contrary, the molunghees have to purchase their fuel, which is dear, and they live, for the most part, far away from the manufacturing aurungs, which imposes upon them the expenses of a journey, and of erecting temporary habitations at their works. A great number come from the Bulloah district, others from Ameerabad and Nizampore, and other places north-west of the station. Coolies are also procured with difficulty, and are paid at high rates; in fact, the molunghees are obliged to pay their coolies almost the entire season's wages in advance before they will engage.

Advances to the molunghees.

20. In consequence of these heavier preparatory expenses, it is necessary in Chittagong to make heavier advances. As the advances are made on the value of the expected produce, the contracts entered into with the molunghees are limited to 400 maunds of salt per choolah or salt work, in order to keep down the advances, and reduce the risk as much as possible; but the molunghees are allowed to supply from each choolah as much salt in excess of the quantity contracted for as they can make.

21. The value of 400 maunds of salt, at 7 annas per maund, is 175 rupees. Of this amount, the molunghees, to enable them to make their preparations, receive, in September or October, 25 per cent. (4 annas in the rupee), or 44 rupees; and again in November a further advance of 37½ per cent. (6 annas in the rupee), or 66 rupees, making a total of 110 rupees for each saltwork, before the molunghees even repair to the manufacturing ground. On reaching the ground, they receive a further advance of 12½ per cent. (2 annas in the rupee), or 22 rupees, to enable them to commence the manufacture. 75 per cent., or ¾ths of the value of the quantity of salt contracted for is thus paid and risked before any salt is made. When the manufacture has commenced, all further advances are regulated by the produce, generally 12½ per cent., or 2 annas in the rupee, calculated on the value of the contract being advanced at each spring tides, so long as the quantity of salt produced shows that the advances are being properly worked out. A good molunghee is generally clear of his advances by the third, or the last, week of February. The fuel boats come at the spring tides, and the advances are, therefore, made at that time to enable the molunghees to purchase fuel.

22. Each molunghee is furnished with a hath-chittah or ticket, in which every payment made to him is entered and attested by the signature of the agent or his assistant.

23. The final settlement with the molunghees does not take place until the salt has been weighed into the Government golahs. In the aurungs, delivery is taken at the rate of 35 seers per pherrah of one maund capacity, and any balance found to be due to a molunghee at the close of the manufacture, on the quantity of salt delivered by him, calculating every pherrah maund at 35 seers, is paid over to him at once.

24. Besides having the security of the goomastah, the agent further protects the Government against the risk of the heavy advances made before any salt is manufactured, by taking security from the molunghees, who generally enter into bonds for each other, and thus it seldom happens that either the Government or the goomastah sustain any loss.

Security for the advances.

25. At the price of 7 annas per maund a molunghee must produce 250 maunds of salt to clear his preparatory advances, amounting to 75 per cent. of his contract, or rupees 110; but a choolah, or salt work, does not begin to pay until it has produced 679 maunds, as will appear from the following calculation of expenses for the season:

Molunghee's expenses for the season, for working a single choolah or salt work.

	RS.	A.	P.
Wages of a pákee or man employed to superintend the boiling	18	0	0
Ditto of a second ditto	14	0	0
Seven gáboos, or common labourers, at 10 rupees each	70	0	0
Price of 7,000 pots at 4 rupees per 1,000	28	0	0
Dieting the above nine men, and the molunghee's own diet, for 3½ months, } at 1 rupee, per man, per month	35	0	0
Cost of implements and of materials for the works, and for the hut in which } the molunghee and his labourers live	8	0	0
Travelling expenses of 10 men from their homes to the manufacturing ground	4	0	0
Fuel	120	0	0
Total expenses for the season.. .. .	297	0	0

which at 7 annas per maund, is the value of 679 maunds of salt.

Molunghee's profit from a single choolah or salt work. 26. All salt made in excess of the above quantity, is therefore clear gain to the molunghee. On an average, each choolah or salt work, turns out 10 maunds per diem, which gives an average out-turn of 900 maunds for each choolah in a season of 3 months, and of 1,050 maunds in a season of 3½ months. Some choolahs turn out more, and some less, than 10 maunds per diem, but that quantity may be assumed as the average daily production.

Regulation of contracts and division of labour. 27. No contract is allowed for less than two choolahs each. Some molunghees take several contracts, either singly or in partnership; others take only a single contract, individually or between two or more. The molunghees only supervise the manufacture, and see that their workmen do not idle; the whole of the real labour falls on these latter, and is very severe; they work continually from dawn till 9 P.M., and require to be fed four times a day; by the end of the season they are completely worn out, and could not be induced to work any longer, indeed would not be capable of doing so if it were required of them.

Manufacturing process. 28. In Chittagong two kinds of salt are manufactured,* one called jât, and the other telinneah. Of the total quantity made, about three-fourths is jât, and one-fourth telinneah. The process of condensing the brine is exactly similar to that followed in the Tumlook Agency, and in the Bengal agencies generally; and the method of manufacture in all other respects is not materially dissimilar. In Chittagong the molunghees never plough, or prepare, the salt lands, the manufacture being on the shores of the Bay of Bengal, or close to them; the salt lands are covered during the October and November spring tides with very strong salt water, and become so highly impregnated with saline particles, that they can bear scraping from the commencement to the end of the manufacture, without being submerged, as in Tumlook, for the purpose of re-impregnation. Late in the season, the yield is perhaps less than at first, but the daily produce from each choolah is still very much in excess the quantity produced in Tumlook.

Manufacture of jât salt. 29. Jât salt is made by the molunghees who come from the districts of Bullooh and Tipperah, and that part of the district of Chittagong which lies to the north of the Kurnafulee river. The boiling houses are not covered in, but surrounded with a fence made of bamboos and grass. The choolah or furnace is formed much in the same way as in Tumlook, but the cone contains from 375 to 450 putnees or pots. Each pot holds 1½ seers of brine. There are four boilings a-day. A boiling lasts 3½ to 4 hours, and yields about 3½ maunds of salt. The pots seldom last beyond 8 days, and if the brine is very strong, they sometimes become unserviceable in 5 or 6 days. The salt, when made, is taken out of the pots and thrown into large baskets, where it is allowed to drain for 3 hours; it is then carried to the front of the molunghee's golah or store house, and there the produce of each boiling is piled up in conical heaps on mats spread out for the purpose.

Manufacture of telinneah salt. 30. Telinneah salt is manufactured only by molunghees who reside in the Chittagong district, to the south of the Kurnafulee river.

31. The telinneah choolah, or furnace, is not raised above the ground, but sunk, and over it is constructed a cone, called kantalah, of circular rings of earth prepared and baked by the potters, and stuck together with clay in circles until the cone is formed. The rims of imperfect and rejected boiling pots are taken for the rings. The interstices between the rings are filled in, and plastered with a mixture of clay and cow dung, which is allowed to dry before the choolah is used. The pots, called telins, from being of the shape of a cooking pot, are 9 inches wide at the mouth, with a slight bulge in the centre, and 6 inches deep; one is set on each ring. The kandah contains generally about 180 telins or pots. The choolah is entirely covered in, as also is the brine reservoir, which is at one end of the furnace-house, the golah or storehouse being at the other end. The filters are much smaller than those used by the jât molunghees, and are only five cubits in diameter. From 13 to 18 of these filters are required for each choolah, while only 6 are required for the jât choolahs, these being from 12 to 15 cubits in diameter. The reservoir contains a supply of brine sufficient for 5 or 6 days manufacture; when this is exhausted, the molunghee stops boiling for a couple of days, renews his pots, and if necessary, his kandah, and collects another supply of brine. During the 5 or 6 days' manufacture, the boiling is carried on without intermission night and day. There are generally 7 boilings in the 24 hours, the produce of each boiling being about 2 maunds, so that, allowing for the 2 days' cessation of the manufacture, in 7 or 8 days the average daily produce of both the jât and the telinneah choolahs is about the same.

32. The draining baskets are kept within the boiling houses, raised on three posts,

* See paragraphs 35 to 57 of the notes on the Tumlook Agency, Appendix B.

with a central stick, around which gachah salt is formed from the drippings of the basket. The salt is not previously heaped in front of the molunghee's golah, but is removed to it direct from the baskets. The gachah salt is removed every 14 days, by which time the drippings on each stick have grown to solid blocks of from 10 to 12 inches in diameter, and weighing from 1 to 1½ maunds. After removal, they are broken up and mixed with the other salt in the molunghee's golah.

33. The molunghee's golah is about 12 cubits long, by 8 broad; the floor is raised in the centre, and slopes down on both sides to small drains, which receive and carry off the moisture which flows from the salt down the slopes. The floor is covered with a mat to keep the salt clean. Molunghees' golah.

34. The strictest care is taken to ensure the purity of the salt, and any of doubtful quality is separately heaped, and stamped by the aurung officers, until the agent, or his assistant, visits the choolahs, when these heaps are carefully inspected, and the salt, if found to be inferior, is at once thrown into the taggár or brine pit. Quality of the salt.

35. In cleanness and whiteness, the telinneah salt is very superior to the jât salt, being equal, in these qualities, when first manufactured, to the best refined Liverpool salt imported into Bengal; but owing to the greater care of late bestowed on the manufacture of the jât salt, the superiority of the telinneah over it is not now so great as it used to be. Relative qualities of jât and telinneah.

36. The brine used for the telinneah choolahs being allowed to stand longer, the impurities are more completely precipitated; but the chief cause of the superiority of the telinneah salt is, that each boiling pot is separately and carefully filled with brine. The jât choolah or furnace, on the other hand, is not, like the telinneah choolah, a separate construction; it is formed only of the pots themselves, which are placed in circles, each circle being slightly elevated upon the other, until a cone somewhat flattened at the top is formed; the pots are cemented together with clay only, and the ruggedness of the cone is removed by filling in the empty spaces between the pots with a mixture of clay, cow-dung and chopped straw, or flax, so that the choolah when completed presents a smooth surface level with the mouths of the pots, or like a telinneah kandah before the pots are put on. The pots of the jât choolah thus admit of being filled by upsetting the brine on the top of the cone; and that is the method adopted; the brine trickles down from circle to circle, gathering the impurities of the surface of the choolah in its course, and so the cleanness of the salt is affected; formerly, when the mixture by which the surface of the choolah was formed, consisted only of clay and cow-dung, a greater quantity of impurity was collected, but the addition of chopped straw or flax, by increasing the adhesiveness of the mixture, lessens the quantity of slime and dirt gathered by the brine. A system of skimming the jât pots during the boiling, has also been adopted, which has helped to improve the salt in cleanness and whiteness.

37. Each chur mohurrir, or, when he may be prevented, his subordinate chuprassee, stamps every day the salt of each boiling in his kitábut or beat, as it lies, in the case of the jât salt, in the conical heaps before the golahs, and in that of the telinneah salt, in the drainage baskets. On the following morning, early, the chur mohurrir visits in succession every salt work in his beat, and after personally measuring all the stamped salt of the previous day's manufacture, with a pherrah, of the capacity of one maund, with the help of the molunghees, he has it removed into the molunghee's storehouse, where it is kept separate from the main heap which bears the mootayan's stamp. He then makes an entry of the number of boilings, and the total produce of the day in his hath-shoomar, or day-book, and also in the molunghee's golah shoomar, or golah ticket, which is suspended in the golah for the molunghee's satisfaction. All the salt of the week is separately heaped together in the golah in this manner. At the end of the week, the mootayan examines all the weekly heaps in the kitábuts within his mokám or subdivision, to see that the quantity of salt entered as manufactured has been *bond fide* stored, re-measuring the heaps if his suspicions are raised as to the quantity of salt they are said to contain. When satisfied of the correctness of the heaps, he mixes up the week's produce with the main heap, and puts his own stamp over the whole, countersigning at the same time the day-book and the golah ticket. The mootayan from this time becomes responsible for the correct out-turn of the molunghee's golah. Method of bringing the produce to account, and preventing its abstraction.

38. To preserve a greater check over illicit transactions, and to make it easier to prevent the abstraction of any of the produce, measures are taken to render each salt work capable of producing the same quantity, and this quantity being ascertained, every effort is made to keep the daily manufacture at the full amount. Any deficiency on this amount, in the day's produce of any salt work is carefully inquired into, and unless it is satisfactorily accounted for, the molunghee renders himself liable to have his salt work closed, the Goomastah of the aurung being required, in that case, to make good any balance which may be due on the advances.

39. In the Tumlook and Hidgellee Agencies, each molunghee's salt is finally weighed in the aurungs, prior to its removal to the Government store golahs, his account is settled on that weighment, and the salt as soon as it has been weighed is at the risk of Government. In the Chittagong Agency, on the contrary, no scale weighment of the salt manufactured by each molunghee takes place in the aurungs prior to its transportation to the Government store golahs, but only a measurement by a wooden pherrah of one maund capacity, and as, not the salt of each molunghee, but of each kitábut, is separately transported and weighed into store, and the account of the molunghees is finally settled upon such weighment by kitábuts, it is obviously very essential that all the salt of each kitábut should be so carefully measured as to obtain as nearly as possible an uniform out-turn from each pherrah; the Measurement of the salt in the aurungs, prior to transportation to the Government store golahs.

greatest pains are therefore taken to secure this uniformity of out-turn, by a process of filling the pherrah in such a manner as to obviate the use of manual agency, which even if honestly exercised is not fully to be depended upon, and to ensure its containing as nearly as possible the same quantity on each occasion. The following is the method pursued:—

Method of measuring the salt.

40. A level place is prepared in front of the molunghee's golah, on which mats are laid down; two strong perpendicular posts are then inserted into the earth about one yard and a-half asunder, with a cross bar tied firmly to them about two cubits from the upper edge of the pherrah, which is placed between the posts. The salt is filled into baskets called perroahs, three of which are estimated to fill a pherrah quite over; these baskets are then lifted, in succession, so as to rest on the cross bar, and in that position their contents are tilted over into the pherrah; on each occasion the salt is roughly adjusted with the fingers, and is finally cut even with the edge of the pherrah by drawing a flat piece of wood called a dangah across it, the dangah being about three inches wide and one inch and a half thick, and somewhat longer than the pherrah. By this contrivance the salt falls into the pherrah with unassisted and uniform gravity, so regulated, that when the pherrah is filled, and the salt is drawn even with its edge, in the manner above indicated, it contains as nearly as possible one maund.

Account of the measurement.

41. The contents of the pherrah are then entered by the chur mohurrir into a book called the wuzun buhee, or measurement book, every page of which has been previously attested by the agency seal, and the signature of the agent, or his assistant, after which the salt is turned on to the mats, and is at once conveyed to the boats which are to transport it to the Government store golahs.

42. The measurement is conducted in the presence of at least four molunghees of the same kitabut, including the owner of the salt, who are required to be in attendance to see that it is carried on fairly, and to attest it by signing the measurement book. The salt is at the risk of Government as soon as it is taken from the molunghee's golah, and placed in the transport boats which are to convey it to the Government store golahs; from that time the goomastah is held responsible for it, except for loss in transit, until it is weighed over into store.

43. The reason why the salt is not weighed, instead of being measured, at the works prior to transportation to the store golahs, as in the Tumlook and Hidgellee Agencies is, that, owing to the earlier setting-in of the rains and stormy weather in Chittagong, it is necessary to store the salt so much sooner that it cannot be left at the works long enough to allow the moisture, inherent in newly-made salt, to drain off, and to weigh the salt before it has become sufficiently dry would be a mere waste of time, as the out-turn would afford no useful approximation to the ultimate weight.

Transportation of the salt from the aurungs to the Government store golahs.

44. The transportation of the salt from the salt works to the Government store golahs commences, generally, about the end of February. It is effected by contract. At the end of November, or beginning of December, tenders are invited for two separate contracts, one for boats of a large size which come from the island of Sundeep, capable of carrying from 500 to 700 maunds of salt each trip, the other for the smaller Dessee or Chittagong boats, varying in tonnage from 80 to 160 maunds, and seldom exceeding 200 maunds. The former are used for conveying the salt of works situated on large creeks; the latter of those situated on smaller channels, whence the salt can only be removed during the spring tides. About 500 boats are employed, consisting of from 300 to 350 of the larger kind, and 150 to 200 of the smaller sort. The contractors and the maunjées of the boats furnish security for the due fulfilment of their contracts; the maunjées entering into bonds for each other.

45. The rates of contract last season ranged from rs. 4:15 to rs. 6:3 per 100 maunds, according to the distance and position of the works; this year, the rates have been reduced 2 annas per 100 maunds all round. In the first instance, an advance is made to each maunjée at the rate of 20 rupees for each Sundeep boat and 8 rupees for each Dessee boat; subsequently, they are paid each trip for every 150 pherrahs at the rate of 100 maunds, less 5 per cent., the pherrah being a measure of one maund capacity. When the transport operations are completed, they are paid up any balance which may be due to them at the above rate of calculation, their accounts not being finally adjusted until the salt is weighed into store, when they are settled on the actual weight of the salt transported.

46. Each maunjée is furnished with a hath-chittah, or ticket, in which the first advance, and all subsequent payments are entered, each being made in the presence of the salt agent, and attested by him on the hath-chittah.

47. At each trip the maunjée of the boat is furnished with a chelaun or invoice, signed and sealed by the agent, or his assistant, to protect the boat from seizure, and specifying the quality of the salt, whether jât or telinneah, the kitabut from whence it comes, and the molunghee or molunghees to whom it belongs. The molunghees of the kitabut are obliged either to accompany the salt, or to depute a person, on their part, as churrundar, or supercargo, to convey the salt to the Government store golahs and to see it received into store. Unless this is done, the salt agent is not bound to compensate the molunghee for any loss in transit, or from erroneous storage of his salt.

48. The goomastahs contract for the conveyance of the salt from the salt works to the boats. The rate paid last season was 13½ annas per 100 maunds. There is no charge of this nature in the Tumlook and Hidgellee Agencies, as there, the molunghees and boatmen carry the salt to the boats. The goomastahs contract also for clearing out the creeks through which the boats convey the salt.

Receipt of the salt

49. All the salt manufactured in this agency is stored at the town of Chittagong in

golahs, or warehouses, congregated on the right bank of the Kurnafullee river. There are at present 28 golahs, each capable of containing from 30,000 to 90,000 maunds of salt. They are entirely composed of mat, straw, and such like combustible materials, and one may be run up in two or three weeks at a cost of about rupees 100. Two years ago there were 51 golahs, in which 22 lacs of maunds of salt were actually stored; but, usually, accommodation is provided for from 12 to 14 lacs of maunds. A portion of the ground on which the golahs are erected belongs to Government, and for the remainder, ground rent, to the amount of rs. 627 : 6 : 7 per annum, is paid to the proprietors.

into the Govern-
ment store go-
lahs.

50. Previous to the commencement of the manufacture the golahs required for the storage of the season's salt are put into thorough repair, and completely matted with split bamboos, to keep the salt from contact with the ground. They are then allotted to the two aurungs, and divided into as many spaces as there are kitábuts, to admit of the salt of each kitábut being stored separately pending weighment. On the arrival of a boat the churrundar, or supercargo, informs the mohurrirs entertained there on the part of the goomastahs, who after examining the cargo on board, and finding it to correspond with the particulars entered in the chelaun, or invoice, receive it into store. The mohurrirs are nominated by the goomastahs, but paid by the Government at the rate of 10 rupees each per mensem; two are entertained on the part of the jooldeah goomastah, and one on the part of the Barchur goomastah. When the storage is completed, the entrances to the golahs are carefully closed up, and the drain opened to allow the salt to drain as much as possible. The storage is generally completed by the 15th of April. Until the salt is weighed into store the goomastahs continue to be responsible. The carriage of the salt from the boats to the golahs is a separate charge in this agency. In the Tumlook and Hidgelkee Agencies the boat people land the salt on its arrival at the store depôts.

51. On the 1st of June, or as soon after as possible, by which time the salt has become sufficiently dry, the weighment is commenced. The goomastahs, the aurung establishments, and certain of the molunghees, selected by themselves, of each kitábut, attend to check the weighments. When the salt is stored in the golahs a small space is left at one end to admit of the scales being placed inside; the salt, as weighed, is heaped against the entrance, so as to preclude all access to the golah from that end, and the scales are moved on until, when all the salt in a golah has been weighed, they reach the other end. As the weighment of each kitábut is completed, the responsibility of the goomastah ceases, and that of the golah darogah commences. Two tallies are kept, one by the aurung officers, the other by the golah officers; these are mutually signed in the golahs by all the parties present, the tallies kept by the golah officers being also countersigned by the assistant agent, and finally registered in the office, until the whole salt of the season has been disposed of, when they are destroyed.

Weighment of the
stored salt.

52. There are generally 14 sets of scales at work, and the weighment proceeds at the rate of 1,000 maunds per scale per diem or 14,000 maunds daily. An establishment is permanently entertained for only seven scales, which being sufficient for the weighment of only 7,000 maunds, the darogah is allowed 12 as. for every thousand maunds weighed in excess of that quantity. He is also allowed 1 rupee 12 annas; per 1,000 maunds for coolies, including baskets, &c., to cut, carry, and store the salt.

53. When the whole of the salt in any golah has been weighed, the end of the heap is formed into steps, and covered with impressions from the golah darogah's stamp. The agent, or his assistant, then places several impressions of the agent's private or check-stamp on the face of each step; the heap is carefully examined, and the number of steps and impressions noted; the golah is then closed and two locks are affixed to the door, the key of one being kept by the agent, and that of the other by the darogah.

54. In about 2 or 2½ months the weighment is completed; the accounts of the molunghees and of the maunjees who brought the salt from the aurungs to the store golahs are then made up, and they are paid, in the presence of the agent, the balances due to them according to the actual weight of the salt. In the case of the molunghees the scale out-turn of each kitábut is rateably apportioned to the number of pherrah measures received at the works from each molunghee of the kitábut.

Final settlement of
the accounts of
the molunghees
and boatmanjees.

55. The following establishment is permanently entertained for the store golahs:—

Golah establish-
ment.

	Rs.
1 Darogah on	200
3 Kantah mohurrirs at 20 rupees each.	60
4 Ditto at 15 rupees each	60
2 Kyals, at 10 rupees each	20
5 Ditto at 8 rupees each	40
1 Office mohurrir	8
1 Jemadar of guard	15
1 Naeab Ditto	6
1 Ditto	6
15 Burkundaz at 4 rupees each	60
1 Sirdar or chief goldar	5
19 Goldars at 4 rupees each	76
1 Aduldar or stamper	3
Total per mensem	559

56. The kantah-mohurrirs and kyals constitute the weighing establishment, exclusive Duties and respon-

sibilities of the golah establishment. of coolies, who are hired as required. These and the darogah furnish a considerable security, and are responsible for any deficiency in the out-turn of the golahs in excess of the fixed wastage allowance, in the following proportions:—

Darogah	1/16
Seven kantah mohurrirs	1/16
„ kyals	1/16

They are allowed wastage on Chittagong salt at the following rates:—

First 3 months	2½ per cent.
„ 6 „	3½ „
„ 9 „	3½ „
„ year	4 „

To obviate objections of excess wastage being attributable to ill-executed repairs, it is usual to give the darogah the contract for the annual repairs of the golahs; last season these cost rs. 1,830:11:11.

57. The office mohurrir keeps the golah accounts. *The jemadar, with his nacebs and burkundazes, keeps watch over the treasury and the store golahs day and night, and the goldars are employed on all menial duties connected with the golahs; the business of the Aduldar is to stamp salt that has been weighed.

58. When a golah is opened all the checks are carefully examined, and, if these are found to tally with the closing report, the golah is at once made over to the sole charge of the darogah.

Sale and delivery of the salt from the Government store golahs. 59. All salt the manufacture of this agency is disposed of wholesale, the deliveries being managed upon the same system, and under the same checks, as in the Tumlook Agency.* The price at present fixed upon Chittagong salt, deliverable at the agency golahs, is rupees 318 per 100 maunds, of which rupees 250 is the duty, or profit, and rupees 68 the calculated cost. The bulk of the salt is taken, in the first instance, to Naraingunge, a large mart on the right bank of the Megna, about 16 miles south of the city of Dacca; from thence it is distributed through the north-eastern districts constituting Upper Bengal.

Suspension of the manufacture, and contemplated abolition of the agency. 60. The manufacture was suspended in the Chittagong Agency in 1838-39 for one year. In 1852-53, it was again suspended, and measures were taken to wind up and close the agency, it being anticipated, from the large and increasing importations of Liverpool and other Foreign salts to Calcutta, that it would not be necessary to work this agency again. At that time, there was an accumulation of 22 lacs of maunds of salt in the Chittagong golahs; but the importations having suddenly decreased to a great extent, from Liverpool in 1852-53, and from all quarters, to a much greater extent, in 1853-54, the whole of the Chittagong stock was taken off before the end of the latter year, and it became necessary to re-open the agency in that year.

Storage of Arracan salt at Chittagong. 61. All salt purchased by the Government in Arracan is transported to, and stored for sale at Chittagong. A full account of the system of purchase and transport of Arracan salt is given in the section on that Province. The wholesale price at present fixed upon Arracan salt is rupees 329, of which rupees 250 is the duty, or profit, and rupees 79 the calculated cost.

Importation of Madras salt for the supply of the retail sales in Chittagong and Bullooh. 62. Kurkutch, or solar evaporation, salt is also imported to Chittagong from the Madras coast, for the supply only of the retail sales in Chittagong and Bullooh. The Bengal Government indent on the Madras Government, yearly, for the quantity required, the indent being regulated by the stock in hand, and the estimated consumption; the whole is supplied from Nellore, the salt of that district being most in request. The salt is brought to Chittagong in vessels belonging to that port, and under contracts entered into by the owners with the salt agent. The risks of transport are borne by the contractor who purchases the salt on board at 15 rupees the 100 maunds, that being the average actual cost to the Madras Government of manufacturing the salt, and putting it on board, and undertakes to deliver it at Chittagong at a fixed remunerative price, with an allowance of 2½ per cent for wastage; the present contract price is 46 rupees per 100 maunds, which yields to the contractor a profit of 31 rupees on the 100 maunds.

63. The object of retailing Madras salt for local consumption throughout the district of Chittagong, and in part of the adjoining district of Bullooh, is to facilitate the prevention of illicit manufacture, and the detection of smuggling, as that salt differs essentially in appearance from the salt produced in the Chittagong agency, and which might be manufactured in some parts of the Bullooh district. A full account of the retail sales in these districts is given in the note† on the system of retail and local sales.

Experimental manufacture of Kurkutch, or solar evaporation, salt in the Chittagong Agency. 64. In 1827-28, an experimental manufacture of salt by solar evaporation, for consumption in the districts of Chittagong and Bullooh in lieu of Madras salt, was attempted in the Chittagong agency.

* See paragraph 90 to the end of the notes on the Tumlook Agency, Appendix B.
† Appendix C, No. 6, paragraphs 11 to 28.

65. The experiment was continued for 5 years, until 1831-32, after which year it was abandoned, and the manufacture prohibited on the ground that it encouraged and supplied an extensive illicit trade, and that the same description of salt might be imported from Madras at little, or no, advance on the cost of the local manufacture. Period of the experiment, and cause of its discontinuance.

66. The manufacture was carried on in the Island of Kootubdeah, in Aurung Barchur, and on the mainland coast on the opposite side of the Kootubdeah channel, in Aurung Jooldeah. Locality of the manufacture.

67. The process of manufacture observed in the Madras Presidency was followed, Madras molunghees having been procured from Cuttack to teach it. In the first year, the salt produced was made principally by hired labourers under the guidance of the Madras molunghees. In the following years it was manufactured wholly by contract with Chittagong molunghees. The following table exhibits the results of each year's experiment:— Process and results of the manufacture.

STATEMENT showing the results of the Experimental Manufacture of Kurkutch Salt in the Chittagong Agency.

Year of Manufacture.	Quantity of Salt made.	Price paid for the Salt per maund.	Cost of the total quantity of Salt made.	Rate of Transport charges per 100 maunds.	Total cost of Transport to the Store Golaba.	Total cost of the Salt, including Transport and Storage charges.	Rate of cost per 100 maunds.		REMARKS.
							R.	A.	
1827-28	1,732 0 0	..	1,080 0 7	..	33 10 1	1,113 10 8	64	6	1827-28. — The figures in the first line show the results of the manufacture by hired labour, those in the second line the results by contract.
	692 32 0	7	303 8 7	..	14 0 0	317 8 7	45	12	
	2,425 32 0	..	1,383 9 2	..	47 10 1	1,431 3 3			
1828-29	23,623 20 0	7	12,522 12 6	1 12	500 14 6	13,023 11 0	45	8	
1829-30	839 0 0	..	.. ..	..	.. ..	.. ..	..	..	1829-30.—In this year the manufacture failed altogether.
1830-31	18,681 11 12	5	5,837 14 6	1 11	315 3 10	6,153 2 4	33	0	
1831-32	70,550 10 0	5	22,046 15 3	1 9	1,102 5 6	23,149 4 9	33	0	

68. It was calculated that the cost to the contractor of producing 100 maunds of salt did not exceed 20 rupees, or at the most 25 rupees, being at the rate of from 3 to 4 annas per maund; as follows:—A set of salt pans capable of yielding 300 maunds in the season, required the attendance of 5 labourers, whose wages, for the season of 6 months, at 3 rupees each per mensem, amounted to rupees 90, or rupees 30 per 100 maunds; but as, in effect, the constant attendance of the salt workers was not requisite for more than 2, out of the 6, months, the actual cost of the salt was estimated, as above stated, not to exceed rupees 20 or 25 the 100 maunds. Cost of production.

69. The quality of the salt was variable, and even that which was approved of as good quality when first made, seemed to deteriorate from being kept any time in store. The good salt was considered to be superior to the salt usually imported from the Madras coast, and was preferred by the people to that salt. Quality of the salt.

70. It is supposed that salt by solar evaporation does not admit of being manufactured in the Chittagong district to any great extent, because it could only be made in the cold season, or from the latter end of December to early in March, during which period the heat is insufficient to create such an evaporation as would ensure a very large production of salt. In March, the low lands are commonly inundated, and storms accompanied by rain commence, as shown by past accounts of the Agency. In one of the years of the experiment (1829—30), as appears from the statement at paragraph 66, the manufacture failed altogether, owing to the unfavourable weather, generally from February to April; whenever the works were in a state of producing salt, a heavy fall of rain, with stormy winds continuing for days, impeded the manufacture, and injured the works and saline mixture. Capability of the manufacture.

71. In 1843, a Mr. Kelly applied to be allowed to manufacture kurkutch salt in Chittagong on the same terms of contract as regards advances, and in other respects, as were conceded to the native molunghees; but his application was negatived by the Government on the report of the Board of Revenue, it being thought proper to maintain the prohibition of 1833 against the local manufacture of salt by solar evaporation. Application to manufacture on the terms usually conceded to native molunghees negatived.

GEO. PLOWDEN, *Commissioner.*

Appendix C.—No. 3.

Note on the manufacture, storage, sale, and delivery of salt in the Balasore, Central Cuttack, and Pooree Agencies, in the province of Cuttack, adapted principally from the Revenue Commissioner, Mr. Samuells', Report on the Salt operations of the Province, for the year 1853—54, and from the annexures to that Report.

- Number of agencies. 1. In the province of Cuttack there are three agencies, in which the manufacture of salt is carried on on account of Government, viz., one in each of the districts of Balasore, Central Cuttack, and Pooree, into which the province is divided.
- Boundaries of the province. 2. The province extends for about 230 miles along the western shores of the Bay of Bengal, from the Soobunreeka river, which separates it from the district of Midnapore, on the north, to the district of Ganjam, in the Madras Presidency, on the south. On the east are the hill tributary estates, which are included in the province, and separate it from the Chota Nagpore country. A map* accompanies, in which all the salt features of the province are exhibited.
- Introduction of the salt monopoly in the province. 3. Before noting upon the agencies separately, it will be convenient to give a slight sketch of the salt administration of the province generally, since it fell under the British rule, and to notice briefly those points in which the system which obtains there, differs from that of the Bengal agencies.
4. When the British Government took possession of the province of Orissa in 1803, the manufacture of salt was in the hands of the rajahs and other zemindars whose estates bordered on the coast; but the quantity manufactured appears to have been trifling, when compared with the produce of the present day.
5. The Government monopoly was introduced throughout the province in the year 1804, to the extent of prohibiting any manufacture of salt unlicensed by the Commissioners; but the zemindars were allowed, for some time afterwards, the option of selling the salt to Government, at 4 annas a maund, or of paying a duty of 12 annas, and selling to whom they pleased.
6. The introduction of the manufacture under the exclusive superintendence of Government officers appears to have been gradual; and some of the present aurungs, or manufacturing localities, were not opened till the year 1813; nor can the system be said to have been thoroughly organized until the year 1811.
- Arrangements with zemindars. 7. Even then, it was considered necessary that the zemindars should continue to have an interest in the manufacture, and Mr. King, who was at that time salt agent for the whole province, was authorized to enter into agreements with the zemindars, whereby, in consideration of receiving 1½ annas per maund on all salt manufactured within their estates, they made over to the Government their salt and fuel lands, and divested themselves of all right to interfere with the molunghees. This allowance was calculated in sicca rupees, on a seer of 82 sicca weight, and considerable deductions were made for wastage. In 1838, subsequent to the change in the weights and currency, and the abandonment of the claim for wastage previously made on the molunghees, Mr. Ricketts, then Commissioner of the province, readjusted the allowance, which then became 1 anna 4 pies per maund, or rs. 8:5:4 per 100 maunds. The similar allowance on the pungah of the Chilka Lake in Pooree was at the same time fixed at 5 rs. 9 annas per 100 maunds.
- Zemindar's agreements. 8. Appended are translations† of two of the agreements executed by the zemindars. These agreements constitute the chief peculiarity of the Cuttack Agencies, and a knowledge of their terms is indispensable to a proper understanding of the internal economy of the agencies. It is, however, to be observed that the phraseology of these documents is not always precisely the same, and that with some of the zemindars, on whose estates aurungs were formed at a period subsequent to 1811, no formal agreements whatever have been entered into, there being merely a tacit understanding that they shall be dealt with on the same terms as the zemindars with whom the first contracts were made.
9. An attempt was made, in 1840, to induce the zemindars to accept of terms more favourable to Government than those contained in their agreements, and many of the smaller zemindars, who dreaded the abolition of the manufacture in their estates, consented to a considerable reduction in the rate of the mooshairah, as the per centage which they receive is styled. The principal zemindars, however, refused to allow of any alteration in the terms of the compact, and the Government, in the 24th paragraph of their letter, dated the 24th of December, 1842, declined to sanction the proposed reduction, on the ground that it was too sudden and too large.

* Map No. 10.

† Inclosures Nos. 1 and 2.

10. In 1811, Mr. King recommended that, in addition to the moshairah of $1\frac{1}{2}$ annas per maund, the zemindars should receive a certain quantity of salt under the designation of khorakee, or diet allowance, for the use of themselves and their families. This was sanctioned by the Government, in a letter to the Board of Trade, dated the 24th of December, 1811; and, although not inserted in the agreements, the allowance has continued to be given ever since. The quantity allowed to each zemindar was somewhat arbitrarily allotted at the time, and varied considerably in different estates; but in 1835 the Salt Board fixed it at 15 seers on every 100 maunds manufactured on the estate.

11. Some correspondence took place in 1853 regarding this khorakee allowance, and the agents of Balasore and Central Cuttack considered that it might be abolished; but the Commissioner of the province agrees with the agent of Pooree that the allowance, having been stipulated for by the zemindars when the authorities first contracted with them, and having been formally sanctioned by the Government, cannot now be withdrawn without a breach of faith.

12. The Board of Revenue, however, are not of opinion that the faith of Government is pledged to a continuance of the allowance by their orders of the 21st of December, 1811, relied on by the Commissioner. It was granted, they observe, as an indulgence, and was not a matter of express stipulation; but, considering that it is an indulgence which has been enjoyed ever since the transfer of the manufacture to Government, and that it has been continued without question in Hidgellee and Tumlook, they do not think it necessary or advisable to interfere with it now in the agencies of Cuttack.

13. A considerable portion of the khorakee allowance has been commuted into a money payment, viz., all in Balasore, one-half in Central Cuttack, and two-thirds in Pooree; and the Commissioner represents that it would tend to prevent smuggling, and to simplify the accounts, if the remainder were similarly dealt with.

14. The khorakee charges amounted in the past year, 1853—54, to rupees 7,821 5 5, distributed as follows:—

Balasore	3,808	0	10
Central Cuttack	1,637	7	9
Pooree	2,375	12	10
Total	7,821	5	5

15. The Cuttack Agencies were originally placed under the charge of a single agent, who corresponded direct with the Board of Trade. In 1817, in consequence of the rebellion in Khoordah, which was attributed in some measure to the great rise in the price of salt, consequent on the taxation of that article, a Commissioner was appointed to Cuttack, who was vested by Regulation V, of 1818, with the powers, *inter alia*, of the Board of Trade, to whom the agent thenceforward became subordinate.

Administration
the agencies.

16. That portion of Regulation V, of 1818, which confers the powers of the Board of Trade, now of the Board of Revenue, on the Commissioner of Cuttack never having been repealed, that officer still continues legally vested with those powers. For some years, the Commissioner corresponded direct with the Government, but, this being found inconvenient, he was, about the year 1829, directed to address his communications to the Board; and of late years it became more and more the practice of the Commissioner to consult the Board on all matters of any importance. At length, in 1851, it was formally decided that the Commissioner should in future consider himself equally subordinate to the Board of Revenue in salt as in all other revenue matters.

17. No rules have ever been laid down defining the powers or the duties of the Commissioner under this new arrangement, but in practice the Commissioner disposes of all ordinary or emergent references, and directs the operations of the agency, referring all important questions, such as involve any modification of the established system, any change in the strength or distribution or pay of the establishment, any alteration in the prices fixed for the local sales, or any variation of the supply of salt required for export to Sulkea, and the arrangements for its transport, to the Board; and submitting to them an annual report of the operations of the several agencies. It does not appear to the Board that more than this is necessary, or that any special rules need be drawn up defining the relative positions of the Board and the Commissioner in the Salt Department, and their respective duties.

18. In 1826, the agency of Balasore was separated from the southern portion of the province, and placed under the Collector of that district; and, in 1829, the province was finally divided into three salt agencies, superintended, respectively, by the Collectors of Balasore, Central Cuttack, and Pooree, who were appointed salt agents for that purpose. The civil surgeons of Balasore and Pooree were, in 1828, appointed assistants to the agents of those districts, and, in 1842, an uncovenanted assistant was allowed to the agent of Cuttack.

Establishment of
present agencies.

19. Their medical duties necessarily detaining the civil surgeons at the head-quarters' stations more than was consistent with the interests and efficiency of the salt administration, uncovenanted assistants have now been appointed to the Balasore and Pooree agencies, on a salary of rupees 300 per mensem each, in supersession of the medical officers.

20. When the salt department in the province of Cuttack was first brought under the control of the Commissioner, the salt aurungs, or manufacturing tracts, extended in an

Salt aurungs.

unbroken line along the shores of the Bay of Bengal, from the Soobunreeka river, the north boundary of the province, to the Devee river, the south boundary of Central Cuttack, and skirted the Chilka lake in Pooree on two sides, the east and south-east.

21. It is unnecessary to trace the various changes which have since taken place in the aurungs. It is sufficient to observe that, at present the Balasore aurungs, eight in number, extend from the Soobunreeka river to the Dhamrah river; that between the Dhamrah and the Devee river lie the Central Cuttack aurungs, seven in number; and that, with the exception of two aurungs, one on the north, the other on the south bank of the Devee, the whole of the Pooree salt is manufactured in eight aurungs on the banks of the Chilka lake.

Salt lands, how
circumstanced.

22. The salt lands in the Pooree and Cuttack Agencies, with the exception of those attached to the Hurridass and Bhoosoondpore aurungs of the former, are either rent free or are held by tributary rajas, who pay a quit rent, permanently fixed, to Government. In the Balasore agency, and in the Hurridass aurung of the Pooree agency, the land is, for the most part, held under a temporary settlement, which expires in 1867, and the Bhoosoondpore aurung is situated in the Khoordah estate, which is the property of Government.

Compensation in
the event of
cessation of ma-
nufacture.

23. In the permanently settled estates, the salt lands have not been separately assessed, and the tribute paid by the owners being in a very trifling proportion to the assets of the estates, it has been doubted whether, in the event of a discontinuance of the salt manufacture in those estates, they are entitled to any compensation. In 1843, the Government declined to decide the question, which had been much discussed, on the ground that the discontinuance of the manufacture of salt in estates paying a fixed tribute was a remote and improbable contingency, for which it would be time enough to provide when it arose. In 1852, when it was in contemplation to discontinue the manufacture in the Astrung aurungs of the Pooree Agency, a proposition on the question in connection with the claim of the zemindar of Killah Mirritchpore, a permanently settled estate in which more than half the salt manufactured in the tract to be abandoned had been produced, was submitted for the consideration of Government, but no orders were passed; and, as immediately afterwards the low state of the Government stock of salt, and the urgent demand for as much salt as could be made, rendered it impossible to contract the manufacture, either in Cuttack or elsewhere, it became unnecessary to press for a decision of the question.

Present state of the
question as re-
gards the salt
moshaireh claims
of the zemindars.

24. The state of the case as regards the salt moshaireh claims of the zemindars under Mr. King's settlement, and their right to compensation in the event of the discontinuance of the manufacture in their estates, stands at present thus:

25. Salt is manufactured in two descriptions of revenue paying estates, viz., in temporarily settled estates, and in estates subjected by section 35, Regulation XII, of 1805, to the payment of a fixed annual "quit rent in perpetuity."

26. In 1842, the Government of India ruled to the following effect:—

First. That the khullaree rents were the zemindar's right, and that his profits from them were among the assets on which the jumma of his estate was fixed.

Second. That the tenure of the salt agent, under the terms of the agreement entered into by the zemindars with Mr. King in 1809 to 1811, was of the nature of an underlease, or talook, of the salt lands and jungle facilities of each zemindaree, that is, that the zemindar agreed to pay his land revenue as heretofore, making over to the salt agent, as a subordinate talook, all the salt and fuel lands he might require, on the condition of receiving 1½ a. per maund for all the salt manufactured through the use of these facilities and means.

Third. That if the Government were to give up the salt monopoly, or for any other cause cease to make salt, there is in Mr. King's engagements no penalty, and no stipulation of a continuance of the income derived heretofore from the 1½ annas per maund of manufacture.

Fourth. That the Government has the power to throw up the salt agent's lease, and that the zemindar has not guarded himself against such a contingency, nor provided for himself any alternative, save that of claiming, in the Land Revenue Department, release from any payment on account of salt lands, or, as under later settlements, on account of the salt agent's rent, and besides being so released, of resuming possession, and cultivating all the fuel or salt land that is culturable.

Fifth. That the Cuttack zemindars, whether enjoying a perpetual settlement or a temporary one, should be dealt with alike, that is, left to claim remission consequent on the cessation of manufacture, that there is no difference in the case of either. Those whose payments of jumma were settled in perpetuity, partly on land and partly on a calculation of salt assets, being only entitled, failing the salt assets entirely, in consequence of the Government's discontinuing the manufacture, to receive remission of as much as they paid upon salt.

Sixth. That to deal liberally, the Government might give the zemindars, besides the remission of their salt jumma, and leaving the salt and fuel lands to be turned to account agriculturally, a malikana, or compensation for their fair assumed profits, to be limited however to one-third in excess of the jumma remitted.

Case as regards
temporarily set-
tled estates.

27. In the case of the temporarily settled estates, of the 1½ annas per maund which the zemindars receive on all salt manufactured, one third is paid to Government as land revenue. In the event, therefore, of the Government abandoning the manufacture, the moshaireh payments to the owners of these estates would cease, and they would be entitled

to a release from the above salt jumma, consisting of one-third of the moshairah payments calculated on an average of years; and also, for the term of the settlement, to a malikana, or compensation, for loss of profits of 20 per cent. on that jumma, together with the free possession of the salt and fuel lands.

28. But the assessment of the estates settled in perpetuity, was not founded on any ascertained data of agricultural profits, or emolument, previously enjoyed from the manufacture of salt, or from other sources; it was fixed, without any reference whatever to their assets, by the Board of Commissioners deputed into the province after the conquest, at the tribute or pepper-corn rent paid by the zemindars to the Mahratta Government, less certain deductions particularized. Under the ruling of 1842, the zemindars of these estates might be referred to the land revenue department for any reduction of their jumma, which they could claim in consequence of the loss of their assets by the abandonment of the salt manufacture, and be left to prove that part of their jumma was originally fixed on assets derived from salt; but as it had been several times declared that no such proof was forthcoming, the Board of Revenue, in making their proposition on the question in 1852, stated that they could not advise such a proceeding.

Case as regards estates settled in perpetuity.

29. It was notorious, the Board observed, that the assessment of these estates is very light, certainly not exceeding a moiety of the Mofussil jumma; but such as it is, it was fixed by the Mahrattas and adopted by the British Government, and it was scarcely probable that any available asset escaped calculation when it was first imposed. It was but fair, therefore, they thought, to conclude that salt formed a part of those assets.

30. They proposed, therefore, to allow compensation to the zemindars at the rate of 6 pies per maund of salt, on a quantity averaging the yearly manufacture for the last 7 years. In fixing this rate, they deducted from the 1½ anna of Mr. King's settlement, one-third or half an anna, as the estimated value of the fuel lands to be relinquished. The remaining two thirds, or one anna, they assumed as the income of which the zemindar would be deprived; but, as that income was known to have been very largely enhanced by the extension of the manufacture, they considered that half that rate would adequately represent the same income as it stood in 1805.

31. Of this 6 pies, 3 pies might, they thought, on the assumption that the Mahratta assessment was half rental, or thereabouts, be regarded as part of the zemindar's quit rent, and 3 pies as forming his proprietary profits. In this view, the first moiety, they proposed, should at once be struck off the sudder jumma of the estate, the latter being continued as a remission for the term of 20 years, by the expiration of which time the abandoned khullaree lands might be expected to have been turned to account.

32. This is the proposition on which no orders have been passed, the question, as regards the estates assessed at a permanent quit rent, being thus left undecided.

33. As regards the salt lands of rent free estates, these appear to be simply rented by the Government, and the leases might be thrown up, the rent ceasing to be paid, in the event of the Government abandoning the manufacture.*

Case as regards rent free estates.

34. The moshairah charges amounted in the past year 1853—54 to rupees 1,21,982 7a. 11½p., distributed as follows,

Balasore	58,813	7	8
Central Cuttack	25,310	5	4
Pooree	37,858	10	11½
Total	Rupees 1,21,982 7 11½		

35. The price paid to the molunghees for their pungah salt in the Cuttack Agencies has varied at different periods, though in no very great degree. When the British Government took possession of the province the usual rate allowed by the zemindars was found to be 4 annas a maund, or 25 rupees the 100 maunds, but this price was only consistent with unlimited smuggling, and Mr. King, the first agent, consequently raised it to 35 rupees per 100 maunds, this sum, however, was subject to deductions for wastage and taxes, so that in reality the price was much the same as it is in most of the aurungs at present, viz., 5 annas per maund. In the Chilka aurungs, in consequence of the difficulty of procuring fuel, it is 6 annas. Kurkutch is paid for at the rate of 2 annas, but the propriety of raising the price, as a reward for the great improvement which has of late years taken place in the manufacture, is now under consideration, the chief obstacle to this step being the comparatively small profit which the Government derives from the sale of kurkutch.

First cost of salt.

36. The principal charge upon the salt after it has been manufactured and paid for, is its transport to the place of sale, whether this be the Sulkea warehouses in Calcutta, or the sale depôts of the agencies. The salt reserved for the local consumption of the province, and for the supply of the country to the west and north-west of the Hill tributary estates included in it, is transported from the aurungs to depôts in the interior, of which there are two in each of the districts of Balasore and Central Cuttack, and three in Pooree. The surplus salt destined for the Sulkea warehouses is transported to the export depôts, which are situated in the aurungs or elsewhere, at spots convenient for shipping the salt. This latter salt has thus to bear the charges of transport, first to the export depôts, and again from thence to the Sulkea warehouses, where it has further to bear a proportion of the warehouse charges.

Transport of salt to the golahs.

* See Inclosure. No. 2.

Export of salt to
Sulkea.

57. The surplus salt is conveyed to the Sulkea warehouses on account of Government by contractors. In 1845, the question of selling this salt at the agencies, and leaving it to be exported by private enterprise, was considered, but the measure was not adopted. The chief objections would appear, at that time, to have been the uncertainty of the salt being removed by the purchaser within a reasonable time, and an impression that private traders could not carry the salt so cheaply as Government.

38. In 1853, and again in 1854, the question was revived, but the Board decided against the measure on both occasions. The local officers who were in favour of the measure, contended that for the Government to undertake the carriage as well as the manufacture of salt, was an error, injurious alike to the Government and the consumer, inasmuch as it involved considerable risk of loss to the former and enhanced the price of the salt to the latter, by the cost of establishments at Cuttack and Sulkea, and the extra freight which a Government must always pay, that the coast presented no such insuperable difficulties as would deter ship-owners from engaging in the trade, and that with regard to the Sulkea charges, if it were necessary to retain the warehouses at that place, otherwise than as bonded warehouses for the reception of imported salt, their cost should be charged equally to the whole salt of the country; for if it was admitted that the salt of the Cuttack province could be sold at the agencies, as the Tumlook and Chittagong salt is at these agencies, there appeared to be no good reason why the Sulkea warehouse charges should be assessed against the one, more than against the other, or why the salt of the Cuttack province should be sent to Sulkea, at the risk of loss and with the certainty of wastage, for the mere purpose of taxing it with the maintenance of the warehouses there.

39. The Board, on the other hand, considered that the plan offered no advantages, and was open to many objections. They argued—

First. That under the existing system, the Government engages to supply the public with salt, that to carry out this engagement it is necessary that the Government sale depôts should be established at places generally accessible to the trade, but that the aurung and export depôts of the Cuttack Agencies were accessible only for a few months in the year, and did not therefore fulfil this condition.

Second. That, assuming for the moment, that the merchants would be able and willing to bring up salt from the depôts of the agencies, still they could do so only during the fair weather months, and that all salt that might not be transported during those months would consequently remain excluded from the market till the fair weather came round again, whatever demand might arise intermediately.

Third. That the Government necessarily keeps a considerable reserve store, and that the place for this reserve most convenient to the trade and most secure to the Government is the Sulkea warehouses; that these warehouses therefore could not be dispensed with, and that it was good economy to employ the establishment, necessarily maintained, in receiving and delivering the salt of those agencies which were the least accessible to the merchants.

Fourth. That it might safely be assumed that the Sulkea deliveries were fairly made, and that it was proposed that, instead of this satisfactory mode of sale, the merchants should be allowed to take deliveries at the aurung and export depôts of the province, where there could be no effective superintendence.

Fifth. That it was assumed that merchants could bring up the salt cheaper than Government but that it was doubtful whether this would prove to be the case, because the Government contracting at once for a very large quantity should be able to obtain more favourable terms than would be given for small and occasional importations.

Sixth. That under existing arrangements, the cheap salt of the Cuttack agencies defrays a portion of the expense of the Sulkea establishment, which, if the importation were to cease, must be thrown upon other salt less able to bear it.

Seventh. That the suggestion of charging all salt rateably with the expense of the Sulkea warehouses, whether stored therein or not, was one to which the Government would not be likely to accede, even with respect to Government salt, and that it was quite certain that no such charge could be made to the importer, except for the comparatively small proportion stored in bond, which was already subject to a sufficient warehouse rent.

40. On these grounds, the Board expressed themselves strongly opposed to any change, and observed that it was not very obvious what advantage was anticipated for the Cuttack Agencies from the sale of the salt at the local depôts instead of at Sulkea, since the salt sold readily now at a price covering the cost and duty, and a larger profit than this could not be realized from it under the system prescribed for pricing Government salt, while it was certain that by debiting this cheap salt with a portion of the Sulkea charges, a larger quantity of moderately priced salt was placed within the reach of the consumer than would otherwise be the case.

Proposition to treat
the whole pro-
vince as one
agency.

41. It was recommended some years ago, that the whole province of Cuttack should be treated as one agency, and this proposition has now been revived, with the view of making the produce of Central Cuttack and Pooree saleable at a moderate price, and to prevent in some measure the evil of the speculation, which now goes on in the very low priced Balasore salt. Under the present system of pricing Government salt, the salt of the Balasore Agency is the lowest priced salt of the province, although it is, on the whole, the best salt manufactured in it, except perhaps the Chilka Lake salt.

42. The quality of the Pooree and Balasore salt is considered to be very good, that of the Central Cuttack salt inferior, owing in a great measure, to the long journey this latter salt has to undergo, before it is stored, and the impurities which it necessarily contracts *en route*, though some of its inferiority may also be due to want of care on the part of the darogahs in superintending the manufacture. The pungah, or boiled salt, made in the Hurridass aurung of the Pooree Agency, is considered to be superior in point of purity to any other salt produced in the province. The kurkutch salt manufactured in two of the Chilka Lake aurungs is also exceedingly pure when first manufactured, though much of it becomes discoloured after lying for some months in the warehouses. The salt of the Balasore Agency though slightly less pure than that of Pooree, is thought to be purer than that of the other agencies, and is more readily purchased than that of any agency, Pooree inclusive, the cost price being less in proportion to its purity. It allows of large profits by its mixture with the produce of other agencies.

Quality of the salt of the province.

43. The system of supplying the consumption of the province, by means of sales in the vicinity of the manufacturing localities, and in the interior of the district, from Government shops and depôts, in small quantities, and at reduced prices, is described in a separate note* on the general subject of the system of retail sale of salt by the Government; and, in like manner, the particulars of the preventive system and service have been included in the separate note† on that general subject.

System of supplying the local consumption.

Preventive system.

44. The produce of the Central Cuttack Agency was limited in 1851—52, to the quantity required for the local sales of the district, and it was proposed in 1852—53 to abandon the manufacture in the two Astrung aurungs of the Pooree Agency, there being no local demand whatever for the salt of those aurungs, the Pooree people using only kurkutch, and the salt, like that of Central Cuttack, being almost unsaleable at Sulkea, where there was already a large store of it. There was a question also of abandoning some of the Chilka lake aurungs with a view to the further concentration of the manufacture in that quarter. In Balasore also, some years ago, some aurungs were abandoned, and the manufacture in the remainder was more concentrated.

Limitation of the manufacture.

45. But in 1853—54 the low state of the stock of Government salt, owing to the great falling off in the importations of Foreign salt, made it necessary not only to forego all intentions of further contracting the manufacture in the province, but again to work the agencies to the full extent of their resources. In the event, however, of any large foreign supply hereafter, the Government manufacture, it is probable, would be first contracted in the central Cuttack and Pooree Agencies of this province.

46. The following table exhibits the quantities of salt ordered to be manufactured in each of the three agencies, in the past season 1853-4, and the actual out-turn.

Salt producing capacity of the province.

Agencies.	Quantity ordered.	Out-turn.
Balasore	6,78,000	6,72,999
Central Cuttack ..	4,05,000	3,00,508
Pooree	8,80,000	7,15,056
Total	19,63,000	16,88,564

47. The deficiency in Central Cuttack and Pooree was attributed to unfavourable weather, but in the former agency it was probably also owing, in some measure, to the difficulty of procuring molunghees, in consequence of the restriction which of late years has been placed on its manufacture, and to the late period of the year at which the full quantity expected from the agency was made known.

48. The quantities ordered to be manufactured in the current season, 1854-5, are as follows:—

Balasore	7,00,000
Central Cuttack	6,00,000
Pooree	9,70,000
Total	22,70,000

and it is expected that these quantities will be reached except, perhaps, in Central Cuttack.

49. Some idea may be formed of the present capacity of the agencies of the province from the foregoing figures.

50. Balasore or North Cuttack is the most northern of the salt agencies of the province. It extends from the Soobunreeka on the north, to the Dhamrah river on the south, along the western shores of the Bay of Bengal, for a distance of some 80 miles.

Situation of the agency

* Appendix C, No. 6, paragraphs 40 to 59, and 62 to 64.

† Appendix C, No. 5.

The head-quarters of the agency are at the station of Balasore, which is situated on the river of that name, at a distance of 7 miles from the sea, in a direct line.

Agent, his establishment and duties.

51. The salt manufacture is supervised by the Collector of the district in his capacity of salt agent.

52. The duties which thus devolve on the salt agent relate to—

- 1st. The manufacture of the salt, and the export of the surplus produce to Sulkea.
- 2nd. The management of the sales for local consumption.
- 3rd. The prevention of smuggling.

53. He is assisted by two uncovenanted assistants, and by a native establishment at the station, the salaries of the whole, including a quota of his own, amounting annually to 22,113 r. 5a. as shown on the margin.*

Productive powers of the agency.

54. Pungah salt alone is manufactured, and its production is limited by the supply of fuel. The largest quantity ever manufactured previous to the past year 1853-4 was in 1842, when 5½ lacs were produced. All the salt-producing portion of the district being now worked to its utmost extent, it is expected, if the weather should be favourable to the growth of the fuel, that 8 lacs of maunds will be turned out in the current season, 1854-5. This is considered to be the utmost quantity of Pungah that the fuel available will admit of being manufactured.

Manufacturing localities.

55. The manufacture is carried on along the whole line of coast, and the agency, as at present constituted, is composed of the following 8 aurungs, or manufacturing districts:—

Ruttai.	Paunchmolung.
Sartha.	Ankoorah.
Chanova.	Chooramun, and
Dusmolung.	Dhamrah.

Subdivisions of aurungs.

56. Each aurung is divided into subdivisions termed bhowrees, comprising a convenient number of chattees, which again consist of a certain number of choolahs or boiling-houses. The bhowrees seem to correspond with the hoodahs, and the chattees with the khuttees, in Tumlook.

Manufacture and establishments of each aurung.

57. Each aurung has an establishment of 1 darogah, 2, or sometimes 3, mohurrirs, a certain number of zilladars or supervisors of bhowrees, chattee paiks or overseers of chattees, and a few chuprassees, palkee bearers for the darogahs, boatmen for ferries, &c. The pay of the aurung darogahs varies from 40 rupees to 70 rupees per mensem, according to the extent of their charge and consequent responsibility. The darogahs, mohurrirs, and chuprassees receive pay during the whole year, whereas the zilladars and chattee paiks are entertained for the 8 manufacturing months only. The following table exhibits particulars relating to the manufacture and establishments of each aurung for the current season 1854-5:—

Names of Aurungs.	Quantity of Salt contracted for.	Number of Contractors or Chooleas.	Number of Molunghees	Establishment.				Cost of Establishment.
				Number of Darogahs.	Number of Mohurrirs.	Zilladars.	Chattee Paiks and Chuprassees, &c.	
Ruttai	50,000	469	1,529	1	2	7	43	1,928
Sartha	1,20,000	746	3,166	1	3	19	65	3,484
Chennovah ..	60,000	330	1,321	1	2	5	31	1,632
Dusmolung ..	1,25,000	423	1,897	1	2	9	42	2,496
Paunchmolung ..	60,000	243	1,049	1	2	6	36	1,754
Ankoorah ..	85,000	298	1,147	1	2	6	38	2,146
Chooramun ..	1,00,000	354	1,271	1	2	6	45	2,394
Dhamrah ..	1,00,000	314	1,087	1	2	6	41	2,110
Total ..	7,00,000	3,177	12,467	8	17	58	341	17,994

Period and process of manufacture.

58. The manufacture commences about the middle of December, and continues until the end of May or beginning of June. The process is very similar to that in the Tumlook Agency, except that the boiling-houses are not thatched over.

Manufacture contracts.

59. The manufacture is conducted, under the immediate control and responsibility of

	Rs.	A.
* Agent	9,333	5
Assistants	5,400	0
Sudder establishment	7,380	0
Total per annum	22,113	5

the aurung darogahs, by the contractors or chooleas, with whom Government enters into an annual contract for the supply of a certain quantity of salt or taidad, as it is termed. These taidads vary from 30 to 700 maunds. The contractors furnish the necessary molunghees or manufacturers, many of whom are their relatives, and possess a share in the concern, though the contract be only in the name of one. Not only is the greater portion of the agricultural population on the verge of the aurungs concerned in the manufacture, but large numbers of the ryots, living in the more distant parts of the district, find employment there.

60. Two advances are made to the contractors during the year. The first, consisting of 10 rupees on each 100 maunds of salt contracted for, is paid at the station in the presence of the salt agent or his uncovenanted assistant; the second, in the month of March or April, in the district, in the presence of the same parties, and is equivalent to the value of the salt ascertained to have been manufactured by each contractor up to that date, minus the amount of his first advance. If the darogahs make up their accounts correctly, there can be no outstanding balance after the second advance is made.

Advances.

61. On the completion of the manufacture, after the salt has been duly weighed, which is termed bhangah, the contractor's accounts are finally settled, and they receive, in the presence of the salt agent, or his assistant, whatever balance may be due to them.

Final settlement of contractor's accounts.

62. The price paid to the molunghee has varied, at different periods since the formation of the agency. At present the contractor receives 31r. 4a. per 100 maunds of salt delivered by him to the aurung darogah, being at the rate of 5 annas per maund. The total cost of manufacture in the past year 1853-4 amounted to 48r. 3a. 8p. per 100 maunds, or something more than 7a. 8p. per maund.

Cost of manufacture.

63. On a rough calculation, it appears that the total cost of a choolah producing 400 maunds varies from 90 to 100 rupees, including the various salamees or douceurs paid to the zemindars and Government officers. A contractor for that quantity would receive from Government 125 rupees, so that his profit would amount to 25 per cent. on his outlay. The per centage, however, is much less when the taidad is smaller. The profit to a contractor of 40 maunds would be not more than 3 rupees, so that smuggling alone could make the manufacture sufficiently remunerative.

Cost of production —contractor's profit.

64. The carriage of the salt from the site of manufacture to the export and interior sale depôts is effected by contract, at a cost of 2 rupees per 100 maunds for every coss or two miles in the aurungs to the north of the Balasore river, and 1r. 12a. per 100 maunds for every coss in the aurungs to the south. The difference arises from the greater scarcity of bullocks in the northern part of the district.

Transport of the salt to the depôts.

65. The salt of this agency, with the exception of about 1 lac of maunds, reserved for local consumption, and for the supply of the country to the west of the Hill Tributary Estates, is annually exported to Sulkea. The quantity actually sold in the district in the past year 1853-4 was 1,04,374 maunds, as shown in the margin.* Each aurung has one or more export depôts, according to the facilities presented for the approach of the sloops of the merchants of Balasore, by whom the export has hitherto been contracted for. The sloops vary in tonnage from 3,500 to 1,200 maunds. There are in all 11 export depôts, and at three of these cargo-boats of light draught, or bhar-bojaie boats, as they are termed, are required to convey the salt from the depôt to the sloops, which cannot in those places approach within a couple miles of the shore.

Export of the surplus produce.

66. The freight paid varies from 12r. 4a., at the most southern depôts, to 9r., exclusive of the hire of cargo-boats, which are procurable at 1r. 4a. to 1r. 5a. per 100 maunds. The cost of loading is borne by Government. Large reductions have been made in the rates of freight. In 1835, they varied from 19r. to 26r. per 100 maunds; were reduced in 1840 to 11r. and 14r., and again, in 1847-8, to the present rates.

Export freights.

67. The total charges of export, including freight, cost of loading and unloading, portion of expenses at Sulkea, Superintendent of Export's salary, contingencies, &c., have varied from 33r. 9a. per 100 maunds in 1825-6 to about 18r. per 100 maunds at the present time. This, added to the cost of manufacture (about 48r. per 100 maunds), gives for the selling price at Sulkea, inclusive of the duty of 250r., 316r. per 100 maunds; but the actual price at present fixed, calculated on an average of three former years, is 313r. per 100 maunds.

Total export charges and sale price of the salt at Sulkea.

68. Inquiries and an experiment are now in progress in this agency, with a view to the manufacture of kurkutch, or solar evaporation, salt in sufficient quantity for the consumption of the district, leaving all the Pungah or boiled salt available for export.

Contemplated manufacture of kurkutch.

69. *Central Cuttack.* This agency occupies the central portion of the province. It extends along the coast, for about 70 miles, from the River Dhamrah, which separates it from the Balasore Agency on the north to the River Devee, which separates it from the Pooree Agency on the south. Its head-quarters are at the station of Cuttack, which is situated on the River Devee, at the point where it rises from the Mahanuddee.

Situation of the agency.

70. The Collector, in his capacity of salt agent, is aided in the performance of his duties by an uncovenanted assistant and a native ministerial establishment, the salaries of

Agent—his establishment and duties.

* For consumption in the manufacturing neighbourhood	13,342
.. .. in the interior of the district	70,260
.. .. in the tributary mehals and the country beyond	20,772

Total maunds 1,04,374

the whole, including a quota of his own salary, amounting annually to 20,001 r. 5 a., as shown on the margin.*

71. The agency, as at present constituted, is composed of the 7 aarungs specified in the margin.† The following table exhibits particulars relating to the manufacture and establishments of each aarung for the current season, 1854-5.

Names of Aarungs.	Quantity of Salt contracted for.	Number of Contractors, or Chooleas.	Number of Molunghees	Establishment.				Cost of Establishment.
				Number of Darogahs.	Number of Mohurriss.	Zilladars.	Chattee Paik and Chuprassee, &c.	
Moondamolung ..	97,345	171	575	1	2	7	36	1,828
Sathbhyah ..	38,800	96	382	1	2	5	21	1,368
Northern Kaumpore	56,100	90	486	1	2	6	24	1,276
Southern Ditto ..	1,30,500	154	960	1	2	7	35	1,864
Bakood ..	38,600	99	408	1	2	5	24	1,448
Southern Dhoby ..	74,320	264	740	1	2	7	34	1,556
Hurrichpore ..	1,00,680	372	720	1	2	10	33	1,956
Total ..	5,36,345	1,246	4,253	7	14	47	207	10,916

72. It is not expected that the quantity of salt contracted for in the present season will be reached, the capacity of the agency being restricted at present by the great difficulty, of procuring molunghees. If these were procurable in sufficient numbers, the agency is capable of yielding a much larger produce than the quantity contracted for, as there is abundance of fuel growing on the low lands composing the delta of the Mahanuddee.

73. The manufacture is carried on along the coast; only Pungah salt is produced, and the method, as in Balasore, is very similar to that observed in the Tumlook Agency.

74. The price paid to the molunghees is the same as in Balasore, 31 r. 4 a. per 100 maunds, being at the rate of 5 annas per maund. The total cost of manufacture in the past year, 1853-4, was 51 r. 8 p. per 100 maunds, or 8 a. 2 p. per maund.

75. The cost of transport of the salt from the site of manufacture to the export and interior sale depôts is especially heavy in this agency, Hunsooa, the only export depôt being situated at one extremity of the line of aarungs, and the two sale depôts at spots in the interior, one of which cannot be reached by laden boats during the dry season, and the other only with great difficulty. Inquiries are in progress with the view of ascertaining whether sites more easily accessible from the aarungs cannot be obtained for the sale depôts.

76. It was proposed also to store the salt destined for export in the vicinity of the different aarungs, but an examination of the coast proved that the export had not been confined to Hunsooa without weighty reasons, and it was agreed that the whole of the surplus salt of Central Cuttack must still be exported from a single depôt at that place, notwithstanding the very great inconvenience of the long inland transit to it.

77. The produce of this Agency, except about two lacs of maunds, reserved for local consumption, and the supply of the country beyond the Hill Tributary Estates, is exported by contract from Hunsooa to the Sulkea warehouses for sale, the rate of freight being rupees 13 per 100 maunds. The quantity actually sold in the district in the past year 1853-54 was maunds 1,93,364 as shown on the margin.† The total charges of export in the same year amounted to rupees 25 : 2 : 10 per 100 maunds. This added to the cost of manufacture, rupees 51 : 0 : 8 per 100 maunds, gives for the selling price of the salt at Sulkea, including the duty of rupees 250, rupees 326 : 3 : 6 per 100 maunds, but the actual price at present fixed, calculated on an average of three former years, is rupees 329 per 100 maunds.

	R.	A.
* Agent	9,333	5
Assistant	3,600	0
Establishment	7,068	0

Total 20,001 5

† Moondamolung, Sathbhyah, North Kaumpore, South Kaumpore, Bakood, South Dhoby, Hurrichpore.

‡ For consumption in the manufacturing neighbourhood	8,139
„ in the interior of the district	59,888
„ *in the tributary estates and the country beyond	1,25,337

Total 1,93,364

§ But 64,203 maunds of kurkutch were also imported from Pooree for the consumption of this district.

Process of manufacture.

Price paid to the molunghees.

Transport of the salt to the depôts.

Export of the surplus produce—and sale price of the salt at Sulkea.

78. *Pooree or South Cuttack.*—This Agency occupies the southern portion of the province. It extends along the coast for about 90 miles from the river Devee, on the north, to the south-west extremity of the Chilka lake, which, in this direction, forms its boundary, and divides it from the district of Ganjam in the Madras Presidency. Its headquarters are at the station of Pooree or Juggernaut, on the sea coast, and about 50 miles directly south of the town of Cuttack. Situation of the agency.

79. The Collector in his capacity of salt agent is aided by an uncovenanted assistant and a native ministerial establishment, the whole costing rupees 19,435 : 4 : 3½ per annum, as shown on the margin.* Agent—his establishment and duties.

80. The agency, as at present constituted, is composed of the 8 aurungs specified on the margin,† viz: 6 on the Chilka lake and 2 in the north-eastern extremity of the district, transferred from Central Cuttack in 1829. These latter, viz., the Astrung aurungs, are situated in a tract of low jungle country upon the sea coast, much intersected with creeks and rivers, and extending for about ten miles north and south of the Devee river. The Chilka aurungs are situated along the north, east, and south-east sides of the Chilka lake. Manufacturing localities.

81. There are no fuel lands in any of the Chilka aurungs, the supply of wood being obtained from the jungles and hills to the north, a circumstance which enhances the first cost of the salt. Fuel lands.

82. The salt manufactured in this agency is of two descriptions, viz.; Pungah or boiled salt, and kurkutch, or solar evaporation, salt. This latter is properly termed abrah, being a superior article to the ordinary kurkutch. Descriptions of salt manufactured.

83. Pungah salt is prepared in all the aurungs except Sauthparrah. The manufacture of kurkutch or abrah is confined to aurungs Sauthparrah and Goorbaee.

84. The system and process of pungah manufacture in the Astrung aurungs is precisely similar to that of the Bengal Agencies. In the Chilka aurungs, the process, though generally similar to that of Bengal, is much simplified by the natural production in the dry bed of the Chilka, of the saline efflorescence used in the preparation of the brine; but the manufacture is limited, in consequence, to the period between December and June. The earth procured in the early part of the season from the higher levels, called "Mothoormatta," gives occupation to the molunghees till the middle or end of March: by that time extensive tracts of the bed of the Chilka have dried up, and the molunghees remove their sheds to the more favourable locality, and construct new choolahs amid the rich and abundant saline matter, here called "Salmutte," which surrounds their works. The choolahs differ slightly from those in Bengal, not being so high, and containing only from 40 to 70 koondees of about 3¾ seers each. The produce is about 5 to 8 maunds in the twenty-four hours, and a choolah is working about seven days continuously, when it requires to be renewed. The fire place is below the surface of the ground, the filtering process is similar to that at Tumlook, and is carried on about 20 yards from the boiling shed, within which a tank is constructed to receive the prepared brine. Process of Pungah manufacture.

85. The supply of the saline earth is inexhaustible, and the capacity for production of these aurungs depends entirely upon the supply of fuel from the other side of the lake. The molunghees are averse to the employment of any other description of fuel, from an apprehension of injury to the colour of the salt.

86. In Goorbaee, which is a kurkutch aurung, the process is still more simple, the brine which has been partially evaporated in the kurkutch pans being at once submitted to the boiling process.

87. The manufacture of kurkutch, or abrah, though now confined to two of the Chilka aurungs, was originally common to them all, except Boosoondpore¹ and Hurridass, and the pungah manufacture was introduced into them with much difficulty in 1826, on the special condition that fuel and pots should be supplied by the officers of Government. The Boosoondpore and Hurridass aurungs lie away from the sea on the north and east sides of the Chilka lake. All the remaining aurungs, in which kurkutch, or abrah, used to be manufactured prior to 1826, are situated between the lake and the sea. Process of kurkutch manufacture.

88. The salt is produced on the tracts of the Chilka lake, left dry in February and March on its southern margin, where the water is at all times shallow, and where, from the vicinity of the sea and the influence of the tides, the brine appears stronger than in other quarters. The process is extremely simple; the brine is confined for a few days in a large pan or field, enclosed and prepared by the molunghees, whence, after partial evaporation, it is admitted into smaller pans 6 or 8 feet square to the depth of two or three inches; it is let in at night, and by the following afternoon, a thick crust of salt is formed

* Agent	..	..	..	..	9,333	5	0
Assistant	..	..	..	..	3,600	0	0
Establishment	..	..	..	..	6,501	15	3½
Total				..	19,435	4	3½

† North-east of the district—	
North Astrung.	South Astrung.
Chilka lake—	
Bhooseondpore. ¹	Malood.
Hurridass.	Goorbaee.
Parreekood.	Sauthparrah.

[¹Spelt Bosuntpoor in the maps.]

on the bottom of the pan, which is then raked up and stored in heaps on the edge of the works. The quantity produced in each pan is said to vary from 2 to 10 seers, according to the season and strength of the solar rays; the quality of the salt depends upon the care bestowed in making clean pans, and upon the lightness with which the rake is applied, and it is important that the evaporation should not have proceeded too far, or portions of the earthy bottom of the pan come away with the crust of salt.

89. The amount produce of this salt depends entirely upon the weather. In the past season 1853-54, which was peculiarly dry and favourable, the produce was maunds 4,51,178, and it was said that if permission had been accorded, the quantity might have been much increased.

Manufacture and establishments of each aurung.

90. The following table exhibits particulars relating to the manufacture and establishments of each aurung for the current season 1854-55.

Names of Aurungs.	Quantity of Salt contracted for.	Number of Contractors or Choolleas.	Number of Molunghees.	Establishment.				Cost of Establishment.
				Number of Darogahs.	Number of Mohurrirs.	Zilladars.	Chattee Parks and Chuprassees, &c.	
Pungah Salt.								
Northern Astrung	50,000	258	258	1	2	3	12	1,254 0 0
Southern ditto	50,000	487	547	1	2	5	20	1,446 0 0
Bhoosondpoor	60,000	884	884	1	2	8	23	1,776 0 0
Hurridass	60,000	779	779	1	2	6	17	1,482 0 0
Parreekood	1,10,000	611	1,222	1	1	5	13	1,292 0 0
Goorbaee	15,000	154	154	..	..	..	..	..
Malood	1,25,000	738	1,476	1	1	8	16	1,466 0 0
Total	4,70,000	3,911	5,320	6	10	35	101	8,716 0 0
Kurkutch Salt.								
Sauthparrah	2,90,000	865	2,595	1	2	6	14	1,372 0 0
Goorbaee	2,10,000	917	1,835	1	..	7	14	789 0 0
Total	5,00,000	1,782	4,429	2	2	13	28	2,161 0 0
Grand Total	9,70,000	5,693	9,749	8	12	48	129	10,877 0 0

First cost of pungah salt in the Astrung aurungs.

91. In the Astrung aurungs, which formed part of the original settlement in Central Cuttack, the rates paid to the molunghees are lower than in the Chilka aurungs. The price originally was 8 annas per maund, and the rent to the zemindars, including julpye or fuel lands, 9r. 6a. per 100 maunds. These were reduced, in 1840, to 5 annas per maund to the molunghees, and 8r. 5a. 4p. per 100 maunds to the zemindars, at which they now stand; but when it was proposed to abandon these aurungs, the molunghees, it is said, were willing, in order to avert the discontinuance of the manufacture to accept even 4 annas per maund as the price of their salt, and the zemindars 8 pies, in lieu of 1½ anna per maund, as the amount of their rents.

First cost of pungah in the Chilka aurungs.

92. The price originally paid to the molunghees for pungah salt in the Chilka aurungs, owing to the difficulty in procuring fuel, was 10 annas per maund, and the rent to the zemindar, there being no julpye lands, was 6r. 4a. per 100 maunds. These rates were reduced, in 1840, to 6 annas per maund to the molunghees, and 5r. 9a. per 100 maunds to the zemindars, at which they now stand. The fuel and pots are provided by Government by contract, and now cost about 2½ annas per maund; the remainder of the 6 annas, subject to some very trifling contingencies, constitutes the wages of the molunghees.

First cost of kurkutch salt.

93. The price paid to the molunghees for kurkutch salt, was originally 4 annas per maund, and the rent to the zemindars, sicca rupees 4 per 100 maunds. In 1840, the price to the molunghees was reduced to 2½ annas per maund, and in 1843 to 2 annas, at which it now stands, the zemindar's rent remaining at sicca rupees 4, or company's rupees 4-2-7, endeavours to induce him to consent to a reduction having failed.

Manufacturing cost of the salt.

94. The total expenses of manufacture in the past year 1853-54 was, for pungah, 47r. 10a. 6p., and for kurkutch, 20r. 7a. 2p. per 100 maunds, giving a rate for the former of 7a. 7½p., and for the latter of 3a. 3½p. per maund.

Molunghees — and their earnings.

95. The class from which the molunghees are supplied is, in the pungah manufacture, almost exclusively the agricultural. The lands in the vicinity of the salt aurungs are poor, and produce but a single crop of rice. Existence is eked out by the manufacture of salt, which here supplies the place occupied in other quarters by more valuable products. In the kurkutch manufacture, the molunghees come from the neighbouring pergunnahs, and a small proportion from the Madras territories. Many of the poorer molunghees contract

for quantities of salt not exceeding 15 or 20 maunds (a practice which is however discountenanced as much as possible), but it is calculated that a molunghee in good circumstances in the Chilka district will, on a produce of 100 maunds of pungah salt, obtain a net profit equal to 3½ or 4 rupees per mensem, the period of manufacture being from four to five months. The profit upon kurkutch salt is more considerable, averaging from rupees 8 to 10 per mensem upon 300 maunds of salt, which may be produced by one molunghee with the aid of his wife and children. The whole number of molunghees in the Pooree Agency is about 4,200.

96. The transportation of the salt from the aurungs to the export and interior sale depôts, is effected by contract, at rates which cannot be gathered from the local reports, but which are said to have been greatly reduced of late. Transportation of salt to the depôts.

97. All the salt of this agency, except about 2½ lacs of maunds reserved for the local sales of the district, is exported for sale to the Sulkeea warehouses. The reserved salt is almost exclusively kurkutch, which although in appearance less pure than boiled salt, is much preferred by all classes in that part of the country, there being no local demand for pungah, or boiled, salt, which may also be due in some measure to its higher price. The quantity actually sold in the district in the past year, 1853-54, was maunds 2,51,222, distributed as shown on the margin.* Export to Sulkeea, and rate of freight.

98. The export is effected by contract, in small sloops, between October and March, at the rate of rupees 20 per 100 maunds. There appears to be only two export depôts, viz., one in the Astrung aurungs at the mouth of the Devee river, the other at Meetakooah in the Chilka aurungs. Formerly the salt of the Astrung aurungs used to be transported for export to the Central Cuttack depôt at Hansooah, at a considerable expense and risk, but it is now exported direct from the aurungs.

99. The total charges of export in the past year 1853-54, amounted, for pungah, to about rupees 30, and for kurkutch, to about 30r. 4a. 6p. per 100 maunds, which being added to the cost of manufacture, 47r. 10a. 6p. for pungah, and 20r. 7a. 2p. for kurkutch, gives for the selling price of the former at Sulkeea, inclusive of the duty of rupees 250, 327r. 10a. 6p. per 100 maunds, and of the latter, 300r. 11a. 2p. per 100 maunds; but the actual prices at present fixed, calculated on an average of three former years, are rupees 329 for pungah, and rupees 300 for kurkutch. Total export charges and sale price of the salt at Sulkeea.

100. Pungah salt remains under the charge of the aurung darogahs at the export depôts until shipped to Sulkeea. They are allowed 2½ per cent for wastage, and a similar allowance is made to the export contractors. On kurkutch salt, the aurung darogah, if the salt remains in his hands after bhangan weighment, receives an allowance of 2½ per cent., and the inland contractor a further allowance of 2 per cent to the interior sale depôts, and 1 per cent. to the aurung retail shops. The depôt darogahs are allowed wastage at the rate of 1 per cent. per annum, so long as the salt remains in their custody. Wastage allowances.

GEO. PLOWDEN,
Commissioner.

Inclosure No. 1.

Translation of an Engagement executed by BHOYAH CHYTUN CHURN KUR, Zemindar of Tuppay Sartha, in Pergunnah Sautmoling, Zillah Cuttack, dated September 28, 1809.

I hereby engage to make over to Government in perpetuity all the kallary, choolah, and jaulpye lands in the above tuppay, as well those now in use as those which have at any former period been appropriated to the manufacture of salt, on the following conditions, viz. :—

1. Government shall be at liberty to establish kallaries and choolahs, and to cut fuel in any part of the salt lands of the above-mentioned tuppay that may be deemed most convenient for the manufacture of salt.

2. Government will collect from the molunghees the revenue of the kallary and jaulpye lands, &c., and I shall have no claim on this account.

3. In lieu of my salt revenue, Government will pay to me annually at the rate of 1½ annas for every maund of salt manufactured in the above tuppay, and I will not take anything from the molunghees on account of salt revenue, nor will I take from them anything on account of dustvory, &c., exclusive of the above-mentioned 1½ annas per maund, which I am to receive from Government free of all expense. I shall have no other claim on Government; but I am to be allowed to take from the jaulpye lands the quantity of chun and gujeenah that has hitherto been used in the paun plantations, and I am also to be allowed the muchdiah.

* For consumption in the manufacturing neighbourhood	14,688
" in the interior of the district	68,070
" in the tributary estates and country beyond	1,68,464*
Total	2,51,222

* Of this 64,203 maunds were exported for the consumption of central Cuttack.

4. Whatever betaul and other jungle is situated beyond the boundary of the fuel lands, I shall retain in my possession.

5. Mohurrirs on my part shall be allowed to attend at the weighing of the salt received from the molunghees, and they shall also be allowed to keep an account of the quantity of salt weighed, but it will be my duty to keep mohurrirs on my part in constant attendance at the different golahs of Government in the above tuppay, or at such places where the weighing of salt may be made, and in the event of my mohurrirs not being in attendance at the time of the weighing of salt, the amlah of the Salt Department shall be at liberty to proceed with the weighing without further delay, in order that no impediment in the public business may be occasioned by the non-attendance of my mohurrirs, and in such case I shall make no objection to the salt having been weighed during the absence of my mohurrirs, but will receive my revenue from Government at the rate of $1\frac{1}{2}$ annas per maund as above-mentioned, agreeably to the accounts of the weighing kept by the amlah of the Salt Department.

6. Fuel, the produce of my estate, shall not be used in the manufacture of salt in the estate of any other zemindar. If it should appear proper, both to the agent and to me, to allow fuel to be given for the manufacture in the estate of another zemindar, it shall then be given, but the price of the fuel so given I will receive from the zemindar in whose estate the fuel may be used. I will not, however, dispose of any fuel within the boundary of the Government fuel lands, without the consent of the agent.

7. I will be answerable for any claim that may be made on account of lakhiraj lands, situated within the salt and fuel lands, to be made over to Government by me, and Government will have nothing to say to the proprietors of lakhiraj lands.

8. This engagement is to be in force and to be permanent, provided no increase of assessment shall hereafter be made by the Revenue Department on my salt revenue, beyond the amount stated in the settlement of my estate, made by the Commissioner of Cuttack, in the year 1217, Umlee. If at any future period an increase of revenue should be demanded by the Revenue Department, beyond the assessment settled by the Commissioners as above-mentioned, then this engagement shall be null and void.

9. Government will endeavour to cause the kallary and fuel lands of the above tuppay, to be annually brought into use, and will cause the manufacture of salt to be carried on (as far as may be practicable), and I shall be entitled to receive my revenue from Government at the rate above mentioned, agreeably to the weighing.

10. I shall be entitled to receive only on the assul salt (the salt paid for by Government) at the rate above mentioned, and I will claim nothing on account of the surruff salt that may be received by Government from the molunghees.

Inclosure No. 2.

Translation of Agreement of Jagheerdar of Malood, &c., dated May 8, 1820, corresponding with the 29th Bysakh, 1227 Umlee, or 24th Shuhur Rujub, 1235 Hijree.

I, Kurrah Mahomed, Jamadar and Jagheerdar, of Mehals, Manickpatum, Undharee, Parreecoodh, Malood, and Budgercote, in Zillah Cuttack, of perfect mind and memory, do declare and give in writing, that the above mehals, received by me as jagheer from Government, are in my possession without the interference of others. I now permanently make over to Government the Keearee and Baree, &c., the whole of the arable and unculturable salt lands situate in the above mehals, where kurkutch salt is, has been, or may be manufactured, for the purpose of making the Government khas salt, save the villages Jumoonah, &c., in Killah Parreecoodh, which are Umrulmondhec, or endowment of Sree Juggunnath Jew, under the muth of Porsotum Doss, at Pooree. The island in the Chilka, styled Nulbun, where the null, a kind of wild straw, is grown, which will be useful for thatching over the salt manufactured, is in my Jagheer mehals. In the salt lands of the said Jagheer mehals Government will make Keearee and Baree, &c., wherever it may be convenient, of its own free will. Government will receive the revenue from the molunghees for Keearee and Baree, &c., situate in the salt lands, with which I have, or shall have, no concern, and the thatching over the kurkutch salt annually manufactured in my Jagheer mehals, will be made with the straw grown in the above island. On the whole quantity of kurkutch salt, which may delivered to Government by the molunghees, without deduction of wastage, revenue and cost, the sum of 4 rupees for every 100 maunds of 82 sicca weight to a seer, in lieu of the revenue for salt lands, and 1 rupee in lieu of the value of null straw, aggregating sicca rupees 5, will be received by me from Government. Besides the same, on no other account shall I have claim on the Government, or on the molunghees who prepare the salt, and I will not receive the salt revenue, or any kinds of cesses, or subscriptions on account of salt concerns from the molunghees. But after the use of the null straw cut and brought from the above island, on the part of Government, for the purpose of thatching over the salt, whatever surplus may be in that island will be taken by me for my own use. I retain in my possession the mudhooree wastage lands, fisheries, pasturage, soorbellee, khuttees of fishes, and the usual passage situate in the vicinity of the salt lands. The salt amlahs stationed in my Jagheer mehals at the time of blangah, or weighment of salt, manufactured by molunghees in their respective aurungs, will keep the mohurrir on my part along with them, and give down to him the

counterpart of the accounts of the salt manufactured; and previous to weighing, notice will be given by the above amlahs, either to me or to my mohurrir, who may be stationed on the spot. But, should my mohurrir be absent at the time of Bhangah, the salt amlahs, without waiting for him, will weigh the salt manufactured by the molungbees, and I will make no objection to that salt on account of the absence of my mohurrir. I hereby make over to Government the null straw according to the conditions of this agreement, and I will give it to no other proprietors for thatching over the salt manufactured in their estates; but when, with my consent, the agent may allow the null straw for thatching over the salt manufactured in the estates of other zemindars, I shall receive the value of the same from the Government treasury, at 1 rupee for every 100 maunds. The salt of the previous year, on which the thatching was once made with the null straw grown in the above island, and the value of which shall have been received by me at the rate above alluded to, if the thatching and repairing of the same be again required, I will receive no value for the null straw, whatever quantity may be used for that purpose. I am responsible, and bind myself to satisfy all claims of individuals for lakhiraj lands in the Keearee and Barea, &c., situate in the salt lands, I have made over to Government, save the villages of Umrulmondhee above referred to. The Government has nothing to do with the claims of such lakhirajdars.

Appendix C.—No. 3.

Note on the Manufacture of Salt at the Narainpore and Goordah Salt Works.

1. At these salt works, which are private property, salt is manufactured by the European process, upon a system of excise.
2. Both the works are situated in the Soonderbuns, within the salt chowkeys of the Barreepore division—Narainpore, at a distance of about 26 miles south-east, and Goordah, at a distance of about 42 miles south-south-east, from Calcutta. Situation.
3. The Narainpore works cover a space of 1,618 beegahs; the Goordah works, a space of 1,575 beegahs; the whole, in each case, surrounded by a substantial embankment of earth, from 5 to 6 feet higher than the level of the highest spring tides. The constituent parts of the works are—salt-water reservoirs, evaporating beds and terraces, brine reservoirs and furnaces. Extent.
4. A plan* of the Narainpore works accompanies, which will serve to illustrate both sets of works, both being constructed and conducted upon precisely the same principle.
5. The manufacture at these works by the European process differs from that by the native method, in that the brine is procured by solar evaporation, instead of by passing salt-water through saline earth, and is boiled in large iron pans instead of in very small earthen pots. Difference in the manufacture from the native method.
6. The greater portion of the space occupied by the works is laid out in beds for condensing the brine. These are very numerous. Each bed is separated from the adjoining one by a small earthen embankment, and communicates with it by means of a wooden sluice gate, for the passage of the brine from one to the other when necessary. Distribution of the works.
7. The manufacture commences in the month of December, as by that time the waters of the rivers and creeks in the neighbourhood of the works contain sufficient salt in solution. The process observed is as follows:— Commencement of manufacture.
8. At the top of high water, during the spring tides, sea-water is admitted into the first set of evaporating beds, to the depth of about 12 inches, the reservoir being at the same time filled with a reserve quantity of salt-water. The water from the first beds, after undergoing a certain degree of condensation by exposure to the rays of the sun for a certain number of days, more or less, according to the state of the weather, is then let into the second series of beds, to the depth of about 6 inches, for the purpose of acquiring a further degree of density, and the first beds are replenished with water from the reserve store in the reservoir. After standing for a certain number of days in the second series of beds, the brine, which is still very deficient in the salt element, is conveyed into the third series of beds, to a depth of about 3 inches, and from thence into tiled terraces, to a depth descending from 2 inches to 1 inch, where its conversion into pure brine is rapidly effected. Process of manufacture.
9. When fully saturated, or ready for boiling, the brine is drawn into a small but deep pit at the angle of the evaporating terraces closest to the furnaces, whence it is conveyed by men into the iron pans for evaporation by boiling into salt.
10. When the brine from each series of beds is let into the next of higher saturation, its place is supplied by brine from the beds of lower saturation, which are again replenished from the reservoir of reserve salt-water. In this way the process is continuously repeated, and a constant succession of supply and demand is kept up to the end of the season.
11. From the month of March, owing to the greater intensity of the solar rays, there is each day a larger quantity of brine more speedily condensed than in the three preceding months, and, as the furnaces can only exhaust a certain quantity daily, the surplus brine is Reserve Brine.

drained off by means of a channel into a large reservoir, faced with masonry, adjoining the furnaces, where it is kept in store for future use during the rainy season, or periods when, from the occurrence of unfavourable weather, during the cold and hot months, interruptions are experienced in the condensation of brine. Except when these interruptions render it necessary, the excess brine is never indented on for use, but all means are adopted to have in the tank by the setting-in of the periodical rains a full supply, so as to admit of the manufacture being carried on, if possible, till the beginning of the next season's operations.

Furnaces and Boilers.

12. The furnaces are constructed in sets of eight, round a chimney, common to them all. They are elevated about 4 feet from the ground, and are built of substantial masonry. The boilers made use of are, some of cast iron, and others of sheet iron strongly rivetted together. At Narainpore the former are 8 feet long by 4 broad; the latter, of the same length, but 12 feet in breadth. Five or six of the cast-iron pans, and two of the wrought-iron ones are placed on each furnace transversely, with their sides meeting, any intermediate space being plugged up with clay, to economize the heat as much as possible. The cast-iron pans are placed furthest from the mouth of the furnace, and the brine, after being heated in them, is transferred to the wrought-iron pans, in which it is boiled down into salt.

Fuel.

13. The fuel employed is large logs of wood from the soonderbuns adjoining, where it is procurable in great abundance, at prices varying from 3 rupees per 100 maunds to sometimes double that amount.

Produce of each furnace.

14. Each furnace, when the brine is of proper strength, is capable of producing about 25 maunds of salt in 24 hours of uninterrupted boiling.

Capacity of the Narainpore works.

15. The Narainpore fields, if worked to their full extent, are capable, weather permitting, of producing 2,00,000 maunds of salt annually; but two of three sets of furnaces originally constructed are now out of use, and worked as the fields at present are, with only one set of 8 furnaces—they are not capable of yielding more than from 40 to 50,000 maunds.

Capacity of the Goordah works.

16. The Goordah fields, in like manner, might produce 3,00,000 maunds annually; but, as now worked, are not capable of yielding more than from 30 to 40,000 maunds.

Actual produce of the works.

17. The actual quantity cleared in each of the last 5 years from the Narainpore works is shown on the margin.* The quantity cleared from the Goordah works in the past year, 1853—54, when they were re-opened, after having been closed for many years, was 12,000 maunds.

Cost of production, selling price and profit.

18. The cost of production may be estimated, on an average of seasons, at 8 annas per maund; the selling price of the salt is 14 annas per maund. The profit to the manufacturers is thus 6 annas on each maund.

Value of the salt relatively with salt of Government manufacture.

19. If to the selling price of 14 annas be added the duty of rupees 2 : 8 per maund, the sale value of 100 maunds of this salt amounts to 337 rupees 8 annas per 100 maunds, which is 36 rupees 8 annas per 100 maunds, higher than the sale price of Hidgellee salt at the agency warehouses. The superior quality and cleanness of this salt enables it to command a higher price in the market than any Government salt.

Mode of Excise.

20. The mode of excise is very simple and inexpensive. The following Government establishment is entertained at each of the works, under the control of the superintendent of salt chowkeys, to supervise the storage and delivery of the salt:—

					R.
1	Hoodadar or supervisor	..	..	..	16
2	Chuprassees at 5 rupees each	..	..	..	10
1	Aduldar or stamper	..	..	..	4
	Total per mensem	..	..	..	30

21. The salt as manufactured being too wet to be weighed at the time, is measured with a basket of a certain capacity, and passed at once into store by the hoodadar, the golah, or storehouse, being in the immediate neighbourhood of the boilers. As soon as the salt is stored it is stamped over. The hoodahdar holds one key of the golah, the manufacturer's confidential servant the other. Daily accounts are kept of the produce and deliveries by the hoodadar, and weekly abstracts of the same are submitted to the Board of Revenue by the superintendent of chowkeys, who is responsible for the due supervision of the manufacture. The duty is paid in the same manner as the price of Government salt, and no salt is allowed to be removed until the duty has been received. Deliveries are made by weighment, in the presence of the excise officer.

GEO. PLOWDEN,
Commissioner.

					Maunds.
1849-50	..	..	..	..	23,360
1850-51	..	..	..	..	35,000
1851-52	..	..	..	..	18,600
1852-53	..	..	..	..	19,600
1853-54	..	..	..	..	31,550
Total	..	..	..	..	1,28,110
Average of five years	..	..	..	..	25,622

Appendix C.—No. 4.

Note on the rise, progress, and present state of the Salt Preventive System, in the Lower Provinces of the Bengal Presidency.

1. The origin of the salt preventive chowkey establishments is not to be traced from the records of the Board of Revenue, but Mr. Secretary Prinsep, in a note dated the 3rd of March, 1835, prepared by order of Government, states that they have always existed. They are first noticed in Regulation XXX, of 1793, when they were probably superintended by native officers under the authority of the salt agents.

Origin of the Salt Preventive Chowkey Establishments.

2. Superintendents of salt chowkeys were first appointed by section 11, Regulation VI, of 1801. The chowkeys were placed under commercial residents, salt agents or Collectors, by the same regulation, and the whole acted under the orders of the Board of Trade. After some changes, there were, prior to 1826, four superintendencies of salt chowkeys, viz., the Western, the Midland, the Eastern, and the Behar; the superintendents had no separate avocation to distract their attention from the main business of their appointments, and they received, in common with their native subordinates, and the informers, a high per centage upon the value of all seizures of contraband salt effected within the limits of their respective superintendencies.

First appointment of superintendents of salt chowkeys in 1801.

3. The bounds of the above several jurisdictions were as follows:—

4. The Western salt chowkeys occupied the tract of country to the westward of the Hooghly, between the Damoodah and Soobunreeka rivers, further inland than Midnapore, and on the west bank of the Hooghly itself to Nya Surai, a mart about 25 miles above Calcutta.

The bounds of the original chowkey jurisdictions.

5. The Midland superintendency stretched through the districts east of the Hooghly, from opposite to Nya Surai, through the 24 pergunnahs, Jessore, Backergunge, &c., as far as the western branch of the great Delta of the Megna. This superintendency had a breadth inclined from the verge of the Soonderbuns, varying from 10 to 40 miles.

6. The Eastern superintendency included the Delta of the Megna to the sea, also the tract between the Megna and the Fenny, the islands seaward of Bominee, Hattia, Soondeep, &c., lying at the mouth of the great Megna, and the Chittagong district, down to the Island of Mascal.

7. The Behar superintendency had for its object, to prevent the influx of salt from the westward. Its boundaries in that direction were on the Gogra and the line of the Caramnassa. Some chowkeys, intermediate between the Behar superintendency and the western superintendency, were planted at Ramghur and Chota Nagpore.

8. These jurisdictions were too extensive to be properly controlled by a single officer; insomuch, the scheme was very defective. It was also defective in this, viz., that the decision of cases of seizure rested with the controlling board, the Board of Trade, who, founding its award upon reports of the seizing and interested officer, was frequently led to wrong conclusions, while parties suffering at the distance of 200 or 300 miles or more from the place of ultimate decision and appeal, had but imperfect means to correct any evil they might wrongfully suffer.

Defects of the original scheme.

9. To remedy some of these defects, Regulation X, of 1819, was passed, by which the general control of the department was vested in the Board of Customs, Salt and Opium, established in that year. The direct decision upon seizures was removed from the Board, and vested (subject, in all but inconsiderable cases, to revision by the civil courts of the several zillahs) in the superintendents of salt chowkeys, the salt agents, and such other officers as Government might, from time to time determine. This power given to salt officers of trying and deciding cases, necessarily involved the relinquishment of their rewards upon salt, the confiscation or release of which depended upon their award.

Control of the department vested in the Board of Customs, Salt and Opium. First decision in cases of seizure vested in the superintendents and other local officers.—Regulation X, of 1819.

10. But the jurisdiction of the superintendencies remained as extensive as before, often involving the inconvenience and hardship of bringing principals and witnesses in salt cases to a remote distance from the place where the offence to be tried had occurred.

11. Principally to remedy this evil, but also generally to improve the efficiency of the chowkey establishments by the greater proximity of the controlling officer, the three superintendencies of Bengal were abolished in 1826, and their duties were annexed to those of the salt agents, Land Revenue Collectors,

Superintendencies abolished in 1826 and 1828, and the duties transferred to salt

agents, Collectors, and other local officers.

and other covenanted officers of Government, whose local situation, it was expected, would enable them more effectually to perform those duties for which all but the salt agents received an extra salary.

12. This arrangement continued till 1835, the separate appointment of superintendent of Behar having, however, been continued till 1828, when, on the decease of the incumbent, the duties of that superintendency were transferred to the opium agent of the province, but without additional salary.

A change of system considered indispensable, and introduced in 1835.

13. In 1835, after ten years' experience, it became manifest that a change of system was indispensably necessary to the protection of the revenue. The union in one individual (the salt agent) of the control over both the agency establishments, and the preventive chowkeys, was considered to be clearly objectionable in principle; and while the whole of those establishments were subject to the influence and authority of a head native dewan of an agency, whose relatives, connections, or dependants they mostly were, the arrangement could hardly fail to be productive of extensive frauds and abuses. On the other hand, the Land Revenue Collectors and other covenanted Civil servants, who had other important duties to perform, had not time to visit the chowkeys, or exercise the necessary supervision over the establishments attached to them, and the consequent relaxation of control was almost as injurious to the public interests as the collusion of the preventive and agency establishments; the result was manifested in the diminution of the quantity of salt disposed of at the Government sales. The fall of prices at those sales, the enormous increase of quantity sold but not cleared, exceeding in the years 1834 and 1835 20 lacs of maunds, the serious losses sustained by Government in salt reported to have been destroyed in the aurungs or golahs by convenient storms, inundations, or accidents by fire, and the notorious and admitted increase of smuggling.

14. On a consideration of these circumstances, a new system was established under the resolution of Government, dated the 15th of April, 1835.

Uncovenanted officers appointed superintendents.

15. Under that resolution, and the provisions of Act No. IX, of 1835, uncovenanted officers were gradually appointed superintendents of salt chowkeys as vacancies occurred amongst the covenanted officers who held the situation.

Their salaries and powers.

16. The salaries of the superintendents were fixed at from rupees 300 to rupees 500 per mensem, according to the extent and importance of their charge; they were also allowed a certain commission on confiscations of salt, but they were not empowered to adjudicate cases of contravention of the laws passed for the protection of the salt revenue, or to punish offenders charged with the violation of those laws; these powers remained with the salt agents, and it was also competent to the Government, under the law above mentioned, when it appointed superintending officers of chowkeys without powers of adjudication, to invest with those powers any judicial or revenue officer of the Government.

17. Subsequently, however, section 25, Act XXIX, of 1838, provided for the exercise of the powers in question by uncovenanted superintendents of chowkeys, and these officers were accordingly from time to time invested with them.

Reduction of the Behar salt chowkeys in 1844, and their final abolition in 1848.

18. In 1844, the Behar salt chowkeys, which up to that time had remained under the superintendence of the opium agent of the province, were withdrawn, with the exception of a river chowkey at Ghazeeepore. These chowkeys were designed for the exclusion of western salts from Behar, and it was considered that the additional duty of one rupee per maund, imposed by Act XIV, of 1843, on those salts, on their transmission to the eastward of Allahabad, was of itself sufficient to check their transport into Behar, without the necessity of keeping up a line of preventive chowkeys for that purpose. In 1848, the river chowkey at Ghazeeepore was withdrawn, consequent upon the enactment of Act XVI, of 1848.

Appointment of a Controller of Government salt chowkeys in 1846.

19. The Government resolution of 1835 contemplated the appointment, in due time, of an intermediate officer between the Board and the superintendents, for the more effective supervision of these latter; and such an officer was appointed in the early part of 1846, under the designation of Controller of Government Salt Chowkeys.

Ways in which illicit salt may be supplied.

20. Illicit salt may be supplied, and the Government defrauded of the revenue imposed by law on the article, in three ways:—

First. By smuggling from ships importing Foreign salt.

Second. By abstraction of the article from the Government golahs or warehouses and manufacturing grounds.

Third. By manufacture on the salt producing lands touching on the Bay of Bengal, which manufacture is prohibited by section 30, Regulation X, of 1819, except on account of Government, or with its sanction.

Preventive scheme.

21. To guard against these sources of illicit supply, the whole extent of the saliferous tract of country above mentioned is placed under the supervision of preventive officers, stationed at posts or chowkeys, at convenient distances throughout the tract.

Preventive line, and extent of country com-

22. It is enacted by Section 33, Act XXIX, of 1838, that the tract of country guarded by salt chowkeys shall not extend, within the delta of the

Ganges and Megna rivers, beyond the line of the reach of the tides in the rivers communicating with the Bay of Bengal as taken at spring tides in the dry season; nor eastward of the Megna, north of the river Goomtee; nor westward of the river Hooghly, beyond (that is, I presume, to the north of) a line drawn from a point on that river distant one mile from the northern end of the town of Nyasurai, and to the north thereof, to a like point distant one mile to the north of the town of Ghuttaul, and thence to a like point distant one mile to the north of the town of Midnapore, and thence to a like point distant one mile to the north of Haldipookur in Singhbhoom, so as to include each of those towns respectively.

prised within
chowkey limits.

23. In order to narrow these limits as much as possible the preventive force has, from time to time, been concentrated more and more upon the salt-producing tracts.

24. The accompanying map* has been compiled to show the whole country at present comprised within the limits of the salt chowkeys. It exhibits the several superintendencies and their boundaries, all the preventive and endorsing chowkeys, the localities where salt is now manufactured on account of Government, and the sites of the Government wholesale and retail golahs or warehouses.

25. From this map it will be seen that the preventive line extends along the coast from Teknaaf, the southern extremity of the Chittagong district, on the east side of the Bay of Bengal to the south-west extremity of the Chilka Lake, in the district of Pooree, on the west side of the bay. The length of this line is not known, but the length of the line of coast may be about 600 to 700 miles, and the breadth of the belt of country included within the preventive limits, inclined from the verge of the coast, may be, along the Chittagong coast, about 20 miles, in the delta of the Ganges and Megna rivers, between the Great Fenny river on the east, and the Hooghly and Roopnarain rivers on the west, from 45 to 80 miles, in the tract of country to the west of those two rivers and lying between them and the Soobunreeka river, comprising the Tumlook, Midnapore, and Jellasore Superintendencies, from 40 to 50 miles; and along the Cuttack coast about 12 miles. The area of the belt may be about 30,426 square miles and the population about 7,311,369 inhabitants, both by rough estimate.

26. At present, the whole tract of country guarded by the salt chowkeys is divided into 14 superintendencies, of which 10 are held by uncovenanted officers in subordination to the controller, and 4 by salt agents independent of the controller, as shown on the margin.†

Superintendencies, th
number and consti
tion.

27. In the four superintendencies under the salt agents, and in two of those under the Controller, (viz., in the Jellasore Superintendency, under the salt agent of Hidgellee, and in the Chittagong Superintendency, under the salt agent of that district). Salt is very extensively manufactured on account of Government.

28. Until lately, the salt agent of Hidgellee was superintendent of the chowkeys within the limits of his agency, in subordination to the Board of Revenue, as the salt agent of Tumlook still is within his limits, but the Hidgellee chowkeys, increased in number and efficiency, have recently been annexed to the Jellasore Superintendency, and so brought under the supervision of the Controller.

29. The principle on which this change of system was adopted was, that a preventive establishment, attached to a distinct department, under a separate officer, is more likely to act independently than one under the same control as the agency establishments employed in supervising the manufacture, with whom there are opportunities of collusion calculated to promote a great amount of smuggling.

30. If the experiment should succeed in Hidgellee, the reform will be

* Map No. 11.

† Superintendencies under the Controller:—

1. Chittagong.
2. Bulloah.
3. Backergunge.
4. Jessore.
5. Baugundee.
6. Barreepoor.
7. Western.
8. Midnapore.
9. Jellasore.
10. Calcutta.

Under the salt agents:—

1. Tumlook.
2. Balasore.
3. Central Cuttack.
4. Pooree.

extended to Tamlook, by the transfer of the agency chowkeys to the Midnapore superintendency, which would then admit of being concentrated within narrower limits than are now occupied by the two superintendencies. The change has been postponed in the meantime because apprehensions were entertained that it might lead to misunderstandings among the preventive and agency establishments, and such interference with the molanghees on the part of the former as would discourage them and diminish the manufacture.

31. In the province of Cuttack the salt agents superintending the chowkeys are subject to the control of the Revenue Commissioner of the division.

Salary and allowances of the Controller.

32. The Controller of Government salt chowkeys is a covenanted officer, drawing a salary of rs. 2,333 : 5 : 4 per mensem, inclusive of a travelling allowance of rs. 250 per mensem.

Present salaries and allowances of superintendents and assistant-superintendents.

33. The salaries of the 10 uncovenanted superintendents subordinate to him are now fixed at from rs. 300 to rs. 700 per mensem, as shown on the margin.* These salaries are personal to the officers, and not attached to the superintendencies to which they may stand appointed. The superintendents receive in addition a travelling allowance of rs. 5 per diem for every day they may be on circuit. There are also two assistant-superintendents on a salary of rs. 180 per mensem each, at present attached respectively to the Chittagong and Jellasore divisions. These receive a travelling allowance of 3 rupees per day when on circuit.

Salt agents in charge of chowkeys receive no additional remuneration.

34. The salt agents in charge of chowkeys receive no additional remuneration on that account. To each such agency an uncovenanted assistant is attached on a salary of rs. 300 per mensem, and a travelling allowance of rupees 3 per diem. These assist the agents in the superintendency as well as their agency duties.

Cost and statistics of the superintendencies.

35. Particulars of the number of preventive chowkeys in each superintendency, and the expenses incurred on account of each, for establishments and all other charges, will be found in a statement appended.† I have not thought it necessary to give these particulars in greater detail. The number of villages in each superintendency, and the area and population of each, are also exhibited in the same statement, all by rough estimate.

36. It will be seen that there are in all 156 preventive posts, and that the total cost of the preventive system, including the charge for the Controller, amounts to rupees 3,06,219 : 3 per annum.

Duties of the Controller.

37. The Controller acts in subordination to the Board of Revenue. He is expected to be constantly on the move, visiting the several superintendencies under him. His functions consist in exercising a searching inquiry into, and control over, the operations of the superintendents, so as to keep them strictly to their duty, and in revising their proceedings and decisions in all matters connected with the department, upon, or without, appeal.

Duties and present powers of the superintendents and assistant superintendents.

38. The responsibility for the efficient administration of the chowkeys of each division belongs to the superintendent, who exercises, in addition, judicial powers in the confiscation of illicit salt, and punishment of offenders against the laws enacted for the protection of this branch of the revenue, uncovenanted superintendents cannot exercise these powers unless duly authorized under the provisions of section 25, Act XXIX, of 1838. At present all the uncovenanted superintendents are vested with powers of adjudication in cases of contravention of the Salt Revenue Laws. The assistant-superintendents act under the orders of the superintendent.

Prevention of smuggling from the Government golahs, and importing ships.

39. The responsibility for preventing the abstraction of salt, without duty paid, from ships importing that article, and from the Government store golahs, rests, in the first instance, with officers of other departments, viz., the Custom-house officers in the case of ships, and the agency or store officers in the case of the golahs. The chowkey officers act as a check upon them, and seize any salt found passing through the country without a protective document, or in excess of the quantity covered by such document; and they ultimately receive charge of the document itself, when the salt has either passed out of the chowkey limits, or has been consumed within them.‡

Cooling or examining chowkeys.

40. To facilitate the check over salt under transport from the Government golahs or importing ships, all salt-laden boats are by law§ obliged to call at certain special chowkeys on their route, denominated *cooling chowkeys*, in order that their cargoes may be examined and gauged by the officers of the depart-

	R.
* 2 on	700
2 on	500
2 on	400
2 on	350
2 on	300

† Enclosure A.

‡ Section 36, Regulation X of 1819.

§ Section 41, ditto.

§ Section 47, Regulation X of 1819.

ment, and compared with the protective documents which are at the same time endorsed, so as to prevent their being used fraudulently to cover more than one dispatch. These cooting stations, which used to be a source of much extortion on the part of the native officers of the department, and thereby contributed much to raise the price of licit salt to the consumer, have lately been greatly reduced in number, and the practice of cooting, or examining, the cargoes of all boats, has been everywhere discontinued, the interference being confined to the examination and endorsement of protective documents.

41. The duty of the officers of the *ordinary* preventive chowkeys, is to see that no illicit manufacture or traffic is carried on within the limits of the chowkey tract, and that no other than licit salt is sold or consumed therein.

General duty of the preventive force.

42. To each chowkey, which is generally* placed in the neighbourhood of a large salt mart, is attached a mohurrir, and from 6 to 12 burkundazes or chupprassees; and over every 3 or 4 chowkeys is placed a patrol daroga, upon a salary of 50 to 70 rupees per mensem, with 25 rupees additional as travelling allowance. The duty of the daroga is to be constantly moving about in his subdivision, controlling the other officers who are placed in subordination to him, and keeping them to their duty, examining the banks of rivers, salt-water nullahs, and other likely places for traces of earth scraping for illicit manufacture, attending at hâths and bazaars, to see that no other than licit salt is offered for sale therein, and conducting all sorts of local inquiries entrusted to him by the superintendent. On receipt of information of illicit manufacture, it is his duty to proceed with the aid of the police, in due form, to search the houses informed against, to take depositions of parties concerned, and submit a full report of his proceedings to the superintendent. He keeps, moreover, a diary of all his proceedings, which at the close of the month is submitted to the superintendent, and by him sent on to the Controller, with his opinion recorded on it.†

Constitution of the preventive force. Duties of the daroga

43. The duty of the mohurrir, of which there is one at each chowkey, and who has immediate charge of it, is to keep the books of the chowkey, which includes an account not only of all seizures of illicit salt, but of all licit salt sold within the limits of the chowkey, for the consumption of the inhabitants. The law‡ prescribes, that no quantity of salt exceeding 5 seers can be carried by any person without a protective document; and therefore it is necessary that officers of the department should be empowered to issue such documents, on application made, to cover parcels of salt disposed of by the merchants to smaller dealers. The measures which are taken to secure the consumption of no other than licit salt within the tract guarded by chowkeys, and for keeping an account of the extent of the consumption of that salt are these:

Duties of the mohurrir, and measures taken to secure the consumption of no other than licit salt within the chowkey limits, and for keeping an account of the consumption.

44. The merchant brings, say 1,000 maunds of salt from Calcutta to his depôt at Charkolly in the Backergunge district. If the salt is taken from the Government golahs at Sulkeea, the price, including duty, is paid in at the general treasury. The merchant then obtains from the Board of Revenue a delivery order on the Sulkeea golahs, with a rowannah to protect the salt, under cover of which he carries it past the cooting chowkeys of Balliaghatta and Coolneah, at both of which the document is examined and indorsed to its destination. Here it is stored in the golahs of the merchant, and the rowannah is taken to the chowkey hard by, in order that its contents may be entered in the register there, as so much salt stored in the chowkey.

45. When the merchant wishes to dispose of any of this salt, he sends to the chowkey a note of the sales he is making, stating that, of the salt brought under protection of such a rowannah, he is selling 50 maunds to such a one of such a place, and 5 parcels of 10 maunds each to other dealers named, and that he wants passes accordingly. The 50 maunds is perhaps to be consigned to a place beyond the limits of this chowkey, and therefore for its protection the mohurrir gives the *atrafée* rowannah described in clause 7, section 36, Regulation X. of 1819; while for the 5 parcels to remain in the limits of the chowkey and be retailed there, are granted a corresponding number of *char chittees*.§ These documents are duly entered in the Register,|| (No. 5) of the chowkey, and the sales are also written off on the back of the rowannah, as prescribed by section 46 of the law above mentioned; and when the whole of the salt covered by the rowannah has been disposed of, the document is delivered up at the chowkey, where it is cancelled, and returned to the superintendent, and ultimately to the Board's office, where it has, up to this time, been held on the register of outstanding rowannahs.

* This does not apply to the soonderbuns where the chowkeys are placed in the most suitable spots for commanding the sources of illicit manufacture, there being in that locality but a thin population, and limited consumption of salt, and consequently no need to consider the convenience of the trade and the salt consumer in fixing the position of the chowkey.

† Sections 1 to 11, Act XXIX, of 1838.

‡ Section 36, Regulation X, of 1819.

§ Clauses 5 and 6, section 36, Regulation X, of 1819.

|| This register shows an account of all the protected salt brought into the chowkey.

46. The dealer who took the 50 maunds under atrafee rowannah, either carries his salt out of the limits of the tract guarded by chowkeys altogether, in which case he delivers up his document at the last station, or, if his shop is within the limits of another chowkey, carries it there, producing his document to be registered at the chowkey, and noting the sales from it precisely in the same manner as was done with the parent rowannah.

47. The shopkeepers who took their 10 maunds under char chittees, are bound to keep that document with the salt until sold, and to write off their sales on the back of it, delivering it up at the chowkey, where they take a further supply under a new document. The sales of salt by the holders of char chittees are generally in small quantities, under 5 seers, for which no protective document is required. When it so happens that the quantity is larger, a document called a dur-char is issued by the holder of the char for the protection of the salt.

48. At the end of the half month the mohurrir makes up his papers for the superintendent's office. His returns comprise a diary of transactions; copies of the register of sales and issue of passes; seizures and attachments made; in fact, all the transactions of the 15 days; and these are all carefully examined and checked in the office of the superintendent.

49. The superintendents have thus, in their accounts of the sales of each chowkey, a tolerably accurate register of the consumption of licit salt in all parts of their jurisdiction, and can direct their immediate attention, and that of the daroga of the sub-division, to any part exhibiting an indication of decreased consumption of licit salt, and consequent presence of an illicit supply.

50. The state of the char sales of a chowkey compared with its population, as ascertained by the best means procurable, is considered to be the best criterion of the presence and extent of illicit supplies of salt, and of the efficiency, or otherwise, of the daroga and chowkey officers. Attempts are sometimes made to falsify the sales, but such attempts are expected to be frustrated by an efficient superintendent; and it is held that, supported by other indications, the prosperous state of the sales constitutes an excellent test of the extent to which illicit practices are suppressed in the chowkey.

51. The employment, of the burkundazes, or chupprassees varies somewhat according to the locality and characteristics of the chowkey. In some parts of the country they are stationed over the churs and salt plains, a certain extent of country, which requires constant watching, being placed under each. In others, where the facilities for illicit manufacture are limited, they are fewer in number, and are distributed through the villages, a larger tract of country being allotted to each; their duties being confined to occasional visits to suspicious places, and attending at bazaars and hâths, in order to check the introduction of illicit salt. In other parts, their duties are more important, as in Midnapore, and the country there bordering on the Hidgellee and Tumlook Agencies; here, the chowkey force, besides having to suppress illicit manufacture, and supervise the sales of licit salt within the limits of the chowkey, has to guard the district west of it from the influx of illicit salt from the Government manufacturing grounds. To suppress this, the establishments of chupprassees are stronger than elsewhere, and a jemadar is attached to each chowkey.

52. In the province of Cuttack, the preventive establishments have recently undergone revision and improvement. The designations of some of the officers are different, but the establishments are organized on the same principle, and the duties of the officers are generally the same as in Bengal.

53. In some superintendencies, salt is sold by retail, on the part of the Government, in small quantities, and at reduced prices, either throughout the jurisdiction, or in a limited portion of it. The retail sale system is essentially in aid of the preventive system, its principal object being to displace the consumption of illicit salt within those tracts where the temptation to smuggling, and the facilities for it, are the greatest. The superintendents of chowkeys manage the retail sales, distinctly from their preventive duties, and with distinct establishments; but it is the duty of the chowkey force to see that only the salt retailed by Government is consumed within the retail limits, and to prevent its consumption beyond those limits. As the retail sale system is a subject by itself, it has been treated in a separate note.*

54. The powers allowed to be exercised by salt preventive officers for the discovery and seizure of illicit salt, and in the adjudication of cases of the contravention of the Salt Revenue Laws, are enacted in Regulation X, of 1819, and Acts XXIX, of 1838, and III, of 1851. Calcutta is subject to a special salt law, Act XIII, of 1849.

55. The salt preventive rules in force in the province of Cuttack, in connection with the peculiar arrangements for the sale of salt in that province, will be found appended to the note on the retail sale system.

GEO. PLOWDEN,
Commissioner.

The quantity of salt consumed within the chowkey limits, as shown by the sale accounts kept at the chowkey, constitutes the test of the extent to which smuggling is suppressed.

Duties of the burkundazes, or chupprassees.

The organization and duties of the preventive force in Cuttack generally the same as in Bengal.

The retail sale system, described in a separate note (Appendix C, No. 6), is essentially in aid of the preventive system.

Powers of the preventive force.

Preventive rules in the province of Cuttack.

Inclosure A.

STATEMENT showing the Salt Chowkey Superintendencies in the Lower Provinces of the Bengal Presidency, the Number of Preventive Posts or Chowkeys in each Superintendency, the Statistics of each, the Charges incurred on account of each, and the Total Cost of the Salt Preventive Service.

1 No.	2 Names of Superintendencies.	3 Number of Preventive Posts or Chowkeys.	4 Area in Square Miles.	5 Number of Villages.	6 Population.	7 Charges per Mensem.*					8 Total Charge per Annum.		9 Remarks.
						Salaries of Superintendents and Assistant-Superintendents, 1854—55.	Cost of Office Establishments, 1854—55.	Cost of Mofussil Chowkey Establishments, 1854—55.	Contingencies on an Average of the Year 1853—54.	Total.	Total Charge per Annum.		
						Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
1	Chittagong	9	2,839	972	7,13,332	700 0 0	159 10 9	890 4 3	80 0 0	1,829 15 0	21,959 4 0	<p>The contents of columns 4, 5, and 6 exhibit only very rough estimates; they have been derived in various ways, and are only to be relied upon as giving a general idea of the statistics of the chowkey limits. In most instances the chowkey limits comprise whole districts.</p> <p>The salary of the superintendent of Baugundee includes Rs. 50 per mensem for house-rent; that of the Calcutta superintendent Rs. 50 per mensem for house-rent, and the same for boat allowance; and that of the superintendent of Midnapore Rs. 50 per mensem for boat allowance. In Jellasore the superintendent receives Rs. 300 per mensem, and his assistant Rs. 180. At present only one assistant-superintendent is entertained. In Tumlook the salt agent is superintendent without additional remuneration, and so in Balasore, Central Cutlack, and Pooree, where also separate office establishments are not entertained.</p>	
2	Bullooah	8	2,190	1,637	8,10,000	700 0 0	294 8 0	1,862 13 4	61 0 0	2,918 5 4	35,020 0 0		
3	Backergunge	12	4,000	2,258	7,57,694	500 0 0	159 10 9	890 4 3	49 0 0	1,598 15 0	19,187 4 0		
4	Jessore	11	3,400	1,794	4,90,295	300 0 0	177 10 0	919 3 3	75 0 0	1,471 13 3	17,661 15 0		
5	Baugundee	11	1,400	1,530	3,84,645	400 0 0	169 8 0	893 10 9	53 4 0	1,516 6 9	18,197 1 0		
6	Barreepoor	25	4,800	2,912	7,24,555	500 0 0	180 8 0	1,876 12 0	84 0 0	2,641 4 0	31,695 0 0		
7	Calcutta	4	Nearly 8	15	3,61,359	500 0 0	151 8 0	511 0 0	106 8 0	1,299 0 0	15,588 0 0		
8	Western	15	1,238	1,479	6,85,000	400 0 0	231 10 0	1,103 13 8	78 12 0	1,814 3 8	21,770 12 0		
9	Midnapore	9	840	2,845	4,71,726	400 0 0	218 10 10	876 11 4	125 0 0	1,620 6 2	19,444 10 0		
10	Tumlook	6	441½	784	1,44,594	....	41 10 6	523 8 0	39 7 3	604 9 9	7,255 5 0	
11	Jellasore	13	1,600	2,831	2,14,096	480 0 0	150 8 0	1,235 8 0	255 0 0	2,121 0 0	25,452 0 0		
12	Balasore	20	1,910	4,038	5,00,000	....	....	1,475 0 0	10 0 0	1,485 0 0	17,820 0 0
13	Central Cutlack	6	3,062	4,292	5,53,073	....	....	709 0 0	....	709 0 0	8,508 0 0
14	Pooree	7	2,698	3,105	5,01,000	....	....	790 0 0	....	790 0 0	9,480 0 0
Total		156	30,426	30,492	73,11,369	4,880 0 0	1,935 6 10	14,587 8 10	1,016 15 3	22,419 14 11	2,69,039 3 0		
Add Charges on account of Controller, viz.													
										Salary	2,333 5 4	28,000 0 0	
										Travelling Allowance	250 0 0	3,000 0 0	
										Office Establishment	432 0 0	5,184 0 0	
										Contingencies	83 0 0	996 0 0	
Total										3,098 5 4	37,180 0 0		
Grand Total										25,518 4 3	3,06,219 3 0		

GEO. PLOWDEN, *Commissioner.*

Appendix C.—No. 6.

Note on the system of Retail Sale of Salt by the Government.

Salt for consumption beyond the limits of the salt-producing districts is left to be supplied by wholesale merchants.

1. Salt for the interior consumption of the Bengal provinces, beyond the limits of the salt-producing districts, is left to be supplied by private enterprise, for which purpose it is sold wholesale to merchants from the Government warehouses.

Wholesale price how fixed, and smallest quantity in which salt is supplied wholesale from the Government warehouses.

2. The wholesale price is made up of the average cost of production of the latest three preceding years, for which the accounts have been adjusted, and of the amount of import duty levied upon Foreign salt, at present rs. 2-8 per maund. At the price so regulated, salt is delivered from the Government warehouses to any purchaser, in quantities of not less than 50 maunds.

In the manufacturing localities and their neighbourhood, salt is retailed from Government shops at reduced prices, and in smaller quantities.

3. But in districts and localities where salt is manufactured on account of Government, and in some neighbouring tracts where it might be easily produced, or into which it might be easily smuggled, shops are established on the part of the Government, at which salt is retailed in small quantities at reduced prices.

Objects of the retail system.

4. The objects of this system are to leave the people without excuse for violating the law under the temptation of a high rate of duty, and to obtain some revenue in a part of the country where, from the great facility of smuggling, it has been found impracticable to realize full prices.

Retail prices how regulated.

5. The retail prices vary according to local circumstances; in regulating them, the objects kept in view are to displace, on the one hand, the consumption of contraband salt within the retail limits, and on the other, to guard against the transport of retail salt beyond the retail limits into the districts supplied by the wholesale dealers; in the one case, regard must be had to the facilities for obtaining a contraband supply; in the other, it is necessary, as the retail and wholesale limits approximate, to approximate also the retail and wholesale prices.

Retail limits. The salt preventive superintendents manage the sales. Duties of the preventive force in respect of salt sold by retail.

6. The retail limits of any tract are, in all cases, coextensive with the preventive limits of the same tract. The salt preventive superintendent of the division manages the sales, in subordination, when he is not also the salt agent, to the Controller of Government salt chowkeys, but distinctly from his chowkey duties, and with distinct establishments. When the superintendent is the salt agent, he acts in direct subordination to the Board of Revenue. It is a principal duty of the preventive force, to see that salt sold by retail does not pass into the wholesale districts. If the sales do not show a consumption proportionate to the population of the retail limits, it is a certain indication that illicit consumption is not efficiently suppressed. On the other hand, large sales are not necessarily a proof of the suppression of illicit consumption in those localities where facilities exist for running the retail salt into the wholesale districts. In such cases, salt, though purchased ostensibly for consumption in the retail limits, may, through the neglect or connivance of the preventive force, be in fact consumed beyond those limits, and it is difficult to say to what extent the sale may be *bona fide*, when it is the direct interest of the preventive force, in order to swell the amount of the sales, as a test of their efficiency in suppressing smuggling within the retail limits, to connive at the transport of the salt beyond those limits.

Location of the retail shops, how regulated.

7. The retail shops are located for the most part in large public markets, their position being selected with sole reference to the convenience of the inhabitants of the surrounding country.

Salt purchased from retail shops, how protected.

8. A char-chitty or pass, is granted for the protection, within a specified limits, of all purchases made from these shops in excess of 5 seers. If the limits are infringed, the salt is liable to seizure, and the offender to punishment.

Law providing for the retail sale of salt by the officers of Government.

9. Section 4, Regulation X, of 1826, provides for the retail sale of salt by the officers of Government, within any particular district or tract of country, by empowering the Government to suspend, within such district or tract, for for such period as may, from time to time, appear proper, the rules generally applicable to the salt revenue, and to prescribe for the same such other rules relative to transportation, sale, purchase, and possession of salt, and for the issue and disposal of rowannahs and passes, as may, from time to time, appear expedient.

Districts and tracts within which salt is retailed, and the prices at the different shops.

10. The following statement exhibits the districts and tracts of country within which salt is retailed by the Government, and the prices at which it is sold at the different shops.

Salt Preventive Superintendencies, in which Salt is sold by Retail.	Retail Limits.	Sites of the Retail Shops.	Price of the Salt per Maund.		REMARKS.
			Pungah or boiled Salt.	Kurkutch or Solar Evaporation Salt.	
Chittagong	The whole superintendency or district of Chittagong.	Robertgunge...	...	2 6	The wholesale price of salt, the produce of the Chittagong agency, is rupees 319 per 100 maunds, or about rupees 3 : 3 per maund. The kurkutch, or solar evaporation salt, which is exclusively retailed in this district, is imported for that purpose from the Madras coast; its full value would be about rupees 2 : 15 : 4 per maund. The Robertgunge shop is on the confines of the wholesale limits.
		Sloopbohur	...		
		Hât Hazaree	...		
		Raojan	...		
		Rangonea	...		
		Kristnacolly	...		
		Hossein Faker's Hât	...		
		Satkanneeah	...		
		Bajallea	...		
		Chuckooreea	...		
		Koomeerea	...	2 0	
		Cox's Bazaar	...		
		Roostoom's Hât	...		
		Narayun's Hât	...		
Echapore	...				
Kaloo's Ghât	...				
Meiskhalee	...				
Durbesh Hât	...				
Fattickcherree	...				
Jalleakhalee	...				
Julkudder	...				
Balcoah	Chowkey Hatter. Chowkey Soon-deep....	Baug's Hât ...	3 4	2 12	The pungah, or boiled salt, retailed in this district, is Arracan salt, the wholesale price of which at Chittagong is rupees 328 per 100 maunds. The kurkutch is Madras salt. It being difficult to obtain a contraband supply in these island chowkeys, nearly the full duty is levied on the salt retailed in them.
		Fetooyah ...	...	2 8
Barreepoor	Chowkeys Howree, Hajee-pore, and Saugor Island	Coolpee ...	3 0	...	Hidgellee Agency salt is retailed in this tract; its wholesale price is rupees 301 per 100 maunds, or 1 rupee per 100 maunds in excess of the retail price.
Tumlook	The whole superintendency, which is co-extensive with the salt agency of Tumlook.	Tumlook ... Sourahburriah ... Mysuddul ... Gewah Khalee ... Doroo ... Goongurh ... Aurangangur ... Jellahmoottah	2 12	These are manufacturing localities. The salt of the agency is retailed in them, the wholesale price of which is rupees 303 per 100 maunds, or about 4½ annas a maund in excess of the retail price.
Jellalore	The whole superintendency, which includes the Hidgellee salt agency, excepting chowkeys Gopeebal-lubpore and Coolhunnee.	Seehpore ...	2 12	...	In this tract, which includes all the manufacturing localities of the Hidgellee Agency, the salt of that agency is retailed at prices from about 8 annas to 4 annas per maund below the wholesale price.
		Jellalore ...	...	
		Kontai ...	...	
		Tikrah ...	...	
		Govindpore ...	2 8	...	
		Chewmookha ...	...	
Errinch ...	...			
Bahareemootah ...	...			
Balasore	The whole district of Balasore.	Balasore ...	2 2	...	These are depôts for the supply of the interior consumption.
		Bhaddruck ...	2 0	...	
		Bolung		These are shops for the supply of the manufacturing localities and their immediate neighbourhood. From the former, salt, the produce of the district, is sold at prices from about 1 rupee to 14 annas, and from the latter at about 1 rupee 8 annas per maund below the full price, which is rupees 298 per 100 maunds, or rupees 2 : 15 : 8 per maund.
		Pertanbore ...	...	
		Gopeenathpore ...	1 8	...	
		Podumpore ...	...	
		Kurrungee ...	...	
		Sankoowa ...	...	
Lukmeedaspore ...	...			
Kurrampookorie ...	...			
Central Cuttack	The whole district of Central Cuttack.	Kyepannah ...	1 14	...	These are depôts for the supply of the interior consumption.
		Cuttack ...	...	

Salt Preventive Superintendencies, in [which Salt is sold [by Retail].	Retail Limits.	Sites of the Retail Shops.	Price of the Salt per Maund.		REMARKS.
			Pungah or boiled Salt.	Kurkutch or Solar Evaporation Salt.	
		Singaree ... Rajnuzger ... Rahamah ... Boleparrah ... Samagole ... Pauchpilly ...	1 8	...	These are shops for the supply of the manufacturing localities and their immediate neighbourhood. From the former, salt, the produce of the district, is sold at rupees 1 : 2 : 8, and from the latter at rupees 1 : 8 : 8, per maund, below the full price, which is rupees 304 per 100 maunds, or rupees 3 : 0 : 8 per maund.
Pooree....	The whole district of Pooree.	Pooree ... Tanghee ...	1 14	1 8	These are depôts for the supply of the interior consumption.
		Talgaon ... Kanaruck ... Joonye ... Burrumgeer ... Goolbae ... Banpore ... Pharee Kumas ... Pharee Tanghee ... Sathparrah ... Pareekood ... Malood ...	1 8	1 0	These are shops for the supply of the manufacturing localities and their immediate neighbourhood. Both pungah and kurkutch salt, the produce of the district, is sold, the full price of the former being rupees 298 per 100 maunds, or rupees 2 : 15 : 8 per maund, and of the latter rupees 273 per 100 maunds, or rupees 2 : 11 : 8 per maund.

In the Chittagong superintendency, salt is retailed by Government throughout the district.

For the better prevention of smuggling, Madras salt was introduced for the consumption of the district in 1826, and is now exclusively retailed.

How the exclusive supply of Madras kurkutch salt operates as a check upon smuggling.

The pungah or boiled salt of the district may also be purchased from the agency warehouses at the consumption price in the neighbouring districts.

Establishments.

11. *Chittagong*. In this superintendency, salt is sold by retail at reduced prices, not only in the saliferous and manufacturing localities, but throughout the district. The wholesale merchant would hesitate to occupy any part of it, because in every part he would be almost certain to be undersold by the smuggler, owing to the great facilities for obtaining a contraband supply in a district of narrow breadth, and bordering on the sea in its whole length.

12. In the year 1826, it was determined, for the better prevention of smuggling, by supplying a cheaper description of salt, that only Madras kurkutch, or solar evaporation, salt, should be retailed for local consumption.

13. In 1828, an experimental manufacture of salt by solar evaporation, for the retail supply of the district, in lieu of Madras salt, was attempted in the Chittagong Agency, but, after 5 years' trial, it was abandoned, on the ground that the same description of salt could be brought as cheaply from Madras, while the local manufacture afforded facilities for smuggling.

14. In the years 1852 and 1853, a very large stock of Arracan salt having accumulated in the Chittagong warehouses, that salt was retailed for local consumption, and the importations of Madras salt were suspended during those two years; but in 1854, the importations were renewed, and Madras kurkutch is now again exclusively retailed.

15. By this scheme, besides that smuggling is checked by the greater cheapness of the salt supplied, the possession of salt produced in the district, except as below stated, is rendered illicit, and, as the Madras salt differs essentially in the grain and appearance from the district salt, the illicit possession of the latter is rendered more easy of discovery and proof. This difference also creates a material impediment in the way of smuggling the cheap salt beyond the retail limits, into parts of the country supplied with salt at full prices by the wholesale merchants. In Chittagong, however, from its local circumstances, there can be little, or no, smuggling out of the district.

16. But, in order to provide the pungah or boiled salt of the district for those who give that description of condiment the preference, it is allowed to be retailed, from the agency warehouses only, in quantities of not less than one maund, at the same, or about the same, price for which it is purchased by consumers in the neighbouring districts from private dealers. It is not allowed to be sold from the retail shops, because, if it were, a heap would always be kept on hand to cover such supplies of the same kind of salt as might be attainable illicitly from the molunghees, during the period of their manufacture on account of Government.

17. The following establishment is entertained for each shop—

1 Darogah	10 to 16 rupees.
1 Koyal or weighman	4
1 Teerundauz or peon	3
making a total of 17 rupees, or 23 per mensem.	

18. The Darogah has charge of the salt; he keeps a day-book in which all sales effected during the day, however small, are entered, and remits the proceeds of his sales, with an account, to the Superintendent, weekly.

Duties of the Darogah.

19. The salt is conveyed from the wholesale warehouses to the retail shops at the expense of Government, by contractors, who are responsible for it in transit. The darogah is allowed one per cent. per mensem on all salt stored with him, for wastage.

Salt how conveyed from the wholesale warehouses to the retail shops.

20. The Koyal and Teerundauz are menial servants, and are appointed by the Darogah; the former weighs the salt to purchasers; the latter acts as a watchman, and is generally the person through whom the sale proceeds are transmitted to the Superintendent.

Duties of the Koyal and Teerundauz.

21. Salt may be purchased at the retail shops in any quantities from one anna's worth up to 100 maunds. It may also be purchased from the wholesale warehouses in any quantities from 1 to 100 maunds. The purchasers from the wholesale warehouses are generally small dealers, who retail the salt, within certain limits, under the protection of char-chittees. To encourage this system of private supply, by which the Government avoids the risks of transport, the buyers receive on their purchases the wastage allowance granted to the darogahs, and the transportation charges saved to the Government. There is also a class of petty dealers who purchase small supplies from the retail shops, under the eaves of which they establish themselves, and retail to the consumers in any quantities, however small.

Quantities in which salt may be purchased from the retail shops and wholesale warehouses. Encouragement of petty retail dealers.

22. The shops are all the property of Government, and are maintained in repair at the expense of Government.

The retail shops are the property of Government.

23. *Bulloah.*—Salt was formerly manufactured on account of Government in this superintendency. The system of retail sales was then introduced into the district, with a view to the prevention of smuggling, and after the discontinuance of the manufacture, it was kept up in order to prevent illicit manufacture. This latter reason having ceased to be of force, in consequence of the lands from which salt used to be produced having been brought into cultivation, and being no longer saliferous, the retail sale limits have lately been greatly contracted, and the prices raised, with a view to the eventual abandonment, in this superintendency, of the interference of Government, except in the islands of Hattia and Sundeep, constituting two chowkeys of the division.

In the Bulloah superintendency, the retail sale limits have lately been greatly contracted, and are now in fact confined to the islands of Hattia and Sundeep.

24. At the commencement of the current year, all the retail shops on the main land of Bulloah were closed, with the exception of one at Soodharam, the head-quarters of the district, where a stock of salt is to be stored, and sold wholesale and retail, till such time as there is reason to suppose that arrangements have been made by private traders for keeping up a constant and adequate supply. Similarly, in the Island of Deccan Shabazpoor,* a single depôt for the wholesale and retail sale of salt is to be maintained at Dowlu Khan.

25. The salt delivered from these depôts is for the present Arracan salt, and the price, rupees 345 per 100 maunds on purchases of 100 maunds and upwards. Payments on such purchases are made into the Bulloah Treasury, and rowannahs or passes to protect the salt are granted by the superintendent of the Bulloah salt chowkeys. For quantities less than 100 maunds, the price is rupees 3 : 8 per maund, being at the rate of rupees 350 per 100 maunds, and the darogahs in charge of the depôts grant chars for the removal of salt purchased in such small quantities; but no sales of less than 5 maunds at a time are allowed.

26. Rowannah salt, that is, salt purchased by wholesale dealers from any of the regular Government warehouses, for the supply of the interior consumption of the country, is allowed free admission both in Shabazpoor* and in the main land, and the prices at the two temporary local depôts have been purposely fixed at the full wholesale price of Arracan salt at the Chittagong warehouses, plus the cost of transport from thence to the depôts, in order to give fair encouragement for a regular trade on the part of private merchants.

27. Under these arrangements, the retail system of sale at reduced prices is in fact confined, in this superintendency, to the Islands of Hattia and Sundeep, in each of which a single shop is maintained. In the former both Arracan pungah, or boiled, salt, and Madras kurkutch, or solar evaporation, salt, are retailed; in the latter, which lies on the Chittagong coast, only Madras salt is sold. Both descriptions are supplied from the Chittagong warehouses.

In Hattia, both Arracan pungah and Madras kurkutch are retailed. In Sundeep, only the latter kind is supplied.

28. As regards establishments, and all points of management, the arrangements are the same as those in force in the Chittagong superintendency.

The establishments and management are the same as in Chittagong.

29. *Barreepore.*—In this superintendency, which is coextensive with the district of the 24 Pergunnahs, the system of retail sales is confined to the limits of the Howree, Hajepore and Saugor Island chowkeys, the three most southern

In the Barreepore superintendency, salt supplied from the Hidgellee warehouses is

* [Spelt Shadazpoor in the maps.]

retailed within the limits of three chowkeys, from a single Government shop, at nearly the full wholesale price.

chowkeys of the division. Within these limits, salt, supplied from the Hidgellee warehouses, is retailed, from a single Government shop, located at Culpee, in the Hajepore chowkey, at a price scarcely below the full wholesale value, the following establishment being entertained for the shop—

	R.
1 Mohurrir	20
1 Koyal	5
2 Chuppadders at 3 rupees each	6
	—
Total per mensem	31.

30. Retail sales were introduced into these chowkeys only 4 years ago. The consumption of licit salt, which had never borne a proper proportion to the extent of population, begun gradually to fall off, owing to the high price at which the salt reached the consumer, and it was therefore thought desirable, in order to obtain a better revenue, and to remove the great temptation to the inhabitants to avail themselves of the abundant materials for manufacture around them, to afford them the means of procuring licit salt, at a more reasonable rate from a Government shop.

Salt is retailed by Government throughout the Tumlook superintendency, which is entirely composed of the manufacturing ground of the agency.

31. *Tumlook*.—This superintendency is coextensive with the salt agency, and the office of superintendent is vested in the salt agent. Salt is sold by retail throughout the superintendency, the whole being the manufacturing ground of the agency.

Establishment at each shop.

32. For each shop a mohurrir is entertained on a salary, of rupees 5 per mensem, and a peon on rupees 3. The mohurrir receives also a commission of $1\frac{1}{2}$ anna per maund on his sales.

System of supply and sales.

33. The mohurrir purchases whatever quantities of salt he may require from the salt agent, paying cash for it at the retail price. He clears and carries the salt from the Government warehouse, at his own cost and risk, under the protection of a permit, and stores it in a shop which is his own property. Here he sells it in quantities of not less than 1 maund to a class of licensed venders, at an advance of $1\frac{1}{2}$ anna per maund, to cover the clearing and transportation charges. The Mohurrir is prohibited from making any profit on the salt, and can only sell it to the licensed venders, who retail it, unrestricted as to price, in the public markets and villages of his jurisdiction.

The salt supplied is the produce of the agency.

34. The salt retailed is the produce of the agency, and is generally kept in store for twelve months before it is retailed, that it may be, in some measure, distinguishable from the new manufacture of the season.

Probably very little of the salt sold is really consumed within the retail limits in this superintendency.

35. The temptations to smuggling, and the facilities for it, are so great in this purely manufacturing locality, that it may be doubted whether much of the salt retailed at the reduced price is consumed within it. The molunghee population, which is considerable, consumes, it may be assumed, no licit salt, and the rest of the population but little. It is therefore probable, that a great portion of this cheaper salt finds its way beyond the retail limits into the wholesale tract bordering on them, and that the Government derives no advantage from the retail sales, excepting in so far as the cheaper salt may serve to displace, in the wholesale limits, smuggled salt that pays no tax at all.

The transfer of the Tumlook chowkeys to the Midnapore superintendency would be a beneficial arrangement.

36. If the Tumlook superintendency should be abolished, and the agency, chowkeys annexed to the Midnapore superintendency, as is contemplated,* the consolidation of the two superintendencies into one jurisdiction, independent of the agency, may be expected to operate beneficially in preventing the smuggling, as well of the cheaper retail salt as of untaxed salt, from the manufacturing ground into the rowannah or full price limits.

In the Jellasore superintendency the salt of the Hidgellee Agency is supplied.

37. *Jellasore*.—Salt, the produce of the Hidgellee Agency, is retailed at reduced prices throughout this superintendency, excepting the portion comprised within the limits of Chowkeys Gopeebullabpore and Koolbannee. This portion, and a further tract, which was included in the abolished chowkey of Jambunnie, have within the current year been excluded from the retail limits, and been left to be supplied by private enterprise.

The retail limits comprise the whole of the manufacturing ground of the Hidgellee Agency, together with the tract bordering thereon, and on the manufacturing ground of the Balasore Agency.

38. The whole of the manufacturing ground of the Hidgellee Salt Agency is included in the retail limits of this superintendency. The remaining country within those limits, though not itself saliferous, excepting slightly in a small portion of the Kalkapore and Agrachor chowkeys, lies in close proximity to the manufacturing ground of the Hidgellee and Balasore Agencies, and is bounded on the west by the territory of the Mohurbunge Rajah, from which the cheap Balasore salt, supplied by the Government for the consumption of that territory, might be illicitly introduced.

Establishments.

39. Within the current year, the business of retail sales, in those chowkeys in which it has been continued in this superintendency, has been disconnected from the preventive duties, and is now conducted by separate establishments. For each of the 6 shops located in the manufacturing ground the following establishment is entertained:—

* See paragraphs 28 to 30 of the Note on the Preventive System, Appendix C, No. 5.

1 Moburrir	15
4 Chuprassees at 3 rupees each	12
Stationery	1
Total per mensem	28

And for each of the two shops in the remaining country, which are rather store depôts, the following more expensive establishment is allowed :—

1 Darogah	50
6 Chuprassees at 4 rupees each	24
1 Koyal or weighman	5
Stationery	1
Total per mensem	80

40. *Province of Cuttack.*—In Bengal, as has been seen, retail sales by the officers of Government are confined to narrow limits, but the situation of the Cuttack province, which is peculiar, being about 230 miles in length, and varying from 10 to 50 or 60 miles in breadth, with the sea to the east; the hills, which afford the greatest facility to smuggling, to the west; and the Madras district of Ganjam, where salt is sold at 1 rupee per maund, to the south, is held to preclude the possibility of exempting any portion of it from the cordon of retail sales at reduced prices.

41. The manufacturing localities, which border on the sea, and the country to a distance of 4 miles from their limits, around which the cordon of preventive posts is drawn, are supplied with salt, at reduced prices, from numerous Government shops, the quantity purchasable by any individual being restricted to 5 seers, and the smallest quantity sold being 1 seer. In this tract, therefore, the retail trade may be said to be entirely in the hands of Government.

42. For the supply of the country beyond the above limits, including the Hill Tributary Estates, two Government depôts are maintained in each district, from which salt may be purchased by any individual, under rowannah, or wholesale price, in quantities of from 20 to 100 maunds, and under char, or retail permit, from 10 seers to 20 maunds, at prices higher than those fixed for the saliferous tract, and its immediate neighbourhood, included within the preventive cordon, but still considerably below the full price, consisting of the full Calcutta duty of 2r. 8a. per maund, added to the cost of production.

43. Formerly there existed a chain of sale golahs or warehouses, which stretched from one end of the province to the other, for the purpose of a local supply through the immediate agency of the Government; but, since 1850, when the arrangements for the sale of salt in the province were revised, the recognised principle has been to leave the supply of the country beyond the tract bounded by the preventive cordon as much as possible to merchants and dealers, and to limit the interference of the Government, in that part, to the maintenance in each district of two or three central depôts, impositions which should be made to depend partly on the facility of transport from the manufacturing ground, and partly on the convenience of the trade. In pursuance of this principle, the number of sale depôts has been gradually reduced, until it is now two in each district. Although, therefore, salt is sold from these depôts, in small, as well as in more considerable, quantities, for the convenience of shopkeepers and small dealers, as well as for the supply of the larger traders, the system, beyond the tract enclosed by the preventive line of posts, is essentially one of free trade, and is not, strictly speaking, a system of retail sales by the officers of Government, which consists in the establishment of numerous places of vend for the express purpose of taking the retail trade into the hands of Government. In this view, the sales in the Cuttack province, excepting those in the saliferous localities and their immediate neighbourhood, would perhaps be more correctly designated as "local" than "retail" sales.

44. Much has been done, within the current year, with a view to the prevention of smuggling, and the improvement of the local arrangements for the sale of salt in this province. The preventive establishments were on a very inadequate footing, numerically and in point of remuneration, and in some places were badly posted. They have now been strengthened, and are better paid, and the sites of several of the stations have been changed, so as to form a complete cordon around, and at a distance of not more than four miles from the places of manufacture. The Government retail shops, intended only for the supply of the tract enclosed by this cordon, many of which were situated at considerable distances without the four-mile line, have now been brought within it, and the duty of conducting the sales from them has been taken out of the hands of the preventive force, and committed to separate establishments. It is proposed also to improve the sites of some of the interior sale depôts by placing them as much nearer to the places of manufacture, from whence they derive their supplies, as may be consistent, on the one hand, with security against illicit traffic, and, on the other, with easy access to the trade.

In Cuttack, salt is retailed at reduced prices throughout the province.

Within the preventive limits of the manufacturing localities, salt is retailed from numerous Government shops.

Beyond those limits salt is supplied wholesale and retail, from two Government depôts in each district, at prices somewhat higher, but still considerably below the full wholesale price as regulated in Bengal.

In this tract the system is essentially one of free trade, and the sales come more properly under the designation of "Local," than "Retail" sales.

Improved arrangements lately carried out for the more effectual prevention of smuggling, and the better management of the retail sales.

It may be a question hereafter whether the inhabitants of the tract included within the preventive cordon might not more profitably be left to consume untaxed salt.

45. At one time, the plan of retailing salt at lower prices in the manufacturing localities and the tract immediately bordering on them, surrounded by the preventive cordon, was abandoned, because it was thought to be impossible to confine the consumption of the salt so retailed within the prescribed limits, and the revenue suffered in proportion as the salt, ostensibly bought for consumption within them, was in fact consumed without them; but in 1850, it was considered advisable to return to the plan, as being in accordance with the practice which prevailed in all the Bengal agencies. Now, however, that an efficient cordon has been drawn round the manufacturing localities, it is proposed, if it should be found that, under the improved arrangements, the consumption of illicit salt, within the preventive cordon, is not checked, again to consider the question whether it may not be advisable to give up the attempt of supplying the inhabitants of the included tract with salt priced at a lower rate. The business of the chowkey force would then be confined to preventing the passage of untaxed salt from that tract; and while no more untaxed salt would be consumed within it than before, the expense of maintaining the several retail shops would be saved, and the loss to the revenue, incurred by the surreptitious consumption of the cheaper salt beyond the prescribed limits, which is more difficult to be checked than the consumption of salt altogether untaxed, would be avoided.

Supply of the Hill Tributary Estates.

46. The rowannahs, under which salt is supplied to the Hill Tributary Estates, are current for such period only as is sufficient for the conveyance of the salt to the frontier from whence they are returnable. The consumption of each estate has been estimated, and no salt ought to be supplied beyond the estimate. It is supposed that some of the estates are supplied altogether, and others to some extent, with the cheaper kurkutch salt of Ganjam.

Supply of the country beyond the Hill Tributary Estates.

47. Salt is also supplied from the Cuttack sale depôts, under rowannahs, for consumption in the territories of Sumbulpore, Singhbhoom, Chota Nagpore, and other countries to the west and north-west of the Hill Tributary Estates, not being within the prohibited provinces of Bengal or Behar. It is alleged that the supply of cheap kurkutch, or solar evaporation, salt which the traders draw from Ganjam and Pooree suffices for the consumption of these countries, and enables them to sell the dearer pungah or boiled salt, which they take from the Central Cuttack depôts, in the districts of the Behar province, so displacing to an equal extent in those districts the full-taxed salt carried by the Ganges.

48. And here it may be observed that one of the reasons for selling Cuttack salt at reduced prices in the province is to create a market for that salt in the country beyond it, to the west and north-west. At present all that country, as far possibly as Sirgoojeh, is supplied principally with Pooree, kurkutch, and Central Cuttack pungah. If the full Calcutta duty were levied on these salts, their export in that direction, it is supposed, would cease (except in so far as they might be smuggled without payment of duty), and their place would be supplied partly by untaxed salt from the west, and partly by Ganjam salt, the profit upon which is considerably less than that on the Calcutta produce.

The surplus produce of the province is exported to the Sulkeea warehouses in Calcutta.

49. The quantity of salt required for the local consumption of the province including the Hill Tributary Estates, and for the supply of the country beyond them to the west and north-west, is transported from the manufacturing localities, to the retail shops and interior sale depôts, by persons who contract for the carriage. The surplus salt beyond the quantity thus reserved is exported to the Sulkeea warehouses in Calcutta, being separately stored after manufacture in what are called export golahs or depôts, which are so located as to afford facilities for shipping the salt. Until stored in the several depôts and shops, the salt remains in the manufacturing ground in thatched heaps of two or three hundred maunds each, excepting, apparently, in Balasore, where the salt reserved for local consumption would seem to be stored in, what are called, supply golahs, or warehouses, three in number,* located in the manufacturing ground, and to be transported from these, as required, to the retail shops and interior sale depôts.

Rules by which the sale of salt in the province, and the arrangements connected therewith, are governed.

50. The sale of salt in the province, and the arrangements connected therewith, are governed by rules drawn up by Mr. Commissioner Blunt, in 1823, sanctioned by the Government in the same year, and finally legalized by Regulation X, of 1826. A copy of these rules† is annexed, with remarks attached to them. In the Cuttack districts, the salt agents manage the local sales, in immediate subordination to the Commissioner of the province, who is, in his turn, subordinate to the Board of Revenue.

In the district of Balasore, only the pungah, or boiled, salt produced in it is supplied. Establishments at the shops and depôts.

51. *Balasore or North Cuttack.*—For the consumption of this district, only the pungah, or boiled, salt produced in it is sold. For each of the eight retail shops the following establishment is entertained:—

* Bedaiepore, Toondra, Bankessur.
† Enclosure A.

1 Mohurrir	R. 16
4 Chuprassees at 4 rupees each	16
Contingencies	1
Total per mensem	33

and for each of the two interior sale depôts the following:—

1 Darogah	R. 50
1 Mohurrir	16
1 Poddar, or money examiner	5
10 Burkundauses, as a guard, at 4 rupees each	40
2 Chuprassees at 3 rupees each	6
1 Golpuhree, or watchman	3
Contingencies	1
Total per mensem	121

52. *Central Cuttack.*—For many years prior to 1850, the supply for the consumption of this district was almost exclusively confined to kurkutch, or solar evaporation, salt, imported from the Chilka lake in Pooree, where alone it is made, to the different depôts for sale, on account of Government, its own produce being nearly all exported to the Sulkea warehouses, for sale in Calcutta. The object apparently was, to afford every facility to the consumer to purchase the cheapest article, viz., kurkutch. The mistake was, in supposing that private dealers could not carry the salt more economically than the Government. Kurkutch was exclusively sold in the tract surrounded by the preventive chowkeys, because, being readily distinguishable from pungah salt it operated as an effectual check on smuggling, any pungah salt found in transit through the chowkeys being at once known, and adjudged to be contraband.

Formerly kurkutch salt from the Chilka lake in Pooree was almost exclusively supplied for consumption in Central Cuttack.

53. In 1850, this system was abandoned, and the trade left to find its own level. The importation of kurkutch salt on account of Government was discontinued, and the sale of pungah salt, produced in the district, at a somewhat lower price than before, was substituted, for the following reasons:—

In 1850, the importation of kurkutch salt was discontinued, and the sale of the pungah salt produced in the district was substituted.

First. The extensive smuggling, to which the conveyance through the country of so large a quantity of salt by contract gave rise, and the adulteration of the salt, and other abuses practised by the contractor's people.

Secondly. The difficulty of keeping up the supply in the Central Cuttack depôts.

Thirdly. The heavy expense entailed upon the Government in the shape of transport charges.

Fourthly. Because there was no demand for Central Cuttack salt at Sulkeea, where the importations of the last four or five years had remained unsold, so that, unless the produce of the district could be disposed of by local sale, the manufacture must shortly have been discontinued altogether.

54. At present, only the pungah, or boiled, salt produced in the district is sold in it by Government, any demand that may exist for kurkutch being left to be supplied by private merchants taking salt under rowannah from the Pooree depôts.

55. The following establishment is entertained at each of the six retail Establishments, shops:—

1 Mohurrir	R. 10
3 Burkundauses at 4 rupees each	12
Stationery	1
Total per mensem	23

and the following at each of the two interior sale depôts:—

	Kyeparrah.	Cuttack.
	R.	R.
1 Darogah	50	30
1 Mohurrir	16	12
1 Koyal	4	4
1 Poddar	3	..
2 Burkundauses at 4 rupees each	8	..
8 Chuprassees at 3 rupees each	24	24
2 Ditto at 2 rupees 8 annas each	5	5
Stationery	1	1
Total per mensem	111	76

In the district of Pooree both pungah and kurkutch are offered for sale, both being produced in it.

Retail and depôt establishments.

56. *Pooree or Southern Cuttack.*—Both pungah and kurkutch salt are offered for sale in this district, both being produced in it; but the consumption is confined almost exclusively to the latter, as being considerably the cheaper, and nearly the whole of the former, and some also of the latter, are exported to the Sulkeea warehouses for sale in Calcutta.

57. The following establishment appears to be entertained at six of the retail shops, the six first mentioned in the statement given at paragraph 10:—

1 Mohurrir	12
3 Chuprassees at 4 rupees each ..	12
Stationery	1
	—
Total per mensem ..	25

At two* of the other five stations the sales appear to be managed by the establishments attached to the two depôts of which these seem to be branch shops, and at the remaining three† by the manufacturing establishments, without additional expense in either case. The exact particulars cannot be given with certainty, because the revision of these establishments is still in a transition state.

58. The following establishments are entertained for the two‡ interior sale depôts:—

	Pooree.	Tanghee.
1 Darogah	50	50
1 Mohurrir	16	16
1 Ditto	16	16
1 Poddar	5	5
1 Koyal	5	5
2 Chupadars at 3 rupees each ..	6	6
Chuprassees—12 at Pooree, 6 at Tanghee ..	44	20
Burkundauzes—4 at Tanghee .. *	1	20
Stationery	1	1
	—	—
Total per mensem ..	143	139

Extent, proceeds, charges, and net revenue of the Government retail sales, at reduced prices throughout Bengal and the province of Cuttack.

59. The following Statement exhibits full particulars respecting the extent, proceeds, charges and net revenue of the Government retail sales, at reduced prices, throughout Bengal and the province of Cuttack, in the past year, 1853-54:—

* Pharee Kumas, Pharee Tanghee.

† Sathparrah, Pareekood, Malood.

‡ Since this was written, the abolition of a third interior sale depôt at Kumas has been suspended. The establishment entertained there costs 150 rupees per mensem, and is the same in its details as those entertained at the other two depôts, excepting in one or two trifling particulars.

1	2	3	4	5	6	7	8	9	10	11	12			13	14
RETAIL SALE LOCALITIES.	Quantity of Salt sold by retail.	Retail Sale Proceeds at various Prices.	Retail Sale Proceeds per maund, showing the average Retail Prices per maund.	Average Price which would have been realized per maund if the Salt had been sold at full, or Wholesale, Prices.	Average reduct on in Duty, or loss of Profit, per maund, at the Retail Prices, being the difference between the amounts in the two preceding columns.	Retail Sale Proceeds per 100 maunds, showing the average Retail Prices per 100 maunds.	Average Price which would have been realized per 100 maunds if the Salt had been sold at full, or Wholesale, Prices.	Average reduction from the Full Duty of Rs. 2.50 per 100 maunds, or loss of profits per 100 maunds at the Retail Prices, being the difference between the amounts in the two preceding columns.	Amount of Revenue which would have been realized on the quantity of Salt sold at retail prices, as shown in col. 2, if the full prices, as shown in col. 8, had been obtained.	Loss of Revenue at the average Retail Prices, being the difference between the amounts in cols. 3 and 10.	Charges.			Net Revenue from Retail Sales, being the difference between the amounts in cols. 3 and 12.	REMARKS.
											Cost of Establishments.	All other Charges.	Total.		
	Mds.	Rs.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Chittagong Agency ..	1,25,508	2,52,219	2 0 2	3 4 4	1 4 2	201	827	126	4,10,895	1,58,176	5,175	6,395	11,570	2,40,649	Cols. 4 and 7. In these columns the average prices actually obtained are shown. Cols. 5 and 8. In these columns are exhibited the average prices which would have been obtained if the quantity of each description of salt had been sold at its full price. In the case of the Cuttack districts, the cost in the districts, plus the full duty, has been taken to represent the full or wholesale prices, not the wholesale prices fixed on the salt of the Cuttack districts in Calcutta, which include the charges of transport. Col. 12. The charges beyond the cost of establishments consist of transportation charges, commission on sales, golah repairs, &c., &c. Fractions have been omitted, except in columns 4 to 6.
Tumlook Ditto ..	19,059	52,412	2 12 0	3 0 6	0 4 6	275	303	28	57,749	5,337	1,440	1,601	3,041	49,371	
Balasore Ditto ..	1,04,375	2,18,118	2 1 3	2 15 8	0 14 5	208	208	90	3,11,088	92,920	4,152	20,937	25,089	1,93,029	
Central Cuttack Ditto ..	1,99,494	3,70,995	1 13 9	3 0 8	1 2 11	130	304	118	6,06,462	2,35,467	2,934	14,512	17,496	3,53,499	
Pooree Ditto ..	2,49,699	3,68,754	1 7 8	2 15 6	1 7 10	148	297	149	7,41,606	3,72,852	4,212	14,897	19,109	3,49,645	
Bulloah Chowkeys ..	1,29,168	3,56,642	2 12 2	3 2 3	0 6 1	276	314	38	4,05,587	48,945	5,043	17,424	22,467	3,34,175	
Barreepoor Ditto ..	16,270	48,794	3 0 0	3 0 2	0 0 2	300	301	1	49,174	380	372	1,143	1,515	47,279	
Jellasore and Hidgellee Do.	21,963	68,711	3 2 0	3 5 11	0 3 11	312	337	25	74,015	5,304	864	7,453	8,317	60,394	
Total ..	8,65,531	17,36,645	2 6 1	3 1 7	0 11 6	238	310	72	26,56,026	9,19,381	24,242	84,362	1,08,404	16,28,041	

60. It will be seen that 8,65,531 maunds of salt were sold at reduced prices, yielding a gross revenue, at those prices, of rupees 17,36,645; that the average difference between the average full prices and the average reduced prices, was 11a. 6p. per maund, and rupees 72 per 100 maunds; that the loss of revenue at the reduced prices, supposing the full prices could have been obtained, was rupees 9,19,381; that the total charges of the retail sales amounted to rupees 1,08,604,* and the net revenue to rupees 16,28,041.

Proportion of retail and local sales to wholesale deliveries.

61. The wholesale deliveries from Government depôts, in the same year, amounted to 37,89,913 maunds; consequently the Government retail deliveries,† at reduced prices, including the local sales of the Cuttack province, were equal to about a 4 $\frac{2}{3}$ ths proportion of the Government wholesale deliveries, and to about a 5 $\frac{2}{3}$ ths proportion of the total Government deliveries, which amounted to 46,55,444‡ maunds—in other words, the Government took lower rates of duty on the above last-mentioned proportion of its own salt, the produce of native manufacture, than it levied on all imported Foreign salt, and on all salt of native manufacture produced by private enterprise, under a system of excise.

Distribution of the salt sold in the province of Cuttack.

62. The following table exhibits the distribution of the salt sold in the province of Cuttack, in the year in question, 1853—54 :

DISTRICT.	QUANTITY OF SALT SOLD,				
	From the Government Retail Shops, for consumption within the limits of the Preventive Cordons.	From the Government Depôts in the interior of the Province, for consumption beyond the limits of the Preventive Cordons.	Total Quantity Sold for consumption in the mougulundee of the Province, that is, the portion exclusive of the Hill Tributary Estates.	From the Government Depôts in the interior of the Province for Export to the Hill Tributary Estates, and the Chota Nagpore Country, &c.	Total Quantity Sold in the Province.
1	2	3	4	5	6
Balasore	Mds. S. C. 13,341 11 4 $\frac{1}{2}$	Mds. S. C. 70,260 2 10	Mds. S. C. 83,601 13 14 $\frac{1}{2}$	Mds. S. C. 30,772 0 0	Mds. S. C. 1,04,373 13 14 $\frac{1}{2}$
Central Cuttack...	8,139 6 3 $\frac{1}{2}$	59,888 32 15	68,027 39 2 $\frac{1}{2}$	1,25,337 0 0	1,93,364 39 2 $\frac{1}{2}$
Pooree	14,688 14 14	68,070 0 4	82,758 15 2	1,88,464 10 6	2,51,222 25 2
Total	36,168 32 6	1,98,218 35 13	2,34,387 28 3	3,14,573 10 0	5,48,960 38 3

63. Of the maunds, 1,68,464:10, shown in column 5, as exported from Pooree, maunds 64,203 was kurkutch salt, taken for consumption in Central Cuttack. The quantity consumed in that district amounted, therefore, to maunds 1,32,230:39:2 $\frac{1}{2}$ instead of maunds 68,027:39:2 $\frac{1}{2}$, as shown in column 4.

64. The total quantities sold, as exhibited in column 6, do not altogether correspond with the quantities which appear in column 2 of the statement, at paragraph 58, the contents of the two statements being derived from different sources. The latter is probably the correct statement, but the difference is not so material as to affect the purpose of the former, which is to show, with sufficient approximation, the proportion of the total quantities sold, consumed in the districts and out of them.

G. PLOWDEN,
Commissioner.

Enclosure A.

Rules for regulating the Sale, Possession, and Transport of Salt in the province of Cuttack, prepared by Mr. Commissioner Blunt, in 1823, and legalized by Regulation X, of 1826.

Remarks.

A peon accompanies all dispatches of salt destined for the Hill Tributary Estates and the rowannah is returnable by him. No control is exercised over the sale of salt within the limits of those estates.

1. Salt merchants or beoparies, requiring rowannahs for salt destined for the Hill Tributary Estates of Cuttack, shall be furnished with the same according to the subjoined form,§ under the official seal and signature of the salt agent or his covenanted assistant, which rowannahs shall be current for such period as shall suffice for the conveyance of the salt to the limits of the Tributary Estates, not in any case exceeding 20 days, and shall then be returnable to the office whence issued, either at Balasore or Cuttack.

* Equivalent to 6 $\frac{1}{2}$ per cent. upon the gross revenue.

† Maunds 8,65,531.

‡ Wholesale 37,89,913

Retail 8,65,531

46,55,444

§ A No. 1.

2. Salt merchants trading in pungah salt to the territories of Sumbulpore, Singbhoom, or other countries west of the Hill Tributary Estates of Cuttack (not being within the prohibited provinces of Bengal or Behar), shall be furnished with rowannahs according to the form* subjoined, to be issued from the office of the salt agent at Cuttack only, under his official seal and signature; and salt of the description specified, destined to those territories, shall be conveyed only by the direct and high road from Cuttack to Sumbulpore, viâ the Burmool Pass. Any pungah salt, which may be found in transit through the Gurjaut Estates, proceeding to Sumbulpore or Singbhoom, by any other route than that herein prescribed, will be liable to attachment and confiscation. But this rule shall not be applicable to kurkutch salt, purchased at the Lake, for the supply of the territories in question, the purchasers of which are hereby declared at liberty to convey the same by the most direct route from the Lake to the place of its destination, and the return of rowannahs from Sumbulpore or Singbhoom shall not be required.

3. Salt merchants desirous of purchasing salt exceeding the quantity of 20 maunds, for sale and consumption within the limits of the Mogulbundee (with the exception of the portion thereof hereafter specified), shall be furnished with rowannahs, either from the sudder office of Balasore or Cuttack, according to the form† subjoined, under the official seal and signature of the salt agent, or his covenanted assistant. But no Mogulbundee rowannahs shall be granted to any individual at one time for a larger quantity of salt than maunds 100, and all such rowannahs shall be returnable to the office whence issued within a specified period, allowing 20 days for every 10 maunds of salt.

4. No salt merchants or other person, not being a salt officer of Government duly authorized, shall be permitted to store or possess at one time, at any place within the limits of the Mogulbundee, a larger quantity of salt than maunds 100, and any excess of that quantity which may be found stored or in transit, provided it be satisfactorily proved to belong to one individual, will be liable to attachment and confiscation.

5. Salt sold to Mogulbundee rowannahdars shall be accompanied to its place of destination by a peon from the salt office, who, after seeing the salt stored in one heap in some place which may be exposed to public view, shall carefully addul the same.

6. Mogulbundee rowannahdars shall be at liberty to sell any portion of the salt so addulled to retail dealers or pherriahs, in quantities not exceeding maunds 20, and shall write off each sale on the back of the rowannah until the whole shall have been disposed of, specifying the name and place of residence of the purchaser, the date of sale, and quantity of salt sold; and, as a protection to such salt, the rowannahdar is authorized to grant to the purchaser a corresponding char, under his signature, specifying, in addition to the above particulars, the number and date of the rowannah and unexpired period of its currency, which char shall be kept always with the salt it protects, to be compared, if necessary, with the original rowannah. But no char granted by a rowannahdar shall be current or protect the salt after the period of the rowannah shall have expired.

7. The holders of chars granted by rowannahdars, shall keep a correct account, on a tarputter attached to the char, of all sales made by them, under penalty, on failure thereof, of the attachment of any portion of the salt covered by such char which may remain unsold, but chars granted by rowannahdars to retail dealers, or pherriahs, shall not be returnable.

8. The darogahs of golahs established in the district for sale of salt, are hereby empowered to dispose of salt to retail dealers or consumers in quantities not being less than 10 seers, nor exceeding maunds 20, of 82 sa. wt. to one individual on one date, the darogah shall at the same time grant a char, under his signature, according to the subjoined form,‡ for all salt so sold exceeding the quantity of 10 seers. The period of currency of golah chars shall be regulated by allowing 20 days for every 5 maunds of salt, and at the expiration of such period the char shall be returned to the golah darogah, who will forward the same, with his monthly accounts, to the salt agent.

9. Tarputters shall be annexed by the golah darogahs, sealed with wax to all chars so issued by them, on which the holder thereof shall keep a daily account of his sales, but no retail dealer or purchaser of salt under a golah char, shall be allowed to sell any portion of such salt in larger quantities to one individual, on one date, than 10 seers, for which no pass is required.

10. If the period of currency of a Mogulbundee rowannah, or golah char, shall expire before the whole of the salt covered thereby shall have been sold, the holder of such expired document shall be entitled to obtain an extension of the period of currency, by application to the sudder office or golah whence such rowannah, or char, may have been issued, and the further period to be allowed shall be regulated, as already prescribed in articles the 3rd and 8th of these Rules, with reference to the quantity of salt remaining unsold, as shall appear from the

REMARKS.

The description of salt, whether pungah or kurkutch, is always specified in the rowannah. The Gurjaut estates are the Hill Tributary Estates.

The Mogulbundee is the portion of the province not included in the Hill Tributary Estates. Some limitation of the quantity of salt which an individual may be permitted to purchase, and to store, and possess, at one time, is considered to be necessary, in order to guard against the storage of large quantities of salt, in situations favourable to the clandestine supply of Bengal or Behar, with the cheaper salt of Cuttack.

A wholesale dealer is by this rule authorized to sell salt to retail dealers, in as large quantities as the darogah of a Government depôt is empowered to retail it, and he is, in like manner, authorized to grant passes for the protection of the salt he sells. Vide Rule 8.

Individuals requiring salt in smaller quantities than 10 seers, can always purchase it from the petty retail dealers.

The limitation to 10 seers of the quantity which a retail dealer is empowered to sell, at one time, to the consumers or others, obviates the necessity of empowering such persons to grant chars, which power might become a source of much fraud and abuse.

* A, No. 2.

† A, No. 3.

‡ A, No. 4.

account sales endorsed on the rowannah, or the tarputtera ccount attached to the char.

11. If, in any instance, a Mogulbundee rowannah, or golah char, shall not be returned, or renewed, on the expiration of the period of its currency, a sudder, or a golah peon, shall be forthwith deputed to require the surrender of the same, and it shall be the duty of such peon to attach any salt remaining unsold which may be covered by such expired document.

12. The several golah darogahs shall keep an account of all sales of salt, and register of chars issued by them, according to such form as shall be prescribed by the salt agent, and the rate at which salt is authorized to be sold at each golah, on account of Government, shall be always affixed for public information, at some conspicuous part of the golah, under the official seal and signature of the salt agent.

13. All salt exceeding the quantity of 10 seers, found stored, or in transit, within the limits of the Mogulbundee of Cuttack, and which may not be covered by the prescribed sudder rowannah or char of a golah darogah, or rowannahdar, shall be held contraband, and will be liable to attachment and confiscation.

14. Salt in possession of a wholesale or retail dealer, or other person, exceeding the quantity above specified, shall always be kept in one heap, in some part of the dwelling, warehouse, or other place in which it may be stored, which may be readily accessible to the officers of Government and open to public view; but it shall not be necessary that any salt be addulled, except salt purchased by wholesale dealers (rowannahdars), as prescribed by the 5th article of these Rules.

15. No char or pass shall be required for any salt in possession of any individual for domestic use, not exceeding 10 seers of 82 s^a. wt., but any attempt to smuggle or to carry on illicit dealings under this exemption, by dividing a large despatch of salt into small quantities or otherwise, will subject the whole to attachment and confiscation.

16. The darogahs of sale, golahs, and all officers employed in the salt department, the darogahs of police, and generally all other native officers of Government, of whatever description, employed within the district of Cuttack, are specially enjoined to assist in suppressing the illicit sale, purchase, transportation, or possession of salt, by seizure of the same, or by giving immediate information, in the manner, and under the rules, prescribed by section 44, Regulation X, 1819.

Special Rules for Regulating the Sale, Possession, and Transport of Salt, within the Local Limits of the Chowkeys established in the borders of the Manufacturing aurungs.

17. The local limits of the line of salt chowkeys established on the borders of the manufacturing aurungs shall be accurately defined, and a specification of the villages to be comprised within the limits of each chowkey control shall be prepared, and a copy thereof, attested by the official seal and signature of the salt agent, shall be always affixed, for public information, at some conspicuous part of the chowkey, secure from injury by the weather.

18. No town or village shall be included within such chowkey limits which may be situated at a greater distance than two coss or four miles from the limits of a manufacturing aurung.

19. Within the local limits so affixed and published no rowannah or char shall be current, with the exception hereafter specified, in regard to despatches of Government salt, neither shall any retail shop be established, or salt stored or carried by any individual, within the limits specified, exceeding the quantity of five seers; and any salt found stored, or in transit, within the said chowkey limits, exceeding that quantity (not being salt belonging to Government, and covered by the prescribed pass), will be liable to attachment and confiscation.

20. Despatches of salt from the aurungs, for the supply of the Government sale golahs in the interior of the district, shall be accompanied by a pass from the aurung darogah, and the chowkey darogah within whose limits such salt may pass will compare the same with the pass of the aurung darogah and, if correct, will certify the same on the back thereof, attested by his signature; but, should there be any excess, the chokey darogah will retain the same, forwarding an immediate report to the salt agent for his orders, and will allow the remainder of the despatch, corresponding with the quantity specified in the pass, to proceed on to its destination without delay.

21. Chowkey darogahs are prohibited from interference with khorakee salt not exceeding in quantity five seers, which may be found in possession of any molunghee, and contained as usual in a koondee, duly addulled; nor shall any Gachah salt in possession of molunghees be liable to attachment, but the chowkey officers are employed and enjoined to attach any salt which may be found in transit from the aurungs, whatever be the quantity, not being Gachah salt or Khorakee salt, addulled and contained in koondees, as above noticed.

22. It will be the special duty of the aurung chowkey darogahs vigilantly to prevent smuggling from the aurungs and (with the exception of Government salt duly protected) to attach any salt which may be found stored, or in transit, within their respective local limits, exceeding the quantity of five seers, uniformly reporting without delay to the salt agent, for his orders, all attachments which may be made by them under these rules.

23. To encourage a vigilant and active discharge of duty by the aurung chowkey darogahs, in the suppression of contraband dealings as well as to obviate any inconvenience to individuals, which might arise from the want of retail shops within the chowkey limits, the darogahs of aurung chowkeys shall be empowered to dispose of salt on account of Government, within their respective limits, in quantities not exceeding five seers, nor being less than one seer; the price of such salt shall be fixed at such reduced rate as may appear proper, with reference to the proximity of the manufacturing aurungs. The chowkey darogahs shall keep a registry of all sales and furnish accounts thereof to the salt agent, in such form and at such periods as shall be prescribed by that officer. All contraband salt attached by them, and duly confiscated shall in like manner be sold, on account of Government, and such darogahs shall receive a commission of three per cent. on the amount of their respective monthly sales.

24. Aurung chowkey darogahs are not prohibited from proceeding into the interior of the district, for the purpose of attaching any contraband salt in transit, or, when duly authorized, may enter and search any dwelling-houses, warehouses, or premises, in which illicit salt may be alleged to be concealed, under the rules and restrictions contained in sections 60, 61, and 62, of Regulation X, 1819.

Special Rules for Regulating the Sale, Transport, and Possession of Salt within the limits of the Chowkeys established on the Frontier of the Hill Tributary Estates, and the Borders of Midnapore.

25. The local limits of the chowkeys established on the frontier of the Hill Tributary Estates and district of Midnapore shall be accurately defined by a specification of villages comprised therein, and published for general information, in the same manner as provided by articles the 16th and 17th of these Rules, in regard to the aurung chowkeys, but no town or village shall be included within the limits of such chowkey control, which may be situated at a greater distance than two coss or four miles from the frontier of the Hill Estates, or the boundary of the Midnapore district, unless, with reference to local circumstances and facilities afforded thereby to illicit dealings, it shall appear expedient to extend the limits of the control of any particular frontier chowkeys.

26. Within the prescribed chowkey limits no salt should be stored, or possessed, by any salt merchants or other individual (not being an officer of Government) exceeding in quantity 20 maunds, and any salt found stored, or in transit, within the limits in question, exceeding the quantity above stated (not being destined for the Hill Estates and covered by a Gurjaut rowannah), will be liable to attachment and confiscation.

27. In like manner any salt which may be found stored, or in transit, within the said limits, exceeding in quantity 10 seers and being less than 20 maunds, which shall not be covered by a char of a rowannahdar or golah darogah, will be held to be contraband, and will be liable to attachment and confiscation.

28. No salt shall be permitted to pass into the Hill Estates unless covered by a Gurjaut rowannah, and any salt found within the frontier chowkey limits, in transit into those estates, not so protected shall be attached and confiscated. Salt found in transit towards the frontier of those estates, under cover of a Mogulbundee pass, and not proceeding in the direct road to the place of its destination specified therein, will be deemed liable to attachment, although it shall not have actually entered the limits of the Hill Estates.

29. The chowkey darogahs will compare all salt proceeding into the Gurjaut Estates with the rowannah accompanying the same, and if there shall not appear to be any excess, clearly manifesting a fraudulent intent, the darogah shall pass the salt and certify the same on the back of the rowannah, which document is to be forthwith returned by the darogah, or the peon which may accompany it to the office whence it may have been issued. But if the quantity of salt shall materially exceed that specified on the rowannah the whole shall be attached.

30. All attachments of salt which may be made under the foregoing Rules, by any frontier chowkey darogah, shall be reported without delay, for the orders of the local superintendent of the frontier chowkeys. And the frontier chowkey darogahs are empowered, in like manner with the aurung chowkey darogahs, to seize contraband salt in transit, though not being within the local limits of their respective chowkeys, and likewise to search any dwelling, warehouse, or premises, where illicit salt may be alleged to be stored, subject always to the rules and restrictions prescribed by the Regulations.

31. No shop for the sale of salt shall be established within any part of the mogulbundee of Cuttack, within the distance of two coss or four miles, from the Soobunreeka river, being the boundary of the district of Midnapore.

REMARKS.
The limitation to 10 seers is intended to obviate the necessity of granting passes, and increasing the number of salt documents in circulation, while it sufficiently provides for the supply of salt to individuals requisite for domestic use.

32. The establishment of Government sale golahs near the frontier of certain of the Hill Tributary Estates being liable to objection, the frontier chowkey darogahs will be empowered, whenever it may appear necessary to the convenience of the inhabitants, to dispose of salt on account of Government in quantities not being less than 1 seer, nor more than 10 seers, to one person at a time, and for which quantity no pass is required; the darogah empowered to sell salt shall be supplied from time to time in quantities not exceeding maunds 50, from the nearest aung or sale golahs, granting their receipts for the same, and they will be held responsible for any deficiency for which they may not furnish a satisfactory explanation. A commission of 3 per cent. upon the amount of their respective monthly sales will be allowed the darogahs, and those officers will keep an account of all sales, and prepare and transmit the same in such form as shall be required by the salt agent to be forwarded with their monthly accounts of seizures, through the officer to whose authority they may be immediately subject; and all contraband salt attached by the frontier darogahs and duly confiscated shall, in like manner, be disposed of by them on account of Government.

Special Rule for the Supply of the Tributary Estates of Mohurbunge and Neelghur with Salt, and for preventing Cuttack Salt being conveyed to Bengal and Behar, under rowannahs for those Estates:—

33. Salt merchants purchasing salt at the sale golah at Balasore, under rowannahs, either for Mohurbunge or Neelghur, shall be required to furnish a certificate from the rajah of the estate to which the salt is destined, or his authorized agent at Balasore, that such salt is *bond fide* for the supply of his estate; and no larger quantity of salt shall be sold at the established golah price in one year, under Mohurbunge and Neelghur rowannahs, than maunds 15,000 for the former, and maunds 5,000 for the latter estate. Merchants desirous of purchasing salt under Mohurbunge or Neelghur rowannahs, in excess of the quantity above specified, shall obtain the same at such enhanced price as shall be fixed, and from such purchasers no certificate shall be required in regard to the destination of the salt.

Enclosure A.—No. 1.

Form of Rowannah to be granted for Salt destined for the Supply of the Hill Tributary Estates of Cuttack.

Rowannah No.—for maunds 100 of pungah salt, of golah Balasore, granted to Ram Sahoo, Boparee, inhabitant of Hurreehurpore, of Pergunnah Oolaus, to be disposed of at Burripuddah, in the zemindaree of Mohurbunge. This rowannah is to be current for the period of 15 days from this date. The aforesaid Boparee is required to convey the salt within the above period to the limits of the mogulbundee of Cuttack, and shall not dispose of any part thereof within the mogulbundee, nor convey it across the Soobunreeka river, or into Singbhoom, or other place situated beyond the western limits of the tributary estates of Cuttack, or into the territories of Ganjam. This rowannah to be returned within the period prescribed to the office whence it is issued, and any violation of the conditions hereof will subject the salt to confiscation.

Enclosure A.—No. 2.

Form of Rowannah to be granted for Salt destined for the territories of Sumbhulpore, or Singbhoom.

Rowannah No. — for maunds 500 of pungah salt of golah Cuttack, granted to Ram Sahoo, Boparee, inhabitant of Sumbhulpore. The aforesaid Boparee is hereby required to convey the salt specified in this rowannah from Cuttack to the western limits of the Hill Tributary Estates, by the direct road of the Burmool Pass; in the event of deviation the salt will be liable to confiscation.

Enclosure A.—No. 3.

Form of Rowannah to be granted to Purchasers of Salt exceeding the quantity of 20 maunds, for Sale and Consumption within the Mogulbundee.

Rowannah No. — for maunds 50 of pungah salt, deliverable from golah —, granted to (name), inhabitant of (place), to be disposed of at (place), within the mogulbundee of Cuttack. The rowannahdar is hereby required to convey the salt by the high road direct to the place of its destination, and there to store, and keep it constantly in one heap, in a place exposed to public view, until the whole shall be sold, being careful not to efface the stamp to be affixed thereon. The rowannahdar shall not dispose of the salt in larger quantities than maunds 20 at one time to one individual; he shall keep the rowannah always with the salt, and shall write off all sales on the back thereof, specifying the name and place of residence of the purchaser, the date of sale, and the quantity sold; and he shall grant to the purchaser of any salt exceeding 20 seers a corresponding char, under his signature, specifying, in addition to the above particulars, the number of this rowannah, and the unexpired period of its currency, to which period the currency of such chars is limited. This rowannah shall be current for a period of 50 days from this date, and shall then be returned to the office whence issued, or as soon as the whole of the salt covered hereby shall be disposed of. In the event of the whole of the salt not having been disposed of on, or before, the expiration of the period of currency, the rowannahdar will be entitled, on application to the sudder office, to obtain such extension of period as shall be necessary. No part of the salt shall be conveyed across the Soobunreeka river, or beyond the limits of the mogulbundee; and any violation of the conditions hereof will subject the salt to confiscation.

Enclosure A.—No. 4.

Form of Char-chittee to be granted to Retail Dealers by Golah Darogahs.

Char No. — for maunds 20 of pungah salt, from golah (name), granted to (name), Boparree, inhabitant of (place), to be disposed of within the mogulbundee of Cuttack. The aforesaid Boparree is required to convey the salt to its place of destination by the high road, and there to store it in one heap in a place exposed to public view. He is not to dispose of the said salt in larger quantities than 20 seers of 82 sa. wt. to one individual, and will keep a correct account of his daily sales upon the tarputters annexed; he will constantly keep this char with the salt until the expiration of the period of its currency, being 60 days from the present date, on or before which this char is to be returned with the tarputter account, to the golah darogah, by whom it was issued. In the event of the period of currency having expired before the whole of the salt shall have been disposed of, the holder of the char shall be entitled to obtain an extension of period, on application to the golah darogah, to whom this char, with the account of sales attached, must at the same time be produced for inspection. The salt shall not be conveyed across the Soobunreeka river, or beyond the limits of the mogulbundee; and any violation of these conditions will subject the salt to confiscation.

APPENDIX D.

Reports of Parliamentary Committees.

- No. 1.—Extract from the fifth Report from the Select Committee on the affairs of the East India Company, printed by order of the House of Commons, dated July 28, 1812.
- No. 2.—Extract of the Report from the Select Committee of the House of Commons on the affairs of the East India Company, dated August 16, 1832.
- No. 3.—Report of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, dated August 2, 1836.

Appendix D.—No. 1.

Extract from the fifth Report from the Select Committee on the affairs of the East India Company, printed by order of the House of Commons, dated July 28, 1812.

Your Committee will next proceed to notice the reforms introduced into the rules established for securing the Company a revenue derivable from the monopoly of salt, and for improving the condition of the natives employed in the manufacture of that article.

The salt with which the inhabitants of the populous provinces of Bengal and Behar are supplied, is obtained from the earth found impregnated with sea salt at the mouths of the Ganges, in the tracts contained between Balasore and Chittagong. On the acquisition of the Dewanny, the inland trade in salt, betel nut, and tobacco was vested in an exclusive Company, for the benefit of the European servants, who enjoyed the profits of the concern in lieu of salary. The regulations of the 3rd of September, 1766, fixed the price at which salt should be sold in lots to the natives, at two hundred rupees per hundred maunds; and prohibited the sale of it on these terms to any but the natives. Other restrictions, calculated to secure the natives from the injurious effects of a monopoly, were likewise introduced, which lasted till the January following, when the Society, above mentioned, of trade was abolished by orders from the Court of Directors; but, owing to the time necessary to terminate the contracts which had been entered into for the supply of salt, this society was not finally put an end to till October, 1768. The advantage to the Government had been a duty of 50 per cent. on the value of the salt manufactured, which, together with 15 per cent. on betel, was estimated to produce an annual revenue of 12 or 13 lacs of rupees. On the abolition of the Society of Trade, the manufacture appears to have been thrown open to the native merchants, who might employ the manufacturers; and to such of the zemindars as by their situations possessed the convenience, and by their sunnuds the right, of making salt within their limits; but restrictions were still imposed, to prevent the opulent natives from entering into combinations for the purpose of monopolizing the sale of salt in the interior, and from oppressing the manufacturers.

In the year 1772, it was determined—1st. "That the salt in every part of the province should be on the same footing; 2nd. That the salt should be made for the Company; 3rd. That the khullaries or manufactories in each district should be let in farm for five years." By the conditions of the farm, a certain quantity of salt was to be delivered at a stipulated price, which was then to be dealt out at a fixed price to the native conductors of the inland trade, who had agreed beforehand to aid the farmers by advance of money for the payment of the labourers, or lower classes of manufacturers.

In July 1777, the practice of farming the mahals, or manufactories, was continued; but the salt produced was left to the farmer's disposal.

As the revenue accruing to the Company up to this time, from the manufacture of salt, did not appear equal to what might, under a more judicious management, be derived from it, a new system was introduced in September

1780, "for the provision of salt by agency, under which all the salt of the provinces was to be manufactured for the Company, and sold for ready money, at moderate fixed rates, to be ascertained and published at the beginning of every season by the Governor-General and Council." The European agents employed in this department were restricted by oath to their avowed allowances; but, exclusive of a salary, they were allowed a commission of 10 per cent. on the profit which should accrue to the Company under their management; and, by public advertisement, the manufacturers of salt were required to place themselves under their direction. This plan was strenuously opposed in Council; but the result appears to have justified the expectations formed by the Governor-General, Mr. Hastings, who proposed its introduction; for the net average amount of revenue brought to account in the first three years following the new mode of management, was 40,00,500 sicca rupees, or £464,060 sterling, and 45,03,900 sicca rupees, or £522,453 sterling.

The regulations introduced by Lord Cornwallis do not alter the general plan of the monopoly as above introduced, but are calculated to remove all compulsion from the manufacturers, and to guard them from the impositions of the intermediate native agents, standing between the covenanted European servants of the Company and the labourers in the manufactory. Your Committee have the satisfaction of observing that under these rules the revenue derived from salt has largely increased, and that the net advantage to the Company, from this and improved sales, has risen to 1,17,25,700 sicca rupees, or £1,360,180 sterling, on an average of the last three years.

Appendix D.—No. 2.

Extract of the Report from the Select Committee of the House of Commons on the affairs of the East India Company, dated August 16, 1832.

Salt Monopoly.

The manufacture and original sale of salt are, in Madras and the lower provinces of Bengal, held as a Government monopoly, for the purpose of raising a revenue applicable to the public service.

Salt in Bengal is publicly disposed of by auction, at sales held monthly. The price at which salt has been sold, on an average of three years, amounted to 4 rs. 8 pies per maund of 82 lbs. 2 oz. 2 drs., corresponding to 12s. 9d. sterling per cwt. This price is about 288 per cent. above the original costs and charges. In Madras, salt is sold at a fixed price, which does not exceed one-fourth of the average price at Bengal, but the rate of profit is, nevertheless, somewhat higher, inasmuch as the cost of production is, comparatively, small.

The average amount of net revenue from these sources during three years does not exceed £1,600,000; an amount which your Committee conclude is too large to be given up, and which they have no reason to think could be commuted for any other tax less onerous to the inhabitants.

As a substitute for the existing monopoly, two other modes of collecting revenue on salt necessarily suggest themselves: an excise duty on salt manufactured within the Bengal provinces, and a duty on importation.

The collection of an excise duty on salt manufactured for private account would not be easily carried into effect, in consequence of the expense and difficulty of establishing an efficient superintendence, and it has been stated that Bengal might obtain a cheaper supply of salt by importation from the coasts of Coromandel and Malabar, Ceylon, the Gulf of Persia, and even Great Britain, than by any system of home manufacture.

As the manufacture of salt by private individuals would thus endanger the security of the revenue, it does not appear expedient to interfere with the existing regulations on that head; but it is desirable to adopt means for encouraging a supply of salt by importation, in lieu of the manufacture by the Government.

As it would be very inexpedient at once to abandon the home manufacture, and as it is doubtful whether a large supply of imported salt could be relied on from individual enterprise while that manufacture continues, and the price consequently remains under the control of the Government, it is desirable that they should, in the first instance, contract for the delivery of salt, by advertisement, into the public warehouses of the port of Calcutta, at a certain price per ton.

It is to be hoped that, under this system, the home manufacture might be

gradually diminished, beginning in those districts in which the cost of production, and loss of human life is the greatest, until so large a proportion of the consumption shall be supplied from abroad, that it might be safe to permit the free import of salt under a Custom Duty, the Government sanctioning the manufacture in such districts only (if any such there might be) where it could then be profitably carried on.

Your Committee trust that, under such an arrangement, a material reduction might be effected in the price of salt, which would prove of the greatest advantage to the native population of India, to whom a cheap supply of this necessary of life is of the utmost importance.

Appendix D.—No. 3.

Report of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, dated August 2, 1836.

The Select Committee appointed to inquire into the supply of salt for British India have considered the matters to them referred, and agreed to the following Report.

Your Committee having carefully considered the evidence which has been brought before them, both oral and documentary, are of opinion, that the evils usually incident to a Government monopoly in a great article of consumption, are not wanting in the working of the salt monopoly in India; and they have not been convinced, by any evidence which has been submitted to their consideration, that the same amount of income which has been hitherto derived from the monopoly might not be collected with equal security to the revenue, and great advantage to the consumer, and to commerce, under a combined system of Customs and Excise.

Aware, however, that the safety of such a change must, in a great degree, depend upon local circumstances, of which they may not be in full possession, and unwilling to recommend any measure which might possibly endanger any portion of the revenue; in deference also to high Indian authorities, who dispute the practicability of a system of excise in that country, your Committee are not prepared to go further at present on that point than to call upon the Government to give to it the most serious and early attention.

They submit, however, with confidence, the following recommendations.

That the Government do abolish the system of public periodical sales, and do keep their golahs at all times open for the sale of salt, at the cost price, in quantities not less than 100 maunds, the purchaser to pay, in addition, a fixed duty on removing the salt from the golahs.

That salt manufactured in any country, other than the districts subject to the Bengal monopoly, may be imported into Calcutta, and may be sold at such times as the proprietors may please, in quantities not less than 100 maunds, and that such salt, on being removed, do pay the same duty as that sold by the East India Company, and no other duty or charge whatever, except a fair and reasonable rent on such salt as may have been bonded.

That the duty to be imposed, shall be fixed at the lowest rate consistent with the maintenance of the revenue, and not exceeding the average rate of the net profit of the Company's monopoly for the last 10 years.

If these recommendations are fully and fairly carried out, they will, in the opinion of your Committee, reduce the monopoly of the Company to one solely of manufacture, and destroy the sub-monopolies which have necessarily accompanied the existing system. The difficulties which have hitherto stood in the way of a fair competition, between native and imported salt being thus removed, they hope that a wholesome and important trade from Madras and Ceylon may be encouraged, and that British commerce may be no longer shut out from the advantage of conveying a cheap, good, and bulky article of British produce to a distant portion of the globe.

Your Committee cannot conclude without expressing their conviction, that, however modified the monopoly may be, the evils of the system can never be totally eradicated but by its extinction; and entertaining a strong opinion, that both the interests of the consumer and the revenue will ultimately be best secured by a considerable reduction of the duty, under a system of free competition, they repeat the expression of their hope, that the Government will not neglect to give their early and serious attention to this important subject.

APPENDIX E.

A Collection of Papers containing Evidence and Opinions in favour of the Retention of the Monopoly, and against the substitution of a system of Excise upon the Manufacture.

Parliamentary Papers.

- No. 1.—Extract from Minutes of Evidence taken before the Select Committee of the House of Lords, in the year 1830.
Extracts from the Evidence of the Honourable Andrew Ramsay.
- No. 2.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on the affairs of the East India Company, in the year 1832.
Extracts from the Evidence of H. ST. GEORGE TUCKER, Esquire.
Extracts from the Evidence of HOLT MACKENZIE, Esquire.
Extracts from the Evidence of W. B. BAYLEY, Esquire.
Extracts from the Evidence of JAMES MILL, Esquire.
- No. 3.—Extracts from Letters in reply to a Letter in the Revenue Department, dated January 17, 1832, circulated by the Commissioners for the Affairs of India.
From JAMES MILL, Esquire.
From the Right Honourable HOLT MACKENZIE.
- No. 4.—Extract from Minutes of Evidence taken before the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India in 1836.
Extracts from the Evidence of THOMAS LOVE PEACOCK, Esquire.
- No. 5.—Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India in 1836.
Extracts of a Letter from the Salt Board to Government, dated August 28, 1833. Appendix No. 5, page 354.
- No. 6.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian Territories in 1853.
Extracts from the Evidence of F. W. PRIDEAUX, Esquire.
Extracts from the Evidence of T. L. PEACOCK, Esquire.

Official Papers.

- No. 7.—Extract from the Remarks of the Bengal Board of Customs, Salt and Opium, on MR. TREVELYAN'S Report upon the Inland Customs and Town Duties, 1834.
- No. 8.—Minute by H. M. PARKER, Esquire, Junior Member of the Board of Customs, Salt and Opium, dated November 2, 1835.

Enclosures.

- No. 1.—Extract from a Letter addressed by the Board of Customs, Salt and Opium, to Government, on November 19, 1834.
- No. 2.—Abstract Translation of a Petition from Nedheeram Mundle and others (150 in number) Molunghees of Aurungs Midunmul, Gurghatta, Mooragatcha, Choramul, Calcutta, Pygatty, and Bullandah, in 24 Pergunnahs, to the Board of Customs, Salt and Opium, dated, Bhadru 19, 1242, B.S.

Appendix E.—No. 1.

Extract from Minutes of Evidence taken before the Select Committee of the House of Lords, in the year 1830.

Extracts from the Evidence of the Honourable ANDREW RAMSAY, (late in Commercial, Salt and Revenue Departments, in Bengal).

3467. Do you conceive it would be impossible to abolish the monopoly, and substitute an excise duty on the manufacture, combined with a custom duty on the importation?

I think it would be very dangerous to do it, and it would require some time to prepare the natives for such an alteration.

3468. What do you foresee to be the difficulties?

That it might have an effect on the supplies of salt in the interior, and the difficulty of defining who should have the salt lands; they are possessed by zemindars generally as their property, so that if the Company were to give up the monopoly, the land would fall into the possession of men who would have the sole power of making salt; and in the district where I was, the lands were generally possessed by two people, the Rajah of Tumlook, and the Rajah of Mysadul. I paid a sum every month to those people of about five or six thousand rupees, as a remuneration for the lands that were appropriated to the salt manufacture.

3469. Do you conceive any other difficulty would arise to the imposition of such a duty than that of framing proper regulations?

The supply would be at first very uncertain, and as the natives do not complain of the monopoly I conceive it would be a very dangerous experiment to try; the monopoly would fall into the hands of some persons.

3470. You say that salt might be manufactured anywhere?

Yes; but of course the earth produces very little, and the salt is not so good, and it would be only the poorest class of natives who would think of taking that trouble; probably it would be difficult for them to get a supply in time, if any sudden change was made in the monopoly.

3471. Do you ascribe the principal difficulty to the abruptness of the change, rather than its being in the end nearly impracticable?

I do not think it is impracticable at all.

3474. Would there be greater danger of adulteration in the event of the monopoly of the Company ceasing?

I think there would be very great danger, it increases the danger if the manufacture rests with individuals.

Appendix E.—No. 2.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on the affairs of the East India Company, in the year 1832. Volume VI, Report and Evidence, Part III, Revenue.

Extracts from the Evidence of H. ST. GEORGE TUCKER, Esq.

568. Is it your opinion that manufacture of salt, as conducted under the Bengal monopoly, is more expensive than it would be conducted by private manufacturers?

I should doubt it very much; it is impossible for me to say what private agency and individual ingenuity may effect; but my belief is, that our manufacture is conducted with great prudence and economy. I have not been able to make the comparison with any

manufacture tried by individuals, and therefore I will not go so far as to say that individuals may not be more successful than the agents of the Company in producing the article at a cheap rate; but my belief is that great attention is paid by the Company's servants to the manufacture, and that it is produced as economically as circumstances will permit.

569. Do you not conceive that the salt establishments maintained by the Company for that manufacture are upon a more extensive scale than might be necessary for conducting the manufacture under private management?

The only establishments are the public servants, whose agency is considered necessary to conduct and superintend the manufacture. The principal European officer is paid by commission, whether that commission exceeds the profit which a private individual would be content with I cannot undertake to say.

586. Will you turn your attention for a moment to the question I am about to propose to your consideration? Suppose for a moment that the Company were to lay aside, in the matter of salt, their character of merchants, and were neither to buy nor to sell salt, but were to leave the dealing in salt to such merchants as might be disposed to undertake it; suppose that their whole attention was directed, as Governors, to raise by taxation the largest revenue they could secure from salt, whether made or imported; suppose that on all salt made in Bengal an excise duty should be charged and levied, under regulations which should be sufficient to secure the duty, founded upon similar principles to those which were established in England for securing the revenue here; supposing, with reference to all salt to be introduced by sea, whether from Malabar or from the Coast of Coromandel, or whether from England, a fixed customs duty should be taken, do you think that, under such a system of regulations, the revenue to the Indian Government might be effectually secured, and as large an amount as is at present collected; and do you think that the supply to the inhabitants of Bengal might be enlarged and improved?

That is a very comprehensive question, in fact it embraces many objects. I can only state, generally, that the substitution of an excise for that profit which we now obtain by means of the monopoly, would be expensive and extremely vexatious. If the supply to the consumer could be furnished wholly by importation, we might fix a very high import duty as a substitute for the monopoly profit; but all high duties are liable to be evaded by smuggling, and I should very much doubt whether, in the case of our succeeding in substituting salt by importation for the salt at present manufactured at home, we could, by means of the import duty, derive the same revenue. The Committee will be pleased to observe, that the Bengal salt is manufactured within narrow limits; that the monopoly profit may be considered as something approaching in effect to an excise duty, an excise duty levied, I may say, at the place of manufacture on the whole consumption. If we waited until the salt was spread over the country, and then levied an excise or a duty upon transit, we could not effect that object without an expensive establishment, nor without rendering the tax, in my opinion, extremely vexatious to the people.

587. The Committee, from documents which they have been enabled to have recourse to, have reason to believe that the contract price of salt which is paid by the Bengal Government, is generally 1s. 2d. the bushel; that there are other charges which generally raise the cost of the salt to them to about 1s. 6d. a bushel. It appears that the average estimated selling price from the Government warehouses is about 5s. 3d. per bushel, so that the tax, or the profit to the Government, may be estimated at something less than 4s. per bushel, which is equal to a duty of about 270 per cent. Now, supposing that the principles upon which our excise duty upon salt, which was infinitely higher, were regulated, were applied to the salt factories in Bengal, where in your opinion would be the difficulty in charging on the salt introduced into the golahs a duty of 2s. 6d., always supposing that that class of officers which are now found efficient to prevent smuggling under the present regulations, would be equally efficient to prevent smuggling under those regulations, without the possibility of their being more costly under the new system than they are under the old one; and supposing only that the duty on salt introduced into the golahs was not to be paid until the salt is carried out by the merchant for consumption, and that no persons were permitted to trade in it but those who could give security that the duty should be paid; under such regulations, could there be, by possibility, a greater difficulty in ensuring the amount of duty, which we suppose to be 270 per cent., in the one case than in the other: that is, under the suggested regulations and those that now exist.

If the monopoly were abandoned, and the manufacture of salt were left to private individuals, it appears to me that it would be extremely difficult to levy a duty, in the shape of an excise, commensurate with the present profit of the monopoly. There is a great temptation to evade all high duties, and there would be facilities, I think, sufficient to enable private manufacturers and dealers to supply a portion, and no inconsiderable portion, of the consumption by evading the duty.

588. The facilities, what would they be?

The local consumers of the district in which the manufacture takes place would, I have no doubt, evade the duty very generally, and I believe that at present, to a certain extent, it is evaded; but my opinion is, that there would be an illicit manufacture and exportation from those districts, under such a system, to an extent materially injurious to the revenue. I cannot well imagine any checks which could be well imposed on the manufacturers and dealers sufficient to secure the application of the duty to the whole manufacture. At present the whole manufacture is in our hands, and our monopoly profit is derived from nearly the whole manufacture: under a system of private management, my apprehension is, that no inconsiderable quantity would escape the tax.

589. Under the regulations that were established in England, all persons were prevented arbitrarily from making salt who did not enter their premises, and obtain permission from the excise to do so; would there be any difficulty whatever in applying such a regulation in Bengal, and would not such a regulation as effectually prevent the clandestine manufacture of salt as the regulations which exist at present, and which are described by you as effectually accomplishing that object?

I am not sufficiently acquainted with the excise regulations of this country to be able to say how far they could be applied with effect to the manufacture of salt in Bengal; but my belief is, that any excise regulations which could well be introduced into Bengal would be liable to be evaded, and that they would generally operate vexatiously on the people.

590. Can you point out in what way they would be likely to operate vexatiously to the people?

My opinion is, that the people of India ought to be exposed as little as possible to the interference of revenue officers of any description.

591. Is it possible that any interference can exceed the interference which is applied to the manufacturers of salt at present in Bengal? Are they not under restrictions as absolute, in order to secure the monopoly, as they could be placed under, in order to secure the revenue?

The manufacture of salt is at present under the Government officers, the Government agents, and servants.

592. If the change that has been suggested took place, would it not still continue under Government officers, and agents, and servants?

That would depend on the nature of the system which it may be proposed to introduce in substitution for the existing system. I suppose the question to assume, that the manufacture is made free to any persons who may choose to engage on it. Supposing the manufacture to be conducted by individuals, you must have a host of revenue officers to superintend their transactions and concerns; at present the Government employ the molungees, who are the labourers in producing the salt. Their condition, as I have before stated, may not be such as is desirable; but by substituting private agency I do not know that their condition would be improved.

593. There was no idea when the question was suggested to your consideration, that any individual who liked to embark in the trade might be permitted to do so; but the idea that was suggested to you was, that no person should be permitted to make salt who did not point out the premises on which he was desirous of making it, in such a way that Government might be satisfied that they could be surveyed and properly looked after. The idea was, also, that a licence should be obtained for making the salt, and that the manufacture should be carried on under the same sort of guard or superintendence that is now applied to the manufacturers who make by contract for the Company; the idea also was, that no person should be permitted, although a private manufacturer, to sell salt without having, in the first place, conveyed it into the Government golahs, as a security for the duty: that no sale should take place at the place of manufacture, but that in every instance all the salt made should be carried into Government warehouses, in the same way as the Government salt imported would be, if it were warehoused for the security of the duty, but that the duty should be collected from the merchants at the time they effected their private sale, to the dealers who are to transport it over the country. If these objects could be secured, would not a great part of the difficulties you have mentioned be remedied?

I believe I understand the question: it seems to me to be this, that individuals under licence should be allowed freely to manufacture salt, under the obligation that it should be deposited in the public golahs or warehouses, where it would be subjected to an excise. My belief is, that smuggling would take place between the period of manufacture and place of manufacture, and the period of its being so deposited in the public golahs, therefore we could not apply the tax to the whole quantity produced. The plan would seem to me to resolve itself into a change of agency merely, as regards the manufacture, and I very much doubt whether that change of agency would produce any benefit, either in regard to the price or cost of the article, or in regard to the well-being of the parties whose labour is employed in producing the article.

594. Be so good as to state why you think that the present force of chowkeys, who are at present capable of preventing the smuggling under the present system, should not be equally capable of preventing it in the system under consideration?

The same chowkeys, in either case, would be equally efficient in preventing smuggling from the salt districts; but if we put the manufacture out of our hands into private hands, the individual manufacturers will have means and facilities of supplying, at all events, the consumption of the salt districts: and they will have, I think, greater means even of smuggling for the supply of the country more generally.

595. Do not Government in point of fact agree to give a contract price, so much per maund, for all the salt made now; is not that the case?

Yes; they arrange at the commencement of the season, with the manufacturers for estimated quantities at particular prices.

596. In what sense then, can it be said that the present manufacturers of salt, are not manufacturers supplying you on contracts?

They are manufacturers certainly, but manufacturers under the superintendence and agency of the public servants.

597. Why then would not you be equally secure, if the salt was made by private manufacturers, under the superintendence of Government officers, who should be called excise officers instead of salt agents, instead of monopoly agents call them excise officers; where is the shadow of difference?

I supposed when this projected system was mentioned, that it was proposed to consign the manufacture either to the zemindars or to large capitalists; if all the change intended be, that the molunghees shall manufacture the salt and deposit that salt in the district golahs, the change appears to me to be nominal, as far as the first process is concerned.

598. There must of course be a new mercantile capital introduced, instead of the mercantile capital which is now furnished by the Company; somebody must appear in the character of the manufacturer or merchant; but still the question always supposes, that whoever was employed, rich or poor, he would be under the surveillance of the Government, and it does not occur to me to put the question to you, that you would have more difficulty in controlling a wealthy individual than a poor molunghee?

But the wealthy individual would have better means of smuggling than the poor molunghee, as I understand the idea which has been thrown out.

599. Do you entertain any doubt, that under such a system as has been suggested to you, a fair competition of commercial capital would ensure to the individual consumers a delivery of salt at a much lower price, as compared with the cost price and the duty, than they obtain it now, when a sort of second monopoly arises between the monopoly of the Company and the consumer, by its passing into the hands of wealthy merchants?

The Government duty constitutes the great element in the price to the consumer. Whether private agency could introduce the article on cheaper terms than the present Government agency, I cannot undertake to say; but it does not appear to me that, by introducing and substituting private agency in the manufacture, any material change would take place in regard to the price to the consumer, unless either the public duty were reduced, or unless the cost of production were diminished by means of such private agency.

608. In respect to the difficulty of substituting an excise superintendence for the present monopoly agency, is it not the case that the manufacture of salt in Bengal is necessarily confined to a particular district?

There are only particular situations in which salt can be produced; the districts must be within the influence of the tides. Salt is produced from the deposit made during the spring tides, therefore the manufacturing districts are confined to what may be considered the neighbourhood of the coast.

609. Well, that being the case, does it not therefore ensure the Government, under a change of system, against any difficulty which may arise from the diffusion of the manufacture over a very large extent of that territory, and the consequent difficulty of collecting the revenue over a very extensive surface?

The extent of line from Cuttack round by the Sunderbunds to Chittagong, is very considerable.

610. Therefore, if that were even placed under an excise, the superintendence would not be more extensive under the excise than it is under the agency?

Certainly not, if you mean (as we do at present), to leave the salt perfectly free from all further restriction as soon as it quits the salt districts.

611. If the excise control was confined to the manufacturers, and not to the consumption, the extent of territory would add no difficulty.

No; the extent of territory would be the same.

612. Are you aware at all of the nature of the present system at Bombay?

Not particularly; I believe the revenue there is collected by a custom-house or transit duty.

613. Are you not aware that the system at Bombay has been lately placed on the system of private manufacture under Government duty?

I believe it has; but the Bombay system can never produce a revenue on the same scale as the Bengal system, because I have already stated that it is impossible to collect a transit duty to the amount of 275 or 300 per cent., without it being generally evaded, every transit duty must be moderate.

614. In the evidence of Mr. Mill, in the Report of 1831, he describes the Bombay system thus:—"The mode of collecting the revenue is by an excise duty upon what is delivered; the system has been recently adopted, and Government have ceased to manufacture salt on their own account; and the mode of collecting is by an excise duty on the manufacture, and an equivalent duty on that which is imported." Is not that precisely the system which has been mentioned to you?

That is the system which you appear to have in view.

Extracts from the Evidence of HOLT MACKENZIE, Esq.

215. Do your observations apply to the manufacture of saltpetre, opium, sugar, salt, and other articles, as well as the purchase of silk?

The manufacture of opium and salt is conducted with a view to revenue, not trade. My opinion is, that of the suggested changes in regard to those articles, there is none that would not involve a large loss of revenue. In the salt department I do not think we

could, by means of an excise, collect the same amount of net revenue as is yielded by the public sales. On commercial principles I fully admit that there are strong objections to the existing system; but then comes the further question of the mode of raising the necessary revenue. On the whole, my impression is in favour of maintaining the existing system of monopoly with a view to the revenue. If the salt trade was open, I should at once hold it utterly absurd for the Company to trade in it.

1021. In the changes of system that may possibly take place in consequence of the termination of the Company's Charter, if it should be found desirable to change the system upon which the salt duty is now levied, which appears to the Committee to be rested upon a commercial basis, and to place it upon a more strictly financial foundation, do you think that a tax could be levied upon salt under regulations somewhat similar to those that prevailed in this country at the time that a very large duty was collected upon salt; do you think that the Government power, being what it might, taking possession of the salt and selling it on its own account, private merchants might be permitted to deal in it, provided only that all the salt that was manufactured and imported, should be carried into warehouses belonging to the Government, and not removed from those warehouses until either a duty was actually paid upon it, or a security given for the ultimate payment of a duty, to be charged according to the quantities received?

I have no doubt that a large duty might be collected in that way; but I should not think so large a revenue could be realized as we now get.

1023. In what way do you think the difficulty would arise?

I think chiefly from the character of the people, and the inaccessible nature of the country. It would be exceedingly difficult to control the manufacture without a very large establishment.

1024. Would not the establishment, which is now sufficiently large, and which is now found effectual in preventing smuggling, be equally efficient to prevent smuggling under the circumstances that the question suggested, supposing the system which prevailed in England and Scotland were adopted, that no person should be allowed to make salt, but persons whose premises were regularly pointed out, and ascertained, and watched?

I confess I doubt whether that system would answer. A large establishment would be a large expense, in addition to the cost of manufacture. It would involve much exaction and annoyance; and I believe that the circumstance of the manufacturers being in fact in the immediate employment of Government operates as a great check. As far, therefore, as I can judge, without having all the details of the plan to examine, it seems to me that the attempt to collect excise from such a number of people, scattered through the country as they would be, without the control which our agents exercise, would probably fail.

1025. The mode in which it was suggested by the question, that the duty should be charged and levied, was not so much by excise levy as by securing the delivery of the salt into Government bonded warehouses, and requiring a payment when the sale took place; that arrangement differs somewhat from a charge and levy of an excise duty, according to the more general mode in which those duties are levied?

I should think that if the manufacture was left sufficiently free to make it profitable for individuals to undertake it, the smuggling would very much increase. It seems to me that smuggling is very much prevented by the plan of exclusive manufacture now pursued, accompanied as it is by a system of rigid account and superintendence over the whole process. Even if we suppose that such a system of minute control over the manufacturer could, on the plan of free trade, be effectually enforced against individuals by an establishment equal to that now employed in conducting the manufacture, and in watching the produce, I should apprehend that individuals, if subjected to the checks to which the Government manufacturers are now subject, would find it impossible profitably to carry on the trade without a great enhancement of price, or what would be the same thing or worse for the revenue, without having recourse to smuggling. But I acknowledge that the objections I have stated are not so decisive as to dissuade from making the attempt of permitting a free manufacture on a limited scale in the first instance; and if we could get the salt supplied without a Government manufacture, it would, I conceive, be an improvement.

1026. You are probably aware that a superintendence similar to that which you now describe as existing in Bengal existed in England under regulations of the excise in the completest manner, and that the premises making salt were watched by the excise officers, who had the charge of factories, and had keys of all the factories in which the salt was locked up. You are probably aware also, that great frauds were not supposed to exist upon the revenue in those factories. Do you think that similar superintendence could be established in Bengal?

I am afraid not without giving occasion to great frauds, and in using the word excise, the idea in my mind was, that it would be necessary to have a system of checks, such as has been described; and in that case, adverting to local circumstances, I very much fear, from the nature of the country, the agency we have to employ, the number of manufactures, and the scattered position of the works, that such a system would not be successful. If the country were perfectly open and easily accessible, if large works were established, and especially if there were any considerable number of people to undertake and superintend the manufacture at all approaching to those whom I suppose to have been engaged in the occupation at home, it would be very feasible.

1032. In the case of the manufacture of salt being carried on in the Sunderbunds by private manufacturers, the Committee conclude that there would be no difficulty

in the molunghees being employed in the manufacture, as they are at present by the Government?

I should not apprehend any difficulty, though the change must probably take place gradually, because there would be a considerable capital to be employed.

Extracts from the Evidence of W. B. Bayley, Esq.

1646. Do you conceive that the monopoly of the Company has the effect of raising the price of salt, as it is now supplied to the consumer, very much above that at which it might be supplied by private manufacturers, supposing they were at liberty to conduct it.

I conceive there can be no doubt of it.

1650. What do you consider to be the quality of the salt when it reaches the consumer?

I consider it to be much adulterated, especially in the more distant parts of Behar and Bengal. It is notorious that it is frequently adulterated with dirt and impure salts.

1651. Does that take place after it is cleared from the Company's golahs?

Yes; and penalties are prescribed when such adulteration may be proved.

1654. Have you ever been able to arrive at any conclusion at all satisfactory to yourself, as to the practicability of substituting the private manufacture of salt for the monopoly?

I have not seen any scheme which struck me as calculated to effect the object consistently with the security of the revenue. The importation of Foreign salt from other countries, if it could be effected at a lower rate, and if that salt were equally acceptable to the people, might by means of a custom duty furnish an equal amount of revenue.

1656. Such a combination of the two systems being, as you conceive, impracticable, should you imagine that it would be possible to substitute within the territories of Bengal, for the Company's monopoly, a system of superintendence for the levying of a duty analogous to the excise duty which was imposed upon salt in England?

I think that there are very formidable objections to anything like an excise system in India. The want of integrity amongst the lower classes of natives, would, I think, defeat any plan the success of which depended on the employment of a large number of subordinate agents.

1657. Do you imagine that if the system were changed in the manner which has been described, it would require a more extensive agency, in order to secure the collection of such a duty upon the manufacture, than is required at present for the actual superintendence of the manufacture as an establishment of the Company?

It appears to me that it would.

1658. Will you explain in what manner?

At present all the public officers of Government, and especially those in and about the districts in which the salt is made, are bound by severe penalties to aid in suppressing the illicit sale, transit, and possession of salt, and are thus virtually employed in the maintenance of the monopoly. That could not be the case, I presume, under an excise system.

1659. Assuming that the same amount of establishment were maintained, the same number of persons employed, and persons of the same description employed, as are now necessary for the purpose of securing the monopoly, can you point out any circumstances which would render such an agency insufficient for the collection of a duty?

Supposing that the restrictions and penalties which are now applicable to zemindars and farmers, their agents and village officers, and molunghees, as well as to the servants of Government in every department, could be maintained and enforced as heretofore, and that the officers in the salt department could exercise the same judicial powers as are now vested in them, I do not immediately see why the collection of an excise duty might not be as efficient as the present system; but neither do I see what advantages are expected to result from the change.

1665. Would not a change in the system upon which that is carried on, by collecting the Government revenue by an excise duty, and letting all persons enter into the trade who would wish to do so, break down that which is described as a sub-monopoly?

I should think so, it appears to be the natural inference that it would do so. The security of the revenue is a different question.

1667. Provided only that the Government were no losers as to the amount of the revenue, do you entertain any doubt that it would be beneficial generally that they should get rid of the trading in salt, and leave that to the private manufacturers?

That being secured, I should say it would be better.

Extracts from the Evidence of JAMES MILL, Esq.

3002. In what way would it be possible to levy a countervailing duty, if the present monopoly system was given up, do you believe the state of the country is such as to enable you to collect an excise duty?

I am afraid there would be very great difficulty, great expense, great scope for abuse and smuggling.

3010. Why could not the same agencies which prevent smuggling now, prevent it under the excise system, and why might not an excise duty be collected?

At present the extent of agency is reduced by the limited space of the salt districts; a line of custom-houses goes round the salt districts, and by taking care that no salt gets without that line, you have done everything; the salt passes everywhere without any further inquiry or obstruction. I do not see how an excise duty could be levied with these advantages.

3011. Under an excise duty any person would be allowed to manufacture salt, on paying the duty?

Yes.

3012. Might you not have it more or less restricted?

Yes.

3013. Might you not allow other persons to do it on paying duties, and though that would require an increase of establishment, it would do so only in proportion as the increase of manufacture and the consumption of salt took place, would it not?

The manufacture in the case supposed, would be more distributed, and would often be carried on by individuals with small capital in a great number of little places, every one of which would have to be looked after. At present the concentration of the agencies is as great as possible, and I do not see how, if the manufacture was allowed to distribute and disperse itself ad libitum, it would not become a much more difficult thing to protect the revenue.

3014. Supposing you oblige the manufacturers to concentrate themselves within some space within which the Government manufacture is now carried on, there probably would be danger of combination and monopoly among them?

Monopoly, I think, would not be the greatest danger; but there would be great temptation to use all sorts of expedients to get the article furtively through the line of protection. The manufacturers themselves would have an interest in smuggling, and having a command of capital, would be more enabled to do it than the mere workmen employed by Government. Capital is very essential to smuggling; besides I do not see any advantage to be derived from private manufacture; I can think but of one good objection to the Government's manufacturing for itself, namely, that it manufactures at a great expense. If private manufacturers could bring salt to market at a less cost of production than Government, that would be so far an advantage; but I am not sure that such would be the case; for I believe the Government management in this matter is brought to great perfection, and it is certain that it has great advantages.

Appendix E.—No. 3.

Extracts from Letters in reply to a Letter in the Revenue Department, dated January 17, 1832, circulated by the Commissioners for the affairs of India.—See Inquiry of the Select Committee of the House of Commons in 1832. Volume VI. Report and Evidence, Part III, Revenue. Pages 389, 390, 432, to 434.

From JAMES MILL, Esq.

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Whether the best mode of raising a revenue through the price of salt be that of a monopoly, is a controverted question, and one upon which, for want of decisive evidence, it is not easy to come to a satisfactory conclusion.

The mode to be compared with it is, that of allowing the free manufacture and free importation of salt, the manufacture subject to excise duties, the importation to custom duties.

In comparing the two modes the principal question to be solved is, in which of the two the difficulties of preventing smuggling would be the greatest.

Under the present system, when the manufacture is in the hands of Government exclusively, and limited to a few districts, and all importation is on account of Government, the difficulty of preventing smuggling seems to be reduced to its lowest terms.

What would be the increase of difficulty (for it seems clear there would be increase) in the case of free manufacture, can only be estimated by experienced and judicious men upon the spot.

The means necessary to be employed to overcome any very considerable difficulties in the prevention of smuggling are very undesirable; they are at once expensive, and apt to create great evils among the people.

To compensate these evils the only material advantage, I think, which any body can promise himself from the system of freedom is, the reduction of price which he may anticipate from this mode of supply, without diminishing the revenue of Government.

This would, no doubt, be a most desirable effect, if it be one which can be counted upon. But Government must be cautious of encountering the certain evils of a greater scope to smuggling, for an advantage which is doubtful in any considerable degree.

The present price to the customer may be considered as made up of two portions—First, the duty of Government; second, the prime cost of the article.

In what way is either of these to be reduced by the system of freedom?

It may be said that the rate of duty may be lowered, if the quantity sold is increased, and yet the amount of revenue remain the same.

On this, however, it is to be observed, that this result is equally attainable under the system of monopoly, because, if the quantity sold would be increased by lowering the price, it is only necessary now to augment the sales, so that, for this end, no change of system is required.

It may be further said, that there would be an advantage to the community in opening this branch of manufacture to their industry.

This resolves itself into the question, whether the cost of production would be less in the hands of individuals than in the hands of Government? I consider that as doubtful at the least, because, though it may be true that Government operations are the reverse of economical, the want of economy is probably more than compensated in this very peculiar case, by unity of system, concert of operations, and more effectual application of power.

The result of this comparison seems to be in favour of the monopoly, unless the very name monopoly is considered a make-weight and a counterbalance to real and substantial advantages—advantages gained by it, not as an instrument of commerce, but of taxation, raising a great revenue through sale of salt.

From the Right Honourable HOLT MCKENZIE.

First, as to the price paid by Government for the salt manufactured in Bengal: it is, I apprehend, certain that in a Government manufacture there must be abuse, waste, and mismanagement; and I am far from supposing that more is not paid by the agents in Bengal than would be necessary to reimburse individuals under a plan of perfect freedom. This is a real and serious objection to the existing system, as to all monopolies. But so long as we require the revenue we cannot have perfect freedom; and I confess I doubt whether, under an excise establishment such as would be necessary to collect a heavy tax, so much would be gained on the score of economy as to act materially in favour of the consumer.

As to the quality of the Bengal salt, I believe there has been no small misapprehension. It is spoken of as being produced by boiling "the dirty and slimy brine of pestiferous marshes." Now, more than half of the agency salt is produced in the populous and well-cultivated districts of Hidgellee and Tumlook. At the other agencies a large proportion of the produce is manufactured amidst, or closely adjoining to, cultivated land; and all of it, when delivered from the Government warehouses, is decidedly superior in quality to the bay salt of the Coromandel coast. The boiling, indeed, being effected in small pots supplied with clear brine, and skimmed from time to time as impurities rise to the surface, struck me, when I saw the process, as peculiarly favourable to purity, though laborious and expensive in the use of fuel; and I am not aware that the notion (possibly an ignorant one) has been contradicted by an analysis.

The condition of the manufacturers has been made matter of complaint, but I believe that it will be found that they are now, and have long been, better off than other classes of the same rank, and that any suspension or reduction of the manufacture would be considered by them as a loss. That they are in a virtual state of slavery I consider to be a statement quite at variance with the fact, and the unhealthiness and danger of even the worst of the places in which they are employed has been much exaggerated, though it must, I fear, be allowed that the peasantry of the lower districts of Bengal are not generally healthy or long-lived. And the manufacturers in the Sunderbunds (a very small portion of the whole) share, in some degree, the risks from wild beasts that are encountered by the wood-cutters and the collectors of the produce of that wild region.

I am far, however, from supposing that the present system of supply is the best that could be devised. On the contrary, though I believe a temporary loss of revenue would result from the measure; I am nevertheless in favour of the plan of keeping the Government warehouses, with a considerable stock in hand, open for the delivery of salt at a fixed price; and whatever profit the price so fixed may yield to Government should be taken as the standard of the duty levied on salt imported by sea. If this succeed, the next step would naturally be the permission to manufacture and sell, subject to a fixed tax.

Although I do not think the monopoly is a matter of general complaint, and doubt the success of any attempt in India to introduce the excise, I should rejoice greatly if the Government could get wholly free of the manufacture, and could leave the market to be supplied by individuals, subject to the payment of a fixed tax. With this object indeed (and the gradual attainment of it should be always kept in view), it may perhaps be advisable, while the existing system is continued, to fix the minimum price at which the salt shall be sold by Government, since it seems to me that the main difficulty to which importers are now subject (supposing the rate of tax regulated by the average net profit on the public sales) is the danger lest when they shall have completed a speculation founded on the prices actually prevailing, they may find them artificially lowered by an extended supply at a reduced rate.

Appendix E.—No. 4.

Extract from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to inquire into the supply of salt for British India, in 1836.

Extracts from the Evidence of THOMAS LOVE PEACOCK, Esq., (Assistant Examiner of Correspondence, India House).

731. Answer * * * * *
 Question 148 and the following, relative to the system of excise and customs which it is proposed to substitute for the present system of agency and sale. There is this great difference, in the first place, between the salt manufacture of India and the salt manufacture of England: the salt manufacture of England is concentrated and limited to a few spots, whereas in India it extends round the Bay of Bengal, from the Chilka Lake in Cuttack to the extreme end of Chittagong. * * * * *

If there were 120 excisemen in one village in Cheshire, I should like to know how many excisemen would be necessary round the Bay of Bengal.

* * * * *
 744. Do you consider that the English excise establishment, as it existed in this country, must have been more profligate and corrupt than the Bengal salt monopoly establishment, as it is described by the Board of Customs?—No, I do not make any charge against the establishment of the English excise system. I only speak of the concentration of the English manufacture, and the diffused nature of the India manufacture. Question 155 to Mr. Worthington is;—“Is it not more easy to watch works confined to a few pits’ mouths than an extent of country studded over with salt-pits producing brine by evaporation?” The answer is, “The greater the extent the more numerous must be the excise; but I do not conceive that there is any greater difficulty with a proper number of excisemen than there would be with a few excisemen over a few works. Ours extended over a considerable district.” The next question goes to the same purpose. “Even supposing you had a sufficient number of excisemen, does not the power of inspecting and controlling those excisemen form an important part of the question; is not that difficulty greatly increased in an extensive country, such as the case supposed?—The larger the number, of course the more efficient must be the controlling board.” The English manufacture in one village required 120 excisemen. It would be a matter of computation how many would be required over so many places of manufacture and such a vast extent of country.

745. Would there be more excisemen required for collecting the revenue as an excise, than are now required for superintending the manufacture as a monopoly?—Yes, I think there would be.

746. There is an officer at each manufacture to see that there is no more than a certain quantity manufactured?—The molunghees contract to deliver a certain quantity; the poketauhny officers visit the khalary to weigh and stamp the salt, and it is only that which is so stamped which is allowed to pass. The molunghee makes his contract according to his means; he may make as much as he pleases in each day, in fulfilment of his contract.

747. What does he do with the remainder?—He does not make any more than he contracts for, unless he expects to smuggle.

748. Why should not the same force that is now sufficient to see that no more than the quantity contracted for is manufactured, be sufficient to take an account of how much is manufactured, provided the quantity is not limited?—The manufacture is limited by the contract of the molunghee with the Government, and the means of each khalary are pretty well understood.

749. Why should not the same force be sufficient?—The same force would not be under the same persons; they would not be under the salt agents, but under a different authority; there is now a double check; first, the weighing and stamping of the salt by the agency officers, and secondly, that of the passing of the salt through the salt chowkeys, which may be called inland custom-houses.

750. Why would not the same number of persons which is now sufficient to perform those operations, be sufficient to perform the duty of excise officers, if the existing system of monopoly was given up?—I think you would want somebody to watch the excisemen, as the agents and subordinate officers watch one another downwards. Supposing it required no more, if you multiply the establishment by the produce, you would want 25,000 people.

751. Are you aware that in the last three or four years the Government in India have concentrated the salt manufacture considerably?—Not considerably; they have put down a few places of manufacture, which were least productive, and which could be spared, and very likely they will carry that measure still further. They are concentrating the manufacture, and they will probably do so still more.

752. Are you aware whether that has been attended with any difficulty?—No; there can be no difficulty in prohibiting the manufacture anywhere.

753. Why should there be any difficulty under an excise system?—I think it would require a greater establishment of excise officers than are required of the agency officers to superintend the manufacture; that is my impression. I will speak to this point again.

754. Are there any perambulating officers who go about to prevent the improper manufacture of salt?—There is no manufacture except as the result of a contract; and the salt agent, whose authority extends over all the district, would discover any illicit manufacture; it cannot be manufactured except in the salt agencies.

755. Is there anything to prevent it?—There is nothing in the interior of the country to make salt from; it is the business of the salt agent and his officers to look over the district, and see that there are no other salt manufactories except those that are allowed by the Government.

772. Have you any explanation to offer on any part of the evidence which you gave yesterday?—A question was put to me nearly in the following words: "Whether, if the excise system was substituted for the present system, the poketaunny establishment of the agencies could not do all the duty of excise officers in watching the manufacture, without any increase of numbers, and consequently without any increase of charge?" I think that was the spirit of the question, if not the words. Now supposing the number of the khalaries and the places of the khalaries to be the same as they now are, the same persons who watch the manufacture under the agency system certainly could watch it under the excise system, and no increase of charge or of establishment would be necessary, so far as the khalaries were concerned. But if there is to be a free trade in salt, the question will then be, whether the government golahs are to be maintained; because, if every salt manufacturer is to have his own golah, the number of golahs will be greatly increased, and the number of excisemen to watch them will be proportionately increased. Then again, the present agency establishment does a double duty; it does the duty of a wholesale establishment of salt manufacture, and it also does the duty of excise superintendence. If it did the duty of excise superintendence alone, the wholesale manufacture must be carried on by somebody else, and it must become itself a charge on the production of salt. The present salt system is analagous to the ryotwarry system of revenue as distinguished from the zemindarry. There is no middle-man between the ryot or molunghee and the officer of Government. The molunghees themselves have no capital to employ in the manufacture of salt; they can only work on advances received from the Company, which advances are made to them at several stages of the manufacture in portions, to enable them to carry on their operations. If the Company were not themselves the great manufacturers, some other capitalist or capitalists must be so; no other capitalist would be satisfied with so small an interest as the Company; they could not afford to be so; no other capitalist not dealing on the same large scale could counterbalance losses by inundations, and by the defalcations of delivery, on the part of the molunghees at the same average loss; that is to say, he would not calculate the same average loss, his operations being small. The excise officers employed to watch his manufactory would be people in a hostile relation to him, and not in a friendly relation to the manufacturer, as they now are to the Company; they would be a source of expense, at least in an equal degree, and would occasion the same difficulties and vexations as are said to have attended the excise over the manufacture in England. The profit of the capitalist is now included in the tax; for the Company's tax and the commercial profit are mixed up together, when we estimate the revenue at three rupees per maund. All these circumstances would render the excise system, even supposing it to be carried on by the same number of persons as the present agency system, as far as the watching the manufacture is concerned, a much more expensive system, and would in fact bring the state of the salt revenue in Bengal back very nearly, if not absolutely, to the state in which it was before Warren Hastings established the agency system, which converted a loss on the salt transactions of the Company into a very great annual revenue.

803. Did you ever hear the proposition maintained, that any company like the East India Company could carry on trade at the same rate of profit as private individuals?—

There are certain things that I think a company like the East India Company can do better than private individuals at a certain rate of return; this is a matter where the whole of the profits merge in the tax; when I speak of three rupees a maund I include the profit on the manufacture. I do not believe that any European capitalist or native capitalist could employ the molunghees in the Sunderbunds, and get the salt from them, at so small a rate as the Company get it; but if they could they must get a profit upon the outlay, and that would be taken from the present profit, which merges in the revenue.

804. Are you not aware that the Company have been beaten by private traders in almost every branch of trade that the Company have conducted from 1814 to 1823?—Perhaps they have; I am not prepared to deny it, though, I think, there are some exceptions to it. I do not consider this a matter of trade, but a mode of raising a revenue; but without reference to that, I do not believe that the molunghees would deliver salt to anybody for less than they deliver it for to the Company; whoever gets it from the molunghees must make advances as the Company do, and he must have a profit upon the outlay of capital: the Company do not expect any profit, and it is not so far a trading concern; they get the salt made at as cheap a rate as they can to give a fair remuneration to the molunghee; if it is not a fair remuneration, and the Company starve the molunghee, as it has been stated, and make him work against his will, then they have a profit that a capitalist would not have; but supposing that point to be given up, and that it is a free trade, I do not believe that the molunghee would work for less than the Company pay, and the capitalist would also require a profit, which is now merged in the salt revenue.

805. You have stated that the molunghee would not deliver to any private individual, salt at a lower price than to the Government; but do you not conceive that he would manufacture at a much cheaper rate than it costs the Government now?—No; he is a man that has no capital at all; he cannot go on without advances, and advances are made by the Company's agents in portions to enable him to go on at all; without them he could not buy his pans, or go on at all; he must be employed by a person that has capital, and that capitalist must have a profit.

806. Although you are of opinion that the Company have been beaten in several branches of trade in which they have engaged from 1814 to 1823, you are of opinion that they may carry on the salt trade at a less price than private individuals?—Yes, certainly; at the same time I do not consider it as trade at all; the Company receive the salt at a certain price, and they deposit it in their golahs; then, at the price it costs them and no more, no profit price, they give it out to the public, subject to the duty of three rupees per maund; the only question is, whether the salt gets into the Sulkea golahs at a higher or lower rate than if transferred there by capitalists.

807. But it is a question of excise?—For the consumption of the interior it must be carried somewhere. I assume the golahs to be the most convenient points for it to be distributed from; if they are abolished, the salt must have some depositories somewhere, and be subject to golah rent; if there is a free trade, there must be some place of deposit *in transitu*. Supposing them to be the best places of deposit *in transitu*, which may be conceded for the present, the simple question is, whether the price put upon the salt when it gets there is less or greater than it would be in the hands of private individuals.

808. The Sulkea golah means a warehouse near Calcutta?—Yes, it is a great mass of warehouses.

809. Are there not other golahs near the agencies?—Yes.

810. Where the salt is deposited *in transitu*?—Yes; there must be some places of deposit for the salt; it cannot be left at the places of manufacture during the rainy season. The salt delivered from the Sulkea golahs fetches a higher price than the salt from the agency golahs; the cost of carriage is estimated in the sale.

811. You have stated, that if the present system were exchanged for a system of excise, the molunghee would be changed into a manufacturer, inimical to the Government instead of favourable to Government?—No. Instead of being under the superintendence of his present employers, which is a friendly superintendence, and identical with the interests of the manufacture, he will be subjected to a superintendence that is hostile to the manufacturer; all watchfulness on the part of the Government over the manufacturer whom they suppose inclined to defraud them must be considered a hostile superintendence; the interest of the manufacturer will be to get his salt out of the place of manufacture without any duty, and the interests of the Government will be to get the duty.

812. Is not the object of the present superintendence totally and entirely to prevent smuggling?—It is a different thing in the way in which I put it. The principal duty of the present establishment is to see that the molunghee makes all the salt which he has contracted for, which he is very willing to do; but having his materials on the spot, he is also willing to make more and smuggle it, which it is of course the duty of the establishment to prevent.

813. Then I am right in stating that the superintendence is to prevent smuggling?—Yes, granted.

814. Then have the goodness to state why they would be more hostile to one superintendence to prevent smuggling than to the other?—I do not say that the molunghees would. I said the manufacturers. The present employers of the molunghees are the Company, and the interest of the Company as the employers of the molunghees, and as receivers of the revenue, is one; but the interests of the Company as the receivers of the revenue, and the interests of the head manufacturers as the employers of the molunghees,

would be two; the molunghees' interests would be the same, there would be three interests.

815. But there would be no greater vexation in preventing smuggling under the excise system than under the present superintendence in preventing smuggling?—There would be a double annoyance to the molunghees, inasmuch as they would be watched by the capitalist for the security of his advances, and by the Government for the sake of the revenue. There would be a new class of men brought into existence to lend money to the molunghees, and they must have a commercial profit upon the capital, and in the next place be subject to the vexations of the excise system.

816. But it seems to be rather a distinction without a difference, that the Company make advances and charge no interest; if they could make interest of their money, and the price of salt is enhanced in consequence of their loss of interest, it comes to the same thing?—Whatever deduction you make is from the revenue of the Company; they take no interest, they make no profit; they receive revenue. If the manufacturer charges interest and if he receives profit, and if the Company receive the same revenue as they receive now, the interest and the profit paid to the manufacturer in addition to the first price paid to the molunghee, in addition to the duty, must be an additional duty.

817. If they were to receive less revenue, and were to make it up by employing their capital at interest, so as to obtain a profit in any other way, they would be just as well off as now?—Yes.

818. In the event of the monopoly being abolished, if the Company were to put to interest the capital which they now use for the advantage of the molunghee without interest, would they not be as well off, since the amount they would receive less in revenue they would receive in interest?—Yes, less by the amount of the interest, but that is a matter of computation. I cannot suppose that the amount would be equivalent.

819. Has it not always been the case in every other manufacture, that companies have been beaten by private individuals?—There are exceptions to it, but we may confine the question to salt at present. In the great majority of cases, where individuals compete with companies, the individuals beat them. The joint-stock companies that do make profits, like the General Steam Navigation Company, require greater capital than any individual can manage; but I believe the house of Baring & Co., to the extent of their capital, would beat any joint-stock company with the same amount of capital. If that were the main object of the examination, there are some things I should state that are counterbalances to the loss of the Government in their commercial profit.

820. You have stated that considerable losses have accrued to the Government in consequence of certain inundations. Do you think that private individuals would engage in trade where those inundations are likely to take place?—Yes, I think individuals would engage in trade wherever they can calculate their risks, and make an average profit.

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824. Are you not aware that the Board of Customs, Salt and Opium, are constantly representing that it is a complicated system, that they cannot manage it all, that they have great difficulty in determining what quantity of salt they shall put up for sale, and that they have been subject to all sorts of annoyances in the method of conducting their business?—The same thing has been stated by the Board of Salt and Opium, by the Bengal Government, and the Court of Directors, but it is a question of degree. The excise system would have all the disadvantages of the present system, and some of its own.

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828. Have not the Directors of the East India Company perpetually stated their dissatisfaction at the present system, and their desire that the manufacture should be discontinued in as many places as could possibly be done without?—No, I can answer that question in the negative. The Court of Directors have stated that it was desirable to concentrate the manufacture, and in one instance they have said it was desirable to do away with the manufacture and substitute imported salt. I said yesterday that I did not agree with the latter opinion; and if it were to be brought forward anew, I very much doubt whether the Court of Directors would adhere to that opinion.

829. It appears from the tenor of your evidence, that you think that a Government with its Boards, and all the various intermediate agents that come between them and the actual manufacturers of the salt would look better after its own interests than a private trader?—No, I should say not; I do not conceive that; I conceive that the private trader would look much more sharply after his own interests than the Government officers; I think that is clear.

830. If, then, the Directors ever expressed an opinion that the present system was vicious, and that it required great changes, do you think that they would maintain that opinion now?—They would maintain that opinion unquestionably, because they must know that there are very great defects in the present system, and great frauds and abuses, which require a great deal of change; but they would not admit, I think, that imported salt should be substituted for the manufactured salt of Bengal, or an excise system substituted for the agency system; they would say that the present system requires correction, not abolition.

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832. Do you believe that the duty could be collected if the monopoly were done away, and a system of excise introduced, at the same expense as at present?—No.

833. Do you believe it could be collected as effectually?—No, I do not. If by that question you mean this, which I presume you do, that for a certain amount of salt sold at

the sales of Calcutta to go into the interior, the Company would receive the same revenue that they do now, I do not believe it would be collected so easily.

834. Then, with respect to the molunghees—first, do you conceive their situation would be better or worse under a system of excise than it is at present under the monopoly system?—I conceive it would be a great deal worse; not from the excise, because it has been assumed that the poketaunny officers would be employed in the superintendence of the excise, but from putting them into the hands of the capitalists in places so remote from European jurisdiction as most of the agencies are; and the excise officers would not of course be officers of justice, I conceive that their state would be then very little different from a state of slavery.

835. Do you think that the system of excise it would be necessary to introduce would be vexatious to the capitalist employing his capital in the manufacture of salt, and tend to impede his operations?—I conceive it must be so; I think it is inseparable from the excise everywhere.

836. Do you think the manufacturers of salt in India, subject to a rigid excise, and subject to its vexations, could fairly compete with the salt manufacturers in England freed from the vexation of the excise, but subject to a corresponding duty?—The excise system, in the first place, would certainly enhance the price of the salt. The price of salt was greater under the high duty than it is now; and of course the same effect will take place in India and elsewhere; perhaps more in India than other places. The Liverpool salt is asserted to be as good as the Cuttack salt; Mr. Reid says it is better; and if that is true, I am of opinion that the Liverpool salt could now compete successfully with the salt of Bengal.

837. Even supposing that it paid the same duty, and admitting that the Liverpool salt is to pay the addition of freight, insurance, and all the port charges?—Granting all the premisses laid down by Mr. Reid respecting the Liverpool salt, I should say that the Liverpool salt could compete successfully with the Company's salt, and, to the extent of its introduction into Bengal, drive the Company's salt out of the market. I said I considered an excise system, substituted for the agency system, would raise the price; and if the Company receive the same duty that they receive now, the price of salt would be greater than it is now; then, as a further consequence of that, if the Liverpool salt can, as I conceive it can, compete with the Company's salt now, it could still more so under the excise system.

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846. You have said, in answer to the questions of Mr. Gordon, you assume that the khalaries would remain the same in the comparison between the system of excise and the monopoly system?—Yes, that was the question asked me, could not the poketaunny amlah superintend the manufacture.

847. If the monopoly system was abandoned, and a system of excise introduced, would the capitalist meet with fair play, or the molunghee, or any person engaged in the manufacture of salt, if, accompanying the abandonment of the monopoly, there was a rigid restriction of the manufacture of salt to the very spots where it is now made, and the very khalaries now existing?—The khalaries must change their places occasionally; but I conceive there must be a restriction from year to year of the places in which the salt should be manufactured, and that there should be licences to manufacture salt in particular places. They might be chosen by the manufacturers, provided there was no objection, on the part of the Government. The Government must have a certain control over them; the quantity of salt would be the same; but I conceive, in point of local convenience, there would be no essential difference.

848. Do you conceive that, to give the system of free trade in salt fair play, it would be necessary to give a greater scope of territory over which salt might be manufactured?—They might give an extent of territory the same as they give now, because the khalaries are fixed according to the convenience of superintendence, and must be so; they might be allowed a change of place, but that should be allowed in the beginning of the manufacturing season. I conceive, at the beginning of every manufacturing season, there should be a restriction, or there will be an unlimited quantity; if there was an unlimited quantity, there would be no revenue at all; if the salt was once made it would find its way into the interior.

849. The supposition being that the free trade would greatly increase the quantity, it is a necessary consequence that the extent of territory must be greater?—I believe the existing agencies could produce a greater quantity than they do; I do not know that the Hidgellee agency would.

850. Would not more be consumed?—I do not think that more would be consumed; a man will only consume a limited quantity of salt.

851. Is it not the intention of the Indian Government to discontinue the manufacture of salt at certain stations?—The Bengal Government have done it at certain stations, which they considered to be the seat of smuggling.

852. Then they have restricted the manufacture of salt to fewer localities?—Yes.

853. Are not the khalaries situated in places where the manufacture of salt is the most convenient?—Yes.

854. Chosen for this purpose?—Yes; there may be isolated spots that would be very convenient for the manufacture of salt, but where the difficulty of superintendence is so great as to induce them not to allow it to be carried on; the khalaries are chosen with the double object of convenience of manufacture and of superintendence.

855. The concentration that has been effected by the Government would assist the collection of the excise duty?—Yes, no doubt, to that extent. I spoke yesterday of the great difference between the excise system of England and India, arising from the concentration of the manufacture in England, and the diffusion of it in Bengal; the more it could be approximated to the system of England the more easy it would be to collect the duty.

856. Are the advances to the molunghees peculiar to the manufacture of salt, or are they not given to all the manufacturers all over the provinces of India?—Yes, to the best of my knowledge.

857. Advances are made for the manufacture of indigo, silk, and cotton?—Yes.

858. You say that when there has been an inundation or any great misfortune of that kind the salt so lost is paid for by the Company?—The salt has been already paid for by the Company.

859. They do not insist upon the rigid return of the balance, if it has been occasioned by inundation or the visitation of Providence?—No; they write off the balance.

860. Is it the custom generally throughout India with private merchants as to silk and indigo, and all other transactions, when there is a loss from misfortune or the inclemency of the seasons, to write off the balance, or keep it depending against the ryot, and exact its restitution at some following season?—I cannot answer that from documentary evidence; but my impression is that they do not write it off. I believe that to insist on the repayment of advances would reduce the molunghees to a state of slavery.

861. Do you conceive if an excise system were established, and, as you say, they were reduced to nearly a state of slavery, that they would upon such a system have no means of redress?—I conceive that they would not. A man in the class of molunghees would have no means of redress against a wealthy capitalist; the labourer of the indigo planter has no redress; the planter has only to hold him to the letter of his bond, and the law can give him no protection.

867. I want to know whether, upon the diminution of the quantity of salt produced in Bengal, the molunghees would not find abundance of employment in other ways?—They would, no doubt, find employment of some sort or other; but there would be so much employment taken away from the great mass and there would be no new employment.

* * * * *

908. The opinion I have stated was expressed by the Board, that the amlah were a nest of conspirators?—They may have used that expression, but I hope you will bear in mind that the persons employed under the excise system would be the same persons as are now employed under the agency system.

* * * * *

938. Have you anything more to add respecting the project of the excise system?—I stated that the poketaunny establishments at present perform a double duty, that of superintending the manufacture and of protecting the revenue. Under an excise system the molunghees would be subjected to a double superintendence, and so far as the superintendence is an annoyance there would be a double annoyance to the molunghee; there would be the superintendence of the Government to secure the duty, and the superintendence of the capitalist to secure the return of his advances. The Government would also have a double duty to perform: to watch the molunghee, as it now does, and also to watch the capitalist, whose means and opportunities of smuggling would be much greater.

* * * * *

962. Do you believe that if the Government advances were discontinued to the molunghees and the trade entirely thrown open, India would be better or worse supplied with salt than it is at present?—I believe Bengal and Behar would be worse supplied than they are now.

963. Do you except Orissa?—Cuttack is such an important part of Orissa, and the salt so abundant, the Chilka lake supplies such a vast quantity, that I should except it.

964. Is it not a fact that the monopoly has placed salt beyond the reach of many persons?—No, I do not believe it; if I did I should think the monopoly was an enormous evil.

* * * * *

965. Does not Colonel Galloway, whose work has just been quoted, state that the average retail price of salt in the provinces subject to the monopoly, is 12 rupees per maund, three times the amount of the Company's sale price?—I am not aware that he does state it. I have stated that my impression is, that the price in the interior is double the price at the Company's sales; that it is 8 rupees; but, whatever it may be, I do not believe that any alteration in the mode of collecting the duty, or even the remission of the duty, would make much difference in the retail price.

966. You conceive that the whole is so entirely in the hands of those dealers who form what we call the sub-monopoly, that they are the complete masters of the price throughout the country?—Something very like it. I think there must be a very great expense in distributing salt.

967. Do you not think that a free system would tend very much to break up that monopoly?—If there was no salt tax whatever, if the salt could come down from the Sambhur lake and from Lahore, and at the same time go up the Ganges into the interior without any tax, it would be supplied cheaper to the people; but if the revenue is to be retained at its present amount, I do not see that any change in the salt tax, or in the mode

of collecting it, would affect the price; the only mode of reducing the price would be for the Company to retail it.

1076. * * * * * Answer * * * * * Question 446 relates to the sub-monopoly, about which so much has been said; it does not materially differ from the wholesale trade of any great town, distinguished from the retail trade in the interior; there must be great dealers and small dealers between the main supply and the last customer.

1077. There need not be only one supplier?—That is the monopoly, not the sub-monopoly. If the same quantity of salt comes to Calcutta, the same sub-monopoly will exist. If the monopoly is abolished, I do not see where the difference would be, if the 40 lacs of maunds of salt put into the Calcutta golahs, were put there by one or by 40,000 different people. The persons that purchase the salt to send it into the interior would be the same persons as they are now. I cannot see any difference, if there is the same quantity deposited in the same place. In all trades there is something in the nature of combination. Political economists speak of competition; I think combination is stronger than competition.

1078. What necessity would there be for the continuance of any sub-monopoly, upon the supposition of the duty being paid, when it was once taken out of the golahs; what necessity would there be for the existence of a sub-monopoly?—The necessity for it is only in consequence of the supply being limited. If there was only the same quantity of salt to be purchased by competition, it would not create any additional customers in Calcutta, because the salt was no longer the Company's property. I do not see any step in which there would be any essential difference in the second purchase of the salt.

1079. Your supposition of the sub-monopoly existing, is founded upon the supposition that the purchasers remained the same?—Yes.

1080. That is the basis of your inference?—Yes.

1081. Does not your supposition embrace this, that the supply will remain the same?—I conceive that it must remain nearly the same, or there will be no revenue at all.

1082. Then the inference you draw is founded upon those two suppositions, that the dealers will remain the same, and the supply will remain the same?—Yes.

* * * * *

Question 497 is, "Do you conceive that the system of excise and customs which you have proposed would as effectually tend to the suppression of smuggling as the present system?" The reply is, "If such a system were accompanied by a reduction in the amount of the tax, it ought to be more effectual; and I cannot conceive why, under any circumstances, it should be less effectual. I look upon the existing system as a bad and complicated system of excise. The Government has three functions to perform instead of one: it has to look after the manufacture; it has to look after the trade; it has to look after the revenue; and it is obliged to have a set of officers to do all those three things." Now, of those three things the excise would have to do the first, look after the manufacture; they would also have to look after the trade; and the Government would have to look after the revenue.

1083. How would that be?—The excise must look after the manufacture; it was conceded that the same establishment might do the same duty in the same place, but they would have to do more.

1084. The same establishment to superintend the manufacture would collect the revenue?—No. They would look after the manufacture, and the Government would still do what it does by the poketaunny establishment; the poketaunny establishment would be the excise officers.

1085. They would only have to look after the revenue, and not have to concern themselves in the profit of the manufacture, or the quantity of salt made?—The only part which they would not perform of the duty which they now perform is that of seeing that the salt is well made, and which is beneficial service both to the Government and to the people.

1086. How would the Government interfere with the trade?—In whatever way it looks after the trade now, it would have to do that still.

1087. In what way would the Government have to interfere in the trade?—Whatever duty they perform in looking after the trade now, they would still have to do.

1088. They have now to adjust the supply to the demand?—It is essential that the supply should be limited, or there would be no revenue. If you do not take measures to secure a certain supply to the people, they would at times have no salt at all; and if you allow an unlimited supply, you would sometimes be overwhelmed.

1089. Why should that be the case there any more than here?—Here it is native salt, and there it is not.

1090. Would not the salt trade stand on the same footing as the sugar trade, as far as Government is concerned? No, I think not; the Government has taken measures for supplying the interior of India with salt, where they had no salt before; and I read an extract, to show that salt was sold at Delhi and Agra at 2s. 6d. per lb.; the Company had then nothing to do with it.

1091. You give it as your opinion, that if the monopoly was abolished, the salt at

Agra would rise to 2s. 6d. a pound again?—No; I do not mean to say what it would rise to.

1092. But that the abolition of the monopoly would raise the price?—I mean, that if the Government did not take means to supply the interior it would often be without salt.

1093. Are not the facilities afforded by the Chilka lake in supplying salt enormous?—Yes, and the Sambhur lake, and the Lahore mountains; but they are all at an infinite distance from the interior of Bengal, and the Chilka lake is solar evaporation salt.

1094. It may be produced in any quantity?—Yes.

1095. What measures do the Government take to secure a sufficient supply of salt at Agra and Delhi?—They do not take any measures.

1096. You said that without the measures taken by the Government the interior of India would be without a supply; what measures do they take for that purpose?—I read the passage to show that at Delhi and Agra, where the Government did not interfere in any way with the salt trade, the price was 2s. 6d. a pound; Delhi and Agra are not within the district of the salt monopoly.

1097. Will you state by name what are the districts you think would be so affected?—I should say that all districts would be so affected where trade would have no motives to go except for carrying salt.

1098. I want, by name, the districts to which your answer applies?—I cannot carry in my memory a list of pergunnahs; any pergunnahs in the remote parts of any district, where there are only a few poor villages at a distance from any considerable town, or any great line of navigation.

1099. What measures do the Government now take for supplying the ryots in those remote villages with salt?—You are somewhat misapprehending the observation I meant to make. There are two branches of the question, the main supply and some especial subdivisions of that supply. The Government consider that 45 lacs of maunds of salt will be a sufficient supply for the whole of the interior of the Bengal districts; they leave the distribution to the retail dealers, but occasionally, if they see there are any districts exceedingly ill-supplied with salt, they take measures for supplying those districts, sometimes by bounties, sometimes by giving extraordinary facilities for retail sale.

1100. Have the Government occasionally acted in the character of retail dealers?—They have done so occasionally, but they calculate that 45,000 lacs of maunds must be supplied for the consumption of Bengal, and they take all the means in their power to get it: they look first to the Bengal Agencies for somewhat less than 40 or 35 lacs perhaps; then they look to Madras, and, if that is not sufficient, they get salt from all parts of the world to make up the supply. They think it their duty to bring into Calcutta a sufficient supply for the whole of the interior.

1101. If that was the only object, what objection would you have to receiving a supply from England?—That is a different thing.

1102. Except in those very rare instances, the argument you use, of the difficulty of supplying those remote villages, would not apply?—No, all I mean to say is, that the 45 lacs of maunds, or whatever may be the quantity necessary for the supply of the districts subject to the monopoly, must be at Calcutta; there is no other port where it can be placed to be sent into the interior, and therefore it is, the Indian Government have taken upon themselves to provide there a sufficient quantity of salt.

1103. As far as that point is concerned, it is immaterial to the Company from what point it comes?—Yes, it is immaterial to the Company from what point it comes.

1104. Except in the rare instances to which you have adverted, the supply of salt into the interior has been conducted by retail dealers in the same manner as it would be under the excise system?—Yes, precisely; the Government's concern with the salt trade terminates at the Calcutta sales; the delivery of the salt terminates the dealings of the Government.

1105. In those particular instances you relied upon in your argument what were the particular measures resorted to by the Government?—That was not the main reliance of my argument. I went out of my argument into it. I have stated the general character of the measures.

1106. Are we to understand that the only supervision you think necessary for the public is to secure a certain quantity to be delivered into the golahs at Calcutta?—That is the supervision I adverted to. Before the salt can go into the interior it must be there, and it would not be there unless the Government took means to have it there. The Government has a double duty to perform; first, to ensure a certain supply for the people; and, secondly, to take care that that supply is not materially exceeded, for the sake of the revenue.

1107. And you think that that supply cannot be secured without the Government conducting the agencies?—I think the supply cannot be secured without the Government conducting the salt agency system. I should like to know what the Government does in looking after the trade now that it would not have to do under an excise system; it does not look after the trade after it leaves the golahs; it watches it from the first step of the manufacture in the agencies, and the first appearance of the salt ships in the river, until the salt is delivered from the Government golahs; and so it would do under an excise system. Whatever may be meant by looking after the trade now, that, whatever it is, would have to be done then.

1108. Is not the share that the Government have in the trade of salt precisely the same as the share they had in the tea trade, for the exercise of the monopoly of tea in this country?—A share in the trade is a different thing from looking after the trade; the supervision which they exercise now, whatever it be, they would still exercise under any change of system.

1109. You would not leave it to individuals?—If the trade were in the hands of individuals, still whatever the Government do in watching the salt from its first step to the depositing it in the Sulkeah golahs, they would have to do still.

1110. Would not the supervision be much more limited when the object is to protect the revenue from fraud, than when the object is to watch the whole of the salt manufacture?—I stated my opinion on that point yesterday, when I went into my objections to the excise system.

1111. You think it would still be the duty of the Government to provide sufficient salt?—Yes, the Government think it their duty, and I think it is.

1112. At all events, the share of the Government in the trade would be done away with by the abolition of the monopoly?—Of course their trade would be done away with; but whatever is implied in looking after the trade the Government would have to do still. I cannot conceive any one duty to be performed by the Government, in the way of looking after the trade, that is not now performed, and would not have to be performed under any system.

* * * * *

1117. Supposing the objection entertained to a private merchant importing salt into Calcutta to be as you state, do you not think that it is to a certain extent a violation of the understanding that existed at the renewal of the last charter, that the East India Company should not continue to be manufacturers and traders as they are now in the article of salt?—No, there is an express stipulation that the Company may trade for the purposes of Government.

1118. That is assuming that the revenue cannot be raised except by the present system?—I believe that the salt revenue cannot be raised to anything like the present amount by any means but the salt agency system.

1119. Then, provided it could be made clear to you that an equal revenue could be raised by a system of excise and customs, you would no longer entertain any objection to the introduction of that system?—The objections are all stated in the Report of the Revenue Committee of the Court of Directors, and limiting the question to the mere realization of revenue, and leaving all other Indian interests out of view, I should say if Parliament would guarantee 1,200,000*l.* a-year to the Company, they might try what experiments they pleased with the salt revenue of Bengal.

1120. Supposing the Company to be able to derive an equal revenue from another mode of collection, should you consider their continuing as manufacturers and traders to be a violation of the understanding at the granting of the charter?—I should not think there was any violation of the Charter Act by it.

1121. Did you not state just now that the only ground upon which you could justify the continuance of the system was that it was necessary they should do so for the maintenance of the Government?—I think it necessary. I think that ground sufficient. I did not say it was the only ground on which I could justify it.

1122. Did not the provision you have mentioned, that they might trade for the purposes of Government, apply to the supply of civil and military stores; was not that the understanding?—I cannot say what was the understanding; I should look to the words of the Act; but the charter expressly contemplates the continuance of the salt and opium monopolies.

1123. You stated that conspiracies were easily made at present by the buyers of salt to raise or lower the prices; would not such a conspiracy be likely to be defeated if the salt was introduced into the golahs upon the payment of a fixed price to the excise?—The salt being in the golahs, there would be no difference in the result.

1124. You would have nothing to do with the price at which it was sold?—It must be enough to produce the present revenue; the price does not go on a fixed duty, but upon the quality of the salt.

1134.

* * * * *
Answer

In the reply to question 497, it is said, "there are large items included in the above charge of collection, which of course would not be included at all under an excise; for example, the rents paid for the salt pans, the rent of grass and jungle lands; for a great deal of the salt is made, for want of proper and sufficient fuel, by using straw as such, and I believe dry grass also. There would also be deductions from the present charges of collection for the sum paid to the landowners as a remuneration for the privilege they once enjoyed of manufacturing for themselves. There are other charges too, which might be reduced, if not altogether abolished." On that I should observe that those charges, or their equivalents, must be paid by somebody; they must enter into the price at the Sulkeah golahs. These charges do not belong to the charges of collection, but to the cost of manufacture. In the reply to question 498, the payment of 40,000*l.* a-year under the convention with the Government of France is mentioned. The strict interpretation of that convention would be a matter of opinion. I have been looking at it with persons upon whose judgment I place reliance. My opinion is, that the Company

would be obliged to pay the 40,000*l.* a-year, notwithstanding the monopoly were abolished, unless they made a fresh convention with the Government of France.

1135. You have stated that you cannot conceive what functions the Government exercises now in regard to the salt monopoly that it will not have to exercise under the system of free trade?—Those words had reference to watching the manufacture, and watching the trade. The trade that it watches, as distinguished from the manufacture, must be something *in transitu* between the places of manufacture, where the supervision originates, and the Sulkeah golahs, where it ends. I cannot conceive any duty of watching the trade and manufacture that the Government performs now that it would not have to perform under any system whatever.

1136. Did you not add to that in your former evidence that you could not conceive what duty the Government exercises now in watching the trade?—I said I could not tell any single thing the Government would have to do in watching the trade that it has not to do now.

Appendix E.—No. 5.

Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to inquire into the Supply of Salt for British India, in 1836.

Extracts of a Letter from the Salt Board to Government, dated August 28, 1833,
Appendix No. 5, Page 35.

4. At various times there have been discussed, as preferable modes of raising the same amount of revenue, 1st, an excise on salt. * * * *

5. We cannot imagine any person, acquainted with the feelings of the people of India, or the habits and characters of the native agents, whom it would be necessary to employ, seriously advocating the substitution of an Indian excise for the present system.

Appendix E.—No. 6.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian Territories, in 1853.

Extracts from the Evidence of F. W. PRIDEAUX, Esq., (Assistant to the Examiner of India Correspondence.

7286. Are you acquainted with the system of salt revenue at Madras and Bombay?—
Yes.

7287. Is it the same as in Bengal?—It is totally different; at Madras it is a strict monopoly; the salt is there purchased from the maker; the Government give about 10 rupees the 100 maunds for this salt, which is entirely produced by solar evaporation, and it is sold by the Government to the dealers, at the rate of one rupee a maund; that includes both the duty and the price.

7288. Nobody is allowed to buy salt from the manufacturer but the Company?—The Company buy the whole of it.

7289. What is the system in Bombay?—In Bombay there is an excise and an import duty: the excise duty is 12 annas a maund, and the same duty is payable on importation; the Government do not manufacture it themselves.

7290. Do you think it would be possible to raise the same amount of revenue in Bengal and Madras, if the Government entirely abandoned the manufacture themselves, and derived their revenue partly from excise and partly from a customs duty?—I should be very much disposed to doubt it; I think the opinion of those best qualified to judge has always been against it; they have thought that it would be impossible from the nature of the salt-producing districts in Bengal.

7291. Can you state what the difference is between salt-producing districts in Bombay and Madras, and those in Bengal?—In Bombay the salt is made in pans, from solar evaporation, and it is made in much the same way in Madras; in Bengal it is made by boiling the brine in earthen pots; and over a large district, where the saline earth and brine can be always obtained, I believe, without an army of preventive officers, it would be almost impossible to prevent the illicit manufacture of salt.

7292. Why could not an excise duty be levied in Madras as it is in Bombay?—I can hardly say; in Bombay and Madras the salt is made entirely by solar evaporation; in Bengal it is produced by boiling in small pots; I do not think there would be any difficulty if you were to concentrate the manufacture, and only allow it to go on on a large scale, and prohibit it elsewhere; but, in that case, you would require a large number of officers to prevent its being carried on elsewhere.

7295. It was stated in one of the papers you read that the Government ought not to be manufacturers, except that they owed a duty to the population now employed; is there any report showing what would be the effect on the molunghees and others by whom the Bengal salt is manufactured, if the Government were to cease manufacturing?—I am not aware that there is anything to be called a report. Constantly, when the manufacture has been discontinued in particular districts, there have been the strongest representations from the molunghees to the Government, praying them to reestablish the manufacture, and complaining of the injury which they suffered from the withdrawal of it.

7296. Has there been any inquiry, to your knowledge, how far, if the manufacture of salt were discontinued, they could turn their labour to any other purpose?—I apprehend, from what I have read, most of the salt manufacturers are also cultivators of land, and that the profit which they derive from the salt manufacture assists them to pay their rent to the zemindars, so that the supersession of the native salt by imported salt might indirectly affect the security of the land revenue.

7297. You do not know to what extent their labour is divided between agriculture and the manufacture of salt?—I do not.

7298. With reference to the districts in which the molunghees labour, would not the people be unoccupied during the periods of the year when they are now employed in the manufacture of salt?—I apprehend they would.

Extracts from the Evidence of T. L. PEACOCK, Esq., Examiner of India Correspondence.

8123. Do you mean that the zemindars would exact more from the ryots, in consequence of the removal of the salt tax?—Yes. I wish to add that it was shown before the Committee of 1836, that the salt tax and the land tax of Bengal put together are less than the land tax alone anywhere else. There is another point, on this subject, which has been mentioned, namely, the giving up the salt agency system, the manufacture of salt on account of the Government, and having a free manufacture, subject to an excise. There are some objections to that. The Government salt agency system is its own excise, as it were. It prevents the illicit manufacture of salt by the very same agency which looks after the manufacture. The Government advances money to the molunghees who make the salt, charging them no interest upon those advances, but receiving back a certain quantity of salt for the money they advance. The Government duty of 2½ rupees per maund is all the profit which the Government derive; they derive no commercial benefit. If there were a free manufacture there must be a profit to the employers of the molunghees; the molunghees would not get the same advantage of advances without interest, which they now do from the Government. It would be absolutely necessary to fix upon certain points at which alone the manufacture should be carried on; therefore there would be an additional expense to the Government, in carrying on the excise system, without any corresponding benefit, or without any benefit at all to the manufacturers of salt, but rather a detriment to them.

8124. Do you know how the excise on salt is carried on at Bombay?—I do not know exactly how they manage it at Bombay, but they are there in very different circumstances. They have not that vast extent of territory for making salt which there is in Bengal.

Appendix E.—No. 7

Extract from the Remarks of the Bengal Board of Customs, Salt, and Opium, on Mr. Trevelyan's Report upon the Inland Customs and Town Duties, 1834.

Paragraph 289. * * * * * As for what follows, regarding the Bengal salt revenue, the scheme suggested is tantamount to an introduction of the excise system, which we trust would never receive the assent of Government, in a country where its adoption would open a door to abuses, compared with which we fear all those now complained of, arising either from the customs or salt system, would be trivial and not worth a thought.

Appendix E.—No. 8.

Minute by H. M. PARKER, Esq., Junior Member of the Board of Customs, Salt and Opium. Dated the 2nd of November, 1835.

I observe that the question of maintaining or relinquishing the salt monopoly has lately been again agitated in the British Parliament, that His Majesty Minister for Indian Affairs has expressed himself to the effect that this mode of raising one million six hundred thousand pounds sterling per annum was quite indefensible,* and that a member for the county most interested in providing the people of India with Cheshire salt has given notice that he would bring forward a motion on the subject next session.

2. Under these circumstances, we may perhaps be permitted to place before Government a few observations connected with that important branch of the resources of this country, which appears on the eve of being very vehemently assailed, and very feebly, if at all, defended, in the Imperial Parliament. My long official connection with the Salt Department, and a comparative familiarity with the details of the monopoly, seem to render it more peculiarly my province at the present juncture to offer such remarks as occur to me. I fear those remarks will be found very dry and very wearisome; but that they should be so is partly the fault of the subject, which must be doubly distasteful when treated in the form to which public functionaries are restricted by official usage.

3. We may assume that the net public revenue accruing to the State from the salt tax in Bengal, Behar and Orissa, amounts to about one million and a-quarter sterling. It fluctuates, and is perhaps on an average rather less than that amount, but it is a tolerably fair one to take for the purposes of calculation.†

4. This amount of revenue is indispensable for the preservation of peace, and for the good government of British India; or it is not.

5. If it is not indispensable, the question is very easily disposed of.

6. If it is indispensable, then it must, for the general welfare, be raised either through an improvement in some impost less exceptionable than the salt tax, or through some entirely new impost, or upon salt.

7. The Board of Customs, Salt and Opium is entrusted with the management of every branch of the public revenue in the Lower Provinces except the land tax; and, as far as our experience goes, the tendency of each is either to remain nearly stationary, or to decline. The reasons assigned in explanation have often been before Government. At all events I feel quite confident that no one branch of the public resources controlled by our Board, could by any possibility be brought, in the present state of this Presidency, to yield a million and a-quarter sterling per annum net revenue immediately, and in addition to what it yields at present; nor is it to be hoped that such an improvement could be effected in all the branches combined, as to yield anything approximating to so considerable an amount, whatever efforts were made, or whatever expense might be gone to, with the hope of such a result. But if such a hope could be entertained, I have very strong doubts with

* I am of course compelled to follow the newspaper reports, though they are rarely correct in any thing.

† In 1821-22 the net revenue was about 1,400,000*l*.

In 1822-23, 1,500,000*l*.

In 1826-27, 1,500,000*l*.

The President of the Board of Control estimates it at 1,600,000*l*.

regard to three of those branches* at least, as to whether the amount would be raised with less vexation and evil to the people generally (*i. e.* the greatest number), and less injury to the country at large, than either the people or the country now experience from the operation of the salt monopoly.

8. I am equally of opinion that no new impost would produce a million and a-quarter sterling of net annual revenue. Cutting off the communication between Malwa and the sea,† might do much. A tax, analogous to the British tax upon wills and legacies, might do something—but I think it very doubtful whether either, or both, those sources, even aided by a moderate duty on sugars and indigo exported to Great Britain, would yield the net revenue now obtained on Bengal salt alone.‡

9. If then we may assume that the revenue derived from the Bengal salt system is indispensable, and that no imposition of new, or modification of old, taxes will supply the deficiency which its total abandonment would create: it becomes necessary to inquire whether the same amount could not be preferably secured upon salt by another scheme of realization in substitution for the present monopoly, and bearing a name less obnoxious to political economists.

10. It does not occur to me that there are more than three modes in which the tax upon salt consumed in Bengal could be levied.

First.—By prohibiting the manufacture in Bengal,§ and leaving the supply for consumption to be imported from Liverpool or elsewhere, on payment of a fixed customs duty.

Secondly.—By an excise upon salt produced in Bengal, maintaining a prohibitory duty on imported salt.

And Thirdly.—By a combination of the excise and customs duty systems, making the rate of duty per maund equal in each.

11. I may perhaps assume that, notwithstanding the never-slumbering selfishness of the English people, and their astonishing disregard of all that concerns the welfare of this country only, it would be impossible that the first scheme|| could for very shame be advocated, or wrought into form. But if so great an injustice were even to be committed, the object in view would, probably, after all, be as far from attained as ever. For if importation by sea was allowed (at one and the same rate of duty upon salt imported from whatever quarter, under the British flag) from other places than Liverpool, or the ports of Great Britain, then I have little doubt but that the salt of Coromandel on the rugged coast craft, the whole crew scarcely costing the wages of an ordinary English seaman, the owners content with a mere turn of profit, the entire vessel not worth the mizen top-mast of a fine free trader—I have little doubt, I say, that the Madras salt imported on such boats at a freight inconceivably low, would command this market in a manner that should make an importation of Cheshire salt just as rare as it is now.

12. It is true that at present the people will not, as this Board has frequently explained, now take off more than a certain quantity of Madras salt, which is consumed only by particular classes. The people generally prefer our pungah or boiled salt.¶ There is doubtless a good deal of religious prejudice in this: not so much perhaps as that all classes** would not use Madras salt rather than none; but still when it came to a selection between two descriptions of salt, rendered equally impure by contact with impure hands, and by contact with the impure things†† in a ship, it requires very little knowledge of the Bengally character to determine that not the whitest or finest, but the cheapest, article would carry the day. Nay, speaking of masses, and those only are to be considered in questions of this nature, poverty alone would decide the point without any reference to taste, if the sole reason which now induces the poor to stretch a point for the gratification of a prejudice, or a superstitious preference, was to be removed.

13. My own persuasion, I repeat, is that, even in the event of such an extreme measure as prohibiting the manufacture in Bengal, and opening the ports to salt on the payment of a customs duty equal for all salt imported under the British flag, the salt from Great Britain could not compete in this market with the salt from the Coromandel coast. I think it certain, as I shall shew hereafter, that salt from Liverpool could not be brought into the port of Calcutta, and be delivered over the ship's side, and landed, at less than three pounds sterling per ton,‡‡ and that without one penny of profit.

* Customs—Stamps—Abkarry.

† Except through Bombay or other British ports.

‡ I mean of course by this, the salt sold wholesale or retail in Bengal, Behar, and Orissa.

§ Or, what would amount to the same thing, treating the salt as many other articles of local produce have been treated, *viz.*, levying a heavy tax upon the country, and a very light one on the imported commodity.

|| Prohibiting manufacture in Bengal, or levying prohibitive duties on salt, the produce of the local manufacture.

¶ They also prefer the pungah to the British or American salt, as will be shown hereafter.

** Many intelligent natives say, that a large majority of their Hindoo countrymen do, and would under any circumstances, refuse to eat Madras, or any other salt brought on ships. I do not believe them. Of course while we furnish the whole consumption supply through the Government store houses, it is incumbent upon us to consult the tastes as well as the wants of the people.

†† They have an idea that the salt may have touched the grease used on shipboard, and the pump leathers, or other articles of leather.

‡‡ The ton of 27 salt maunds.—This rate, as will be seen, is assumed upon the evidence of a salt manufacturer, anxious to open the trade, and consequently likely to under-rate rather than over-estimate the expense.

14. On the other hand, it is certain from long experience, that salt can be delivered in Calcutta by the Madras craft, and with good profit to the importers, at 1*l.* 17*s.*,* or at the highest, 1*l.* 18*s.* 10*d.*† per ton. Let it be borne in mind that this price includes the profit; moreover, that it includes a price paid to the Government of Madras, which price yields revenue to that Government—let these facts, I say, be borne in mind, and I would then submit what possible chance would Liverpool salt have at 3*l.* per ton, even if the tyrannical measure, for it would be nothing less, were resorted to of destroying, or preventing by unequal duties, the salt manufacture of Bengal for the supposed benefit of the salt manufacturer of Cheshire. Mr. Crawford, the old and persevering antagonist of the salt monopoly, contemplated supplying Bengal with the “*fine bay salt of Coromandel and Malabar*,” but he appears to have gone no further than to speculate that this would help a British vessel’s Indian voyage by employing her freight from Madras or Bombay to Calcutta.

15. Indeed, the fact of the relative expense of importing British and Madras salt is one of the very first importance, never to be lost sight of in considering the whole question of the salt monopoly. The monopoly is assailed in the House of Commons and at Liverpool, *nominally*, because it is a grinding tax indefensible in theory, vexatious in practice—*really*, because certain great commercial communities consider that a change in our system of salt management would make the markets of Bengal wholly dependent for their supply upon the salt of Great Britain. I heartily wish that this vision were likely to be realized. I heartily wish that every ounce of salt consumed in Bengal could be brought from Great Britain; and that the two hundred thousand‡ tons of shipping which, even at *our* moderate calculation of the consumption demand, would be requisite for its conveyance over sea, could return westward freighted with the produce of the Gangetic provinces. But the only result which appears to me likely to follow such a change in our salt system as that first adverted to in these remarks, *viz.*, prohibition of local manufacture and levy of customs duty on imported salt, the only result, I say, which appears to me likely to follow such a change, would be a transfer of the manufacture from the Bengal Agencies to the Coast of Coromandel. Whether this would afford any peculiar comfort or satisfaction to the ship-owners of Great Britain, or the salt manufacturers of Cheshire, I have no means to determine.

16. I need scarcely call to mind the recent immense importations of Bombay salt by private merchants, and which has been sold in this market at sa. rs. 50 per 100 maunds, or 1*l.* 7*s.* per ton. Neither need I advert to the vicinity of the Ceylon supply susceptible of delivery at as cheap a rate. All these, however, are matters for the consideration of parties who assume that any change, even the extreme one I have supposed, could give the command of the Bengal salt market to the Liverpool manufacturer.

17. I am quite aware of the reply to all this. It is the old one, and so essentially English (that is, essentially selfish) that Englishmen are apt to consider it unanswerable. “You say that the Liverpool salt cannot compete in the Bengal markets with salt from Bombay, Ceylon, and especially Madras. You show that speculators attempting such a competition, must be ruined. What is that to you? Let them try; let them find it out.” This, it appears to me, would have been a capital argument for not building the Eddystone lighthouse; but I cannot exactly concur in its propriety, and rather think it is our duty to our fellow-countrymen, we being on the spot, and they very remote, to give them a fair and honest intimation of the difficulties we believe they would have to encounter. More especially do I think this to be our duty, as officers who have been most conversant with the machinery of the salt revenue, and the state of the salt markets in Bengal. If the salt trade had been like any other, occupying the capital, and exciting the interest, of British Indian merchants residing in this country, I should have thought it superfluous to notice the opinions or the anticipations of people in England beyond a consideration of how their being acted upon might affect the public revenue of India. But as it is, I think it our duty both as public servants in this particular department, and as individuals anxious for the welfare of our countrymen, to endeavour to set before them certain facts. If, after a full consideration of those facts, the shipowners and salt dealers of Liverpool remain firm in their persuasion that they can command the Bengal salt market, then I heartily concur in the sentiment of letting them try for themselves. It is only letting them try without warning, to which I cannot exactly reconcile my sense of what is right.

18. There is indeed one method by which the objects of the Liverpool speculators might be accomplished, but, as its adoption would involve not only a prohibition of the local manufacture, but a prohibitory duty on all salt imported even under the British flag from places other than the United Kingdom, I imagine that even the people of England could scarcely contemplate so serious a violation of the principles and the science most frequently appealed to in assailing or discussing the present salt system of this Presidency.

19. The next mode of levying the revenue which now accrues to the State upon the article of salt, supposing that revenue to be indispensable, and not to be obtainable in any other manner, is by an excise.

* The price estimated in the evidence adverted to by the preceding note.

† The price at which it is actually delivered, taking the rupee at 2 shillings, or 72 rupees per 100 maunds.

‡ A witness, whom I shall presently quote, makes it two hundred and thirty thousand tons.

20. Before adverting to the probable effects of an excise system, I must beg attention to the following points:—

21. That, as there is, and can be, no demand for salt at present in this country, however low the price at which the article is offered for sale, except as a condiment; and that as for alimentary purposes it is impossible to consume more than a certain quantity (which quantity is now consumed by the people of Bengal), no change in the salt system would have any material effect in increasing consumption—that the present average aggregate consumption of the provinces not using western salts, but supplied from Bengal, may be assumed at about 50 lacs of maunds per annum;* and that the consumption of each individual, or rather the consumption per head, including women and children, has been proved not to exceed 6 seers per annum.

22. I beg to refer to the numerous reports placed before Government on this subject from the year 1809 to the present date, but more particularly to the very full ones submitted by this Board on the 9th of July, 1829,† and on the 26th of January, 1832,‡ and we may at least await a refutation of the arguments therein employed, and of the facts therein stated, before we alter our own opinions on the subject of the aggregate, or individual, consumption of salt in Bengal, Behar, and Orissa. In the mean time, those opinions have been singularly corroborated by a set of facts which we placed before Government in our report of the 19th of November, 1834,§ and which I append to this minute on a separate paper, because they bear so intimately on the subject under consideration as to deserve, I think, special attention.

23. If, as I maintain, and the Board has long maintained, no change of system could in the present state of this country increase the consumption of salt. If again the amount of revenue realized by the monopoly is indispensable, then must the tax upon salt under an excise remain at its present monopoly rate, say 3 rupees per maund; for it would at least require that amount to provide for the machinery of an excise system, in nothing less expensive than the present, and to yield the same amount of net revenue which is now realized from the monopoly.

24. If these premisses be correct, then it follows that the only gain to the people of Bengal, which is the main point for consideration in this country, whatever it may be in the British House of Commons—the only gain, I say, to the people of Bengal would be the difference between the price of salt produced by individual competition under an excise, and the price of salt now paid by Government to the present producers. The expense of storing, guarding, weighing, &c., would remain much the same.||

25. It has been assumed that the molunghee's labour was unremunerative, in other words, that the price paid by Government for salt was insufficient; and that, consequently, the most horrible coercion and oppression were requisite to carry on the manufacture. If this has really been true, then, as far as the people of Bengal are concerned, they would under a system of excise, have to pay a higher price for their salt (the tax remaining the same,) to the producers, than they have hitherto paid to those producers through Government.

26. But every one is now pretty well aware, that the whole theory of molunghee oppression was a tissue of nonsense, absurdity, and exaggeration. Only judicious in so much as that it helped a particular party to accomplish a particular object. It assisted a case then making out against the exclusive privileges of the Company, and the tool having now served its end, has been thrown aside like any other instrument, of the use of which its employers feel a little ashamed.

27. There does not remain at this moment even a shadow of a doubt, that the price paid to the molunghees for salt, affords them fair profits; and if such a doubt could now exist there appears, even at this late period, and as if to leave no excuse for the remnant of such an impression, a fact even more conclusive on the subject than any which has yet been adduced. The manufacturers of those aurungs in the 24 pergunnahs which have recently been directed to be abolished, and in which the greatest oppressions have always been assumed to exist, have actually come forward and offered to make salt for Government without any advances at all. This is, I believe, the first instance in India in which such an offer has been made by the ryots; and it is not a little singular, that the example should arise, not in the case of indigo, or sugar, or saltpetre, or cotton, but in the much vituperated salt department, and that the tender should proceed, not from indigo, or sugar, or cotton-growing ryots, but from a class who have been pronounced forced labourers at unremunerative prices, exposed to horrors and privations worse than death. I subjoin a copy¶ and an abstract translation of those petitions, but it is unnecessary to notice them further in this place.

28. The price paid to the molunghee for salt is a fully remunerative price. It might possibly fall, and the article be produced cheaper under an excise system, but the question

* Liable to considerable reduction from several causes, particularly from any general distress, limiting the consumption of the other necessaries of life. A man who is compelled to go with half an allowance of rice will scarcely consume a full allowance of salt, or of any thing else that he has to purchase.

† Page 189 of the collection of salt papers.

‡ Page 65 of the above collection.

§ See papers annexed.

¶ Vide note dated 31st May, 1833, at the end of the printed collection of salt papers.

¶ See Annexure.

is, how much cheaper? I do not believe that under any circumstances, even with the utmost application of European skill and industry interested in the result, salt could be made in Bengal at a lower rate than 4 annas, or say 8 pence per maund.* The price paid at present to the molunthees for our dearest salt is 14 annas, or say 2 shillings and 4 pence per maund, but the average may be assumed at 10 annas, or 1 shilling and 8 pence per maund. The possible difference to the consumer therefore under an excise system, as compared with our present monopoly system, would be the difference between 8 pence and 1 shilling, and 8 pence or 1 shilling per maund; which, assuming that a grown up man consumes 6 seers per year, would reduce his expenditure for salt not quite 2 pence in 12 months.

29. I repeat that the price might possibly be reduced to 4 annas per maund; but this may also be done under the present system; and we shall speedily have to solicit the sanction of Government to the attempt being made on a scale which is alone likely to be attended with any success.

30. Now it appears to me that the utmost benefit to the people which *might* possibly result from the substitution of an excise for a monopoly system, would be a saving to a grown up man of 1 anna or 2 pence in 12 months, that is to say, 1 pie (the imaginary twelfth part of an anna) per month. Doubtless, if this saving could be ensured by any scheme with no counterbalancing evils to weigh against the benefit, with less vexation to the people, and with equal security to the public revenue, (always assuming that to be indispensable for the public good) then I am the very last to argue that the smallness of the amount should render it less an object for consideration. If the peace and welfare of the empire can be provided for by a levy upon salt of a farthing per maund, the levy of the smallest fraction beyond that sum is a wrong to all, and an indefensible exaction from the industrious poor.

31. The question of an excise therefore, resolves itself into this. Would it be less or more vexatious than the monopoly? Would it as completely secure the present amount of the revenue? After giving the subject a good deal of consideration, I am compelled to a conclusion that it would be *more* vexatious than the monopoly. That it would *less* effectually secure the public revenue.

32. The idea of an excise in this country has always appeared frightful to all who have considered the instruments which unfortunately we should be forced to employ in its maintenance. The ablest men who ever reflected on the subject, have deprecated any attempt at the introduction of such a system. The following are the observations of the Finance Committee of 1809, with regard to an excise, and, when it is remembered that Mr. H. Colebrook, and Mr. Lumsden, and Mr. Tucker were, in addition to other eminent public servants, members of that committee, I think that no trifling weight must be fairly allowed to attach to such knowledge of, and experience in, this country as were brought to the topic under consideration. "The establishment of an excise in this country, appears to us to be liable to serious objection, whether the tax be considered with relation to the effect which it may have upon the personal convenience of the individuals subject to it, to the means of abuse on the part of the officers of Government, to the means of evasion on the part of the subject, or to the expenses of collection.

"To collect an excise, a great number of officers must be employed, and, as it would be impossible to remunerate their services with large salaries, they must be selected from the lower orders of the people. These persons, who could not safely be entrusted with the exercise of any independent powers, must necessarily be vested with very extensive authority. They must be empowered to search, to visit the private dwellings of individuals, and to seize and detain goods, which may not have paid the established tax.

"Dispersed as they would be through the country, and far removed, in many instances, from the personal control of European agency, it cannot be doubted that they would commit very great abuse, and that the liberty of search in particular would be made the instrument of great oppression, and would frequently be exercised in a manner highly offensive to the feelings of the people. Indeed, nothing could be more revolting to the natives of this country, than the exercise of a power which might trench at all upon their domestic privacy.

"The same circumstances would render it extremely difficult to secure the public revenue. The numerous officers employed, might, no doubt, make large collections, were an excise imposed upon any article of general consumption (salt or tobacco for instance); but we fear that it would be utterly impracticable to devise effectual means to prevent the misappropriation of their collections. Their public allowances being small, and the temptation to fraud operating powerfully at all times, it is not to be supposed, that the apprehension of forfeiting an office of little value, while it is administered with integrity, would deter them from practising abuse, which they would know it must always be difficult to detect. A heavy contribution would be levied upon the people, while the public exchequer derived little benefit, and this may be considered among the worst features† of a tax.

"Nor could the tax be applied in any other mode, either by means of stamps, licences, or otherwise with better prospect of success. Manufactures and articles of

* It is said to cost 13 shillings per ton, or about 6 pence per maund at the Cheshire works.

† This is certainly not a feature of our present system considered as an Indian tax. The salt revenue has been collected at a cost not greatly exceeding that attending the collection of customs duties in Great Britain. *Vide* page 275 of the printed collection of salt papers.

consumption are seldom warehoused in this country in large quantities. *There is no class of master manufacturers, or merchants from whom the duties could be collected generally in gross.*

“The foregoing remarks will have shown, we think, an excise is objectionable upon the ground of expense, that it is likely to be productive of fraud and abuse on the part of the public servants, that the most rigorous system of controul would be necessary to prevent the evasion of the duties, and that such a system could not be enforced without sacrificing the personal comfort of our native subjects, without alienating their regard from the Government, and endangering perhaps, in some instances, the public tranquillity.”*

33. The excise on salt was considered in no other light at home than as a necessary evil, which is indeed the best that can be said of any tax, whether it be called an excise or a monopoly. But I think we may fairly assume that the people of England, in submitting to this evil as inevitable, took care that the provisions of the law should be as little vexatious, as little encroaching upon the freedom and comfort of individuals—that is to say, upon their own freedom and comfort—as was consistent with the due realization of the public revenue. I presume in short, that we may consider the excise in England as perfect a contrivance for the accomplishment of the object with which it was established, and as little vexatious as any scheme, affording equal security to that description of revenue which human sagacity could devise; consequently, that we could not hope for a better or less burthensome system of excise in this country. We may also assume (for the sake of argument only) that the excise officers would be equally indisposed to oppress or extort in both cases.

34. Now the following are a very few features of the English salt excise system as it was in force until a few years ago, and Government will judge how far it would be likely to work well, or be applicable in this country.

“By the 38th George III, makers and refiners of salt shall provide suitable warehouses, with proper fastenings, which shall be kept locked, except when the officer attends,† under forfeiture of 50*l.* Brine may be added once and no more, but the whole operation must be finished before fresh brine is put in under penalty of 50*l.*‡ Salt shall not be removed out of warehouses except at stipulated times, under penalty of forfeiting the same, carriages, horses, &c., and 100*l.* for every such offence. Persons removing salt without a permit, shall, on conviction, forfeit 50*l.*, or be committed to the house of correction for any time not exceeding twelve months.”

“Warehouses shall be repaired§ by the proprietor within a reasonable time, on pain of forfeiting 20*l.* Officers may seize salt found in vessels and carriages suspected of being clandestinely removed, and persons offending shall forfeit the salt and carriages, &c., and forty shillings for every pound weight.|| The proof of payment of duty lies on the owner, and not on the officer who seizes the same.” “Any officer of excise may enter any work-house or place made use of by any manufacturer of mineral alkali or flux for glass, and if such manufacturer shall upon demand, in the day time, (and if in the night, in the presence of a constable or other officer) refuse to permit such officer to enter, he shall forfeit 50*l.*” “Provided also that any officer of excise may at all times by day or night, enter into any work-house or other place used by bleachers, and by weighing, gauging, or otherwise, take an account of all salt therein.”

“Warehouses are to be approved by the officer and repaired or altered according to his directions,¶ and if such warehouses be opened or entered by any person but in the presence of the officer, he shall for every offence forfeit 20*l.*”

35. Again, by the 45th George III, cap. 14, sec. 2, “the warehouses are to be secured under the joint locks of the officer and proprietor, nor shall any salt be put into or taken out of such warehouse in less quantity than fifty bushels at one time, and after proper notice of twelve hours, and without the attendance of an officer.”**

36. Now I would ask any persons of ordinary reflection, and acquainted with the character of the inferior class of native officers in Bengal, what they imagine would be the result to the people, (even assuming that the officers in question would be honest to the State) if such wide openings were left for extortion and abuse as those which will suggest themselves in a moment from a glance at the above rules. The rules of a revenue system which is thus described by an author addressing manufacturers and tradesmen, a class well enough able to refute the account if it was exaggerated. “The manufacturer is subject to

* Extract from a report of the Finance Committee, dated 15th January, 1809.

† It would be a curious speculation to conjecture how often a native officer would attend a warehouse, the property of an individual, without a bribe, when he knew that the warehouse could not be opened except in his presence.

‡ Who is to decide or report that fresh brine is put in? The native officer!

§ This would be a choice instrument of oppression in the hands of a native exciseman, he would swear that the premises wanted repairing every week, unless strongly moved to the contrary by the proprietor.

|| This is a pretty round penalty, yet we shall see immediately how far it checked illicit dealings. We are content here with a penalty of four times the value of the salt. In England they took a penalty full five thousand times the value of the article. What would the philanthropists of Cheshire say if our penalty on illicit salt was 5,000 rupees per maund.

¶ This would no doubt be a profitable business for a native exciseman.

** This would certainly be affording facilities to the salt trade of a most singular description, and of which a native exciseman would make singularly good use for his own benefit.

the excise laws; and he pays a heavy duty for every pound of the article which he makes; his coppers, and even his furnace doors are furnished with locks and keys, and he dares not open them but in the presence of an excise officer, and he must give notice of twenty-four hours or more, in writing to the officer before he begins making. His house is no longer his castle into which none may come but by his leave—the excise officers are required to enter it at all times, by day or by night; they may, between the hours of five in the morning and eleven at night, unlock and examine every boiler, and every part of the dwelling-house, none daring to obstruct them without incurring heavy penalties.”

37. Again I ask, as Bengal now is, what *could* be the result of such a scheme for realizing the public revenue on salt, but oppression and vexation to an extent dreadful to the people, and dangerous to the tranquillity of the country.

38. Yet will any one pretend that in a country like Bengal, where chicanery is familiar, mendacity and corruption as common as the air, and every sort of evasion a mere matter of course, we could establish an efficient excise system with fewer or less severe checks than that in force at home! If the precautions were fewer and less effectual here than in England we should collect no revenue. If the precautions were as numerous and effectual, then I would ask, whether the system would not, with reference to the utter want of moral feeling in the instruments it would be necessary to employ for its maintenance, with reference to the habits and prejudices of those who would have to submit to its laws, become a curse to Bengal in comparison with which all the evils of the monopoly are trivial and unworthy of a thought.

39. Let it always be remembered that I speak with reference to Bengal *as it now is*. I speak of that class from which we are now compelled to select the subordinate functionaries in all departments, in its present state of utter demoralization. If great European capitalists hereafter show a disposition to manufacture salt on an extensive scale, or if native petty officers become honest with the spread of education and enlightenment, and cease to wrong, to extort, and to oppress whenever they find an opening for the exercise of their powers in those lines—then indeed I shall be prepared to admit that the salt excise system may inflict no greater extent of vexation in Bengal than it did in England, and that the consumer of the article may perhaps be relieved from the payment of one pie per mensem by its introduction. In the mean time, as I should have no hesitation in opposing opinions maintained by great names if they appeared to me erroneous—I have none in declaring my perfect acquiescence in those maintained by men to whom I cannot pretend to compare myself, however remotely, for a single moment—men intimately acquainted with Bengal, and all that concerns Bengal—men of the highest talent, of indefatigable research, and the most extensive experience, who have already pronounced, after mature deliberation, upon the utter unfitness and inapplicability of an excise system in the present state of this country.

40. But it may be said that our present system imposes similar restrictions, and leaves openings for vexations and extortions fully to the extent of the English excise. This I must utterly deny, and I challenge a proof of the assumption either from our salt laws or from the practice of the department. We contract with certain parties who engage to deliver to us a certain quantity of salt in return for monies advanced. For the sake of a great public asset, vigilant precautions are devised to ensure the delivery of the quantity of salt engaged for by the contractor, and partly paid for before delivery by the State; that is to say if no accident of season or other cause prevents its being made. These precautions are supported by law. They are necessary where great temptation exists to the protection of the just right of the State to receive the salt which it has already paid for. But they are confined to limited spots within the narrow belt which includes the manufacturing aurungs; and in no wise spread, as the English excise system is, like a great net over the whole face of the country. Indeed the only part of the monopoly scheme analogous to the excise, is the power conferred in certain cases to search houses for illicit salt declared upon oath to be concealed therein and to exceed one salt maund or 80 pounds avoirdupois in quantity. But even this power is not under any circumstances vested in the salt officers, who may be considered as standing in the place of English excise officers. On the contrary, the law declares as follows:—“*Rules to be observed in cases in which it may be necessary to enter and search dwelling houses, warehouses, and other premises.** All officers of the salt department are hereby strictly prohibited from forcibly entering of their own authority and unaccompanied by a police officer, the house or premises of any individual where contraband salt may be alleged to be concealed, nor shall any house or apartment be broken open on account of illicit salt, except on a statement verified on oath, of more than one maund being concealed therein; and no police officers shall assist in any search, except on the requisition of a salt agent or superintendent, or under the warrant of a magistrate.”

41. To compare the above provision with the analogous powers vested in excise officers of a similar grade by English law, would be a mere waste of time. But I trust I have urged sufficient on this head to induce some to pause before the conclusion be jumped at, that an excise duty upon Bengal salt would be less vexatious to the people than a monopoly; or that, if it were even a little *more* vexatious, still the saving to consumers would be so great under the change of system, as to warrant, so far as the State is concerned, the experiment being tried. It could not be of the slightest consequence to

* Vide Regulation X, of 1819.

the finances of British India, whether the salt revenue was raised by an excise or a monopoly, if it was as secure under one scheme as under the other. Our only wish in that case would be, that the people of Bengal might be spared from an impost of the former description, so long as the principal instruments for its collection must be sought from the inferior classes of their own countrymen. But there is another point for consideration, even if we could shut our eyes to the evils of an excise upon salt in Bengal; *would* the revenue of the State from that article be as secure as it is now? I must repeat what I have already said. I think it would not.

42. I have hitherto argued upon a supposition that, though the native officer might oppress and vex the manufacturer, in which he would *not* resemble the English officer of excise, he would still protect the interest of the State and do his duty honestly by Government, in which he *would* resemble the majority of English excise officers. This, I need hardly say, was a mere assumption, worthy of all ridicule if it, had not been assumed only for the argument's sake.

43. Let the known habits then and moral principles of the class of people who must in Bengal fill the places of the English excise officers be kept in sight, and, without adverting to the superior facilities for oppression and extortion, which would in this country be afforded by an excise in comparison with a monopoly system, let us endeavour to conjecture what would be the result of the change in a fiscal point of view merely.

44. At present the agent contracts with a molunghee, and pays him in part before hand for the delivery of a certain quantity of salt, and the contractor is watched throughout every step of the process employed in its production by officers of various grades; some tolerably well paid, and perhaps somewhat more afraid of losing their appointments than the ordinary and more numerous class. Again, the number of these officers,* all entitled to claim rewards upon seized illicit salt, is in some sort a check. If they all combine, their individual gains are proportionably small, and the temptation to roguery consequently less. If they do not all combine, then any party left out may disclose and break up the confederacy of the rest.

45. Still however, they are native officers of no very high grade, and I am the last person in the world to hint at the possibility of their being honest. I think, however, it will be evident that there is some slight check in their numbers congregated at one spot, and their want of confidence in each other, as well as in their being all liable to the control of a superior officer or two supervising, each chur or hoodah, who would not risk their places lightly. This could hardly be the case in an excise system, as I shall presently endeavour to explain.

46. Admitting however to the fullest extent, that, as far as a native officer is concerned, he will plunder Government as much under a monopoly as under an excise system (that is to say, as much as he can), there is a check inherent in the monopoly, of a real and practical nature, which can never be applied in a scheme of excise so long as, to use the words of an able writer on the subject, and a staunch antagonist of the monopoly, "the hereditary choolah† shall smoke in the manufacturing districts of Bengal."

47. I shall endeavour to explain the check adverted to above. The contractor engages with the salt agent, as already observed, to deliver a given quantity of salt. The agent satisfies himself of the number of the contractor's kallaries, and what they are each calculated to produce. A chur holds as many of these boiling places as can be worked upon it. They may belong to one manufacturer or to more, but the agent knows before the season commences how many kallaries belong to each manufacturer, and the size or capability of each kallary, and makes his advances accordingly.

48. The agent, if he knows his duty, also knows exactly, or very nearly so, how much the choolah of each kallary can produce at a boiling, and how often the brine can be evaporated in the 24 hours. And this evaporation he can insist upon, because he has already paid the molunghee for his salt, and has a right to demand that he should lose no time in completing his engagement quantity.‡

* They are in considerable numbers about one spot; for, under the monopoly system we can confine our manufacture within certain limits,—a chur or hoodah is the denomination for one of these places, and on one chur there may be many boiling places. This, I imagine, could not be enforced in an excise system, the very essence of which is to allow the manufacturer to carry on his work wherever it can be carried on most profitably to himself, so long as he is prepared to submit to the forms, and secure the duties prescribed by the excise laws. If this view of the case be correct, then instead of surrounding certain insulated spots, such as those to which we can now confine the salt manufacture, we should have to scatter excise officers along the whole coast from the frontiers of the Madras Presidency to those of Arracan, so as to follow and watch the salt makers wherever they might show a disposition to establish themselves.

† The choolah is the familiar name for the whole rude evaporatory by boiling. The writer in question perceived exactly the difficulties which are opposed to an excise (though he advocated its ultimate introduction) so long as the salt was produced in small quantities at petty native works, the "hereditary choolahs" in short.

‡ If salt is required by the department, the molunghee is allowed, after completing his engagement, to go on working his kallary so long as he delivers at a fair rate per diem. But if the weather becomes unsettled, which it often does towards the end of a season, or if the molunghee's deliveries begin to decrease, the kallary is then broken up at once in the presence of the agent himself, or of a confidential officer, and the manufacturing place is abandoned until next year. With the first of the rains it is under water.

49. Now, of all this every officer employed on the chur or hoodah is perfectly aware. They make their daily returns of the quantity manufactured (for the delivery of which to the store golahs of Government they become from that moment responsible) at each kallary by each contractor, and on the whole chur. And in making these returns, they are aware that the agent at a glance can detect any material decrease in the produce below what he knows a certain kallary or a certain chur ought to yield.* The only shadow for an excuse for such decrease is, very tempestuous weather or continued rain, neither of which ordinarily occur to any great extent during the principal manufacturing season. Unless these can be urged, the agent knows, to within a quantity of no very great importance, the amount of salt each of his churs and his whole agency should produce daily; and so well does he know this, that the dismissal of the head officer of a chur, if not of the aurung darogah, who has all the churs of the aurung under his control, would follow any material falling short.

50. Tempest and heavy rain alone, as already observed, can be admitted in extenuation of any material diminution in the produce; but then those can rarely be urged unless they actually occur. The agencies, except that of Bullooh and Chittagong, are not so extensive as that bad weather should be experienced in one part of a division without the slightest symptom of it in another part. Besides, the agent would scarcely be so easy as to take the simple word of his officer on the subject. He would either proceed to the spot himself, or dispatch his European uncovenanted assistant (one or two of which are attached to each agency for such duties) or his head native officer, generally a better class of man. Or if he had doubts, he would ascertain from the neighbouring police officers or residents in the neighbourhood, whether there had really been the bad weather reported, or not.

51. These are ultimate checks, very simple in application, which the manufacturing officers can to no great extent evade, and which are in the hands of a high public functionary, whose service and station are sufficient guarantees for his integrity. The officers employed to watch the manufacture are fully aware of them, and perfectly sensible of the danger to themselves from any attempt at evasion. Still they doubtless are, indeed must be, occasionally evaded in a concern so vast as the Government salt manufacture; especially at periods when the weather, happening to continue unsettled, affords the salt officers the only material advantage they can take of the agent. The question however is, whether, imperfect as these checks may be, an excise system (as Bengal now is) would afford any check half as simple, or half as complete?—I think it would not.

52. It is not very easy to conjecture what description of excise scheme the advocates in favour of the substitution of an excise for a monopoly system are pleased to contemplate. For though very loud and astonishingly eloquent in their reprobation of the plan now followed for realizing the salt revenue, they are never so good as to favour us with the details of that which they would introduce in its place. I speak of course only of such as admit that the salt revenue is necessary, but quarrel with the mode of raising it. To those who follow the more simple process of declaring that the revenue is not necessary at all, the objection to the excise and the monopoly must be pretty equal.

53. But presuming that something analogous to the English excise system is intended to be pursued. In that case a man, say the proprietor of a kallary, capable of producing 500 maunds of salt in a season, will take out a licence to manufacture that quantity. He applies on a certain date to the European head of the department for permission to commence his operations. Now the head of the department must either proceed himself to watch the boiling, or he must depute, as in England, a subordinate officer of excise. But, as there would be many hundred boiling places in each district, fixed according to the fancy, or the prejudice, or the convenience, of the manufacturer, it is pretty clear that the European superior could not, with all the will or activity in the world, personally supervise the manufacture going on at each and all at the same period, that is to say during the proper season for manufacturing. He must consequently entrust the control of that vital operation of an excise system, the production of the exciseable article, to such an officer as we now place to watch a single kallary; but who is now watched in his turn by others of a higher grade and better paid, who are in different degrees responsible for the produce of the entire chur or hoodah. What would be the result?—After a time, the officer would make his return that A.B., manufacturer, had heard that the salt market had fallen, or had been disappointed in receiving money necessary to pay his labourers,† or had some other good reason for not proceeding in his design to make salt just at that time.

54. Now the European officer, if he had been three years in Bengal, would not believe either of these statements. He would know perfectly well that the salt had been made, and carried away from the choolah without the payment of one anna excise duty,—with no other payment, in short, except a reasonable douceur to the native exciseman.‡ But what check could the European superior oppose to such a fraud equal in efficacy to that

* I speak of a good agent of course. If the salt department is converted into a receptacle for all who are unfit to be employed in others, it must suffer the fate that would attend inefficient control in any branch of the public service. At present we are fortunate in possessing agents having our confidence; zealous, attentive, and well informed in their duty.

† None of these excuses, it is evident, would be held valid under our present system. Besides, the manufacturer has always to refund the advances if he does not make the salt.

‡ This man must necessarily, as before explained, be of a lower grade and worse class of officer than those now in charge of churs or hoodahs, and whose pay, if employed to watch each individual's produce (as excise officers), would absorb a very large proportion of the revenue.

already shown to be at the disposal of the salt agent? On what defensible ground could he even withdraw his confidence from the native officer, or punish him with dismissal, although morally assured that he had been aiding the molunghee to defraud the revenue?

55. But even were it otherwise, can any one for a moment suppose that the Bengal molunghee could really advance the tax upon salt? that is to say, the excise duty in addition to the cost of making the article, when he now requires the aid of Government in the shape of an advance before he manufactures at all? * The advocates for an excise may allow that this is a difficulty (one, not the least able, has admitted the incompatibility of the excise system with the existence of the hereditary choolah). But then they add, "Have works on a great scale to produce two or three lacs of maunds each. These will afford Government the means of paying respectable European officers of excise at each, and convert the salt divisions of Bengal into an Oriental Cheshire." With this arrangement we have nothing to do—I am only speaking of the salt districts, and of the manufacturers, and of the salt officers as they now are, and not as they may be in the year 1935.

56. But it is curious to see what the opinion was of a writer very conversant with the subject, concerning the fiscal results of the salt excise system even in England. "Notwithstanding," says Mr., afterwards, I believe, Sir Thomas, Barnard, in his work on salt duties, page 29; "notwithstanding the vigilance of the excise officers (a thing not to be hoped for in India), and the severity of the revenue laws, and their endless sequence of bonds, penalties, forfeitures, and so forth, *there can be no doubt of the fact that only about one-third of the salt consumed in England pays duty,*" "while an army of excise officers collects the high duties on 50,000† tons, the smuggler receives a lower though still a very high duty on 100,000 tons."

57. Now if this statement (from a high authority on such a question) approximates to the fact, it renders one of the following conclusions inevitable. Either we could introduce a more perfect system of excise upon salt in this country than it was possible to devise and carry into effect in England; or for every maund of salt that would pay excise duty two maunds would be smuggled.

58. I think there will be no disposition to argue that an excise system, even as perfect as that of England, could be maintained in Bengal, and therefore the other conclusion is unavoidable, viz., that the smuggling under our Bengal excise system would be greater than the smuggling under the English excise system. In other words, that more than two maunds of salt would be smuggled for one that paid duty.

59. Now, considering the two schemes of monopoly and excise with reference to their comparative efficiency for the maintenance of the public resources, and merely in a fiscal point of view, the next inquiry is an obvious one, and comes as a matter of course: Are there, under the monopoly system, two maunds of salt smuggled for every maund on which duty is levied? We may answer at once and with unqualified confidence—no—it is utterly impossible..

60. The population of Bengal, Behar, and Orissa could no more consume with their food 150 lacs of maunds of salt per annum, than they could drink up the waters of the Ganges. No population in the world to the same extent could consume, *with their meals only*, that quantity of salt, which would afford an average per head of nearly 35 lbs. per annum.‡

61. But the conclusive proof is in the revenue. The idea that we could sell nearly 50,00,000 maunds of Government salt, wholesale and retail, at a price which, after paying the expenses of manufacture and of our protective system, still leaves a profit or tax to the State of nearly three rupees per maund: the idea, I say, that we could realize this

* This objection has been endeavoured to be met in a manner noticed hereafter, *vide* paragraph 93 of this minute.

† This of course was a wholly inadequate supply for England and Wales, being not much more than about one-fourth of the average consumption in the Bengal rowannah provinces, where salt is used only with the meals, and not in manufactures and the arts as at home.

‡ In various debates and public documents respecting the salt excise, the consumption has been estimated as follows:—

By Mr. Pitt at less than 56 lbs. per annum for a family of five persons, or about 11½ lbs. per individual, nearly our Bengal consumption.

By Mr. Johnston (in the report of the committee of salt duties) at 14 lbs. per head per annum.

Mr. Curwen (opposing the continuation of the salt duties) estimated that the working classes consumed a stone of salt, or 14 lbs. per head per annum.

Mr. Rose, in the same debate stated 28 or 29 lbs. per annum as the consumption for a man, his wife, and three children, or less than 6 lbs. per head per annum. This is about the consumption of the Calcutta Free School.

All families and persons liable to the "*taille*" in the provinces of the "*grandes gabelles*," were enrolled, and their consumption, for the "*pot*," and "*saliere*," (i.e. the daily consumption, exclusive of salting meat, which the French peasantry rarely practised) estimated at seven lbs. per head per annum; which quantity they were *forced to take* under fines and penalties, whether they wanted it or not. It may be pretty fairly assumed, that the French financiers compelled the unhappy peasantry to take the utmost quantity of their taxed salt which they could with any decency force them to receive. The inquiries of that distinguished and able officer Mr. Trevelyan in the western provinces, convinced him that the consumption there under customs duties was the same as in Bengal, or about 6 seers per head per annum.

price if 100 lacs of maunds of smuggled salt were carried annually into the Mofussil, is nothing short of preposterous.

62. All these considerations lead, it appears to me—treating the question purely as a question of revenue—to only one conclusion; viz., that an excise in Bengal holds out no such flattering prospect of fiscal advantages that, on account of revenue, it should be substituted for the monopoly. On the contrary, we can only infer that, assuming the consumption of Bengal, Behar, and Orissa to be nearly 50 lacs of maunds of salt (the quantity we now subject to the tax), we should realize revenue under an excise on no more than 17 lacs of maunds (or one-third of the entire quantity consumed), even if our excise system were as perfect as that of England, and our excise officers as vigilant and as honest.

63. I have endeavoured to establish in the preceding paragraphs—

First. That the substitution of an excise for a monopoly system would afford no relief to the people from those vexations which are inseparable from the collection of revenue upon an article of local production highly taxed, but that it would, on the contrary, in all probability increase such vexations.

Secondly. That there would be less security for the revenue under a salt excise than under the present monopoly system. In treating of these points, the arguments may be less comprehensive than I could have desired. But let it be borne in mind that we labour under the very serious difficulty of not exactly knowing what description of excise scheme those, who are inimical to the monopoly really propose in substitution for the latter tax. If we knew the details of their plan better, we might perhaps find it even a weaker and more unhappy imagination, for the purposes contemplated, than I now venture to assume. At all events, if it is not some great improvement upon the British excise system, then it certainly strikes me that there is sufficient cause to distrust it either as a measure of relief, or an instrument of revenue. Under certain circumstances, it is the clear and bounden duty of a prudent, not to say a humane and upright, absolute Government, to relinquish revenue at all risks, and whatever misery its relinquishment may entail upon the few for the good of the many. In other words, it is incumbent upon such a Government to do for the many what, under a representative system, they would accomplish for themselves. I contend, however, that those circumstances, so far as the salt revenue is concerned, have never been made out beyond very idle, though very benevolent, declamation. The whole case is before any man who will take the trouble to peruse the printed collection of salt papers published by order of Government in 1833. Of course no one is likely to undertake so grievous and wearisome a task for pleasure; but it is a task that it is every public man's duty to humble himself to, and endure, before he assails one of the chief resources of the British Indian Government (if he admits that resource to be indispensable), or proposes a vital change in the system hitherto pursued for its realization.

64. It is beyond question that there are cases, and those not very extreme ones, in which it is the manifest duty of a British Indian Government not to hesitate a moment in altogether relinquishing an asset of the State, whatever may be the consequences merely to the servants of the State, or the interests of persons dependent upon the revenue. But, to substitute for an existing system of taxation, a new system, which should, at one and the same time, add to the vexations of the impost and risk the revenue derived from it, would assuredly be one of the most curious and incomprehensible experiments ever recorded in the history of finance.

65. I now come to consider the third mode in which it appears to be imagined that the salt revenue can be maintained under a changed scheme of realization, I advert to the combination of the excise and custom systems in which the rate of duty per maund on salt should be the same in one as in the other.*

66. It is as well to observe here, that the party which has dreams of an Indian excise upon salt, is composed of individuals benevolently disposed towards and somewhat interested in Bengal, being indeed almost all located in the Presidency. Those who imagine the chief supply importable under custom duties are of course persons who care very little about the Rowanah provinces; but a great deal about the county palatine of Cheshire. The two parties would, I fancy, very gladly spare each other the labour and risk of relieving the Bengal ryot from the burthen of the salt monopoly, and take that gratifying trouble on themselves alone. But the necessity for some degree of decorum and propriety, so essential when there is a great parade of humanity, forces them into a kind of compromise, of which are born those suggestions for the mixed system I have already adverted to.

67. This is, I believe, rather a departure from the English excise system, which owing to the enormous duty† upon excisable articles, rendered their importation generally speaking impossible, even in cases where it was not prohibited by law. The mixed scheme of excise and customs duties is, in short, a very close approximation to our monopoly system, which admits the importation of salt on payment of a duty about equal to the

* Say two or three rupees per maund on all salt imported, and two or three rupees per maund on all salt produced, in Bengal.

† The salt duty in England was as high as 15 shillings per bushel, or thirty times the prime cost of the article. Our monopoly duty is about five times the lowest prime cost of the article.

duty realized upon salt of local manufacture, and by no means prohibitory, as has been proved yearly, and, in recent instances, to a very great extent.*

68. The observations I have offered upon the salt excise system, and on the importation of salt under customs duties considered separately, are evidently equally applicable to the mixed scheme. The excise part of such a scheme would risk the revenue and remove none of the evils inseparable from a high tax upon local produce. The customs portion would disappoint the expectations of its advocates, who consider it chiefly excellent because they intend to import Liverpool salt.

69. But as there is never wanting on any occasion, an ingenious and flattering device of the *ad captandum* sort, it has been discovered in England that the India Government may lower its excise and customs duty on salt to two rupees per maund, and yet maintain the full present amount of revenue, besides producing all kinds of extraordinary effects on the commerce and prosperity of Bengal and Liverpool.

70. Of course, whether the excise and salt customs duty were two rupees per maund, or twenty rupees per maund, still, if they were equal, that is to say, the excise two rupees, and the customs two rupees, the result, as far as Liverpool salt is concerned, would be precisely the same. It could not, I feel convinced, compete in this market under equal duties, either with the salt of Madras, Ceylon or Bombay, or with the pungah salt of Bengal.

71. It is very instructive and interesting however to see a case made out in favour of exportation from Liverpool and against the monopoly; which I do really believe owes to its name half the ill-will exhibited towards it. Had it been called a Bengal excise, or the salt tax, it would not have been nearly so obnoxious to the fancy, whatever it might have been in fact.

72. I advert to the evidence of a great salt manufacturer of Liverpool, Alexander Reid, Esq., given, it would appear, before the East India Committee of the House of Commons in 1832. Mr. Reid observes—"By the same report of 1831, page 762, I find the population to be supplied out of the monopoly amounted to thirty-seven millions and a half, from which I deduct for Cuttack, as not likely to use that salt, two millions; leaving thirty-five millions and a half of people.† The consumption of salt by that population would (this is Mr. Reid's opinion), amount to \$2,50,000 maunds' weight."

73. Now, according to this showing, the consumption of the people would amount to $7\frac{1}{3}$ seers per head, instead of 6 seers per head. The first is a theoretical consumption beyond the highest ever estimated by any Indian statist for an Indian population (*vide* notes at page 195 and 196 of the collection of salt papers). The last has been ascertained as the actual consumption; and this Board have too often stated the reasons for believing that, if salt were sold for a little more than its prime cost per maund, the consumption would not materially increase, to render it necessary for me to repeat those reasons here.

74. Until, therefore, we see the facts stated in former papers on the same subject controverted, and the arguments refuted, it is impossible to admit that more than 6 seers of salt per head is required for consumption by the population of our rowannah provinces.

75. Admitting it however, for the present, merely for the sake of the argument—admitting that $7\frac{1}{3}$ seers per head were required, that it was supplied by the Cheshire manufacturers, and consumed by the people of Bengal, what would be the result? The cost of Liverpool salt would be as follows, according to Mr. Reid's statement, and we may rely upon its fairness, because his evidence is candid, sensible, and straight-forward throughout:—

				£	s.	d.
Assumed price of salt at the works per ton	..	..	..	0	13	0
Cost of transport to the ship	..	..	..	0	3	0
Town dock dues and charges	..	..	..	0	1	0
Insurance at 40 shillings per 100l. value	..	..	..	0	0	6
Freight .. .. .	..	..	..	2	0	0
				<hr/>		
Per ton	..	..	..	£2	17	6

76. Mr. Reid says that he has been offered freight to Calcutta at 20s. per ton, but he admits that 2l. may be considered a fair average rate for calculation. I think, on the contrary, that it is much too low. It may indeed be a fair rate now, when ships do not

* No less than about six thousand tons of Bombay and other salt have been imported, and paid duty, during the present year, and more is arriving. I imagine that the entire import of the year will not fall short of ten thousand tons.

† From this number we, in Bengal, make a large deduction on account of a great population living in, or on the borders of, the salt districts, and whom nothing short of an army of preventive officers, (and those honest officers) combined with a system of espionage and search which no native population could submit to, would compel to consume highly-taxed salt. They can always, in those districts, make the small quantity required for home consumption, with hardly any labour and less danger; and when they can do this, it is scarcely to be supposed that they would even take the trouble to go to the neighbouring market to buy the article if it was selling there untaxed. It might as well be expected that a man, having a mangoe tree full of good fruit by his cottage door, would go and purchase mangoes at the haath.

come out in numbers too great to obtain return cargoes; but if 240,000 tons of shipping* brought salt from Liverpool, I should really like to know how, in the present state of the commerce of this country, return cargo is to be supplied to such an enormous extent. If it is not supplied, freight must be paid upon the salt so as to cover the voyage out and home, and that freight could not, I think, be estimated at less than 7*l.* or 8*l.* per ton.

77. I have no desire, however, to take advantage of this oversight, although I think it right to notice it. We will therefore assume that salt can be brought alongside the Calcutta custom-house at 2*l.* 17*s.* 6*d.* per ton of 27 salt maunds, say sicca rupees (at an exchange of 2*s.* per rupee) 28-12 as. To this add duty at 2 sicca rupees per maund, or sicca rupees 54 per ton. Then there are wastage, agentage, pilfering, warehousing, landing charges, weighing, &c., say 5 rupees per ton, add profit at 6 annas per maund (which would give about 5,000 rupees, or 500*l.* on the whole cargo of a 500 ton ship),† and the salt would pass into the hands of a set of dealers, such as now purchase salt at the Company's sales.

78. Recapitulating the account, it stands thus :—

	SA.	RS.	AS.	P.
Cost of importing 1 ton or 27 maunds of salt	28	12 0
Duty as proposed at 2 rupees per maund, on 27 maunds	54	0 0
Wastage, interest on money, agentage, port charges, landing charges, weighing, warehousing, &c. }			5	0 0
Profit to importer at 6 annas per maund	10	2 0
Total per ton	Sa. Rs. 97	14 0

79. Now even at our present monopoly rates the average price of salt, including the tax of about 3 rupees per maund, is rather less, on a general average, to the first purchasers than 4 rupees per maund, or sicca rupees 108 per ton.

80. The cost of transportation to the consumer, the native merchant's profits, &c., would, I assume, in both instances, be equal, and enhance the price, say to Patna and the western frontier of our Rowanah provinces, one rupee per maund. The imported salt would therefore come to the most remote consumer at a cost of sa. rs. 124-14‡ for 1 ton or 27 maunds; and our monopoly salt now reaches the same consumer sa. rs. 135 for 1 ton or 27 maunds.§

81. Now, supposing that the ryot uses the quantity assumed by Mr. Reid, or $7\frac{1}{3}$ seers per annum, the cost to him for his year's supply of salt imported from Liverpool, would be as near as possible 13 annas.

82. At our present monopoly rates the same annual consumption of $7\frac{1}{3}$ seers would cost the ryot $14\frac{1}{7}$ annas, so that the gain of the ryot, whose comfort is the ostensible object of so much discussion, though we believe he has not the slightest idea upon the subject himself,|| would be $1\frac{1}{7}$ of an anna in twelve months.

83. This, however, is taking the monopoly tax at about 3 rupees per maund, and the custom tax on Liverpool salt at only 2 rupees per maund, evidently an unfair way of treating the question, and only put to show (supposing the duty to be 33 per cent. less under an excise and custom duty than under our present monopoly, but the consumption the same under both), how little the poor ryot, whose name is the watchword with the anti-monopolists, would gain by the exchange.

84. But if we reduced our monopoly duty to 2 rupees per maund, which we might easily do by declaring salt imported under British colours to be liable only to that duty, then, our monopoly salt would reach the ultimate consumer at the rate of sa. rs. 4 instead of sa. rs. 5 per maund, while the Liverpool salt could not reach him at less than sa. rs. 4-10 per maund.

85. One grand objection which has always been urged with a great air of triumph, which is no doubt in one sense unanswerable, and which in serious truth hardly deserves to be answered until the tax upon salt can be dispensed with altogether, is this, viz., that the tax falls equally upon rich and poor. Indeed, it falls in one sense more equally than its adversaries to the westward of the Cape of Good Hope imagine, for in general a wealthy Bengally consumes no more salt with his own meals, owing to the peculiar mode of living amongst this people, than a poor one.¶ I am very much perplexed, however, to discover how this is to be obviated either by an excise system, or a custom duty upon salt. Be the excise or the duty never so light, they must still in one sense draw an equal amount per day or per year from the poor man and from the rich one: an element of taxation indeed which is inseparable from any impost upon a necessary of life, especially

* The British shipping now resorting to this port from the United Kingdoms may be taken at from fifty to fifty-five or sixty thousand tons per annum.

† This would obviously be an insufficient profit unless return freight was obtained; and how the Gangetic provinces are to supply 2,00,000 tons of return freight to Liverpool (for many years to come) is not very apparent.

‡ Equal to sicca rupees 4 10 per maund.

§ Equal to 5 sicca rupees per maund.

|| *Vide* letter of January 26, 1832, paragraph 85, and other parts of the printed collection of salt papers.

¶ Both consume about six seers per annum. The wealthiest man in Calcutta consumes no more. *Vide* collection of salt papers.

Bengal salt preventive service, and I will be bound to improve the revenue from the monopoly, so as to pay the outlay for establishments many times over. At present I only compare the revenue results of an imperfect customs' system with the revenue results of an imperfect monopoly system, salt being the article taxed in both. Those results speak for themselves. In the one case, it is a repetition of the excise matter in England, two maunds smuggled for one which paid duty. In the other, such a proportion of smuggled to dutiable salt is clearly impossible for the reasons already assigned.

91. Mr. Reid says all premises in Scotland and England upon which salt was made were "regularly entered and licensed by the excise; they were put under strict survey. There were two locks on the premises, one kept by the revenue officer, and the other by the proprietor, and the one could not have access without the other." Now I would beg any one acquainted with the salt manufacture in Bengal to admire the applicability of this portion of the excise scheme of England to our molunghee producer. Pretty premises truly are those in which he stores his salt! four mats and a roof of leaves. Why, the whole edifice is not worth the cost of a lock and two keys, even if twenty locks and twenty keys would secure the salt contained in such a fragile receptacle.

92. "Even," says the evidence, "where the salt pans cover an extensive surface of ground, it is quite easy to watch the manufacture to any extent." No doubt it is when there are salt pans, and above all when there are honest officers. But no English salt manufacturer can have an idea of a chur extending some miles, covered with a hundred or two hundred separate small boiling places, each belonging to a particular proprietor imbued with the true Bengally instinct of chicanery, each having its own little "premises" to store salt, and each to be watched by an officer who is, if possible, a greater rogue than the molunghee—who would be so at all events if the monopoly checks formerly detailed were removed.

93. Again, "It would not be fair to charge the duty on the salt as it is collected from the salt pans, but the salt should be permitted to pass from the pan to the warehouse without any charge of duty being then made. The way it was done in England under the duty system was, that the salt was taken from the pans into the warehouse under locks of the excise officer and manufacturer, and the duty was charged upon the quantity when taken away from the warehouse." Here is the warehouse with two locks again, and surrounded by four walls which a little child could remove, and after he had taken out as much salt as he wanted, replace again. And the salt is to be permitted to pass from the pans (choolas) to the warehouse! Truly in Bengal it would require some peculiarly ingenious device to make it pass from the pans at all—at least if the excise officer's report on the subject was to be taken, for nine times out of ten that veracious document would return "No salt made."* It may be thought by simple persons, that this would be easily obviated by giving the excise officer the full value of the salt, inclusive of the excise (say 3 rupees per maund) on all seizures of the article attempted to be removed, except to the warehouses. But a scheme analogous to this has already been tried, and the result was salt being manufactured in large quantities *on purpose* that it might be seized; and even if the manufacturer received imprisonment† in default of paying the fine levied upon him under the law, he was especially content to lodge in so pleasant a place as a dewanny jail; get well fed, have nothing to do, and share with the seizing officer the amount of rewards which had been paid to that functionary on the salt, whose attachment had been concerted between the two parties—Mr. Reid would be exceedingly astonished if any one was to propose a scheme to him of the above description, involving a six months' residence in the county jail. Yet our Bengal Reids, so far from being startled at such a suggestion, would think it a very sensible and proper speculation.

94. But then comes the crowning absurdity of the excise system with reference to its applicability in Bengal. "The salt manufacturer was obliged to come into a very heavy bond to Government for any duties that he might be subject to, but they were only charged when the salt was taken from the warehouse." Now it is scarcely possible for any one who has ever seen a molunghee, to treat with gravity the idea of the ten or fifteen thousand principal manufacturers, who are no more after all than mere peasants making salt each on his own account, each coming under a heavy bond to Government for any duties he might be subject to. Why we cannot even now get certain and available security for the ordinary advances, say 200 rupees for 500 maunds of salt, although those advances are made with caution so as never to pay the molunghee much beyond what is due for salt already delivered. Let any one imagine therefore calling upon the man who now delivers 500 maunds of salt, and who cannot produce it without borrowed capital, to execute a bond with sureties for duties to the amount of 1,000 or 1,500 rupees.

95. With one more extract from Mr. Reid's evidence, I shall conclude—"I have been enabled to have access to documents in which the mode pursued by the molunghees in the Sunderbunds is fully and accurately detailed, and, from the information I have derived from those documents, I do not entertain any doubt that a duty might be charged upon the same principles as it was charged upon the salt in England, with perfect security to the revenue; for the chowkey establishment already in operation could manage the duty

* Of course it is not contemplated to force a man to make salt, if he heard that the price in the market had fallen.

† Say six months—for our law does not allow a smuggler to be incarcerated for a year, as the English salt excise did.

system just as well as it manages the present monopoly trade system. If a revenue was so charged and private individuals were allowed to trade in salt, buying and selling as they pleased, and when they pleased; and if salt imported into Calcutta over sea was charged with a fixed and certain duty, and placed on its import in warehouses, similar to those in which the home-made salt should be placed, and if the duty should only be paid when the salt was taken out for consumption, under those circumstances the British merchants would not have any difficulty whatever in entering into free competition with the natives, and supplying the salt according to its price and value. Under such circumstances, from the information I have obtained, I believe that salt could be supplied to the consumer in Bengal at a much lower price than it is now supplied. My impression is, that salt could be supplied to the consumer at a much lower price than it now is, and also of a very superior quality."

96. Upon this last extract, I beg to observe—

First. That no documents whatever could give Mr. Reid an idea of the state of the salt manufacture in Bengal—a man must see it to comprehend it.

Secondly. That (as I have endeavoured to show) no system would in the existing state of Bengal, secure so large a porportion of revenue upon salt consumed as the present.

Thirdly. That salt imported over sea is now charged with a fixed and certain duty, and that it can, under the provisions of Regulation XV, of 1817, be placed on its import in warehouses precisely similar to those in which the home-made salt is placed—with this difference, that no warehouse rent is charged upon imported salt, though it is charged upon the home-made salt, soon after it becomes the property of purchasers at our public sales—the justice of which distinction is not very palpable.

Fourthly. That duty need only be paid (under the same regulation) upon this imported salt, when it is taken out for consumption, provided it be taken out of the warehouses, where it is stored free of expense, within a year. If it is not taken out within a year, it must pay duty—surely a year is a sufficient time for the sale of an article in constant every-day request.

Fifthly. That the British merchant, if he is content with the same profit which he would realize under an excise or customs duty system, might now compete with the native merchants with precisely as much advantage to himself as he could if those taxes were substituted for the monopoly.

Sixthly. That the salt would only be supplied lower to the consumer in Bengal (so long as a customs or excise duty was levied upon it) to the extent of the difference between what Government now pays the molunghee for his salt, and the price at which private competition and European enterprise might produce it.

And seventhly. That the natives, with the exception of a few who have adopted European habits and ideas, do not care one anna for the quality of the salt they eat, so long as it is of that description most satisfactory to their prejudices. Government can ascertain this in an hour by directing a confidential officer to call before him a few wealthy native merchants of Calcutta. Let them be asked what salt they eat, and let them be requested to bring specimens of it; then let them be asked why they do not use the refined salt used at the tables of Europeans, for, as any Englishman knows who partakes of a dinner daily, we can have our salt here precisely as white as it is in London. In this office, the experiment has been tried with respectable and rich Hindoos, and they have declared with great indifference, that they had not the least idea why our white table salt should be preferred to the more dusky condiment they have been used to, but quite the reverse, because, said they, making it white takes away its flavour! But an equally conclusive proof is in the sale prices of the fine white salt of Liverpool and America, as compared with those of the country condiment which the natives most affect. I do not pretend to understand or account for this taste, any more than for that which leads them to prefer fish not altogether fresh; and soft over-ripe mangoes. I merely state the fact:—

Sale of May, 1833; Price per 100 Maunds.

	SA.	RS.	A.	P.
Cutlack boiled Salt {	Cuttack	381	11	2
	Khoordah	446	0	0
	Balasore	439	6	5
24 Pergunnahs boiled	390	13	7	
Jessore	398	0	0	
Solar evaporation salt {	Madras	372	7	1
	Cuttack	367	4	9
Fine Liverpool salt at Sulkeah	363	0	0	
Damaged agency boiled salt at Sulkeah	416	6	5	

Sale of September, 1833; Price per 100 Maunds.

24 Pergunnahs boiled salt	398	9	4
Jessore	386	5	8
Chittagong	372	13	2
Narraingunge seized salt	365	0	0
Liverpool salt at Sulkeah	363	0	0

Sale of October, 1834; Price per 100 Maunds.

	SA.	RS.	A.	P.
Liverpool salt at Sulkeah	382	13	4	
Tumlook	377	4	2	

This is the only instance of excess of price; the salt was purchased, I believe, by an European house for curing meat.

* Sale of November, 1834; Price per 100 Maunds.

Cuttack boiled salt at Sulkeah	{	Cuttack	..	..	..	419	3	2
		Khoordah	..	..	..	424	0	0
		Balasore	..	..	..	423	0	0
Tumlook boiled			..	..	..	372	0	0
Made at Mr. G. Prinsep's works, Balleghatta refined salt at Sulkeah			..	..	..	370	3	0
Seized salt at ditto			..	..	..	370	6	10
American salt at ditto			..	..	..	346	0	0
Liverpool salt at ditto			..	..	..	367	3	6

97. I must again beg it may be borne in mind, that in all the preceding remarks, I speak of a change of system with reference to the salt manufacture in Bengal, *as it now exists*. With reference also to the moral character of the manufacturer, and of the instruments we should be compelled to employ in working a scheme of pure excise or of mixed excise and custom duties. If Mr. Reid and a few other great Cheshire manufacturers will settle in the salt agencies—if they will establish salt works capable of producing in one spot, say even a mile or two miles square, five or six or ten lacs of maunds in a year, so that we can place well paid, respectable, trustworthy officers in charge of them, every three or four sets of works being supervised by a covenanted servant. If such great manufacturers will give those securities for the duties which their capital and respectability would enable them to command; then I shall be prepared and very happy to take an entirely new view of the question, though the consumer will be little benefited after all. I have no greater predilection for monopolies in the abstract than Mr. Mill or Mr. McCulloch. But, if the revenue derivable from the salt monopoly is essential to the maintenance of the peace and welfare of British India, then, looking upon all taxation as a mere choice of evils, I do believe the monopoly to be not only a less evil, but a better means of raising the required amount, than either a Bengal excise or a mixed excise and customs system.

98. If great salt works can be established in the place of the "hereditary choolah," I shall probably change this opinion; but that experiment may be tried as well under a monopoly as under an excise system; and we are about, as already observed, to solicit the sanction of Government to its being made. In the mean time, having never ceased to consider the subject, I think that certain changes might be effected in our scheme of monopoly (without departing from the principle, or at all relinquishing our check over the production of salt,) which would at least meet many objections, and certainly simplify the working of the whole system to a most desirable extent. I allude to the plan of fixing prices for the salt of each ghaut† and selling to all applicants in any quantity of not less than 100 maunds. Granting orders upon the agent, and rowannahs for the protection of the salt when cleared (as at present) in return for a ready money payment. This measure has always been favourably thought of by the Court of Directors, and many recent circumstances have induced us to give it a particular reconsideration, the result of which I shall propose to submit to Government almost immediately.

99. It may possibly please the Governor of Bengal to place this paper before the authorities at home, with such observations as the local Government may think fit to add, prior to the next session of Parliament. With reference to this possibility, I must crave permission to add a few words. The once fine character of the English people is so wholly obscured by a spirit of selfishness,‡ so lowered by universal jobbing, by a

* Since this minute was written, there has been a further sale from Sulkeah of Liverpool and French Salt.

Sale of December, 1835; Price per 100 Maunds.

Hidgellee boiled salt	..	..	..	394	3	0
Jessore, ditto	..	..	..	394	14	11
Cuttack, ditto	..	..	..	431	9	7
Khoordah, ditto	..	..	..	436	14	6
Balasore, ditto	..	..	..	436	14	3
Liverpool salt	..	..	..	393	0	0
Marsilles salt	..	..	..	382	11	2

† A plan which is materially simplified by the recent reduction in the number of the ghauts where goluhs are established.

‡ "We have, (and the present state of the House shows it) quite business enough of our own to do without endeavouring to attract the attention, or to procure the attendance of members to questions so little interesting to them as the concerns of India.

"This House has not the time necessary for the performance of these duties, nor has it the

ravenous craving after wealth, and a base servility to those who possess it, that any line of argument with respect to a public matter, such as that which has been adopted by this Board with reference to the Bengal salt monopoly, is immediately set down as originating in no other than selfish and interested motives. Let the following extracts, from a paper published in England on the subject, speak for themselves; they are moderate and rational, compared with the customary outpourings on the same subject:—

“The monopoly is so very profitable to the few who enjoy its exclusive privileges, that in its vilest form it never wants a giant champion.”

“The existing corn laws of England, and salt laws of Bengal, create cruel monopolies of the chief necessities of life, and thereby starve the many to surfeit the few; the monopolists of the land of England, and the monopolists of salt in Bengal, join their hosts and put forth their proved champion to defy opposition.”

100. With reference to the above considerations, I think it advisable we should state, —and our statement is subject to the correction of Government, if it is open to such correction,—that personally we can have no possible interest in the maintenance of the Bengal salt monopoly on its present footing. No desire to see it maintained, beyond a rational desire that this tax should continue, if the good of the country requires the revenue, rather than a new one should be introduced not less vexatious in its operation, and less efficient for the purposes of collection. My colleague will, in all probability, leave India long before a question so heavy and perplexing as that now under consideration can be decided; I myself shall not remain long after him. But, setting this consideration entirely aside, the salt monopoly is only one of the seven branches of the public service now managed by this Board. It is by no means the most perplexing or engrossing, and the remaining six are quite sufficient to afford ample and profitable occupation for the most vigilant and active controlling authority. Besides, this is assuming that the salt revenue could be wholly relinquished. If any other scheme of collection is introduced, it will most likely require, for some years after its introduction, a greater, instead of a less, supervision than our present scheme. Under no circumstances that I am aware of, would a revenue of a million and a quarter sterling be likely to find its way into an Indian treasury without being well watched on the route. But, put the extreme case that every branch of this Board's duties could be abolished, we have still a title to employment, so long as we are not unworthy of it, in common with the other members of our service, and we need entertain no apprehension of wanting that consideration which Government is ever ready to concede to the just claims of its faithful servants to the extent of their deserts—more we have no right to require, or expect.

101. I am quite aware that the preceding observations would be altogether superfluous, and that I should only be talking idly were they addressed solely to the Government of Bengal. But in other quarters it may not be so well understood that the members of this Board can be influenced by no selfish considerations in advocating the maintenance of the salt monopoly. That we have, in short, no interest in it beyond the interest which must be common to every one of ordinary reflection, really anxious for the welfare of British India, not to see a great source of revenue rashly tampered with to please benevolent enthusiasts in Bengal, or placed in jeopardy to gratify mercantile enthusiasts in England, so long at least as the amount is indispensable—absolutely indispensable—to the maintenance of peace, and order, and good government in this vast empire.

H. M. PARKER, *Junior Member.*

*Board of Customs, Salt and Opium,
the 2nd of November, 1835.*

P.S. On referring again to the 58th and 62nd paragraphs of this paper, it occurs to me that the following objection may be urged:—It is assumed in the minute that under an excise and customs' system in Bengal 2 maunds of salt will be smuggled for 1 maund that pays duty, because the same result is said to have attended the working of a similar system in England; but in adopting this assumption one thing is overlooked, viz., that the temptation to smuggling in England was greater than it will be in Bengal, because in England the tax was about thirty times the value of the article, while in Bengal the tax will be only about three times the value of the article. But to this I would reply—*first*, that in the western provinces under a customs' system two maunds of salt must already have been smuggled for each one that paid the duty; and *next*, that the tax upon salt in

necessary knowledge, nor has it sufficient motives to acquire the knowledge requisite to enable it to discuss an Indian budget or an Indian local grievance, or to enable it to be a faithful representative of the Indian people. A broken head in Coldbath Fields excites more attention and greater interest in this House than three pitched battles in Hindostan.”

Several Honourable Members.—Hear! hear.

Mr. Macaulay.—“I am not in the slightest degree exaggerating. This is no figure of speech, it is a real fact, and in confirmation of the accuracy of the remark, I am sure hon. gentlemen must remember, that on a former night, when my right hon. friend the President of the Board of Control made his most important statement of the measures which the Government intended to propose for the future government of 100,000,000 of people, there were fewer members in the House than generally attend the discussion of a Turnpike Act or a Road Bill.” Extract from a speech of Mr. Macaulay on the New Charter (debate of 10th of July, 1833.)

Bengal, though bearing a less proportion to the value of the article, has always been strenuously maintained (with reference to the comparative wealth of the two countries) to be a heavier tax upon the Bengal consumer than the English excise was upon the English consumer. Now, if this last argument, which has been so strenuously urged, is a correct one, (and it may be so,) I have a right to assume that greater efforts would be made to avoid paying the Bengal tax, than those which were made to avoid paying the English tax. In other words, that under an excise in Bengal, a greater quantity of salt would be smuggled, in comparison with that which paid duties, than was smuggled in comparison with what paid duties under an excise system in England, or more than two maunds smuggled for every maund that paid duty.

H. M. P.

Enclosure No. 1.

Extract from a Letter addressed by the Board of Customs, Salt and Opium, to Government, on the 19th November, 1834.

* 119. In the concluding paragraph of our report of the 30th of August last, we mentioned that it was our intention on a future occasion to place a curious fact before Government. It is this: we have always, as your Lordship is aware, estimated the consumption of salt in this country at 6 seers per head per annum, taking the population all round, and without reference to the proportion borne by adult males or women to each other, or to children. Now, we find from evidence before the House of Commons, from the Hobart Town Almanack, and from recent travels in Australia, that the allowance of salt to convict servants is as follows, in New South Wales and Van Diemen's Land:—

In New South Wales.

Two ounces of salt per week for all convict servants, whether male or female; this is equal to 6lbs. 8oz., or say 3½ seers per annum.

In Van Dieman's Land.

To a man, 2oz. of salt weekly.*

To a woman, 1½oz. weekly.†

120. But it may be said this is a stinted supply; Government will judge whether that be very probable from a consideration of the rest of a convict servant's allowances.

In New South Wales.

Weekly	lbs.	oz.
Wheat	12	0
or 9 lbs. of Flour, or 9 lbs of Wheat and 3½ lbs. Maize.		
Beef or Mutton	7	0
or Salt Pork 4½ lbs.		
Soap	0	2
2 Frocks or Jackets per annum.		
3 pairs of stout Shoes ..		
3 Shirts		
2 pairs Trowsers		
1 Hat or Cap		

No persons can diminish the rations or allowance of clothing ordered by the Government Regulations.

In Van Dieman's Land.

Weekly to a Man—	lbs.	oz.
Meat	10½	0
Flour	19½	0
Sugar	0	7
Soap	0	3½
For a Woman—		
Flour	8½	0
Meat	5	0
Tea	0	2
Sugar	0	8
Soap	0	2

The clothing allowance for men more ample than at Sydney.

* Equal to three seers four chittacks per annum.

† Equal to two seers and seven chittacks per annum.

121. Now, it cannot be presumed for a moment that, in so liberal a provision as the above, salt, an essential necessary of life, and not an expensive one, should have been the only article stinted.

122. We are of course liable to be asked whether we really contemplate limiting the free population of British India to a convict consumption of salt. By no means; we only intend to point out how wide a range there is between the actual quantity of salt *necessary* for the consumption of a full-grown man, and that which we assume as the consumption per head of a whole population without reference to age or sex.

123. Now, our argument is this, viz., that the population of the rowannah provinces, if generally impoverished by any cause whatever, might materially reduce their consumption of salt, without being actually stinted or compelled to that reduction by the high price of salt. A ryot may, under the pressure of bad times, even be able to procure his usual quantity of rice, yet, for economy's sake, reduce his consumption of salt (as of any other article) one-third, and still have more than is considered sufficient for a stout European labourer. But in general we imagine the ryot, under such circumstances, reduces his consumption of rice, and then there is no possible cause why he should not reduce his consumption of salt, exactly as he will reduce his consumption of oil or tobacco, or any other article less essential than rice which he purchases in the bazaar. In short, we see no reason why a ryot should be put to discomfort for want of salt, even if he reduced his consumption in order to provide for other expenses, which a distressed state of the country would render him less able to meet, say half a seer per annum. He would still have an annual quantity of salt nearly twice as great as that provided for an European male labourer in Australia, even supposing that the consumption throughout Bengal was the same by each individual, without reference to age or sex, which is clearly not considered to be the case at Van Dieman's Land.

124. Now, assuming that not more than two-thirds of the population,* and the poor surely bear this proposition to other classes, reduced their consumption to $5\frac{1}{2}$ seers per head per annum instead of 6 seers. The difference in the quantity of salt which the market could take off under such a reduction would be 2 lacs and 50,000 maunds less per annum.

Enclosure No. 2.

Abstract Translation of a Petition from Neddeeram Mundle and others, (150 in number,) Molunghees of Aurungs Midunmul, Gurghatta, Mooragatcha, Choremul, Calcutta, Pygatty, and Bullandah, in twenty-four Pergunnahs, to the Board of Customs, Salt and Opium, dated 19th Bhadru, 1242 B. S.

The petitioners represent that, in consequence of the soil of their country being impregnated with brine, they are incapable of getting up any agricultural production, and, from this circumstance, they (as a people) have from early ages subsisted solely by manufacturing salt, which privilege has been continued to them uninterruptedly under the Company's Government; that most of them have been ruined and reduced to a starving condition by the effects of the late salt water inundation, and, to complete their misfortunes, the salt agent has this year notified that the seven aurungs abovenamed should be abolished, a measure which will not only deprive the petitioners of the power and means of ever paying the balances due by them to the Government, but be the cause of the destruction of many thousands of its subjects, whose lives have frequently been preserved at a considerable expense by aid afforded in times of famine and public calamity, and by benevolent and charitable assistance. The petitioners believe that the Government has never been a loser by the salt trade, but, on the contrary, a gainer of four-fold profit, and they only regret that it should be unfortunately discontinued in their districts, while orders have, they understand, been issued to other zillahs to manufacture more salt than has been produced in former years.†

The petitioners pray that the Board will be pleased either to authorize the salt agent to allow salt to be manufactured by them, making the usual advances, or to allow the petitioners to manufacture it themselves, and to deliver it to the Government without advances.

* We estimate that our public sales are calculated to supply about thirty millions of consumers at six seers per head per annum.

† This was a misapprehension of the petitioners.—H. M. P.

APPENDIX F.

A Collection of Papers containing Evidence and Opinions against the Retention of the Monopoly, and in favour of the Substitution of a System of Excise upon the Manufacture.

Parliamentary Papers.

No. 1.—Extracts from Minutes of Evidence, taken before the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, in 1836.

Extracts from the Evidence of Mr. ALEXANDER REID.
 Extracts from the Evidence of JOHN CRAWFURD, Esq.
 Extracts from the Evidence of HUGH STARK, Esq.
 Extracts from the Evidence of Sir FRANCIS DOYLE.

No. 2.—Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, in 1836.

Extracts from a Paper put in by JOHN CRAWFURD, Esq. Appendix No. 76, page 203.

No. 3.—Extracts from Minutes of Evidence, taken before the Select Committee of the House of Commons on Indian Territories in 1853.

Extracts from the Evidence of D. C. AYLWIN, Esq.
 Extracts from the Evidence of F. J. HALLIDAY, Esq.

Official and other Papers.

No. 4.—Extract from a Memorandum on the system of the management of the Salt Revenue at the Three Presidencies, by HUGH STARK, Esq.; prepared for the Committee of the House of Commons in 1832.

No. 5.—Extracts from Mr. TREVELYAN's Report upon the Inland Customs and Town Duties of the Bengal Presidency, 1833, page 137.

No. 6.—Extracts from a Report prepared by the Chairman of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, in 1836, but not adopted or officially published.

Appendix F. No. 1.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India, in 1836.

Extracts from the Evidence of Mr. ALEXANDER REID, Cheshire Salt Manufacturer.

307. Are you of opinion that the existing tax upon salt might, conveniently to the Company, and without any injury, be changed into an excise or custom duty?—It appears to me it could be done much more easily than by watching both the manufacture and the sale. The Government are now obliged to keep an establishment to watch the sale, and to watch the manufacture.

308. Were you acquainted with the excise system that existed in England before the repeal of the duty?—Yes.

309. Do you think it was efficient for the purpose?—Quite so.

310. Can you detail any of the particulars of that establishment to the Committee?—The salt was removed from the pan when made to the warehouse. The duty was levied upon the removal from the warehouse; the excise officer had a key to the warehouse; and the proprietor was only allowed to go to the warehouse to see his goods in company with the excise officer.

311. Do you see any objection why that system should not be equally applicable to India, or any other country?—There can be no possible difficulty; it appears to me it is quite new that anything in the country should render it more difficult to levy a duty upon the salt, than to levy that duty, in the shape of profit, upon the manufacture and sale.

Extracts from the Evidence of JOHN CRAWFORD, Esq., formerly in the Bengal Medical Service.

466. Have you any plan to suggest in place of the present salt monopoly?—I have.

467. Will you have the goodness to favour the Committee with an outline of it, taking into consideration that the revenue, amounting to 1,200,000*l.*, derived from salt must not be diminished?—The Committee, of course, is fully aware that it is a difficult and very large question, and that it is almost impossible to treat it in such a manner as to do it justice, by mere parole evidence; I have, however, prepared a scheme, which I shall beg leave at a future opportunity to tender to the Committee. In the meanwhile, I will state the outline of that scheme. I have always understood that the amount of the revenue received from salt by the East India Company was to be preserved. I never considered the question with any other view than that of preserving the original revenue to be derived from salt. I do not mean to say that salt is a very proper subject for revenue any where, but particularly in a country where salt is naturally dear, where there is no natural internal production of it, and where, from circumstances that are unavoidable, it is impossible that it can be cheaply manufactured on the spot, even if there were neither tax or monopoly. But I know at the same time, that it is extremely difficult to get 1,200,000*l.* out of the pockets of the people of India by any better means. I have, therefore, considered that the revenue was to be maintained at about 1,200,000*l.*, or a million and a-quarter. In the monopoly districts, then, I would propose, in lieu of the existing monopoly, an excise duty on the local produce, limiting the manufacture to those parts of the country in which salt can be most cheaply manufactured, and limiting it also to such parts of the country only in which the revenue might be collected without extraordinary risk of smuggling; that is, where it may be most properly and conveniently watched.

* * * * *

497. Do you conceive that the system of excise and customs which you have proposed would as effectually tend to the suppression of smuggling as the present system?—If such a system were accompanied by a reduction in the amount of the tax, it ought to be more effectual; and I cannot conceive, under any circumstances, why it should be less effectual. I look upon the existing system as a bad and complicated system of excise. The Government has three functions to perform instead of one: it has to look after the manufacture; it has to look after the trade; it has to look after the revenue, and it is obliged to have a set of officers to do all these three things. Now I think it would simplify matters considerably if its superintendence were reduced to one duty only, that is, to the collection of the tax. This would save the interest of money advanced on account of the manufacture, save all losses sustained by inundations and storms, all losses from malversations of public officers not of the nature of revenue, and from losses now accruing from bad debts from the molungees. I find, upon inquiry, that the permanent charges of the existing system amount, or at least did amount, in round numbers in

1831—32, to about 176,000*l.* sterling. Now, it must be recollected that this is altogether independent of the other fiscal establishments of the country, which are engaged more or less in defending the integrity of the salt revenue. The whole department of the customs, the collectors of the land tax, and even the very police establishments are engaged, more or less, in protecting the salt monopoly. There is clear evidence that they are so engaged in the papers which I see here on the table of the Committee. There are large items included in the above charge of collection, which of course would not be included at all under an excise; for example, the rents paid for the salt pans, the rent of grass and jungle lands; for a great deal of the salt, as the Committee perhaps is aware, is made, for want of proper and sufficient fuel, by using straw as such, and, I believe, dry grass also. There would also be deductions from the present charges of collection for the sums paid to the landowners as a remuneration for the privilege they once enjoyed of manufacturing for themselves. There are other charges too which might be reduced, if not altogether abolished. I allude more particularly to the immense sum which is paid annually to the Governments of France and Denmark, but especially the Government of France, for maintaining the salt monopoly, an amount which was fixed by convention in Europe.

498. At what amount?—40,000*l.* a year to the Government of France, and 1,500*l.* to that of Denmark. The Government of France is supplied with salt also according to the terms of the convention with it, to what I conceive to be an exorbitant amount. Instead of being furnished at the rate of 12 lbs. of salt per head, the supposed consumption of the East India Company's own subjects, the French are furnished, as far as I recollect, at the rate of 23 lbs. or 24 lbs. a head, very nearly double the amount that is reckoned to the British population. The quantity to be furnished is, in accordance with the terms of the convention, to have reference to the amount of population. The actual quantities are to be seen in "The Selection of Papers relating to the Bengal Salt Revenue," but it is unnecessary to state them.

499. The supply is not in money, but in salt?—In money and salt. The salt is to be given at the prime cost, that is, without charging a tax upon it; and the 40,000*l.* are for any loss the Government of France may be supposed to sustain from the surrender of its right to tax salt. I do not know what the revenues of Pondicherry and Chandernagore are, but I have not the slightest doubt, in my own mind, but that the principal revenue which the Government of France derives from its Indian possessions at this moment arises from the 40,000*l.* which it receives on account of the salt monopoly in Bengal.

500. Are those extraordinary charges of which you speak capable of reduction, or independent of the substitution of your system for the existing one?—Some of these charges might be abolished altogether, for example, above 20,000*l.* paid to the zemindars.

501. I do not see why you introduce them in the present question, which is as to the substitution of the system you purpose for the existing system, for they seem to be entirely independent of it; they may be capable of reduction or not, but it does not depend upon the substitution of your system for the existing system?—If they are abolished it will not be necessary to pay the zemindars compensation for their original right to manufacture salt. It will not be necessary to debit the salt revenue; as is now the case, with a considerable portion of the land tax; and lands belonging to the Government itself, and now used for the manufacture of salt, may be assessed to the land tax like any other lands.

502. That would not enable you to compensate the land owners?—It is the privilege to manufacture which they relinquish, and for which compensation is paid.

503. If you were obliged to compensate them you must compensate them now?—There is no compensation required; you have only to restore to them the right of manufacturing salt.

504. Would there be any difficulty in finding European or Indian capitalists to embark in such undertakings, provided the monopoly were to cease?—I have never contemplated for one moment the possibility of such difficulty occurring. All the funds that go towards carrying on the salt manufacture, under existing circumstances, are not the property of the Government, they are the funds of the State levied in the shape of tax by the Government. Those funds have never been the property of the East India Company, who had no property, considered as a Government, except the property of the people, which they take as tax. With very heavy charges, the whole prime cost of the salt at the present moment, does not equal half a million sterling a year. Now I believe that the indigo exported from Bengal, and which is entirely the property of the English and Bengal merchants and manufacturers, but particularly of the first, is of upwards of four times that value. I mean, of course, the export value of it from Calcutta, which includes cost of production, charges and profits, in the same way in which the real or declared value of the goods, exported from this country are estimated.

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534. Supposing the monopoly ceased to exist, do you imagine that the salt would be less deteriorated than it is at present in retail?—In supposing the abolition of the monopoly, I have supposed a reduction in the prime cost of salt, and a reduction of the duty; and I have supposed the possibility of getting an ample supply of salt, and at a cheaper rate. Under those circumstances, I think it would be extraordinary indeed if there was not less inducement to adulteration than there is at present, from high price and restricted supply. If there were a greater number of merchants competing with each

other, there would be a greater likelihood that the article would be supplied freely and purely to the public, than by the competition of a comparatively small number of individuals.

535. Do you imagine that private individuals, in case of a free competition being established, could supply it cheaper, or as cheap, than Government do now?—I have not the least doubt in my own mind but that it would be supplied cheaper by private individuals. I think if the case turned out to be otherwise, it would be an exception to all experience. I would refer in illustration to the free-trade prices of tea, in comparison to the prices under the same parties who now exercise the salt monopoly. I believe it would be difficult to deny but that the same quantity of tea which was supplied under the monopoly, and which was bought at 2s. per lb., may now be had in any quantity at 1s.; and I believe the experience of any person, since the opening of the tea trade, will show that the tea is as good as ever it was, a good deal fresher indeed.

536. Have the Court of Directors at any time proposed the actual suppression of the manufacture of salt at Bengal; and if so, show your authority, and on what ground that was done?—In a despatch of so late a date as the 10th of June, 1829, such a project is alluded to by the Court of Directors, in the following words:—"The impression upon our minds is, that an arrangement far preferable to that which now exists might be made for obtaining the whole of the supply from the coast, and putting an end to the Bengal manufacture, with its complicated and most expensive machinery altogether." That was written at a time when the revenue derived from the monopoly was in a tolerably satisfactory state, and two or three years before it was possible for the Court of Directors to be aware of the defalcation which has taken place of late years.

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543. Does not the existence of an extensive adulteration of Bengal salt indicate the absence of a wholesome competition?—It indicates the existence of a high price and inadequate supply, which high price and inadequate supply would not exist, or at least would not exist to the same extent, where there was free and open competition. The usual effect of such a state of things, with respect to any commodity, is adulteration, as well as smuggling.

544. I think you said before that you have no means of stating with any precision the extent of that adulteration?—If the Indian authorities had been disposed to examine this question carefully, and if there had existed any intention on their part to discover the adulteration, there would have been no difficulty whatever in the matter; the impurities consist of earth and sand for the most part, and the mere solution and evaporation of the salt, and the comparison of the pure salt with the salt in its original state would have exhibited, of course, the extent of the mechanical impurity; I have heard it estimated at 10 and 12 per cent., and I should suppose that is the smallest amount; it consists of sand or filth added after the purchase at the public sales.

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557. Would there be any difficulty in disposing of those people by settling them upon those uncleared lands, in case the supply of salt was obtained from other quarters?—I should think there would not, for in the immediate neighbourhood of the salt manufactories is to be found the greatest extent of rich and uncleared land which exists in any part of the Bengal provinces. The number, however, does not, according to the estimate of the Board of Customs, Salt and Opium, appear to be very considerable after all.

558. Will you be so good as to state the number of persons employed in those manufactories?—In a note on the alleged suffering and coercive labour of the molunghees, by a gentleman of talent and great diligence, Mr. Parker, then Secretary to the Board of Customs, Salt and Opium, and now a member of that Board, the number is stated from his own calculations to amount to between 60,000 and 70,000 only. With respect to finding employment for those persons, the Government itself, indeed, seems to have considered that there was no great difficulty in it, for it has discontinued the manufacture of salt in a great number of the kaleries or manufactories, and consequently thrown a great number of the molunghees, or salt manufacturers, out of that particular employment.

559. Are you aware what change has taken place in the condition of those persons where the manufacture has been discontinued?—The alteration has been too recent to enable us to determine what has been the result, but I make not the slightest question but that the molunghees thrown out of the salt employment, have found no difficulty in obtaining other employment. The town of Calcutta, for example, is close at hand, to which labourers resort from a distance of 400 or 500 miles; and where the wages of labour generally are very nearly, perhaps altogether, double what they are in most of the rural districts of Bengal.

560. Is it not possible that the same persons, or many of them, that are now employed in the making of salt, would be equally employed in whatever hands the direction and manufacture might fall?—Of course, if the manufacture can be conducted profitably; if salt can be manufactured more cheaply on the spot than it can be imported on the payment of the same duties, the manufacture must be continued, and of course will employ as many persons as it now employs, and at the very same rate of wages; if it cannot be so conducted, I have not the slightest doubt but the individuals who are now engaged in the manufacture of salt will find abundant employment in the cultivation of the soil, or in town labour.

Extracts from the Evidence of HUGH STARK, Esq., Senior Clerk in the Revenue Department of the Board of Control.

1251. Supposing the present monopoly system to be condemned, do you think that it would be possible to substitute an excise system which can secure a revenue equally well to the Company?—I have no local knowledge to guide me; but the subject is noticed in a letter from the Board of Customs, to which I have already referred, dated the 28th of August, 1833, in which it is stated, that no person who knew anything of the people of Bengal would propose an excise system in that country. They do not explain in what manner the numerous native agents now employed are prevented from committing frauds upon the revenue, and upon the manufacturers, under the existing system. Under any system it would certainly be unsafe to allow money to pass through the hands of such a class of native officers as are now employed in superintending the local manufacture.

1252. Have there not been suggestions in favour of an excise system made at various times by persons well acquainted with the country?—I have no recollection of such proposal as a substitute for the monopoly with the exception of that contained in the Report of the Committee of the House of Commons of 1832.

1253. Is not the present system one that could be easily converted into one for levying an excise duty?—It would be necessary, in that case, to employ a greater number of well-paid European superintendents.

1254. You are obliged to exercise a degree of control over the manufacture?—Yes; but the present system is founded on certain estimates of the productive powers of every salt work in the several agencies, and advances are made by the agent, with strict reference to the ability of the salt manufacturers to complete their contracts. The salt agents receive accounts from the native officers, showing the quantity of salt manufactured at the salt works daily. Whether the excise system in this country was founded upon a similar principle of check I am not sufficiently acquainted with the details to offer an opinion; but if the success of an Indian excise law depended upon minuteness of accounts it would have the benefit of such accounts in Bengal.

Extracts from the Evidence of Sir FRANCIS DOYLE, Chairman of the Board of Excise.

1283. Did you ever hear it asserted, in a pamphlet by Sir Thomas Bernard, that two-thirds of the salt used in this country was smuggled salt?—I certainly at the time heard a great many reports of that kind; but I have no hesitation in saying I apprehend it could not be correct. There is no reason to suppose, in the salt sent out for home consumption, that smuggling to any extent took place. I think it is possible that a good deal of salt sent coast ways, for the purpose of the fisheries, might have been misapplied. Most of our regulations had reference to that source of fraud.

1284. If there was no export of salt duty-free and no fisheries to be supplied with salt duty-free should you anticipate any difficulty in the collection of the revenue, or anticipate smuggling to any extent?—Certainly not. Of course my experience is limited to the circumstances of this country.

1285. Supposing the duty to be laid on in this country for salt destined for exportation, or for the fisheries, or for the purposes of agriculture, do you apprehend any difficulty in the collection of the revenue?—None whatever. I think it is a duty extremely easy to be collected, and one in which the revenue would be less likely to be defrauded than many others.

1286. Do you say that with reference to the salt raised from brine-pits, or made in a manufactory?—I should say generally, either as to salt made from brine brought up from brine-pits, or the salt made from rock-salt into brine, or the salt made from the natural evaporation of sea-water. I believe the local manufacture and the circumstances of it are not likely to expose the revenue to fraud to any extent. I do not mean to say that a little salt may not be carried away by people about the works, but not to any extent.

1287. You think it is a manufacture that may be easily watched under almost any circumstances, and in any situation?—Yes.

1288. Suppose the salt made by solar evaporation, as in India?—I think there would be no difficulty in that, because, to make salt to any extent, the process must be carried on openly in large premises, and it could not escape notice; it is not like malt, where you may put barley into a sack, steep it in a well, and carry it off; but there must be a large open space for the manufacture of salt, and a process carried on that would expose the parties attempting a fraud, I should consider, to certain detection.

1289. Do you recollect at what percentage the tax was supposed to be collected?—I do not at this moment, but I think 33,000ℓ. covered the whole expense, and the revenue received was about 1,500,000ℓ.; it was not an expensive collection at all in this country; it was under three per cent.

1290. When the salt duty existed in this country was the manufacture limited by law to any particular district, or were any manufacturers at liberty to invest their capital in it anywhere?—I do not precisely recollect, when the duties were under the old Salt Board, what the limitations were; but there were certain salt-works established in several places

at that time ; when, however, the duty was transferred to the excise, long before I had any connection with the department, no refinery of salt could be set up at a greater distance than ten miles from the pits where the rock-salt was found ; it was limited to that, with the exception of certain places where refineries had existed before the passing of that law ; there was a saving clause in the Act, which gave those persons power still to go on with the refinery at those places, although they were at a greater distance from the pits ; this limited very much the establishment of salt works.

1291. Supposing the introduction of the excise system into a very extensive country unprovided with salt, and there was great difficulty in watching the manufactories spread over such an extensive district, do you think it reasonable in such a case to limit the manufacture to certain districts particularly adapted for the manufacture of salt ?—That is a matter of general policy, to which I am no more competent to speak than any other person who may turn his attention to the general subject. Considering it merely in a revenue point of view, there can be no doubt you would levy the duty with more certainty and regularity, and at less expense, if you limited the place.

1292. Do you conceive a limitation of that kind would go far to meet the objection you have alluded to ?—No doubt of it ; at the same time I apprehend the manufacture of salt to any extent cannot be carried on clandestinely ; it is that sort of manufacture that must invite the attention of every person that goes through the district ; they must see that such a work, such a manufacture, is going on, and of course the persons carrying it on and not making entries with the departments that may be appointed by any Government to have the superintendence of it must be subject to penalties ; and the fraud, I should fancy, could not easily escape the vigilance of the common police of the country, which are in connection with Government. I do not apprehend, though the district may be extensive in which there are the means of making salt, that, with ordinary precautions, it would lead to any very great smuggling, though if you limited it to the particular districts where the materials are most plentiful, it will, of course, give a greater fiscal security than you could have if it was carried on in every part of a very extensive country.

1293. In point of fact the places at which salt could be manufactured in England during the time the duty existed were very limited ?—Yes, they were limited.

1294. They were limited generally to the districts where there were salt-springs or mines of rock-salt ?—The particular effect of the regulations was undoubtedly to limit the salt-works to those districts ; there was no limitation as to the places of making salt by the evaporation of sea-water ; that manufacture might be carried on anywhere.

1295. But the manufacture of salt or the making of salt from salt-water, at that time, in England, was carried on to a limited extent ?—Comparatively speaking it was ; the natural brines were much stronger. There was a considerable manufacture in the neighbourhood of Lymington from sea-water ; it happened to be a favourable situation for it, and it was carried on there to a great extent.

1296. May I ask you if the salt manufacturers were in general persons of capital who made the salt on a large scale ?—I apprehend some of them were persons of considerable capital ; but I cannot speak distinctly to that. My impression is that it did not necessarily require a very large capital to carry on the business, because the duty was not charged till the occasion arose for disposing of the article ; therefore it did not require a very large capital. The buildings, pans, and warehouses were costly.

1297. Suppose the places had been much more extended, and the salt manufactories more numerous, and the salt made in less quantities, I presume, the expense in the way of watching, and the difficulties in the way of the collection of the revenue, would be greatly increased, as a necessary consequence ?—No doubt, of it ; if the manufactories were multiplied, there must be an increase of persons to watch them ; but I do not apprehend that, in proportion to the number, there would be an increase in the smuggling ; there would undoubtedly be an increase of expense.

1298. Is there not something peculiar in the manufacture of salt, which enables you to exercise a superintendence over it, whether it proceeds from brine or rock-salt, or solar evaporation ?—Yes, from the extent of works in which it must be carried on.

1299. Was not the smuggling that took place of salt chiefly confined to petty pilfering at the works ?—Yes ; the smuggling was confined very much to the duty-free salt sent to the fisheries on the coast. We had some suspicion that a great deal of salt was improperly obtained, which went to the coast. We did not think that at the warehouses where made there was much smuggling.

1300. Was not the salt made in Scotland and Ireland principally made by solar evaporation ?—In Scotland altogether from sea-water ; with regard to Ireland we had no account of it.

1301. You are able there to exercise a degree of fiscal superintendence ?—Certainly, just as we did at Lymington, where the salt is made entirely from the evaporation of sea-water.

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1306. Was every salt manufactory obliged to have a separate place to which the salt should be conveyed and deposited safely under a lock with double keys ?—Yes, under the locks of the excise.

1307. And all salt was conveyed in the first instance there, and paid duty upon being removed from there ?—Yes, paid duty if intended for home consumption, not if intended for exportation and the fisheries ; it then went from those warehouses under bond.

1308. You consider the existence of such warehouses and places of complete security as indispensable for the protection of the excise?—Yes.

1309. Do you not allow credit for the duty to those manufacturers who take it out for home use?—I think six weeks' credit. I think our Collectors went their rounds every six weeks, and they had credit for that time.

1310. At least six weeks?—I think so; I do not think longer credit.

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1319. Are you aware of any difficulty that would exist in applying the excise system, such as you have described to have existed in England, to the Bengal provinces?—I am not aware of any reason why it should not be applied there. I think salt must be manufactured in the same way in India as here. I think the same system of surveys might be established there as here, and I should suppose with the same results. India is an extensive country, certainly, and there may be in the interior of it difficulties in the collection of the duty of which I may not be aware. I suppose there exists at present some checks upon the illicit manufacture, which would be enforced in any case. It might require a larger establishment in different places of officers to secure the duty thoroughly, but I do not see any difficulty in applying the same system to it that exists in this country.

1320. Assuming that the manufacture of salt is carried on at a series of pans for boiling sea-water at intervals along a coast of 1,000 miles, and each set of pans manufacturing under three tons of salt, would you, under such circumstances, think the excise system applicable at any expense that could be borne by the duty?—In the first place it would depend on the rate of duty; if you suppose a great many small manufactories to be established all along an extensive line of coast, it must naturally require a good many officers to superintend so many manufactories, and would be attended with a good deal of expense no doubt.

1321. Do you think the excise system applicable under such circumstances?—I should say it was applicable, and no doubt the revenue might be secured. If the works are numerous, but not large, you would have fewer officers in proportion than if the works were all large. The officers must be so arranged as to have a check upon all the works. You must endeavour to combine economy with security. I am not prepared to say that the duty would not be secured by the excise system.

1322. Of necessity at a great expense?—Unquestionably, under the circumstances stated, it would be at a great expense.

1323. Are you aware that considerable manufactories in India, such as indigo, sugar, lac-dye and others, are carried on by a comparatively small number of capitalists; and would not that be the case with regard to salt under an excise?—I do not feel competent to answer that. It may happen that the manufacture of indigo may require more knowledge and capital than the manufacture of salt, which is a very simple manufacture indeed, being nothing but the evaporation of brine; and where the situation as to the sea-water is favourable, and where the power of the sun is so much greater than it is here, there is more facility for making salt, and by a greater number of persons, than in the manufactories which Mr. Wilbraham has specified.

1324. There would be no occasion for a large advance of capital in order to carry on that manufacture?—I should apprehend not.

1325. Not having turned your attention to India, you are not aware of the mode of manufacturing salt?—I believe it is by evaporation chiefly; my impression is, there is a sort of earth which is dissolved in water, and which produces the brine.

1326. Whether the mode be by boiling or evaporation, what you have expressed as to the collection of the duty would equally apply?—I cannot see any difference; if done by artificial heat, it will be done with more ease than if merely by solar evaporation.

Appendix F.—No. 2.

Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India in 1836.

Extracts from a Paper put in by JOHN CRAWFURD, Esq., Appendix No. 76, page 203.

The Board of Customs, in reference to the imposition of an excise duty, observe, that they "cannot imagine any person acquainted with the feelings of the people in India, or the habits and characters of the native agents whom it would be necessary to employ, seriously advocating the substitution of an Indian excise for the present system."* Surely

* Letter from the Board of Salt, &c., to the Governor-General, August 28, 1833.

this is no better than taking alarm at a mere name; the substance, without the name, already exists in many forms. The existing system itself is in truth an excise, the establishment of which is not only charged with the collection of the revenue, but with the manufacture of, and even to some extent the trade in, the matter which affords that revenue. Instead of having one simple duty to perform, the existing establishment has a threefold one. It combines the complex and incompatible duties of the exciseman, the manufacturer, and the trader. In securing the present revenue, there is employed what may be looked upon, in so far as expense is concerned, although not in efficiency, a distinct Board of Commissioners. There is at the Presidency a large establishment to conduct sales and collect the revenue. There are employed on the spot large and expensive establishments, often corrupt and generally inefficient, to superintend the manufacture and suppress smuggling; and there is a triple line of revenue police, under the name of a chowkey establishment, or preventive service. But besides this, not only all the revenue establishments of the country, but the police establishments also, are expected to be aiding and abetting. Foreign States are paid yearly *douceurs* of an enormous amount to maintain it; the tax in the western provinces is raised to such an extent for its protection, as to promote excessive smuggling, followed by a corresponding loss of revenue, while the trade of Madras, of Bombay, of Ceylon, and even of England, are shackled to give it security. In a word, the fiscal system, whatever be its name, which levies a heavy duty on a native manufacture, at an expense by its own showing of 30 per cent. to the contributors, is an excise tax, and a very imperfect, and very expensive one too. But there are other forms of excise through India, to serve the timid as a precedent. The duties levied on spirits and drugs are of the nature of an excise. So are the town duties; and even the transit duties. One of the most liberal, as he is one of the ablest of the public officers of the Indian Government, pronounces the last-named class of taxes to be "a monstrous system of universal excise, under the name of a custom-house duty."* But we have an example still more in point. The existence of an excise on salt at Bombay, established under the sanction certainly, and I believe at the suggestion, of The Court of Directors themselves.†

In the event of the establishment of an excise upon the local manufacture of salt, it would of course be indispensably necessary to limit and define the places in which the manufacture might be conducted. In the peculiar circumstances of Bengal, this would be a matter of little difficulty. There are no salt springs or salt lakes, or salt mines in the interior. The whole manufacture is confined to a coast of no very great extent; and here it can be conducted only by the process of boiling, and that only during little more than half the year. Even here, however, there is a natural limit. There are but two districts in which the manufacture can be conducted with tolerable economy; those of Hidgellee and Tumlook. Indeed, if the manufacture were left to itself, it would probably be restricted to Hidgellee, which produces near one-third part of all that is manufactured in Bengal; and this at a cost by one-third less than the average of the other stations of manufacture. In truth, on the average of three years, the cost and charges at this agency amounted to no more than 77 rupees; whereas, by the last reports, the average of the whole is no less than 125 rupees.‡ To force the production of salt, therefore, at any other place than the cheapest, is the same thing as imposing a tax to the amount of the difference, and a tax which, although a burthen to the people, is of no earthly benefit to the Government. The quantity of salt yearly consumed in the monopoly district, including contraband and impure salt, cannot well be less than 60,000,000 maunds, all of which is enhanced in price to the amount of the difference. The difference then between 77 rupees and 125 rupees, in this case, is a tax on the value of above 60 per cent., while the annual burthen it imposes is no less in amount than 270,000*l.* sterling.

In a report of the Board of Customs to the Governor-General in 1833, the limitation of manufacturing places for fiscal purposes is objected to, on account of the "large amount of industrious population" which it would throw out of employ.§ According to the estimate of the Board itself, the population engaged in the manufacture of salt is calculated at between 50,000 and 60,000. One-third of these at least would not be thrown out of employment; and, for the rest, it is, to say the least of it, not proved that the condition of the molunghee is superior to that of any other labourer, while it is not to be forgotten that this class of men is placed exactly in that part of Bengal where the population is thinnest, and where good, uncleared land is most abundant.

The Board of Customs, however, in two short years had occasion to alter their opinion entirely on this subject, and made to the Governor-General the following propositions, which have been duly sanctioned and approved, that is, have become law; namely, to abolish altogether, rather than reduce the manufacture in those pergunnahs where smuggling is supposed to be most extensively carried on; to abolish the manufacture in those pergunnahs where the salt is least profitable; to concentrate the manufacture as much as possible; and to abandon the manufacture in places where the brine is weak, and, if possible, carry it on in others where the water is strongly saline.|| Thus have the

* Report upon Inland Customs, Calcutta, 1834, page 57.

† Memorandum on the system of Salt Revenue, 1832.

‡ Papers on the Bengal Salt Revenue, page 235. Letter from the Board of Customs, Salt, and Opium, August 30, 1834.

§ Letter from the Board of Salt, &c., to the Governor-General, August 23, 1833.

|| Letter from Bengal to The Court of Directors, September 23, 1835.

Indian authorities tardily adopted a measure, which common sense and necessity would long ago have forced upon any ordinary manufacturer or trader. The Court of Directors, as will be presently seen, have disposed in a still more sweeping manner of the question of throwing the salt manufacturers out of employment; for they have suggested the abolition of the manufacture in Bengal altogether, without even alluding to the manufacturers. In short, it appears from the history of the salt monopoly, that when an argument is wanted in support of the revenue, the welfare of the molunghees is either pressed into the service, or neglected, as happens to suit the occasion.

It is made an objection to the abolition of unprofitable stations of manufacture, that the Bengal boiled salt being preferred by the consumer, it is necessary that the Government, as the public protector, should stand forward to supply them at whatever cost.* It is alleged that the natives have in some degree a religious prejudice in favour of it. This cannot be true, because the boiled salt of Cuttack, produced at a distance from the Ganges, produced by a people foreign in language and manners to the people of Bengal and Behar, and imported by a sea voyage by hands held impure by the consumers, fetches a higher price at the public sales than the produce of the local manufacture. There is no doubt but that the people of Bengal, like all other people, will give a preference, under equal circumstances, to the commodity to which habit has accustomed them. I have heard it asserted when in Bengal, that the preference which they gave their own and the boiled salt of Cuttack, over salt more skilfully prepared, and therefore purer, arises from its containing an unusual proportion of sulphate of magnesia and other septic salts, which enhance its pungency, and consequently make it more economical in use.

In the event of restricting the manufacture to the few places in which it might be most cheaply conducted, and the tax most conveniently levied, it has been alleged that untaxed salt might be manufactured elsewhere, and the revenue defrauded. This apprehension however, is, I am happy to find, treated very lightly by the Board of Customs. "The danger of illicit manufacture, where there is no Government manufacture to screen it, we hold," it says "to be very small, if the agent and superintendent are on the alert, and the zemindars of the district are from time to time reminded of the penalties in which such a manufacture may involve them."† Another advantage, indeed, might be derived from a limitation of the places of manufacture. Scattered as they are under the existing system, the Board itself admits that there is a local population of 3,000,000, whose salt it is impossible to tax. The revenue would benefit, and there would be no injustice in subjecting these parties to the same impost as the rest of their countrymen. They would still, from their locality, have cheaper salt than others; if, indeed, salt can anywhere be made in Bengal cheaper than it can be imported.

The Court of Directors themselves, as I have already hinted, have been so struck with the abuses which accompany the manufacture of salt in Bengal, that they have suggested the most summary and sweeping reform on this subject, of which I have yet heard; namely, the total abolition of the manufacture throughout Bengal, with what they truly call "its complicated and most expensive machinery," and the obtaining of the whole supply from the Coromandel coast.‡

In favour of a moderate excise duty in lieu of the present system, I can quote with pleasure the able, instructive and liberal report of Mr. Trevelyan, to which I have already referred. But as, in my personal evidence before the Committee, I have given the passages which refer to this subject, I need not at present enlarge upon it.§

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I sincerely believe that the objections which have been made against the practicability of raising a revenue upon salt, by duties of customs and excise, within the provinces at present subject to the salt monopoly, are, for the most part, imaginary. Indeed I am convinced that such taxes would be found of a far more practicable and efficient character than the unwieldy monopoly; and I have in favour of this opinion the great experiment made of establishing a monopoly of salt in the western provinces, shortly after their acquisition; and which having resulted in a complete failure, ended in the necessity of recurring to the old system of fixed duties.

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The manufacture of salt, and even, for that matter, its importation by the Government for fiscal purposes, may not unaptly be compared to the importation of tea into England under the old system, in so far as the public revenue was concerned. As it is now said of salt it was then said of tea, and by the very same parties, that a monopoly afforded the best of all possible means, not only for securing a good, ample, and certain supply to the public, but also the only possible means of preventing smuggling, and securing a large public revenue. In respect to tea, the results are so notoriously the reverse of all these allegations, that I may save myself the trouble of describing them. The manufacturing, the commercial, the shipping interests, and the public revenue, have every one of them benefited by the abolition of the tea monopoly. I predicted very early that such would be the result; and now I predict, with equal confidence, that similar good results will follow from the abolition of the salt monopoly, and the substitution of a moderate and fixed tax.

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* Letter from the Board of Salt to the Governor-General, August 28, 1833.

† Select Committee on Salt, 1836, page 133.

‡ Letter from the Court of Directors to the Governor-General, June 10, 1829.

§ Report upon the Inland Customs, Calcutta, 1834, page 137.

Appendix F.—No. 3.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons, on Indian Territories in 1853.

Extracts from the Evidence of D. C. AYLWIN, Esq., a Member of the Firms of Aylwin and Co., at Calcutta, and Aylwin, Brown, and Stacey, at Akyab.

6975. Are you not aware that several thousands of the subjects of the East India Company have their maintenance by this manufacture?—I am aware of the molunghees, but from the testimony of every one who knows them, and from my own personal experience, I should say that the most wretched human beings under British rule are the molunghees, or manufacturers of salt in India; and I believe I am borne out in that statement, by the opinion of every one who has either been among them, or has ever written about them.

6976. Are you aware of the fact, that whenever the Bengal Government has diminished the manufacture of salt, and discontinued any of its factories, very great misery has been sustained by a number of people, in consequence of being thrown out of employment?—I should think that very likely. These unfortunate wretches, who are the children of slaves (their ancestors having been in slavery many years), are really only one remove from animals; they are totally unfit for any other occupation. A cessation of their present means of livelihood, I have no doubt, would for a certain time cause great distress among them; but I should presume that the East India Company, with their well-known philanthropy, would certainly take means of preventing any unpleasantness arising, supposing that should be the result.

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6983. If the manufacture of salt by the East India Company ceased, would the price be raised, in your opinion, or would the importation meet the demand?—The best answer that I can give to this question is, that in the face of the most vexatious bonding regulations imposed by the East India Company, with the express purpose of excluding foreign salt, the imports have been increased from 10,498 maunds in 1829—30 to three millions and a quarter in 1851—52; and there is very little doubt that we could supply the other 3,000,000 were the market open to us, and the East India Company to abandon their manufacture.

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6986. Would it not be necessary in that case that they should entirely prohibit and prevent the manufacture of native salt in the country?—It is not necessary to prohibit it. Natural causes will always prevent salt being manufactured in Bengal. If you look at the Bay of Bengal, and the situation of the salt factories there, you see the enormous quantity of fresh water poured down from the whole of the Gangetic range into the Bay of Bengal. You could not select a worse place for making salt than the Bay of Bengal; it is half fresh water there. One can see clearly that it is impossible for salt made in those localities to compete even with the Madras and Bombay made salt; it is, no doubt, made in a rude manner in Madras and Bombay, but in those localities they have salt-water, whereas in the Bay of Bengal they have salt and fresh water to manufacture from.

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6994. You do not propose that the Company shall manufacture salt, but that the duty upon it should be 2*l.* a ton?—I contend that the Company have no right whatever to manufacture salt, no matter what the duty may be.

6995. Your first object is to do away with the manufacture by the Company altogether?—All that the Company now manufacture is manufactured at a heavy comparative loss to the revenue, and as it is clearly against their last charter, I would submit that the Company ought immediately to abandon that manufacture, more especially as the amount of foreign imported salt at the present moment is larger than that manufactured by the Company, and therefore there is no fear of endangering the supply.

6996. You consider that the salt which forms the whole consumption of India might be furnished by foreign importation?—Certainly I do.

6997. A portion of which would come from this country?—This country would be upon the same footing as any, and all other countries.

6998. What proportion of that amount would come from this country, do you suppose?—That is entirely a question of demand, and likewise of price. If this country can lay down its salt at a cheaper price than other countries, it will have the greater part of the trade; if, on the other hand, other countries can supply quality for quality at a cheaper rate than we can, such countries where it is more cheaply manufactured will have the supply.

6999. Do you consider, in the event of a war, which would greatly interfere with the importation from this country, there would be a sufficient supply of salt furnished from other importing countries for the consumption of the whole of India?—I think there would be; the amount of salt which is manufactured on the Bombay side and the Madras side of India is very large, and might be increased very materially. There is a large amount manufactured at the present moment in the Persian and Red Sea Gulfs, and that amount might be increased; at any rate the danger of a deficient supply, arising from external wars, is not nearly so great as the danger which now arises from the fearful inundations which periodically sweep away the manufacture in the salt districts. Wars at any rate have a termination, but the inundations which pervade those districts at the mouth of the Ganges, and down the coast, are perpetual.

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7005. Would you prohibit the production and manufacture of salt in India by individual enterprise?—Certainly not; the natives of India have as much right to manufacture salt as sugar or indigo.

7006. Would you levy an excise duty upon salt?—At the present moment the East India Company do levy an excise duty in the case of a salt factory at Narrainpore; there is no reason why they should not in other factories levy an excise duty in a similar manner to what they do now upon the rum distilleries.

7007. Do you consider that it could be so levied as to prevent the fraudulent manufacture of salt?—I do not see any reason why it should not.

7008. At present are there very large establishments kept up by the Government for the purpose of preventing smuggling?—Yes.

7009. In the event of the Government being deprived of this monopoly, and being no longer the manufacturers of salt, where would the people be found who would put down the smuggling of salt manufactured all over the Sunderbunds?—It would be always necessary for the Government to have a certain staff of police officers and others for the prevention of smuggling in salt, as they have in the case of the excise upon rum.

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7012. Is there now any prohibition upon the private manufacture of salt in Bengal, or any restriction upon such private manufacture beyond the excise duty?—Certainly. There is one great thing which we complain of; it is a complete monopoly in the hands of the East India Company. No Native or European can manufacture salt in India, and sell it as he pleases. We do not see why we should not manufacture salt in the same way as we can indigo and sugar, or any other article.

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7106. You have stated the effect which, in your opinion, would be produced upon the revenue of the East India Company, if the Company were to abandon altogether the manufacture of salt, and the supply of salt for India were dependant entirely upon importation; what would be the effect of such a change upon the price at which salt is sold in India, the import duty remaining as it now is?—I do not think, unless you were to reduce the duty, there would be any change upon the retail price in the interior of India.

7107. Do not you think that circumstances might occur, such as a war, which might, in any given year, very greatly interfere with the amount of salt imported into India?—I submit that that argument would equally apply to every other article of commerce, such as indigo or corn.

7108. I understand you to state that, in your opinion, the manufacture of salt cannot be carried on at a profit either by a Company or individuals in India?—That is my opinion.

7109. Therefore if the Company were to abandon the manufacture, India would exclusively depend upon importation?—When I spoke of India, I meant Bengal.

7110. Bengal would be dependant upon importation?—Yes.

7111. Are you of opinion that, if that were the case, the amount of salt imported would, one year with another, always be fully equal to the demand?—I think the best reply I can give to that question, is to show the enormous increase which has already taken place in the amount of imported salt, which in 1829–30 was only 10,498 maunds, but which, under every disadvantage and disability, had increased to 31,74,370 maunds last year, being actually a larger amount than that manufactured by the East India Company. I think that shows that there is no doubt of our getting a supply to any extent we may require.

7112. Can you state what the difficulties are in the way of the private manufacture of salt which prevent its being manufactured at a profit?—The enormous amount of fresh water which is poured down from the rivers into the Bay of Bengal makes the brine so weak that it is impracticable to manufacture it.

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7134. Would the reduction of the duty remove the objection which you have to the Company continuing to manufacture salt?—The two questions are entirely distinct. The Company have a perfect right to impose what rate of duty they think proper as a question of revenue. If they require a duty of two, or three, or four rupees, that is a question for them only to consider; it may be politic to reduce their revenue, but that is a matter which is in their hands only. But, as respects the manufacture, they have no right to manufacture, and they ought at once to abandon it.

7135. You consider that by the Act of Parliament they are precluded from manufacturing?—Decidedly.

Extracts from the Evidence of F. J. HALLIDAY, Esq., Secretary to the Government of India, Home Department.

7575. Are you acquainted with the manufacture of salt in Bengal, and the system by which the revenue is derived from it?—I am.

7576. Will you state to the Committee the mode of manufacture which is adopted?—The manufacture is by a system of contract; the Government, through its salt agents, contracts with a number of small manufacturers who are called molunghees, giving them advances proportioned to their contracts. Those men on contracting, enter into certain restrictive conditions, as to the superintendence over their manufacture, which is very close, the restrictions probably being equal to the restrictions which would be necessary under a system of excise, and very much resembling those which would be necessary under a system of excise. Those contractors make the salt in comparatively small quantities; it is then conveyed to the central warehouses called golahs, at the expense of the Government, and sold to be delivered from those golahs at a price fixed every year upon the average of the previous three years, the price being always the cost of the manufacture to the Government, plus the duty charged upon imported salt, so that the price of salt in the different places of manufacture varies to the people according to the cost to the Government arising out of the expenses incurred in each place of manufacture. I have with me a statement for the year 1852, showing the actual price advertised at the different agencies, which, if the Committee think fit, I can put in.

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7589. The Government sells any quantity, not under 50 maunds, does not it?—Anybody who chooses may purchase at a fixed price, which is published in the Government "Gazette" at the beginning of the year, and the announcement repeated occasionally, so that the commercial public may know it, quantities of not less than 50 maunds.

7590. Is 50 maunds too large a quantity to be bought by any single individual, in your opinion?—I have never heard it alleged in Bengal that it was so. It was said, not by the people themselves, but by the officers of the Government assuming to speak for them, that when the minimum amount was 100 maunds, it was too large, and in consequence of that it was reduced to 50 maunds. I do not know there would be any indisposition to lower it still further, if there was any general complaint made that it was too great a quantity.

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7596. Will you state to the Committee, supposing all duty were taken off the import of salt, and the Government abandoned any interest in the manufacture of salt, leaving the manufacture of salt free to the natives, without any excise duty or any impediment, what, in your opinion, would be the effect upon the importation of salt to India?—It is generally understood by those best acquainted with the subject, and it cannot be denied by any one who looks into the details, that the present price of the Government manufactured salt in Bengal is very much raised to the consumer in the market by the necessary want of economy, not to say extravagances, connected with the Government system of manufacture, and by those many peculations, and extortions, and corruptions which are inevitable in such a system, and carried on with such instruments. It has seemed almost certain under those circumstances to persons informed upon the subject, that if the Government were to withdraw, if there were no duty imposed, and the whole were left perfectly free, the native manufacturers in Bengal would forthwith completely and entirely undersell the imported salt, and there would not be a grain of salt imported into Bengal.

7597. The result of what you say appears to prove, that the system adopted by the Government, though not prejudicial to the importer, is prejudicial to the consumer?—I have no doubt it is so, even independently of the duty. The Government, as far as it lies, is obliged at all times for its own sake to look as closely as possible into the cost of manufacture, and to reduce it to a minimum; but do what it will, the costs of such an undertaking conducted by the Government, are sure to be very much larger than the costs of a similar manufacture conducted by a number of private individuals. To that extent, let the Government do what it will, the consumer is at a disadvantage under the present system.

7598. Could the Government now establish such a system of excise in Bengal as would secure its present revenue, and equally secure itself, as it is secured by the present system, against all frauds?—That is a question which has been very much considered in India, and certainly the balance of opinion there has been against the experiment. I confess, speaking a single opinion, I am in favour of the experiment. I should be very glad to see it tried. I am inclined to think that, under an excise system properly managed and gradually introduced, for that is essential to the experiment, the salt manufactured in Bengal could be brought to market at a much lower rate than it is now brought, which is the whole matter. If, after that, supposing the duty to be necessary, the importer of salt into Bengal could undersell the native salt, he might be allowed to do so; but I very much doubt, under such circumstances, whether he would. I think, if the manufacture were left in private hands, and the duty collected by an excise, the chances are that even then the home-manufactured salt would undersell the imported salt.

7599. What do you mean by "private hands;" do you mean that every individual

should be allowed to make salt, subject to an excise duty, or that the permission to do so should be given only to persons who could give security against fraud?—I think it cannot be allowed to every person; the expense of an establishment to superintend such a system of excise as should allow any person who chose to manufacture upon ever so small a scale on all parts of the coast of Bengal, would be so great as to eat up the revenue; but I think without insisting upon the manufactories being very large, but looking generally to the respectability and the sufficiency of the individuals allowed to manufacture, you might, without going the length of allowing all persons to undertake it, allow a sufficient number of persons upon a sufficiently small scale to undertake it, so as very much to reduce the cost to the public.

7600. Can you state for what price you think salt could be manufactured in India, apart from any duty or Government charges?—I have seen it stated, in print, that it might be manufactured so low as 4 annas a maund, that is, 25 rupees per 100 maunds. Our lowest cost now is, for Arracan salt, 52 rupees on the spot; our highest price being 107 rupees at the 24 pergunnahs. I am not prepared to say, from any actual knowledge I possess, what is the lowest price at which it could be brought to market under those circumstances; all I say is, that I have seen it stated in print, that in 1765, for example, it was actually brought to market in Calcutta, at 4 annas a maund, including all the expenses of manufacture and transit, before the Government interfered. It is stated, also, by a Mr. Bolts, in his evidence before a Parliamentary Committee in 1773, that he, a European concerned with natives, and therefore probably subject to a good deal of expense more than the native manufacturer would be liable to, actually produced salt, and brought it to market in Calcutta, at 55 rupees a 100 maunds, which is exceedingly low compared with the greater part of the prices in the statement I have given in to the Committee. It is 25 rupees or 30 rupees lower than the lowest price at which English imported salt has been sold.

7601. You said you saw it stated in print; what is the authority upon which that printed statement rests?—I think it will be found stated in the evidence which I quoted, given in 1773. It may be considered as bearing upon that question, if I state that at Cuttack, being at present one of our dearest places, for at present we give a high price for Cuttack salt, I happen to have seen a letter written by an officer whose acquaintance with all things in Cuttack is undeniable, Mr. Wilkinson, who was for 25 years Collector in South Cuttack, who says, speaking of the probability of doing away gradually with one agency after another, and its effect upon the ryots in the agencies, “sooner than lose the power of making salt at all, I have no doubt the molunghees in Cuttack would agree to make kurkutch, or solar evaporation salt, at 2 annas, and pungah, which is boiled salt, for 4 annas, per maund, and perhaps even less.”

7602. From that do you conclude, that those prices would yield them a profit?—I give it for what it is worth.

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7612. The present tendency of your opinion seems to be, that it would be desirable, instead of the manufacture under the Government control, to substitute an excise duty?—I should like to see it tried, certainly. I think the people have a right to see it tried in all those cases in which the Government has been obliged to stop its own manufacture, because of the competition of imported salt. There is a case of Mr. George Prinsep, which has been spoken of in some of this evidence. Mr. George Prinsep began supplying salt to the Government solely as a contractor, which any body may do, and which Europeans other than Mr. Prinsep have done; Mr. Prinsep found it a losing concern. He took great pains with his salt, he made salt much better than the surrounding molunghees, but he was not allowed to receive for his salt in the contract more than they received; in fact, the general contract price of that district regulated the contract price of his salt, and that of all the neighbouring small manufacturers; he was therefore obliged to accept as the price of his salt, the same price as was given to the native molunghees, but by attention and skill, he made his salt much better, and it was very much more profitable to the Government, though he himself reaped no advantage whatever. Upon seeing that, he grew careless and made his salt no better, perhaps worse, than the molunghees around him, it then became unsaleable together with the salt of the neighbourhood, and the Government intimated to him, that they did not want his salt any more; they would not enter into any further contracts with him. He then said, “let me come in under a system of excise, I will concentrate the manufacture so as to ensure you against loss by contraband dealing; you shall put your own excise agents into my premises; I will pay the duty, sell the salt, and profit by the improved manufacture which I shall be able to produce.” He did so; it was allowed by the Government, and since that time the manufacture has been profitable. Now, I think that that furnishes a sort of key to what we ought to do in those districts, in which we are driven to stop the manufacture. It strikes me that we ought not only to wait till people are wise enough to come forward and say, “let us manufacture salt under an excise system,” but we ought to encourage them to do what Mr. Prinsep did, we ought to say, “we will not take salt from you any longer as manufacturers, but if you choose, in a manner which shall secure us from the danger of smuggling, to establish a manufactory of your own, pay the excise duty, and sell the salt, do so.” I think the experiment might be tried. I think people would try it under those circumstances, and it would be the fairest and best way of gradually introducing a system of excise; unquestionably if it were found to answer in those districts where the Government have been obliged to give up their own

manufacture, it would be extended to others, and, in that way, safely and gradually, the system of excise, if found practicable, might be extended over the whole country.

7613. In Mr. Prinsep's case, he was at liberty, paying that excise duty, to sell at whatever price he chose?—He was.

7614. Was that facility granted to Mr. Prinsep as a favour, arising from partiality, or what was the reason of the Government granting him that privilege?—It was obviously advantageous to the Government; I believe the Government at that time would have granted a similar privilege to any similar person who had come forward. He established the manufacture of salt on a new principle; he went to considerable expense in erecting machinery and pans, and in introducing an entirely new method of manufacture. These were the reasons which were assigned by him as being such as ought to influence the Government in allowing him to manufacture salt upon the principle proposed, namely, the production of boiled salt in a very considerable quantity on a limited and easily-guarded space, thereby affording an opportunity of the best possible description for trying the experiment of an excise, which had been so long debated in Bengal; next, a great reduction in the price of the article, and the substitution of hired labour for the advance system, which is fraught with so many evils both to the persons to whom the advances are made, and to those who are obliged to make the advances; upon those grounds, the Government allowed him to carry out his project, and their doing so was approved by the Government at home. * I have no doubt, upon the same grounds, they would have allowed any number of persons to attempt a scheme of the same nature.

7615. When was the change made?—In 1835.

7616. Do you know whether any similar application has been made by any other party in any other part of Bengal?—I am not aware of any other application having been made.

7617. What is the case of Saugor Island?—That was a case similar to Mr. Prinsep's first experiment.

7618. Did the proprietors never ask to be put upon the same footing as Mr. Prinsep?—I am not aware that they did.

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7620. Is the district where the salt is produced of a very unhealthy character, and the population of a very degraded description?—One of the districts where salt used to be produced, the Sunderbunds, was very unhealthy, but not the rest; and I am not sure that the Sunderbunds are unhealthy to native constitutions. The population in those parts of the Sunderbunds where salt was made, used to be exceedingly dense; it was ascertained that the population in the salt-producing part of the Sunderbunds was as dense as in the district of Benares. The general opinion in India among the best informed persons is, that the statements as to the depressed condition of the molunghees are entirely incorrect; that they have not a shadow of truth in them. That has been so often stated on good authority that it seems very late in the day now to come back to these subjects, and to have to contradict such statements as those of Mr. Aylwin, in which he speaks of the molunghees as little beyond animals, and as being slaves, as their fathers were before them, and its being a matter of mere humanity to relieve them from their salt contracts, which depress them below the grade of civilised and almost, of human beings. So far back as the inquiries which took place previous to the last Charter Act, Mr. Holt Mackenzie, whose opinion, I believe, every one will consider entitled to very great respect, gave his opinion on that point, and also on another point which I see touched upon in this evidence, namely, the comparative purity of the Bengal salt, which, as it states all I could state in a very few words, I may be permitted perhaps to read. He said:—"As to the quality of the Bengal salt, I believe, there has been no small misapprehension. It is spoken of as being produced by boiling 'the dirty and slimy brine of pestiferous marshes.' Now, more than half of the agency salt is produced in the populous and well cultivated districts of Hidgellee and Tumlook. At the other agencies a large proportion of the produce is manufactured amidst, or closely adjoining to, cultivated land; and all of it, when delivered from the Government warehouses, is decidedly superior in quality to the bay salt of the Coromandel coast. The boiling, indeed, being effected in small pots, supplied with clear brine, and skimmed from time to time as impurities rise to the surface struck me, when I saw the process, as peculiarly favourable to purity, though laborious and expensive in the use of fuel; and I am not aware that the notion (possibly an ignorant one) has been contradicted by any analysis. The condition of the manufacturers has been made matter of complaint; but I believe, that it will be found that they are now, and have ever been, better off than other classes of the same rank, and that any suspension or reduction of the manufacture would be considered by them as a loss. That they are in a virtual state of slavery, I consider to be a statement quite at variance with the fact, and the unhealthiness and danger of even the worst of the places in which they are employed has been much exaggerated." That is on record in the Appendix to the Report in 1832.

7621. Is your opinion in accordance with that statement?—I was officially employed for three years in a very large salt-producing district, and I made the remark then, which I have often repeated from personal observation, that the condition of the salt contractors, the molunghees, was very much superior to that of most of the other ryots of Bengal with whom I came in contact; they are more comfortably off; their dwellings are larger and better, and more comfortable, and everything about them gives signs of wealth, which it

would be natural enough to expect, but such as you do not find in other districts where the molunghees are not employed.

7622. You said that in some districts the manufacture of salt had been discontinued by the Government, on account of its cost: have representations been made to the Government from those districts, stating the distress of the people, in consequence of the discontinuance of the manufacture?—Such representations have been made and every endeavour has always been made by the people concerned to work upon the pity and commiseration of the Government, so as to prevent the manufacture being put an end to. It has been represented sometimes, with loud outcries and clamour, by people who have come up to Calcutta for the purpose, that thousands of families would be ruined and destroyed by closing the manufacture; and that has very often indeed had so great an effect upon the officers of Government they have persisted for one year or two years, after they saw they were manufacturing at a loss, in giving further orders for manufacture in those districts; because, as I have heard them say, they could not find it in their hearts to persist in closing the manufacture, in the face of the pitiful outcries and remonstrances of those wretched people.

7623. If there were permission given under a system of excise to any person in those districts to manufacture salt do you believe it would be manufactured by private persons?—I think it would. At all events I think it is fair to the people to give them an opportunity of manufacturing it.

7624. Employment would then be afforded to that class of people who were before employed under the system of contracts?—Precisely.

7625. You stated that Mr. Prinsep's private manufacture has answered since he has manufactured under an excise system; but that before, when he was manufacturing under contracts with the Government, he incurred a loss: did the profit which he made under the excise system arise from the higher price which he obtained for his salt, owing to improvements in the manufacture, or from the reduction which he was able to effect in the cost of production?—I am not sufficiently acquainted with the details of the manufacture to be able to answer that. I have no doubt that the details might be procured; but the fact that he lost under one system, and gained under the other was communicated to me by one of his executors, I think only yesterday.

7626. Are you aware whether the price he sold at exceeded the price he obtained before?—It exceeded the former price: in that way he gained. He gained what the Government had previously gained.

7627. It has been stated to the Committee that it is impossible to manufacture salt in India at a profit; I understand, from your evidence, that you are of a different opinion; you believe that, under a free system of manufacture, subject only to an excise, a sufficient profit would be obtained from the manufacture of salt to induce persons to enter into that employment?—I think so; under a free system, with no excise, I am quite certain of it. The restrictions necessarily belonging to an excise system might affect the manufacture, and would doubtless be found to do so in practice.

7628. Your plan, I understand, would be to try the system of excise in some of those districts where the manufacture of salt has been discontinued, retaining, at the same time, the Government manufacture, so that if the excise failed the Government manufacture might be still carried on; but, on the other hand, if the excise system succeeded, the Government manufacture might be gradually abolished?—Precisely so.

7629. You do not think it would be safe for the Government entirely to withdraw from the manufacture, and trust for a supply to imported salt?—I do not think it would be safe.

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7638. Are you aware of certain individuals having established a manufacture of salt and having been obliged to give up the manufacture?—I think the Saugor Company gave up their manufacture; I do not exactly know on what grounds; the fact, I believe, is that one or two people did attempt the manufacture of salt, and afterwards gave it up; it is a long while ago, and I do not exactly remember the circumstances.

* * * * *

7640. What are the means provided for preventing smuggling from the salt works of Mr. Prinsep?—The means are the superintendence and supervision of the agents of the Government, employed in his works for that purpose, precisely as under a system of excise.

7641. Are you of opinion that you could introduce a similar system of check and safeguard, if you were to admit private manufacturers to establish works in many districts where the public contracts have been discontinued?—I think it could be done; I admit it has been disputed; a great deal has been said on both sides, but that is my opinion.

7642. Would it not be attended with a comparatively greater expense, in small manufactories which might be established, than in the larger one of Mr. Prinsep?—If you extended the permission to very small manufactories no doubt it would, but that would be very inexpedient.

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7645. Have you the means of stating to the Committee the reductions which have taken place in the cost of manufacture, in the last ten years?—I have not, but I know they are considerable.

7646. There has been a diminution of the cost of manufacture, I believe, in every one of the agencies?—In every one of the agencies. There has been a great deal more care taken of late years in the manufacture, and a great deal more care as to advances. A great part of the losses, which are thrown upon the cost of the salt, have arisen from advances made to the contractors, and not afterwards recovered: that has very much diminished: it has now been reduced to a minimum, and also losses in other ways have been guarded against.

* * * * *

7651. You have stated that the condition of the molunghees is not so degraded as has been stated before this Committee; have you ever been in those districts?—I lived for three years in a salt district.

7652. Have the people any other means of employment besides that of the manufacture of salt?—They are almost all connected with land; they have almost all of them land.

7653. If the manufacture of salt were put an end to would they be able to obtain employment from the land?—In the course of time no doubt they would turn to it, but it is not possible to put an end to an immense manufacture like that in a district, without causing a great amount of distress, however temporary it may be.

7654. What has been the change which has taken place in another part of Bengal by the cessation of the weaving and the cloth manufacture?—It has scarcely taken place during the time I have been in India; I think the change had taken place before I arrived; I have, however, heard it described as one which, at the time, was exceedingly distressing to the population, and from the effects of which the district and city of Dacca have not yet recovered, if they ever will.

7655. Are you acquainted with the condition of the ryots at Mymensing, Jessore, and Dacca?—I have been in those districts.

7656. In what condition are the ryots compared with the molunghees?—My impression of the condition of the ryots generally, as compared with the molunghees, is that the former are not so well off as the latter, by any means.

7657. The condition, therefore, of the molunghees would not be a bar to the abolition of the manufacture of salt, if other circumstances should be favourable to it?—To abandon the manufacture would make their condition worse: it would reduce them from better to worse.

7658. You think there is not sufficient employment for those people, if the manufacture of salt were removed?—There would not be for some time, I think.

7659. You think they are in a better condition, because they have the manufacture of salt?—Yes.

Appendix F.—No. 4.

Extract from a Memorandum on the system of the Management of the Salt Revenue at the three Presidencies, by HUGH STARK, Esq., prepared for the Committee of the House of Commons in 1832.

In fact, it thus appears that the Government of Bombay have been led, by the Court's refusal, to sanction a monopoly of salt at that Presidency, to introduce the system of duties collected at the places of manufacture, which prevailed in Europe, more particularly in this country previously to the abolition of the salt tax.

The checks imposed by the excise laws were quite as rigid as those which now exist in India under the Bengal system, with this difference, that there was no limit to production. At Madras, the supply is not limited, because the tax is defined; but, both at Madras and Bengal, the manufacture is strictly a Government concern. It may, however, be questioned whether the holders of salt in England, under our excise laws, were in the enjoyment of greater freedom while the duties remained unpaid than might be readily established in Bengal, where the public golahs might be made depôts for the deposit of private salt, in the same manner as is now practised with public salt.

The agents and their establishments could be readily transformed into collectors of excise, supervisors, and inspectors over the manufacture and storing of salt.

The superintendents of the chowkey establishments need not be disturbed. They already perform all the duties which a change of system would demand, for no salt, be it Government or private property, can pass without a document showing that the tax, or, what is the same thing, the sale price, has been paid for it.

The Madras system might require revision, in respect to the superintending agency, both European and native. The stores at Madras appear to be the only points where the dealers are strictly watched. After the salt has been purchased, a rowannah is issued to the dealer, who appears to be much more free from subsequent checks than the dealer in

Bengal. It would, however, rest with the local Government to arrange the plan for giving effect to the principle of substituting a fixed tax for the existing system of monopoly of manufacture and sale of salt.

The great difficulty which will be experienced in Bengal, in abandoning the existing system, and adopting a modified tax, will be found in the necessities of the Government, which have always prevented them from adopting any plan that interfered with its immediate want of revenue. It is, however, fortunate that the establishment of a better system at Bombay, and, indeed, in the Upper Provinces of Bengal, will serve as a guide for the measures proper to be taken in the provinces subject to the rigid system of monopoly.

In the Western or Upper Provinces of Bengal, salt is now an article of free trade, subject to the payment of defined duties. The limit of this trade is believed to be the province of Benares.

Appendix F.—No. 5.

Extracts from Mr. TREVELYAN'S Report upon the Inland Customs and Town Duties of the Bengal Presidency, 1833, page 137.

It has been already observed, that a special arrangement must be adopted for the Ghazeeabad and Agra salt works. Although it be of home produce, a countervailing duty must be retained on this kind of salt, else it would be manufactured to a great extent to the supersession of the foreign and taxed salt. Lines of chowkeys are quite out of place here. All that is required is an enactment that no salt may be removed from the place of manufacture without the previous payment of the duty, and the only preventive check necessary will be to take an account of the quantity manufactured, for which the manufacturer becomes, from that moment, responsible, whatever may be done with it. Thus, complete security will be obtained for the realization of the public revenue, without any interference with the process of manufacture, without any liability to domestic search and espionage; and, above all, without in the least interrupting the communications of the country. * *

I have long been of opinion that the salt revenue of Bengal might be secured in the same manner, at a much smaller expense both to the Government and people. The manufacture can only be carried on at certain seasons, and within certain limits, on, or near, the sea-coast; and, as large quantities of firewood and earthen pots must be collected for the purpose, it cannot be done in secret. Surely, it would cost less, and would place a more effectual check upon the illicit manufacture, if we were to direct our attention to the place of manufacture itself, instead of obstructing the navigation of the Ganges and other great thoroughfares, by our salt chowkeys. In the one case, the article is located in a particular spot, where the notoriety attending the process of manufacture puts it completely in our power; and, in the other, it is in a state of locomotion, and may be, as we know it is, conveyed by an infinite variety of by-paths to every part of the country, entirely evading the trammels of the monopoly.

Appendix F.—No. 6.

Extracts from a Report prepared by the Chairman of the Select Committee of the House of Commons, appointed to inquire into the Supply of Salt for British India, in 1836, but not adopted or officially published.

Whether the best mode of raising a revenue through salt be by the means of a Government monopoly, or by permitting a free manufacture, the manufacture being subject to an excise, the importation to a custom duty, has long been a matter of controversy among the servants of the Company themselves.

In comparing these two modes with reference to revenue only, the principal question to be solved is, by which of the two a certain sum would be realized to the State upon the easiest terms. It appears from the evidence which has been laid before your Committee, that smuggling to an enormous extent prevails under the present system, that the revenue for several years has gradually decreased, notwithstanding the acknowledged increase in the population; and, it can scarcely be doubted, that, as a larger proportion of illicit salt is annually brought into consumption, the revenue is to a proportionate extent defrauded. It may, indeed, be alleged, that the same difficulties which occur now in checking the use of smuggled salt, would equally prevail under an excise system.

But should a system be introduced into India upon the model of that which regulated the collection of the salt duty in England, and which all persons acknowledge to have been

efficient for its object, there is little doubt, though smuggling to some extent, as long as the present high duty exists, must always be expected, of its proving a powerful engine in the hands of the Government for the collection of their revenue.

A portion of the Indian and European agents who are now engaged in superintending the manufacture would probably be employed in preventing the evasion of the excise duty, and there is no reason to suppose that their services would not be equally efficient for the latter purpose. While, on the other hand, the duty upon all European and Foreign salt might, accurately and without difficulty, be collected.

Your Committee have carefully weighed the valuable evidence that has been laid before them, both by the advocates of the present monopoly, and by those who think that a system of taxation on the principle of the English excise might safely be adopted in India.

Arguments have been advanced by the supporters of the present system in order to prove that no excise can be made applicable to India, from a deficiency in the means of forming an efficient and responsible superintendence.

Much reason as there may be to regret this want of trustworthiness among the natives of that country, yet it cannot be denied that many of the objections that are urged against their fitness to be trusted under an excise scheme are equally valid if applied to their employment under the present system. Every argument which has been raised against an excise strikes equally at the root of the monopoly.

Much valuable information has been gained from the examination of the Chairman of the Board of Excise in London. He clearly shows that a net income of 1,500,000*l.* was raised upon salt in England, at an expense not exceeding 40,000*l.*, and that any assumptions that an extensive system of smuggling prevailed in this country under the excise laws are perfectly gratuitous and without any foundation.

Whatever may be thought of the policy of the tax which existed, the perfection of the mode of collection cannot be disputed. It is difficult to imagine why the same principles should not be applicable to the Bengal provinces.

It has been attempted to be shown that the great dispersion of the khalaries, or salt works, would be an impediment to their efficient superintendence. But it appears that orders have been already given that several of the least profitable of these works should be abandoned.

What difficulty would there be in extending this restriction still further, or in confining each work within certain and defined limits?

Salt is not an article which could be made on an extensive scale clandestinely. If a precedent for such a limitation were required, it might be found in the excise regulations of this country, which prohibited the establishment of any new manufactory, unless under the special permission of the Government.

It is to be expected, that, under a free system, many individuals would be willing to invest their capital in undertaking the supply of salt, and it is presumed that no large amount of capital would be required for such a purpose. In this case, warehouses would be built for the safeguard of the manufactured article, and security given for the payment of the duties.

Should, then, the Government place well paid and respectable officers in charge of them, there is every reasonable ground for thinking that a more steady amount of revenue might be relied upon.

The severity which any excise plan would require for its support is urged as an argument against its adoption. But it is difficult to imagine a rigour which would be required to support an excise law that would exceed the rigour employed in maintaining the monopoly of restricted manufacture and sale.

Every tax is in itself an evil, and though the supporters of the monopoly may call it a mode of raising a revenue, yet it is one which joins to the hardship of a tax all the objections inherent in an exclusive system.

The severity complained of as likely to accompany an excise, might, it is thought, be endured by a people who have lived under the monopoly. The people of England submitted to it for many years. As long as a heavy tax exists, the mode of its collection is but a choice of evils.

On a balance, then, between the two systems, as bearing upon the revenue, there is great reason to give preference to the free system, as more likely to realize a certain revenue than that which now prevails, and is so notoriously abused.

Your Committee will not presume to sketch out more than a faint outline of a system which might be recommended as a safe substitute for the monopoly. They naturally have turned their attention, in the first instance, to the excise which so long prevailed in England, under which a revenue of a million and a half sterling was raised, with a charge of collection of about 2½ per cent., which effectually prevented any extensive smuggling, which was always considered as a perfect engine for carrying into effect the objects which the Government had in view. That a similar system might be introduced into India with good effect there is no reason to doubt, if the Government would, as was the case in England, sanction the enterprise of individuals in places only where it could be profitably carried on, and where there would exist facilities for the exciseman to watch and superintend the operation of the manufacturers.

APPENDIX G.

A Collection of all the Official Correspondence relating to the measures taken for Establishing a Manufacture of Salt upon a system of Excise in the past season 1854-55.

- No. 1.—Extract of a Letter from the Government of Bengal to the Board of Revenue dated December 16, 1853.
- No. 2.—Ditto from the Board of Revenue to the Government of Bengal, dated January 4, 1854.
- No. 3.—From the Board of Revenue to the Government of Bengal, dated May 12, 1854.
- No. 4.—From the Government of Bengal to the Board of Revenue, dated May 19, 1854.
- No. 5.—From the Board of Revenue to the Government of Bengal, dated May 31, 1854.
- No. 6.—From the Government of Bengal to the Board of Revenue, dated June 15, 1854.
- No. 7.—From the Government of Bengal to the Government of India, dated June 12, 1854.
- No. 8.—From the Government of India to the Government of Bengal, dated June 23, 1854.
- No. 9.—From the Government of Bengal to the Board of Revenue, dated July 7, 1854.
- No. 10.—From the Board of Revenue to the Controller of Salt Chowkeys, dated July 29, 1854.
- No. 11.—From the Controller of Salt Chowkeys to the Board of Revenue, dated August 31, 1854.
- No. 12.—From the Superintendent of Barreepore Salt Chowkeys to the Controller of Salt Chowkeys, dated August 22, 1854.

Enclosures.

- No. 1. Statement of the Estimated Expense of Annual Establishment for the Aurungs of Mowkhallee and Patankhally, when manufacture under Excise License shall commence.
- No. 2. Sketch of the position which the proposed Storage Golahs at Baugundee would be in, with reference to the Issur Motee River.
- No. 3. Statement of the Estimated Expense that would be incurred at Baugundee for an Establishment of (8) Excise Storage Golahs.
- No. 13. From the Board of Revenue to the Government of Bengal, dated September 8, 1854.
- No. 14. From the Government of Bengal to the Board of Revenue, dated September 18, 1854.

APPENDIX TO SALT REPORT.

- No. 15. From the Board of Revenue to the Government of Bengal, dated September 23, 1854.
- No. 16. From the Government of Bengal to the Board of Revenue, dated September 25, 1854.
- No. 17. From the Board of Revenue to the Controller of Salt Chowkeys, dated September 25, 1854.

Enclosure

- A. Notification of the Rules for granting Licenses to parties desirous of engaging in the Manufacture of Salt under an Excise system, dated September 25, 1854.
- No. 18. From the Board of Revenue to the Government of Bengal, dated May 14, 1855.
- No. 19. From the Government of Bengal to the Board of Revenue, dated May 21, 1855.
- No. 20. From the Board of Revenue to the Government of Bengal, dated May 15, 1855.
- No. 21. From the Government of Bengal to the Board of Revenue, dated May 21, 1855.
- No. 22. From the Board of Revenue to the Controller of Government Salt Chowkeys, dated June 5, 1855.
- No. 23. From ditto to the Collector of 24 Pergunnahs, dated June 5, 1855.
- No. 24. From the Government of Bengal to the Government of India, dated June 13, 1855.
- No. 25. From the Government of India to the Government of Bengal, dated July 6, 1855.
- No. 26. From the Government of Bengal to the Board of Revenue, dated July 17, 1855.
- No. 27. From the Board of Revenue to the Collector of 24 Pergunnahs, dated July 21, 1855.
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 Appendix G.—No. 1.

Extract from a Letter from the Secretary to the Government of Bengal to the Officiating Junior Secretary to the Board of Revenue, dated December 16, 1853.

Paragraph 6. The Deputy-Governor observes, from the monthly official returns and from information obtained from your office, that the stock of salt in store on the 1st May, 1853, exclusive of imported salt in bond and uncleared excise salt, was only maunds 35,70,121, and that the quantity manufactured in the Bengal and Cuttack Agencies last season, but not brought into store on that date, was maunds 22,40,246, making altogether in round numbers maunds 58,00,000, while the clearances, wholesale and retail, during the first seven months of the current official year, have been nearly maunds 31,00,000, leaving a probable balance now in store of maunds 27,00,000. The taidad of the current season is only maunds 33,50,000, so that if clearances go on at the rate of the last seven months, the stock at the close of November, 1854, will not exceed maunds 7,50,000. This is a state of things demanding the Board's immediate and most serious attention, and the Deputy-Governor will be glad to receive from the Board at an early date a report of the measures it may be possible to take at this late period of the year for supplying the probable deficiency. His Honour desires me to observe that the present is a favourable opportunity of trying the experiment of manufacturing on the excise system in one of the aurungs of the late 24. Pergunnahs Agency, and that steps might very properly be taken to ascertain whether private persons are willing to engage in the manufacture under such checks as it may be necessary to impose for the security of the revenue.

 Appendix G.—No. 2.

Extract, paragraph 7, of a letter from the Officiating Junior Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated January 4, 1854.

Paragraph 7. Immediate attention will be given to the suggestion made in the latter part of the 6th paragraph of your letter under notice, but the Board do not anticipate that satisfactory arrangements can be made this year, at least to any considerable extent, for trying the experiment of manufacturing on a system of excise.

 Appendix G.—No. 3.

Sir,

Fort William, May 12, 1854.

I am directed by the Board of Revenue to request that you will submit for the consideration of the Honourable the Lieutenant-Governor the following particulars in connection with the present and proposed arrangements for the supply of salt for consumption in the lower provinces of Bengal.

2. The actual quantity of salt taken out for consumption in each of the last five years is stated in the margin,* and the quantity required to be annually provided may thence be assumed at maunds 65,00,000. Of this quantity more than maunds 5,00,000 is manufactured and sold at reduced rates in the province of Cuttack, and may for

Salt.
H. Ricketts and
E. Currie, Esqrs.

To the Secretary to the Government of Bengal.

1849-50	..	..	..	Maunds	65,98,305
1850-51	..	..	..	..	63,11,282
1851-52	..	..	..	..	60,62,815
1852-53	..	..	..	..	65,21,927
1853-54	..	..	..	..	62,76,212

the present be left out of the account; from 3,00,000 to 4,00,000 maunds is also reserved for retail sales in particular localities, but this forms a part of the maunds 60,00,000 which have to be provided.

3. The proportions in which the salt sold to general consumers (*i. e.*, exclusive of retail sales) has been supplied by importations, and from the Government depôts are entered below.

		Imported.	Government Sales.
		Maunds.	Maunds.
1849-50	.. ..	21,03,219	33,83,833
1850-51	.. ..	26,01,033	28,25,100
1851-52	.. ..	29,26,866	22,39,952
1852-53	.. ..	24,94,331	31,25,129
1853-54	.. ..	15,61,056	37,89,914

4. The rapid increase of the imports up to 1851-52 (in which year the shipments from Liverpool alone amounted to maunds 18,50,762), and the consequent falling off in the Government sales, led to the abolition, first, of the 24 Pergunnahs Agency, and, afterwards, of that of Chittagong. But a decrease of importation in 1852-53, and especially in the arrivals from Liverpool, which in that year fell to a little less than maunds 11,00,000, caused a rapid clearance of the Chittagong golahs, and induced the Board to recommend last year the re-opening of that agency.

5. The decrease of importations in 1852-53 was almost entirely in shipments from Liverpool, and was in fact partially compensated by increase from other quarters; but, in the year which has just expired, the falling off has been general, and to such an extent, as to threaten great embarrassment, and to call for immediate remedial measures. The experience of the present season, in which great efforts have been made to keep up the supply, shows that, in an ordinary year, the present agencies cannot be securely reckoned upon for more than maunds 36,00,000 of pungah, exclusive of the quantity required for the Cuttack local sales. The causes to which the diminished imports are attributed continue, and are apparently likely for some time to continue, in operation, and the private trade in this article cannot be depended upon for a supply of more than maunds 12,00,000, leaving a deficiency of about maunds 12,00,000 to be provided for.

6. Recourse must therefore, it is evident, be had to some additional source of supply, and the most obvious means of extension which occurs to the Board is to re-constitute the 24 Pergunnahs Agency. The Board do not anticipate that this measure would, in itself, enable them to make up the whole of the deficiency, but any further quantity which might be requisite could be furnished by importations on account of Government from Arracan and Madras.* The suggestion has not been lost sight of, which was made by Government in Mr. Secretary Beadon's letter, dated the 16th of December last, that an experiment of manufacturing under a system of excise should be tried in some of the abandoned aurungs of the late 24 Pergunnahs Agency. A plan for carrying out this object has been for some time in contemplation by the Board, and they will shortly be prepared to submit it for the consideration of Government. Any measure, however, of this kind could only, I am to observe, have a very limited and partial effect, and would not supersede the necessity of manufacture on a large scale on account of Government.

7. The Board would recommend that steps should at once be taken for re-constructing the 24 Pergunnahs Salt Agency. Chittagong has been unable this year to supply its full taidad, and the failure is attributed to the late period at which the orders for reestablishing the agency were issued. In the 24 Pergunnahs Agency manufacture has been discontinued for a much longer period than it had been in Chittagong, and it will take some time to re-organize it. It is very important, also, that the people interested should be made aware of the intended measure at a very early date.

I have, &c.,

A. R. YOUNG,
Officiating Secretary to Board of Revenue.

* Arracan has been already indented upon for 4,00,000 maunds to be delivered at the Kyouk Phyo golahs before June 1855. The Chittagong retail sales (about 15,00,000), are, ordinarily, supplied by importation from Madras: and the importation of Madras salt at Sulkeea on account of Government, is now being resumed.

Appendix G.—No. 4.

To the Officiating Secretary to the Board of Revenue.

Sir,

Fort William, May 19, 1854.

I am directed to acknowledge the receipt of your letter, dated the 12th instant, and to state in reply, that, before according his sanction to the re-opening of the 24 Pergunnahs Salt Agency, the Lieutenant-Governor is desirous to have before him the plan which the Board are stated to have under their consideration for a manufacture of salt on the excise system.

Miscellaneous
Revenue. Salt.

2. The opportunity which is offered for trying the experiment of manufacturing under a system of excise seems to the Lieutenant-Governor to be so favourable a one that it ought not to be lost. The experiment, he is disposed to think, may best be tried in an abandoned agency like the 24 Pergunnahs, while, on the other hand, he should apprehend that the re-constitution of the agency might probably prove detrimental to the success of the excise system the introduction of which he regards as of the utmost importance.

I have, &c.,

W. GREY, *Secretary to the Government of Bengal.*

Appendix G.—No. 5.

To the Secretary to the Government of Bengal.

Sir,

Fort William, May 31, 1854.

I am directed by the Board of Revenue to acknowledge the receipt of your letter of the 19th instant, in which you state, that, before according his sanction to the re-opening of the 24 Pergunnah's Salt Agency, the Lieutenant-Governor is desirous to have before him the plan which the Board have under their consideration, for a manufacture of salt on the excise system. The Lieutenant-Governor, you remark, considers the present opportunity a very favourable one for trying the experiment of manufacturing under a system of excise, and thinks that the experiment may be best made in an abandoned agency, and that the re-constitution of the 24 Pergunnahs Agency, as proposed by the Board, might prove detrimental to the success of the experiment.

H. Ricketts and
E. Currie, Esqrs.

2. The Board quite concur with the Lieutenant-Governor in thinking that the abandoned aurungs of the 24 Pergunnahs agency, are the best possible field for the experiment referred to. But, under existing circumstances, the annual supply being so much less than the demand, as explained in my letter of the 12th instant, and the stocks being so low as to occasion the most serious uneasiness, they do not think it possible to give up the whole of the 24 Pergunnahs Agency (the best, they believe, under proper arrangements, of all our manufacturing localities), to an experiment which may, or may not, succeed, and which, under the most favourable contingencies, could not be introduced at once on so large a scale as to supply with any degree of certainty the certain deficiency. The Board look upon it as indispensably necessary that 8 lacs of maunds at least should be manufactured on account of Government in the restored 24 Pergunnahs Agency, without this new source of supply, it is quite impossible that they can undertake to meet the year's demand, to say nothing of the necessity of replacing the reserve stock, which the exigencies of the last and current years will have well nigh exhausted.

3. But there is no reason why the experiment, upon a considerable scale, should not be tried in, or adjoining to, some of the hoodahs of the agency. The operations of the agent may tend to increase the price of labour, and so far affect the interests of the private speculator; but there is space, and the Board believe there will be found hands, sufficient for both, and the latter ought to be able to manufacture at least as cheaply as the former.

4. With regard to the place in which excise manufacture might be permitted, the late

Board, some years since, proposed to Government to try the experiment in Saugor Island, the grantees of which had been previously allowed to manufacture by contract on account of Government. From its isolated position the locality is as favourable as any that could be selected; and the Board would allow manufacture there on the terms before proposed,* but with this modification, that the salt should be stored at Diamond Harbour, where the store and delivery would be more easily supervised than on the island itself. There is reason to believe that Mr. Fraser, the grantee's agent, would make no great objection to this change.

5. Some months ago, the Board consulted with Mr. Crank, superintendent of Ba-reepore salt chowkeys, who was formerly an assistant in the 24 Pergunnahs Agency, on a plan for working the Tuffal mehal of that agency under an excise system. Mr. Crank, at their request, put down his ideas on paper,† and his scheme, with Mr. W. Palmer's remarks upon it,‡ are herewith transmitted in original. Mr. Crank's plan is briefly this:—To select certain hoodahs of the Tuffal aurung, and to let them out in small allotments at nominal rents, each allotment being sufficient for the location of a khullaree, calculated to produce in a season from 2,500 to 3,000 maunds, a licence fee of 50 to be taken for each allotment. The allotments to be continuous, so as to be easily supervised, and the daily produce to be "cooted" by officers appointed for the purpose, as in the agencies. The salt to be saleable as manufactured, the weighments being superintended by the cooting officer, and the salt delivered on presentation of passes from the Board, certifying payment of duty. Any salt which may remain unsold at the commencement of the rains, if not removed by the manufacturer on payment of duty, to be either destroyed, or taken over at a low rate by Government. Mr. Crank states the excise force which he would consider necessary, and thinks that the extra expense might be provided from the licence fees and ground rents.

6. The defect of this plan in Mr. Currie's estimation is, that it fails to meet what he considers the principal difficulty connected with a manufacture of salt in the heart of the Soonderbund forests, which is the storage of the salt when made. It contemplates the sale of the salt from the manufacturing grounds, instead of from a depôt, and this he holds to be altogether objectionable. Such sales would be almost unavoidable, liable to the greatest abuse, while their prohibition could scarcely, he thinks, be felt to be a real hardship, for no merchant, with honest intentions, would be likely to go to the aurungs to purchase wet salt, liable to a heavy wastage. Mr. Ricketts views this matter in a different light. There is no more danger of smuggling, it appears to him, on the part of the purchaser, between the aurung and the place proposed for store, than on the part of the contractor; and even though sales from the manufacturing grounds might be liable to abuse, he does not think that the Government should, on that score, so far interfere as to prohibit them, and prevent the manufacturer from disposing of his produce as soon as it is fit to be removed. It is for the officers of Government, he conceives, to take proper precautions to provide against abuse as far as is practicable. In Mr. Currie's objection to the further proposal of Mr. Crank, that the sale transactions of excise salt should be limited to the manufacturing season, Mr. Ricketts concurs. Such an arrangement would defeat in a great measure the object in view, by obliging Government to take over all salt that might remain unsold at the close of the season; for the alternative of destruction, which is suggested, they hold to be quite inadmissible.

7. The idea of letting out at nominal rents one or more hoodahs of the Tuffal aurung, or similar lands in the same neighbourhood, in contiguous allotments of suitable area, is, the Board think, worthy of adoption. But persons applying for allotments should engage to locate on each not less than 10 khullarees, and to manufacture not less than 20,000 maunds of salt. Instead of being sold in the aurung,§ as proposed by Mr. Crank, the salt should be transported, under chelaun, from the cooting officer, to some convenient locality, where it would be stored for sale.|| Other officers must be appointed to supervise the receipt into store, and the delivery to purchasers. The best locality for these stores, both as regards vicinity to the manufacturing grounds, and readiness of access for purchasers, would be the neighbourhood of the old Government depôt at Baugundee, which is the station of a superintendent of salt chowkeys, and where in consequence the requisite supervision could be exercised at very little additional expense to Government. There would be no difficulty in effecting this arrangement, for the zemindars of Takee, near Baugundee, are desirous of engaging in the manufacture, and some of the wealthiest sajooneahs live in the same neighbourhood; Mr. Currie would make storage within a short distance of the chowkey station of Baugundee, a condition of the grant of licence.

8. The Board would not recommend the exaction of any licence fee from parties desirous of engaging in the manufacture of salt under an excise system, but would require

* See Salt Board's Letter to Government, dated December 26, 1850, and to Mr. R. Hunter, dated 14th *idem.*, the conditions of manufacture specified therein are annexed.

† Dated January 13, 1854.

‡ Dated 24th *idem.*

§ In Mr. Rickett's view of the case, this should of course be at the option of the manufacturer.

|| The salt when loaded on the boats would be stamped over by the cooting officer. The chelauns, which would be numbered in regular order, would specify the tonnage of the boat, name of manjee, and estimated quantity of salt. The receiving officer would examine the boat and salt on arrival, and bring to notice any appearance of the heap having been tampered with. Registers of chelauns would be kept both by the cooting and the receiving officers.

the payment of ground-rent for the lands occupied by them, say at the rate of 3 annas a beegah, which payment should convey also the privilege of cutting jungle in the neighbourhood. The proceeds would be inconsiderable, not exceeding, probably, in the first year 600 rupees, but whatever might be thus collected, would go to lessen the expense of superintendence.

9. The supervision of the manufacture and of the storage and sales after storage, might well, in the Board's opinion, be kept distinct. The latter, if the Board's recommendation be approved in regard to the locality of the storage golahs, might be entrusted to the officers of the Baugundee superintendency with little, or no, increase of expense. To watch the manufacture, a separate establishment would be requisite, and this would naturally be under the control of the salt agent, if such an officer (as the Board think is unavoidable) be appointed. It might be on the scale noted in the margin.*

10. It occurs to the Board, that should their recommendation for the re-constitution of the agency be adopted, it would be a fitting and economical arrangement to combine the duties of the salt office with those of the Collector of the district, by placing the latter on a footing similar to those of the Cuttack division, where the collectors and magistrates are also salt agents, and having each an efficient deputy under him, are enabled satisfactorily to discharge their duties in the salt department, in addition to those of the magistracy and collectorate.

11. Before concluding, the Board direct me to advert to an objection which may possibly be taken to the reestablishment of the 24 Pergunnahs Agency, and which in fact was a principal cause of its abolition, viz., that under the system, which obtains, of pricing the Government salt, the comparatively heavy expense of manufacture in the agency, renders its produce unsaleable. It is quite true that there is now an unsaleable stock of 24 Pergunnahs salt on hand; but the Board have no hesitation in saying, that the comparatively high rate at which it is priced, is the consequence of previous mismanagement. Mr. Bury, who has had more extensive experience in the salt department than any other officer in the service, and who had charge of the 24 Pergunnahs Agency at the time of its abolition, always maintained that that measure was an erroneous one, and that the capabilities and facilities for making salt in the 24 Pergunnahs aurungs were in every respect greatly superior to those of his other charge, Tumlook. The contract rates had been 12 annas a maund; in the last year, they were reduced to 10½ and 9½ annas; and, after the abolition, the contractors expressed their readiness to manufacture at 7 annas. The adjusted price for the last 3 years on a reduced taidad, which of course enhances the price, is 345rs. the 100 maunds. The difference between 7 annas and 11 annas (which may be taken as the average molunghee rate of the last 3 years upon the returns for which the sale price was calculated), is 25rs. per 100 maunds, reducing the price at once to 320rs. Even should contracts be made at 8 annas, the salt, with an increased taidad, might be stored at 320 rupees; and there can be no doubt that, at that rate, it would be eagerly taken off by the merchants.

I have, &c.,
A. R. YOUNG, *Officiating Junior Secretary.*

Appendix G.—No. 6.

Sir,

Fort William, June 15, 1854.

Miscellaneous
Revenue. Salt.

In reply to your letter dated the 3rd instant, I am directed to convey the sanction of Government to the proposed provision of salt for the ensuing season, with the exception of the quantity proposed to be manufactured in the old agency of the 24 Pergunnahs.

2. With respect to the Board's proposal to re-open that agency, I am directed to say that the Lieutenant-Governor has not been able to satisfy himself of the expediency of such a measure, and, after a full consideration of the question, it has seemed to him desirable to submit the Board's recent letters regarding the provision of salt to the Supreme Government, with his own recommendation that a Government manufacture of salt should

To the Officiating Secretary to the Board of Revenue.

* 1 Superintendent	100 rupees per mensem.
2 Coot Darogahs at 25 rupees each	50 " "
16 Chuprassees at 4 rupees each	64 " "
Total	Rs. 214 " "

not be revived in the abandoned agency of the 24 Pergunnahs, but that that field should be taken advantage of for the immediate introduction of a manufacture under a system of excise.

3. A further communication on the subject will be made to the Board on the receipt of a reply from the supreme Government.

4. In the meantime, the provision of salt now sanctioned will stand as in the margin,* and the Lieutenant-Governor would request the Board to impress upon the several officers concerned, the great necessity of using every exertion to ensure the largest possible out-turn of salt in the ensuing season.

I have, &c.,

W. GREY, *Secretary to the Government of Bengal.*

Appendix G.—No. 7

To the Officiating Secretary to the Government of India, Home Department.

Sir,

Fort William, June 12, 1854.

I am directed to forward, for the perusal and consideration of the Governor-General in Council, the correspondence noted in the margin,† and to submit the following observations in connection with it:—

2. In December last, the Government of Bengal, in reviewing the Board's annual Report on the Administration of the Salt Department for 1852-3, remarked, with reference to the great diminution in the stock of salt, that it seemed "a favourable opportunity of trying the experiment of manufacturing on the excise system in one of the aurungs of the late 24 Pergunnahs Agency, and that steps might very properly be taken to ascertain whether private persons are willing to engage in the manufacture under such checks as it may be necessary to impose for the security of the revenue."

3. It will be seen, from the correspondence which is now submitted, that the Board are quite willing to try the experiment of manufacturing under an excise system, and that they concur with the Lieutenant-Governor "in thinking that the abandoned aurungs of the 24 Pergunnahs Agency are the best possible field for the experiment."

4. But the Board consider at the same time, advertent to the present greatly diminished stock of salt, and to the extreme uncertainty of a foreign supply, that it is a matter of imperative necessity to re-open the abandoned 24 Pergunnahs Agency, and they think that there is no reason why the revival of a Government manufacture, and the setting on foot of an excise manufacture, should not simultaneously take place within the limits of that agency.

5. On these points, the Lieutenant-Governor desires to remark as follows:—

6. In the first place, with respect to the introduction of an excise system, the Lieutenant-Governor has no doubt that the present is a most favourable opportunity, and that the abandoned agency of the 24 Pergunnahs affords the most favourable field for trying it, and he sees plainly that, if the present opportunity be lost, it may be too hazardous to try it next year, in which case the important experiment will, it is certain, be indefinitely postponed.

7. In the next place, the Lieutenant-Governor is satisfied, notwithstanding the Board's observations, that it would be a great mistake to attempt the establishment of an excise system on a large scale, side by side with a Government manufacture.

8. The Board admit that at any rate "the operations of the agent may lead to increase the price of labour, and so far affect the interests of the private speculator." But they add that they believe there is room for both. The Lieutenant-Governor, however, does

Hidgellee	..	..	..	..	10,00,000
Tumlook	..	..	..	..	9,00,000
Chittagong	..	..	..	..	8,00,000
Balasore	..	..	..	..	5,50,000
Cuttack	..	..	..	..	2,50,000
Pooree	..	..	..	..	4,00,000
Arracan	..	..	..	..	2,00,000
					41,00,000

† Letter from Board, dated May 12.

" to " " 19.

" from " " 31, with enclosures.

" from " June 3.

not believe that there is room for both upon any considerable scale, and except upon a large scale he should consider it futile to try the experiment of an excise system at all. He thinks that it is essential to the success of such a system that no Government agent with his lavish advances, and comparatively unthrifty system, should come at all in its way.

9. But, beyond this, the Lieutenant-Governor attaches much weight to the consideration, that if the introduction of the excise system is to be tried at all, and that it should be tried he considers of great importance, the conduct of the experiment by Government should not only be such as to give it in reality, and in the opinion of Government itself the very best chance of success, but such also as shall afford no ground for others to question the fair intentions of Government in the matter.

10. It may be certainly assumed that, should the experiment fail, many will be found ready to cry out against the Government that they have not been in earnest in the business, that having a strong leaning to, and partiality for, the old system, they have been indifferent and careless in regard to the success of an experiment which they were driven against their inclination to undertake.

11. For his own part, the Lieutenant-Governor sincerely hopes, and firmly believes, that the experiment will succeed, and he will spare no pains to make it succeed; but it is nevertheless possible that it may fail; and he is most desirous to avoid putting such a weapon into the hands of those who believe the Indian Government to be obstinately set against any alteration in the present system as would assuredly be afforded them, if they could point out, as the probable cause of failure, the fact of the Government having set up one of its own extravagant agencies side by side with the manufacture under excise.

12. Whether that might or might not be the real cause of failure, the Lieutenant-Governor thinks there can be no doubt that it would be cited as the cause, and that it would be urged against the Government, however unjustly, that it had purposely made the experiment in such a manner as to ensure its failure, and that such a charge would find in some quarters ready acceptance and credence.

13. But the Board strongly object to giving up the 24 Pergunnahs Agency on the ground of the great danger which will be incurred of a deficient supply of salt.

14. The danger of a short supply of salt does not, however, appear to the Lieutenant-Governor to be quite so imminent as the Board apprehend. He observes that the average quantity of salt taken out for consumption annually, exclusive of the retail consumption in Cuttack which is otherwise provided for, is about 60 lacs of maunds. Of this, as much as 29 lacs, and upwards, was in one year imported salt, leaving only 30 or 31 lacs of maunds to be supplied by Government manufacture. But this importation has so rapidly fallen off that last year it was only about 15½ lacs, and it is not considered to be likely to improve, though the present known demand for salt, and the prospects of the coming year will probably prevent its falling much lower. It may be prudent, however, to assume this source of supply to be this year as low as 10 lacs of maunds, to which may be added 10 lacs in store, and 5 lacs which have been indented for from Madras, giving a total of 25 lacs, exclusive of the out-turn of the season, which will add certainly 36 lacs, thus making altogether 61 lacs of maunds available, which is above the average demand, and quite independent of the 24 Pergunnahs Agency.

15. It is reckoned by the Board that the 24 Pergunnahs Agency, if reestablished, might yield in the first year from 6 to 8 lacs of maunds. If the excise system is tried instead of the agency, the quantity of salt made might not in the first year equal this quantity, but it would probably do so in the second year, and thus become a safe and valuable resource in coming seasons. On the other hand, if the agency is re-established this year, it could not be put down again next year, and the experiment of an excise system would be, thus, indefinitely postponed.

16. On the whole, the Lieutenant-Governor does not hesitate to recommend to the Supreme Government that the occasion should be taken to make the experiment of an excise system in the old agency of the 24 Pergunnahs, rather than to reestablish that agency.

17. The general outline of the arrangements which the Lieutenant-Governor would propose to make is as follows:—

18. He would propose to let out locations at nominal rents in those parts of the Soonderbunds heretofore used for salt manufacture under the old Government Agency, a licence being given for the manufacture of any quantity not below 2,000 maunds.

19. The progress of the manufacture in each location would be observed and reported on by an officer, exactly as is now done in the Government manufacture system. The licensed manufacturers would be required to store their salt in certain central depôts provided by Government, and the salt would be given out to purchasers on the production of permits, which the supervising officer would deliver to parties on receipt of the regulated duty for the quantity required.

20. The manufacturer might, if he choose to pay or to give security for the payment of the duty, have entire control over his salt after the completion of the season's manufacture.

21. The Lieutenant-Governor has been assured on very good authority, that this scheme is likely to be largely taken advantage of, and that it will probably prove a very thriving business.

22. Should it be so, it will no doubt spread, and the Government may be able

gradually to extend it to other agencies, and ultimately to withdraw altogether from manufacture, leaving the salt to be made, and the duty levied, on this simple plan of private manufacture.

23. It is certain, moreover, that if the experiment succeeds, it will in the course of time by the greater thrift and better management of private, as compared with Government, manufacture, produce salt for consumption at a cheaper rate, and therefore a lower price to the people than at present, while the Government revenue will be just as safe as it is now.

24. With regard to the expense of the experiment, it will be obvious to the Supreme Government, that, if the measure succeeds, it will be self-paying. The Lieutenant-Governor would wish so to organize the scheme in the first instance, as to make the amount of expense dependent on the progress of the experiment.

25. The Board have proposed that the agency which they desire to reestablish, should be placed in the hands of the Collector of the 24 Pergunnahs, putting him on the same footing as to emolument, as the Collectors and salt agents in Cuttack. The same principle, the Lieutenant-Governor thinks, may be adopted for the control of the excise manufacture through the Collector, but he would propose to make the increase to that officer's salary, dependent at first on the quantity of salt for which licences may be taken out. The expense of stationing preventive officers would obviously only be required, as the licensed manufacture was established, and in exact proportion to its extent.

26. Stating thus the general principle on which he would propose to act, the Lieutenant-Governor would ask the Supreme Government to leave in his hands for the first year, the details and the amount of expense to be incurred. It may be expected that the expense of prevention will be greater at first than it will be hereafter, especially if hereafter it may be found practicable to concentrate the localities of the excise manufacture; for, in that case, the proportion of preventive expense would, of course, be much less than in a scattered system of agency manufacture.

27. By the plan which is proposed, it will be obvious that if the experiment should totally fail, that is to say, if no licences at all should be taken out, no expense will be incurred.

28. The Lieutenant-Governor would of course propose at the close of the season to report to the Government of India the actual expense incurred.

I have, &c.,

W. GREY, *Secretary to the Government of Bengal.*

Appendix G.—No. 8.

To W. GREY, Esq., Secretary to the Government of Bengal.

Home Department. Sir,
Sep. Revenue.

June 23, 1854.

I am directed to acknowledge the receipt of your letter, dated the 12th instant, with its enclosures, and in reply to state that the Governor-General in Council, entirely approves of the proposal of the Lieutenant-Governor, to establish, experimentally, in the abandoned agency of the 24 Pergunnahs, a manufacture of salt upon a system of excise, and is therefore pleased to vest His Honor with discretionary power to entertain such establishment as may be found necessary for the experiment in question.

2. At the end of the season, the Governor-General in Council will expect a report of the measures taken, and of the attendant results.

I have, &c.,

C. ALLEN, *Officiating Secretary to the Government of India.*

Appendix G.—No. 9.

Sir,

Fort William, July 7, 1854.

With reference to the correspondence noted in the margin,* I am directed to forward to the Board, the accompanying copy of a letter addressed to the Supreme Government, under date the 12th ultimo, and of the reply received thereto, and to convey to the Board the Lieutenant-Governor's request that the general plan sketched in paragraphs 17 to 26 of the former letter may be carried into effect.

Miscellaneous Revenue. Salt.

2. With respect to paragraph 25, the Lieutenant-Governor desires me to say that on further consideration it appears to him preferable, that the excise manufacture should be carried out under the immediate inspection of the superintendent of salt chowkeys, within whose jurisdiction the Tuffal part of the agency of the 24 Pergunnahs lies, and that, therefore, he would place it under the general direction and control of the Controller of salt chowkeys, instead of the Collector of the 24 Pergunnahs.

3. The Board will perceive it to be intended that no expense shall be incurred on the experiment but what will be provided for in its results. Whatever quantity of salt may be made under the excise system will pay the established duty, and that duty will be chargeable with its proportions of "preventive expense," like the duty on all other salt. Out of that proportion, when realized, or when in sure prospect of realization, will be paid such extra establishments as it may be necessary to keep up, and such additional remuneration as it may be thought fit to grant to the superintendent or superintendents of chowkeys entrusted with the management of the scheme. This remuneration the Lieutenant-Governor thinks should be, for the present at all events, in the form of a commission on the revenue realized from salt manufactured under the new system.

4. The Board will, in communication with the Controller, decide upon the places where, at the proper time, storing golahs for salt manufactured under the excise system shall be established. There will probably be not less than two places, and of these one should perhaps be in the neighbourhood of Baugundee or Bussuntpore (in which neighbourhood I am desired to say, it is in contemplation to vest Mr. A. T. Smith, Deputy-Collector, with the powers of a deputy-magistrate), and the other in the neighbourhood perhaps of Narrainpore. In the selection of these, or other locations the Board will, of course, endeavour to combine, as far as possible, the convenience of the public, the convenience of the manufacturer, and the convenience of the preventive establishments.

5. Wide notice should be given of the institution of the excise scheme, and every possible facility afforded to parties desirous of entering into it.

6. Licences will probably be given at the Board's office, and manufacturers allowed to pay duty either at the general treasury, or at any convenient local treasury. Rowannahs for manufactured salt may perhaps be given by the superintendent of salt chowkeys, on applications accompanied by receipts for the duty, signed by any duly authorized officer.

7. These however, with other matters of a like character, are details which may fitly be left to the Board; but, when the Board shall have matured their plan, the Lieutenant-Governor will be glad to have the opportunity of seeing it before it is actually carried into effect.

I have, &c.,

W. GREY, Secretary to the Government of Bengal.

To the Officiating Secretary to the Board of Revenue.

* Letter from Board, dated May 12, 1854.

"	"	"	29,	"	
"	"	"	31,	"	with enclosures.
"	"	"	June 3,	"	

Appendix G.—No. 10.

To the Controller of Salt Chowkeys.

Sir,

Fort William, July 29, 1854. *

With reference to the accompanying extracts* from a correspondence, from which you will observe that the Government have determined that the manufacture of salt on a system of excise, shall be allowed and encouraged in the abandoned surungs of the late 24 Pergunnahs Agency, and have sketched the general outline of the plan upon which it is to be conducted, I am directed to request that you will, after communication with Mr. Crank, report your own, and that gentleman's opinion on the following rules and arrangements under which the Board propose to carry out the views of the Lieutenant-Governor, and especially in regard to the most suitable places of storage.

2. The first point is the selection of the precise field in which manufacture is to be allowed.

3. With a view to easy, effective, and inexpensive supervision, it is evidently necessary that the manufacture should be concentrated as much as possible, and that the manufacturers should not be allowed to scatter themselves at will, over a large and undefined area. It is proposed therefore, to select certain specified hoodahs of the Tuffal aurung, and in them, to allot locations upon the application of parties, each new allotment being contiguous to the one last granted.

4. Hoodahs Mowkhalee and Patankhalee are situated in the unappropriated lots 131 and 132. They are the hoodahs which were suggested by Mr. Crank as suitable for the experiment, and might well, the Board think, be the first assigned for it. Mr. Crank estimated that they were capable of producing 1,80,000 maunds: Should all the khalary land of these hoodahs be taken up, allotments might be continued in hoodah Gochobah, lot No. 149; and should yet more land be required, it is available in lots Nos. 127, 128, 150, 151, and 152, which in 1831, as appears from the correspondence of that time, were occupied by the Jessore Agency; and a portion of which continued to be worked after the Jessore Agency was incorporated with that of the 24 Pergunnahs.

5. To put the proposition in the form of a rule. Lots 131 and 132 in the first instance, afterwards lot 149, and subsequently, if necessary, lots 127, 128, 150, 151, and 152, in such order as may hereafter be judged expedient, will be assigned for the manufacture. The allotments will be contiguous, or as nearly so as the nature of the ground will admit.

6. The allotments will be 50 beegahs each, an area suitable for the location of a single khullaree, and the rent 1 anna per beegah. Any number of allotments, from one to a whole hoodah, may be assigned to a single individual upon his satisfying the superintendent of his ability, and bonâ fide intention to work them. The rent will be made payable half at the beginning, and half at the end, of the season. Should any person, or company, desire to take a considerable tract of country for manufacture on a large scale, elsewhere than in the locality above described, such application will be favourably received, should the site chosen appear on inquiry suitable for the purpose, and otherwise unobjectionable.

7. The supervision of the manufacture will be entrusted to the superintendent of Barreepore salt chowkeys, who will be allowed an assistant on a salary of rs. 100 with a travelling allowance of 25, and an establishment of as many coot darogahs at 25, and chuprassees at 4, as, from the extent of the manufacture, may prove to be necessary.

8. The coot darogahs will take an account of the daily manufacture of each khullaree, to be submitted weekly to the superintendent. The assistant will be continually moving about among the khullarees to prevent malpractices, and see that the darogahs do their duty properly. The superintendent will receive the reports of manufacture, and exercise a general supervision over the whole operation. The aurung establishment will be required for 7 months from December to June.

9. As regards storage, the Government undertakes to provide store golahs, and the Lieutenant-Governor is of opinion, that there should not be less than two places of store, suggesting Baugundee or Bussuntpore, and Narainpore. Narainpore is very far from the manufacturing grounds, it was never used as a depôt for the Tuffal produce, it is not the station of any superior officer; it is not easily supervised and does not appear to the Board

* From Board to Government of Bengal, dated May 31, 1854, paragraphs 5 to 9.

From Secretary to Government of Bengal to Officiating Secretary to Government of India, dated June 12, 1854, paragraphs 16 to 26.

From Government of Bengal to Board, dated July 7, 1854.

to have any special recommendation. Baugundee and Dehutta (which the Board believe is close to Bussuntpore) might be the most suitable stations, but on this point the Board will be guided in a great measure by your opinion and that of Mr. Crank, and you will be so good therefore as to report fully, with reference to the several considerations noticed by the Lieutenant-Governor. There will be a golah darogah for each depôt on a salary of, perhaps, rs.75.

10. The salt when laden for transport from the manufacturing grounds, will be stamped over by the coot darogah, and transported under chellauns specifying the quantity by coot. The chellauns will be numbered and signed, and the boats passed by the aurung assistant, who will keep a register of the chellauns. On arrival at the depôt, the dispatch will be examined by the depôt darogah, the condition of the stamps noted, and the chellaun registered. The salt will then be weighed into store, and the result of the weighment entered in the chellaun register, as well as in a store account to be kept by the darogah. As this weighment would in any case be necessary for settlement of accounts with the molunghees, the expense will be charged to the manufacturer.* Each manufacturer's salt will be piled in a separate heap, and stamped with his own stamp. When a whole golah is stored with the salt of a single manufacturer, the golah will be secured with two locks, one key being kept by the manufacturer, and the other by the golah darogah. When a golah contains the salt of more than one manufacturer, there will be only one lock, the key of which will be kept by the golah darogah.

11. The registers of chellauns kept by the aurung assistant and the golah darogahs will be carefully compared by the superintendent, for which purpose extracts will be sent to him weekly, and, if any dispatch be not duly accounted for, or if any dispatch appear to have been tampered with, and the quantity received at the depôt be deficient as compared with the estimate, no salt belonging to the party concerned will be allowed to be delivered from the depôt, until the duty chargeable on the deficient quantity shall have been made good.

12. When excise salt is cleared for consumption, the amount duty will be paid into the general treasury, or the treasuries of Backergunge or Dacca, and rowannahs taken out at the Board's office in the same manner as for salt delivered from the Government golahs.

13. Wastage at the rates specified in the margin,† which are those current in Chittagong, will be allowed in accounting for salt stored under these rules, and duty must be paid on any deficiency beyond the allowed wastage, which may not be accounted for to the Board's satisfaction. For the realization of this duty, a sufficient portion of the salt may be detained and sold by Government.

14. The salt of each year's manufacture will be kept separate, in order that the accounts of each year's store may be duly made up.

15. Manufacturers who may not choose to store their salt at the fixed depôts, must make a deposit of the duty in Company's paper before removing it from the aurungs, and the duty must be paid in full within 6 months from the close of the season, that is before the 1st of December of each year. The salt must be weighed before removal, and an excess of 3 per cent. will be allowed for wastage. Salt so removed will be protected by special passes to be filled up and signed by the superintendent, and, after removal, will be at the free disposal of the manufacturer, subject, however, to the provisions of section 46, Regulation X, 1819, manufacturers intending to remove their salt under this rule must give notice to the superintendent at the commencement of the season.

16. For a breach of any of the provisions of the rules, the licence of the party offending will be liable to be immediately withdrawn, and in the event of smuggling, connivance at smuggling, or other fraud being proved against the manufacturer, or his duly authorized agent, the whole of the salt manufactured or stored up by him will be liable to confiscation.

17. Applications for licences will be made at the Board's office, and all persons applying for licences will bind themselves to accept and abide by the conditions of the rules.

18. The Board, however, are not quite agreed in regard to the best mode of supervising the manufacture of the salt, and its removal into the store golahs, and Mr. Ricketts would prefer the following to the plan described in paras. 7, 8, and 10. You will of course notice both plans in your reply, and offer any suggestions which may occur to you.

19. Mr. Ricketts proposes that, under the superintendency of the Controller of salt chokweys, the immediate supervision of the manufacture will rest with the Superintendent of the Bareepore salt chowkeys, under whom will be placed assistants, darogahs, and chup-rasses, the number of whom will be regulated by the quantity of land taken up by manufacturers on the following scale :

* By "manufacturer" is meant the person who takes out licence for manufacturing.

				MS.	RS.
† First Quarter after storage	per 100 maunds	..	..	2	10
Second	"	..	..	3	10
Third	"	..	..	3	30
Fourth	"	..	..	4	0

and an additional allowance at the rate of one maund per annum for salt kept in store above one year.

For each 1,000 beegahs occupied—

1 Darogah at 40 rupees per mensem	R.
10 Chuprassees at 4 rupees per mensem	40
	40

For each 3,000 beegahs occupied—

1 Assistant at	150
Travelling allowance	50
For each darogah one boat with eight oars	60
An attendant dinghees	4

20th. Supposing land to be taken for 3 lacs of maunds, *i. e.*, 6,000 beegahs, the establishment will be as follows:

	R.
6 Darogahs at 40 rupees	2,880
6 Jemadars at 10 rupees	720
60 Chuprassees at 4 rupees	2,880
30 " 5 "	1,800
2 Assistants at 150 "	3,600
Travelling allowance at 50 rupees	1,200
Boats for darogahs	4,320
Dinghees attached	288
	<hr/>
	17,688

21. The business of the assistants, the darogahs, and their establishments, will be to prevent the removal of salt from the manufacturing grounds without a pass. For this purpose they will constantly watch the approaches, and make seizures of any illicit salt found without a pass beyond the limits of the aurungs. They will have free ingress and egress to, and from, the manufacturing grounds, but they will in no way interfere with the manufacture.

22. Whenever a manufacturer shall purpose to remove salt from the aurung to the store, he shall give notice to the assistant, who shall appoint an officer or officers to supervise the removal. These officers shall be remunerated at the rate of 8 annas per day. Such a number shall be employed as shall enable them to superintend the lading of each boat. On a boat being laden, a hired chuprassee shall be placed on board with a chelluan, specifying the quantity in the boat by coot, and he shall proceed with it direct to the store, such hired chuprassees shall be remunerated at the rate of 4 annas per day each.

23. The chelluan shall specify the name of the manufacturer, the name of the mokam, the name of the dispatch mohurrir, the name of the hired chuprassee in charge, the quantity of salt by coot, and the date of dispatch from the aurung.†

24. The chuprassee shall take the boat to the store, and there leave the salt to be weighed into store by the golah darogah.

I have, &c.,

A. R. YOUNG, *Officiating Junior Secretary to Board of Revenue.*

Appendix G.—No. 11.

*Office of Controller of Government Salt Chowkeys,
August 31, 1854.*

Sir,

Salt.

In reply to your letter of the 29th ultimo, I have the honour to lay before the Board a letter from the superintendent of Bareepore chowkeys, of the 22nd instant, relative to the contemplated excise arrangements, together with a few remarks of my own.

2. On the subject of selling salt direct from the aurungs, in a dry state, Mr. Crank observes that it is perfectly feasible, as at the existing Government agencies seven days are considered sufficient for dryage, and the superintendent also advocates the measure as one which would enable the manufacturer to pay his duty readily, and likewise because he feels assured that transportation to golahs would lead to malpractices in transit, and at the golahs, which the superintendent describes as "sinks of every malpractice and fraud."

3. There is no doubt that the permission to sell at the aurungs would afford great

To the Officiating Secretary to the Board of Revenue.

* This expenditure is about 2½ per cent. on an excise of ₹.50,000. Each darogah will have to watch one square mile of country. Each Assistant to watch three square miles.

† Mr. Ricketts calculates that the cost of this superintendency will be a dispatch mohurrir 1 day, or chuprassees 4 days, for each 400 maunds, or 1:8:0, or fractions rejected, about 1,300rs. on 3,00,000 of salt, or something under ¼ per cent. on an excise of 7,50,000.

facilities to trade, and that restriction to storage would fetter it, but if one tithe of the misdoings be carried on at the aurungs, which Mr. Wood has reported in his letter, dated 17th of May last, submitted to the Board with mine, of the 21st of June following, I should, if merely considering a system of policy, advocate sale from golahs, especially as the proprietor will not only be held responsible for all deficiencies on arrival at the golahs, under the 11th rule, proposed by the Board in their letter, dated the 29th ultimo, but will have paid up the cost of manufacture, and therefore have so complete an interest in the cargo as to make his cooperation in opposing malpractices sure, but, when I consider the circumstances under which the proposed manufacture is to be tried, keeping in mind, at the same time, exceptional restrictions bearing on all matters connected with the working of the excise system, I am almost prevented from urging the system of storage at golahs before sale, as it appears to me that such a measure would militate against the Government principle of free trade in salt, subject only to such excise, or other duties, as may now, or from time to time, be levied on such salt so manufactured.

4. If the Board's proposed rule of making proprietors accountable for deficiencies be adopted, I would deferentially observe that it would be but just that salt should be weighed by kyals before leaving the aurungs, for proprietors, cannot in fairness, be called upon to make good deficiencies exhibited by the process of coot, when, owing to the notorious incorrectness of such measurement, boats may not, from the very first, have been laden with full cargoes.

5. Mr. Crank would prefer storing in bulk instead of in separate heaps, because dryage would, thereby, be much lessened, and the necessity for erecting numerous golahs would be avoided. The adoption of Mr. Crank's system of storage would lead to endless complaints and justly so, for it could not be expected that the manufacturer and storer of a dry and superior quality would rest satisfied with the same average price as the producer of inferior salt, and if, by storing in bulk, Mr. Crank means to say that all salt should be heaped together indiscriminately, I must differ, and offer an opinion that salt can be safely kept under separate adul, and in separate heaps in the same godowns, and the dryage be equally preserved by the simple method of placing partitions of bamboos between each heap. This method which is in force at the Sulkeea bonded godowns, is not only attended with safety and little expense, but has proved satisfactory to Government, as well as to merchants. Storage.

6. Mr. Crank would prefer, at first at any rate, only one depôt for golahs, and would choose Baugundee as the site, and the reasons given in the 39th, 40th, and 41st paragraphs of his report, are, I think, satisfactory.

7. On the necessity of restricting licences only to parties individually capable of preparing 2,000 maunds of salt, Mr. Crank is opposed. He fears such restriction would create a sub-monopoly and be fatal to any improvement in prices. This objection to restriction is worthy of consideration, but my want of experience in the Salt Department does not admit of my recording any opinion on this point. Licences.

8. I quite agree with Mr. Crank in deprecating the proposal of only paying establishments during the manufacturing season. From such a system neither zeal nor anything better than a mere perfunctory performance of duty could be expected, and moreover, the labourious nature of the contemplated duties, and the unhealthiness of localities, are such, as to entitle preventive officers to favourable consideration. Payment of Establishment.

9. On the subject of establishment generally, I concur with Mr. Crank in thinking that we must be guided according to the peculiarities of localities fixed on for manufacture. General Establishment.

10. I beg to report that I have directed the superintendent of Chittagong to be prepared to dispense with the services of his assistant, Mr. Rochfort, at a moment's notice; so that those services may be rendered available at the aurungs at the time of manufacture, and, if necessary, at the store golahs afterwards.

11. It is my intention, if the Board have no further reference to make to me on the subject under discussion, to proceed next week to inspect the localities for manufacture, the site of the Baugundee depôt, &c., and I also propose to direct Mr. Crank to issue notices inviting applications for licences.

I have, &c.,

J. G. CAMPBELL, *Controller.*

Appendix G.—No. 12.

Office of Superintendent of Barripore Salt Chowkeys,
August 22, 1854.

SIR,

I have the honor to acknowledge the receipt of your letter, dated the 2nd instant, and to inform you that the letters in the margin,* noted as being enclosed with your communication, are not forthcoming, the other enclosures were duly received.

2. On looking over the correspondence received with your letter under acknowledgment, I find that a proposition formerly submitted by me in a demi-official form, has apparently been misunderstood, and that when I threw out a *suggestion* that salt manufactured under excise licence, on which duty might not be paid within a certain period after the cessation of manufacture, should be *confiscated*. I have been misapprehended, and my proposition construed into an intention to *destroy* the salt alluded to; I therefore deem it incumbent on me to explain, that I never for a moment contemplated such a course as that of *destroying* the salt; and the suggestion which follows in the same report "that the Government should take over at a low rate, any salt remaining after the close of the manufacturing season," will, I should hope, remove such an impression from the minds of the higher authorities.

3. I still, however, adhere to the belief that the salt may be sold on the spot † where it is manufactured, with less danger to the interests of the State than the transport of it in open boats to distant golahs would entail.

4. In Mr. W. Palmer's demi-official communication to Mr. Currie, my proposition to vend salt at the place of manufacture, is objected to in toto, because Mr. Palmer is of the belief that the salt, being *wet*, would prevent merchants from purchasing; and Mr. Currie appears to entertain similar opinions as the Gentleman above named. It seems presumptuous on my part to venture to differ from gentlemen of such great experience, but I would with every deference observe, that no necessity whatever exists for the salt merchants to purchase *wet* salt, and this assertion is fully susceptible of proof. The excise manufacture will commence sometime in the earlier part of December, and continue up to June, or perhaps through the greater part of that month, the preparation of salt will therefore be progressing for nearly 7 months, and there is nothing to prevent the article thus manufactured in December and January from being perfectly dry in the following month of February. If this be correct, and it must be admitted to be so, because about 7 days only are usually allowed for the dryage of agency salt in the aulungs, or drying sheds, before storage in the Government golahs, then the salt manufactured during the remaining 5 months will be equally dry in the same period, † and fit for sale. It is also palpably evident, that if this system of sale obtain, the manufacturers will prepare a small aulung, or drying shed, as well as their local storage golahs. In concluding this part of my letter, I would observe that the vend of salt in the aurungs would in a great measure (perhaps entirely) obviate the necessity of erecting excise bonded golahs, in which fraud and robbery are as likely to be practised, as in the open aulung. § Such a measure would also render the transport of salt from the aurungs to those golahs unnecessary, an operation which, in my opinion, gives rise to many descriptions of roguery; and a reference to the records of your office will show, that, during one season of manufacture in the 24 Pergunnahs agency, I seized upon upwards of 900 maunds of salt, more than a moiety of which had been *forcibly* abstracted from boats laden with salt *on their way* from the aurungs to the golahs at Baugundee.

5. I would dwell yet further on this point, and beg to add that, if conceded, it would enable the manufacturers to pay with readiness the duty on the salt made by them, prior to its removal, nor would the adoption of such a measure in any way interfere with the storage of salt in Government golahs, by those parties who might finally prefer doing so.

To J. G. Campbell, Esq., Controller of Government Salt Chowkies.

From Board, dated May 12, 1854.

To " " 19 "

From " " 3 "

† This observation is particularly directed to rowannah salt, or that vended in quantities more than 100 maunds. Much confusion would thus be avoided, and petty deliveries should be confined to the golahs at Baugundee, which would be under immediate European control.

‡ At the Narainpore salt works deliveries have, for some time past, been made from the salt manufactured during the present year.

§ The seizure of 1,130 maunds of salt delivered from the Narainpore golahs effected by me within the last few days, which shows an excess of 130 maunds on 1,000 maunds, fully proves, in my opinion, that malpractices can be carried on in the precincts of a golah, with more boldness than would ever be evinced in the public aurungs, where numerous unconnected parties would be witnesses of any fraud attempted.

6. Whilst on the subject of storage golahs, I would beg to offer a few observations on the Board's proposition* in paragraph 10 of their letter, dated the 29th ultimo. The proposition I allude to, is that "each manufacturer's salt will be piled in a separate heap, and stamped with his own stamp."† This, with reference to the salt of the majority of the manufacturers, who will prepare the minimum quantity of maunds, 2,000, will be utterly impracticable, unless an unprecedented number of storage golahs are prepared for the salt thus separately stored, must be placed in a position so that the owner can have free access to it, for the purposes of weighment and delivery to purchasers; and a tolerably large clear space will also be required, to effect this weighment. From former experience I conclude that a golah of the usual size would barely admit of the storage of maunds 20,000 of salt piled in separate heaps, whilst, if stored in bulk, maunds 55,000 might be placed in it. To avoid the necessity of building golahs in unprecedented numbers, which will arise if this plan of storage be resorted to, I would propose that the salt of all the manufacturers be stored in bulk, giving the owner a receipt for the quantity weighed off in his name, and opening a separate account for each party in a golah import and export book, showing on the one side the actual quantity stored, and on the other, date and amount of deliveries, &c., &c., which book I would cause to be carefully checked and scrutinized.

7. The difficulty of obtaining suitable sites for the golahs would then vanish, for by storing the salt in bulk, ten lacs of maunds might be safely placed in sixteen or eighteen golahs, whilst fifty would not suffice to receive the same quantity of salt, if stored in separate heaps of about maunds 2,000† each.

8. By storing the salt in bulk, the dryage would be much lessened, and the rate specified for wastage in paragraph 13 of the Board's letter above quoted, amply sufficient to cover it.

9. I therefore recommend, that the rates of wastage proposed by the Board be adopted as a rule,‡ and the surplus salt of golah after clearance (*i.e.*, deliveries of all the salt stored, minus fixed wastage) sold for the benefit of the Government, thus liquidating some portion of the extra expense which the establishment and maintenance of such golahs would involve.

10. I submit this plan for the Board's consideration, but any amendments which they may be pleased to make, shall be carried out in all their integrity.

11. The most suitable places for establishing storage golahs are, in my opinion, Baugundee, Assasoonee, or Chundkally; the latter named is close to Goraghat chowkey, to the south of the Jessore Division, and it stands on the Kuppaduk river. It is about equidistant with Baugundee from the Mowkhallee aurung. Assasoonee is somewhat nearer to Baugundee adjacent to the Chuprah khaul, in the route from Bussuntapore to Chundkhally.

12. The stores at Baugundee might be advantageously placed under the general control of the superintendent of salt chowkeys for the time being, the imports and exports being made by one or more of his sudder amlah, with a slight additional establishment as per margin.§

13. From the stores of these golahs,|| (in addition to rowannah merchants) those extensive districts north of Baugundee, lying around Gobordangah and Chandoriah, as far as the northern boundary of Nuddea Zillah, or even beyond it, would undoubtedly draw their supplies, whilst to the eastward, the population of Byrah Dullooah, and other chowkeys, would be similarly benefited. The ryots, and others, of those thickly populated districts extending along the banks of the Kuppaduk river, would be furnished from the golahs I propose to establish at Chuadkhally, or Assasoonee. The latter golahs would also supply the article generally to the population of the Jessore and Backergunge Division, and the southern part of Baugundee, and, as a constant supply of good salt would thus be secured, I see no reason to doubt increased consumption of licit salt, in all the places enumerated.¶

14. The convenience would be equally great to every class of trader, those of Bengal and the north-west included, hence if it be finally determined that the system of storage shall obtain, I hold these localities most suitable and convenient for the erection of receiving golahs.

15. Bussuntapore** (Hinklegunge) is also a commodious spot, but the benefit arising

* In the storing goan.

† The majority of the manufacturers will not exceed this quantity.

‡ That is, a manufacturer storing 2,000 maunds should receive delivery of the same at the end of three months, minus the fixed allowance for wastage; but should he sell and deliver his salt before or after that period, a corresponding reduction or increase must be made in the wastage, and a corresponding increase or decrease in the quantity of salt delivered to him.

§ 2 Kyals at 7 rupees each per mensem	14
4 Golepaharees, who would act as cheppadar	16
Additional salary to sudder amlahs, say per mensem	30
(This includes English writer and acting golah darogah.)	
	Rs. 60

This establishment would be economical, but far from satisfactory. I have given my views more fully further on.

|| The erection of a substantial golah capable of containing maunds 55,000 or maunds 60,000 costs Rs. 295.

¶ It would make little difference to the beoparies if they were obliged to draw their supplies from Baugundee only, as Jessore may be reached in a day through the Byrah Bheel, which is a particularly safe route, and that usually adopted.

** Salt golahs were formerly established here, and the ground on which they stood is, I believe, still available.

from the exercise of a direct personal control over the golahs by the superintendent of Baugundee salt chowkeys makes the latter place more desirable for a salt depôt, and would considerably reduce the annual expense of maintaining it.

16. Narainpore is not the spot to select for such a purpose, as it would not only be inconvenient to the trader, but also to the manufacturer; and to these objections may be added, the lowness of the land around that locality. It is within my recollection, that, from this latter defect, a serious loss was incurred by the passage of a large body of water into the golahs then existing there.

17. In the 4th paragraph of your letter under acknowledgment, you direct me to give, *seriatim*, my opinion on the rules and arrangements mentioned in the Board's letter, dated 29th ultimo, I therefore beg to state that the first 6 paragraphs of the Board's letter* quoted, being entirely in accordance with my own opinions, no observations are called for from me on that portion of the letter quoted.

18. In the 7th paragraph, however, a proposition is made that an assistant be entertained in the Mowkhally aurung, on a salary of rupees 100 per mensem, with travelling allowance of rupees 25, and an establishment of as many coot darogahs, at rupees 25, and chuprassees at rupees 4 per month, as from the extent of the manufacture may prove to be necessary.

19. Mr. Ricketts further suggests that for each 1,000 beegahs of salt land occupied, an establishment should be entertained of the following strength:—

	Rs.
1 Darogah at 40 rupees per month	40
10 Chuprassees at 4 rupees per month	40
1 Boat for darogah at 60 rupees per month	60
1 Attendant dinghee at 4 rupees per month	4

and for each 3,000 beegahs of salt land occupied,

1 Assistant superintendent at 150 rupees	150
Travelling allowance 50 rupees	50

and this establishment the Board consider will only be required 7 months, *i.e.*, from December to June; the establishment would, therefore, be a temporary one.

20. With advertence to the proposed entertainment of a temporary force, I would, with much deference, observe, that in an experiment of this kind involving interests of such magnitude, it is essentially necessary that all the ministerial officers employed should, as far as practicable, be led to identify their interests with those of the Government they serve; and I do not believe any measure is so calculated to destroy this very proper feeling, to damp zeal and activity, as that of temporarily employing, and then leaving them several months in the year without the means of support.

21. From your letter I glean, that European, or Anglo-Indian agency, should be engaged as assistant superintendents in the work in question; and, as it now seems to be the desire of the Lieutenant-Governor of Bengal that the excise system should be fully carried out with the view, ultimately, of extending it to other agencies, so that the Government may be enabled "to withdraw altogether from manufacture." I entirely coincide in your opinion, and as the responsibility will be very great, and much confidence must be reposed in this class of officer, I should prefer European, or Anglo-Indian, agency to that of the class of natives whose services we should be likely to obtain. As I do not think that any temporary establishment is calculated to work well, I would here suggest, that every assistant's and subordinate's appointment should be made permanent; that the salary of the first should be rupees 120 and rupees 50 boat allowance for 7 months, and for the remaining five months of the year rupees 80 per mensem only, and that he during 5 months be deputed to perform such other duties, either in the chowkey or golah department, as may seem best to the Board.

22. The salary of the native darogah I would fix at rupees 40 for 7 months, and rupees 20 for 5 months, and make it incumbent on him also to perform during the latter months, any other duties in the salt department which might appear to be desirable. One or two jemadars on rupees 10 per mensem in each aurung would, I think, be useful; and a few chuprassees on rupees 4 per mensem. By these arrangements* we should be enabled to obtain the services of men who would strive by zeal and activity to retain the situations, and to merit the confidence of their superiors; whilst a temporary contract with them, would engender indifference to, and laxity in, the discharge of their duties (perhaps feelings of a worse kind), and subsequently prove anything but beneficial to the Government interests.

23. Mr. Ricketts has marked out a fixed excise establishment for certain limits, but, in a country like the Soonderbund tracts, we cannot, I would, with every deference to his opinion, observe, make any permanent arrangements for our excise force, which may be safely based on the area occupied in manufacture, or exactly adapted to all parts of those jungles. Such a force must be estimated by the number of khauls, or outlets, to be guarded. In those parts, where from the main creek or river, on whose banks the excise system is in progress, many smaller khauls, or outlets, branch out and lead by circuitous routes to other rivers, our establishment will necessarily require some slight increase to guard those outlets and prevent smuggling by them; but at Mowkhally (the place selected for initiatory

* See Enclosure No. 1.

proceedings) in consequence of the absence, nearly, of branch khauls, a corresponding reduction may be safely made in our establishment for that aurung. In a word—we cannot fix our establishment by rule, but must be guided by local requirements.

24. The instructions conveyed in the Board's letter in paragraphs 8, 10,* 11, 12, 13, 14, 15, 16, and 17, are so thoroughly practical, and admirably adapted to the purposes for which they are intended that it is quite unnecessary to offer any comments upon them. It is sufficient to state, I shall be prepared to see that they are exactly carried out, and attend strictly to the Board's wishes in every point in connexion with them. The necessary forms, &c., shall, prior to the commencement of the experiment, be submitted to you for your approval or revisal.

25. I would solicit the favour of your attention to the following arrangements which I would propose to introduce for the better management of the excise storage golahs.

26. In the first place, it will be necessary to take a security deposit from each darogah and kyal employed; in the next, I would recommend that for every golah, one darogah (or goomastah) and one kyal should be entertained, instead of one darogah or intendant for six, or perhaps more, golahs, and that each of these officers should be made responsible for the import and export weighments of his own golah.

27. The import weighments are, in the majority of golahs, carried on in a very lax and objectionable manner, hence the numerous cases of deficiency, or, as often stated, "accidental destruction of salt."

28. Let me briefly explain the process of import weighments, and I feel assured you will acknowledge it is susceptible of much reform. When the salt arrives at the golahs, it is temporarily stored in the aulungs, or drying sheds, and after remaining some ten or twelve days, weighed off into the former, six or eight scales working at the same time. A ticca mohurrir is employed to superintend each scale, on a miserable pittance of four or five rupees per month. A scale weighs off before each golah, so that where there are six, or eight of these stores, the extreme scales are more than 150 yards asunder. It is, therefore, clearly evident that a golah intendant cannot test the accuracy of these weighments, except for such a period as he may remain close to any one particular scale. A system of fraud is known to prevail, and the trickery of the ticca mohurrirs he (the intendant) endeavours to cover by taking excess weighment from the sajooneahs. The ticca mohurrir, upon whom so much responsibility rests, gets, as before stated, about 5 rupees per mensem, but manages to collect in some way or other, generally by writing off more salt in his tippa account than actually goes into the golah (from the owner of every maund thus written he receives about 4 annas more), nearly rupees 50 per month.

29. The Board contemplate giving a salary of rupees 75 per month to the excise golah darogah, from which it would appear, the whole system of weighment, &c., is to continue. I would however beg respectfully to recommend, what I feel assured would be a great improvement on it, viz., that a mohurrir should be appointed to each golah, on a salary of rupees 15 or 20 per month, from whom a security of rupees 1,500 or 2,000 should be taken as a guarantee for the honest performance of the duty entrusted to him. That the import and export weighments to and from the particular golahs to which he might be attached, be made in his and the kyal's presence, and that both the tippa of imports and exports be kept personally by these officers, who should forward the original document to their own superintendent, and file copy of the same, with the signature of the proprietor of the salt, or his accredited agent, in his, the mohurrir's, records.

30. I would further beg leave to recommend, that the floors of the golahs be made on the surface of the ground, and not, as is the present and favourite plan of native officers, below it. Such a style of building as the latter, encourages fraud, because it suggests a ready excuse for deficiency, by ascribing it to an influx of water. Most often through rats' holes (which seem generally to abound around salt golahs when a deficiency is discovered); but if the floor of the golah were level, or nearly so, with the surface of the ground, and surrounded (externally) by a trench of about 9 inches in depth, water could never be admitted, nor would any excuse of this kind then be held valid to account for deficiency.†

31. The chief point for consideration in the plan now proposed by the Lieutenant-Governor, and approved by the Board's members, is the restriction of licences to those parties capable of manufacturing a quantity of salt not less than 2,000 maunds, but I do not see that it is proposed to take any guarantee from them for the preparation of this quantity.

32. In your letter dated the 2nd instant, you have requested a full and free expression of my opinion, and in consequence, I am the less diffident in stating that any restriction of the kind will not prove beneficial, unless the vend of salt be permitted at the place of manufacture.

33. The object of the Lieutenant-Governor and of the Board in introducing this experiment, is to benefit all classes, the poorer more especially, not only by throwing open the manufacture of salt, and thus giving employment to thousands of the ryots, but also in the course of time, by the greater thrift and better management of private, as compared

* My objections against part of paragraph 10, have been recorded previously.

† That this plan is correct and useful is shown by its results as applied to retail establishments. In these there is one mohurrir, one kyal, and, generally, but one golah, and all the salt received and delivered is weighed in their presence. We never hear of deficiency in retail golahs.

with Government manufacture, producing salt for consumption at a cheaper rate, and therefore at a lower price, to the people.

34. It seems to me this desirable object will be defeated by restricting the manufacture to those parties only, who are individually in possession of sufficient capital to be capable of preparing 2,000 maunds of salt, and by placing a prohibition on the sale of this salt, except from golahs prepared by the Government for its reception.

35. Such a restriction virtually changes the character of the experiment. Considered in the abstract it is simply a permission for the public in possession of capital, to manufacture salt on certain localities at their own risk, without having the power to dispose of that salt to the best advantage when and where they please. It removes from the Government the agency risk of advance, yet does not give the man who manufactures on his own capital, one privilege which the sajoohbah does not possess when manufacturing for Government by Government money. Any restrictive measure of this nature, will therefore throw the excise manufacture into the hands of the few, and create a sub-monopoly fatal to any improvement in prices, or to any benefit to the community in general.

36. In my humble opinion the system to work well, should be thrown open to all, and the salt prepared permitted to be sold in the aurungs. To avoid the confusion attendant on the delivery of petty sales, I would, however, confine this privilege to rowannah sale only, or to quantities not less (say) than maunds 100.

37. The establishment of golahs, those links of every malpractice and fraud, should be carefully avoided, as far as possible, and the very poorest classes allowed, in my opinion, to combine, and work as a joint company, a khullaree of 50 beegahs, selling their salt when ready at the place of manufacture; and if the whole of these privileges were conceded, I would stake all I have, that less fraud would then be practised, fewer malpractices discovered, and less loss entailed on the Government than the system of preparing salt in the aurungs, and carrying it in open boats to the golahs will engender.

38. If the storage plan however, is as proposed, fully adopted, no exertion shall be spared by me to carry out the Deputy-Governor's wishes with the least possible loss to the State, and I shall devote unremitting attention to the trust which he has done me the honour to repose in me.

38½. The sites for the golahs which I have selected, I believe to be in the most favourable localities, to combine as far as possible "the convenience of the public, the convenience of the manufacturer, and the convenience of the preventive establishment."

39. But I would, with much respect, observe that it is unnecessary to establish two depôts for the storage of salt, at the outset of our experiment. The increase of these places will but throw open the more doors for fraud and corruption, and would, at present, be premature. One depôt might now be fixed at Baugundee, for the reception of say 8,00,000 maunds of salt, and Mr. Swinden ought to be at once directed to collect materials for these golahs, bamboos especially, which, unless sunk for some time in the water, will be attacked by a peculiar worm, which speedily renders repairs necessary.

40. The annexed sketch* will show the land now available at the station of Baugundee, and how it might be employed; should this number of golahs (as it doubtless will) ultimately prove insufficient, it would then be time enough to erect others, either at Assasoneet (which would be the better site) or Chundkhally, in the Jessore division. But this contingency even might be provided for at Baugundee, as there is much more land available for the purpose contemplated.

41. The advantages of retaining, as long as possible, the general depôt at Baugundee, are manifold. I will show them presently, but, previous to doing so, would solicit your attention to the accompanying abstract† of the amount of establishment‡ required for say 8 golahs, which would necessarily increase in the manner shown in the column of remarks.

42. The advantages of retaining the depôts at Baugundee are—

- 1st. The immediate control of an European officer.
- 2nd. The reduction of establishment, and consequent lessening of expense.
- 3rd. The eligibility of that locality, for such establishment, being within four or five miles of the route to the east and north-west, now taken by merchants' boats.
- 4th. It would obviate the necessity for separate golahs at distant localities, neither of which could then be strictly and constantly looked after by the superintendent.
- 5th. It would assist materially in preventing smuggling, at the time of transporting the salt from the place of manufacture, as all that salt would then be brought to the storage golahs by the same route, and the attention of the preventive officers on watch over it in transit could be fully|| devolved to the one object; whereas if a separate depôt were established, in another locality, an increased guard would be required, in a ratio to the increased area of country traversed by the boats conveying salt to it.

43. There are many other cogent reasons which will suggest themselves, but I have

* Enclosure No. 2.

† Assasonee is only a short day's journey from Baugundee. Chundkhally is considerably more distant from the Sudder station of the Jessore division.

‡ Enclosure No. 3.

§ After receipt of applications for licences we shall be enabled to form a pretty correct estimate of the number of golahs which in the outset will be required, and which we may calculate upon ultimately requiring.

|| So in the original.

already trespassed so much on your valuable time that I shall now conclude these rough notes of what seems to me to be desirable, in carrying out the views and intentions of the Bengal Government.

44. Many other details will be given hereafter, as the emergency may arise; but I trust you will not find my present suggestion entirely useless, in preparing and establishing our first arrangements.

I have, &c.,

F. CRANK, *Superintendent.*

Enclosure No. 1.

Estimated Expense of Annual Establishment for the Aurungs of Mowkhallee and Patankhally, when Manufacture under Excise Licence shall commence.

MOWKHALLEE.

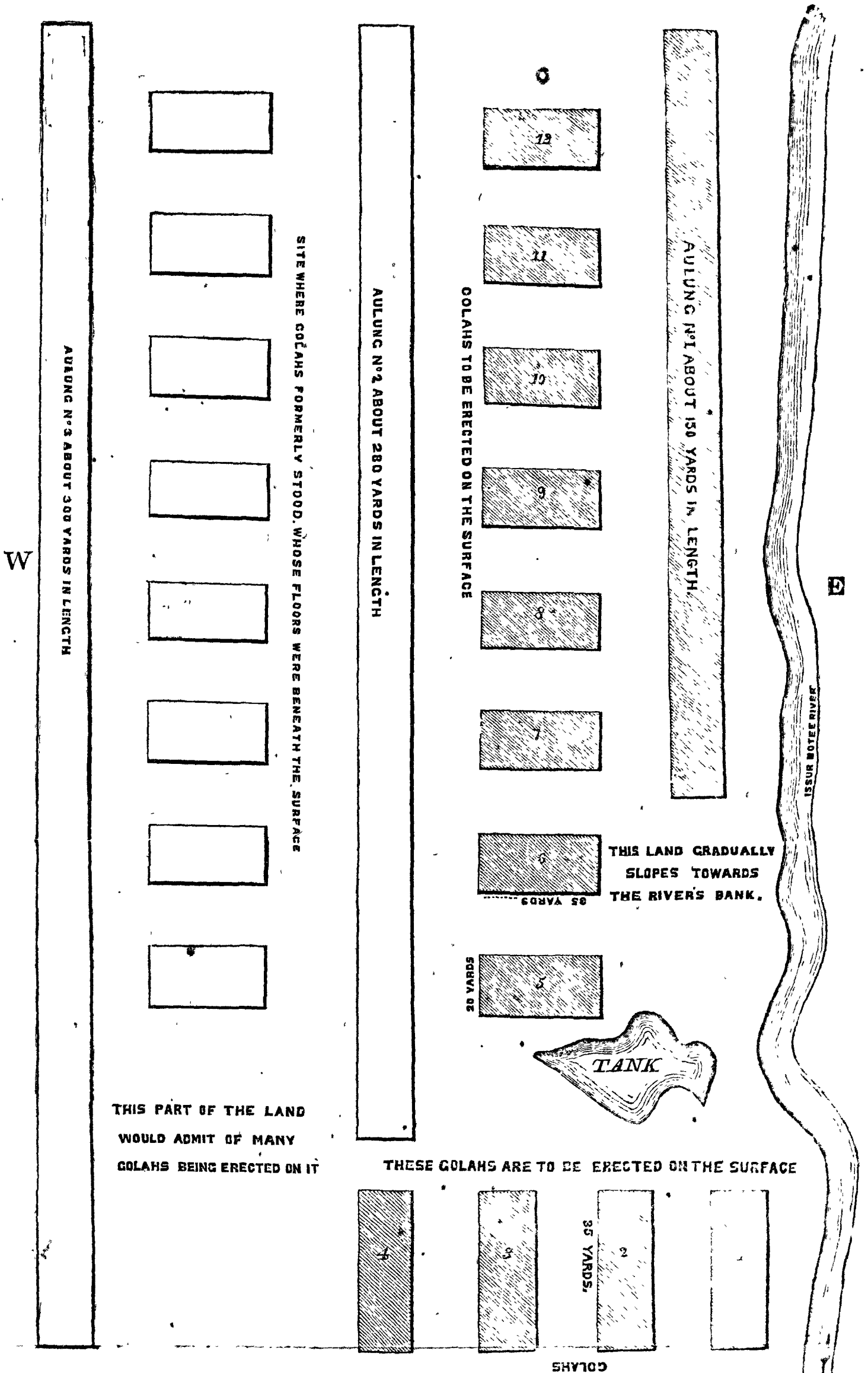
	Per annum.
	Rs.
1 Assistant superintendent of excise at 120 rupees for 7 months	840
Ditto ditto for remaining 5 months at 80 rupees	400
Boat hire at rupees 50 per month for 7 months	350
1 Darogah at 40 rupees per month for 7 months	240
Ditto ditto 5 months at rupees 20 per month	100
1 boat at rupees 30 per month	360
1 Jemadar at rupees 10 per month	120
6 Chuptassees at 4 rupees per month	288
Stationery	10
	<hr/>
Total per annum, rupees	2,708
Deduct salary, boat hire, &c., of assistant superintendent of excise in the Patankhally aurung	} 1,590
	<hr/>
Total amount of expense for Patankhally aurung, rupees	1,118

As the one assistant might control both Mowkhallee and Patankhally the total annual expense, at the above estimate, would be rupees 3,826.

F. CRANK, *Superintendent.*

Enclosure No. 2.—Sketch of the Position which the proposed Storage Gola Baugandee would be in, with reference to the Issur Motee River.

N



Enclosure No. 3.

Estimated Expense that would be incurred at Baugundee, for an Establishment of (8) Excise Storage Golahs, supposing the amount of Duty, on Retail Deliveries from them, be paid into that Treasury.

8 Golah mohurrir at rupees 15 each	120	Should it be found necessary to increase the number of the golahs, one mohurrir and one kyal might be given for every extra golah, and 2 golepaharees for every 4.
8 Kyals at rupees 6 each	48	
1 Cash mohurrir	15.	
6 Golepaharees, who would serve as chup- padars	24	
1 Potdar	8	
1 Char mohurrir	12	
1 Writer	25	
1 Jemadar	8	
	Rupees 260	
		The expense of erecting the golahs and aurungs would be—
		.8 Golahs 2,360
		The necessary aulungs or drying } sheds, about } 1,200
		Surrounding fence, kodals, picks, } &c., &c., about } 100
Deduct salary of 2nd grade darogah of Belliah, whose appointment could be abolished	75	
Total expense per mensem.. ..	185	Total 3,660

A considerable part of this expense might be met by the abolishment of the subdivision darogah of Belliah. His division comprises Belliah, Bhadooriah, and Garacoopee. In the two former the special services of a darogah are not required, and the latter chowkey (Garacoopee), only yielding a sale of about maunds 80, might be given to the daroga, in whose subdivision Rojipore is included, as Garacoopee was formerly struck off from that chowkey, and might well be looked after by the daroga of it. I repeat the services of a daroga are not in the slightest degree necessary for Bhadooriah and Belliah; and in this opinion Mr. Swinden, the superintendent of Baugundee, with whom I consulted, perfectly agrees.

FRED. CRANK, *Superintendent.*

Appendix G.—No. 13.

To the Secretary to the Government of Bengal.

Sir,

Fort William, September 8, 1854.

I am directed by the Board of Revenue to acknowledge the receipt of your letter, dated the 7th of July last, and to submit, in original, for the consideration of the Lieutenant-Governor, the correspondence noted in the margin,* which has taken place between the Board and the Controller, on the subject of arrangements for carrying out the views of Government, for the introduction of an excise system in the manufacture of salt.

H. Ricketts, and
E. Currie, Esqrs.

2. The general outline of the plan which the Lieutenant-Governor desires should be adopted is given in your letter to the address of the Secretary to the Government of India, dated the 12th of June last, and is as follows:—

1st. That locations shall be assigned, on nominal rents, in parts of the Soonderbunds heretofore used for the manufacture of salt, and licences granted to persons undertaking to make not less than 2,000 maunds of salt in a season.

2nd. That the progress of the manufacture shall be observed and reported on by Government officers, as is now done in the Government agencies.

3rd. That the salt manufactured shall be stored in central depôts, and delivered to purchasers, on production of permits, certifying the payment of duty, but that the manufacturer may, by giving security for the payment of duty, have entire control of his salt, after the completion of the season's manufacture.

3. The locality which has been selected for the commencement of the experiment are the hoodahs Mowkhalee and Patankhalee of the late agency, which are situated in the unappropriated lots, 131 and 132 of the Soonderbunds. These two hoodahs are estimated to

* To Controller of Salt Chowkeys, dated July 29, 1854.

From " " " dated August 31, 1854, with one enclosure.

be capable of producing maunds 1,80,000 of salt, and there are other suitable lands adjoining, which can be reserved and occupied as they are required. It is necessary, the Board think, for preventive purposes, that each new allotment, where these are small, should be contiguous to the one last granted, as it would never answer to allow the manufacturers to scatter themselves at will in all directions over a large area. The rent charged will be one anna a beegah, and licences will be granted, without payment of fees, to all applicants, who engage to manufacture not less than mds. 2,000 in the season. Mr. Crank, the superintendent of Bareepore, who has been consulted by the Controller, is opposed to any limit being fixed to the quantity for which a licence may be taken out, but the Board do not see the force of his objections. Maunds 2,000 is represented to be the ordinary produce of a single khullaree, worked on the Tuffal plan, and such a restriction cannot possibly have any tendency to throw the manufacture into the hands of large capitalists. Encouragement will, however, be afforded to private individuals or companies, desiring to enter on the manufacture of salt on a large scale, and, with this view, licences will be given for considerable tracts in any other locality than that which has been specially set apart for the purpose, should the site chosen appear, on inquiry, suitable and unobjectionable.

4. The members of the board, it will be seen, differ in opinion as to the best mode of supervising the manufacture of the salt. Mr. Ricketts objects to all interference with the operations of the manufacturer within the limits of his manufacturing ground, and thinks that the removal of salt beyond those limits could, and should, be guarded against by means of an efficient preventive force outside. Mr. Currie, on the other hand, considers it indispensably necessary for the prevention of smuggling that each day's produce of every khullaree should be noted and accounted for, and in this opinion Mr. Crank concurs. Paras. 8 and 19 of my letter, to the Controller, dated the 29th of July, contain the rules which would have to be observed, according as the latter, or the former, plan is approved by Government, and, for convenience, these paras. are here transcribed in parallel columns.

Para. 8. "The coot darogahs will take an account of the daily manufacture of each khullaree to be submitted weekly to the superintendent. The assistant will be continually moving about among the khullarees to prevent malpractices, and see that the darogahs do their duty properly. The superintendent will receive the reports of manufacture, and exercise a general supervision over the whole operation. The aurung establishment will be required for 7 months, from December to June."

Para. 19. "Mr. Ricketts proposes that, under the superintendency of the Controller of salt chowkeys the immediate supervision of the manufacture should rest with the superintendent of the Bareepore salt chowkeys, under whom will be placed assistants, darogahs, and chuprassees, the number of whom will be regulated by the quantity of land taken up by manufacturers on the following scale:—

"For each 1,000 beegahs occupied		
1 Darogah at 40 rupees per mensem	..	40
10 Chuprassees at 4 rupees per mensem	..	40
"For each 3,000 beegahs occupied		
1 Assistant at	..	150
Travelling allowance	..	50
For each darogah one boat with eight oars	..	60
An attendant dinghee	..	4
"Supposing land to be taken for 3 lacs of maunds, i.e. 6,000 beegahs, the establishment will be as follows:—		
* 6 Darogahs at 40 rupees	..	2,880
6 Jemadars at 10 rupees	..	720
60 Chuprassees at 4 rupees	..	2,880
30 " " 5 "	..	1,800
2 Assistants at 150 rupees	..	3,600
Travelling allowance at 50 rupees	..	1,200
Boats for darogahs	..	4,320
Dinghees attached	..	288

17,688

"The business of the assistants, the darogahs and their establishments will be to prevent the removal of salt from the manufacturing grounds without a pass. For this purpose they will constantly watch the approaches, and make seizures of any illicit salt, found without a pass beyond the limits of the aurungs. They will have free ingress and egress to, and from, the manufacturing grounds, but they will in no way interfere with the manufacture."

"This expenditure is about $2\frac{1}{2}$ per cent on an excise of 7,50 000.

"Each Darogah will have to watch one square mile of country.

"Each Assistant to watch three square miles."

The establishment which would be employed under Mr. Ricketts' system is stated above while that noted in the margin* would suffice at first, if the other system were adopted. Mr. Currie quite agrees with Mr. Crank in thinking that whatever establishment is entertained, should be employed throughout the year, and not only for six or seven months as was at first proposed, and in this Mr. Ricketts also concurs.

5. In regard to the sale of the salt when made, Mr. Crank strongly advocates the plan of allowing sales from the aurungs. Owing to the present scarcity of salt it is possible that the salt to be made this year may be brought up as soon as it is manufactured; but it is not at all likely that the whole of the salt will be ordinarily so disposed of, and Mr. Currie regards with some distrust a mixed system of sale and transport. He is unwilling, however, to oppose giving it a trial, as it is so strongly recommended by the officer to whom it is to be committed the immediate working out of the new system, more particularly as his colleague Mr. Ricketts is favourable to it. A rule will accordingly, if the Lieutenant-Governor sees no objection, be introduced among those which it is proposed to frame, providing for the delivery of salt to purchasers from the aurungs on permits issued in the same manner as in the case of deliveries from the store golahs. The rule contained in para. 15 of my letter to the controller above referred to specifies the conditions under which the salt can be taken over by the manufacturer, without being stored in the Government golahs.

6. In para. 4 of your letter under reply, it is suggested that there should be not less than two places of storage, but the Board are disposed to concur in the reasons assigned by Mr. Crank in paras. 39 to 41 of his report for limiting the store, at first at all events, to one station, and for the selection of Baugundee in preference to the others which have been thought of. The superintendent of Baugundee will be instructed at once to prepare materials sufficient for 10 or 12 golahs. The Board have no objection to Mr. Crank's plan of a separate mohurrir and kyal for each golah; but in that case the superintendent of Baugundee must depute one of his sudder amlah to superintend and register the imports. His proposition to store in bulk the produce of a number of manufacturers is, for obvious reasons, quite inadmissible.

7. Licences to manufacture will be granted by the Board on the report of the Controller, and the rowannahs to cover salt sold to purchasers will be issued in precisely the same manner as for all other salt. The manufacture and storage of the salt will be carried on, as directed by the Lieutenant-Governor under the general control of the Controller of salt chowkeys and the immediate management of Mr. Crank, the superintendent of the Barreepore division, assisted so far as the storage is concerned, by the superintendent of Baugundee. The extra remuneration, or rate of commission, which it is proposed to allow the superintendent, may be hereafter considered, as it must depend principally on the extent to which the scheme is carried into effect.

8. As soon as the Lieutenant-Governor's approval or modification of the above arrangements is intimated to the Board, they propose issuing notices inviting applications to manufacture under the excise system, and to draw up a set of rules which, after submission for final approval, will be published at the same time.

I have, &c.

A. R. YOUNG, *Officiating Junior Secretary.*

	For 7 months, from Decem- ber to June.	For 5 months, from July to November.
1 Assistant superintendent	150	100
Boat allowance	50	..
Darogah	40	20
2 Jemadars, at 10	20	20
12 Chuprassees, at 5	60	60
	320	200

Appendix G.—No. 14.

To the Officiating Junior Secretary to the Board of Revenue.

Sir,

Fort William, September 18, 1854.

Miscellaneous
Revenue:
Salt.

I am directed by the Lieutenant Governor of Bengal to acknowledge the receipt of your letter, of the 8th instant, with its enclosures, and, in reply, to inform you that the Government is much beholden to the Board for the care with which they have elaborated the details of the excise system of salt manufacture, about to be tried in the 24 Pergunnahs. Of these details the Lieutenant-Governor entirely approves.

2. His Honour sees no objection to the rule proposed in para. 5 of your letter, under which salt may be delivered from the aurungs on permits issued, in the same manner as in the case of deliveries from the store golahs.

3. On the subject of supervision, the Lieutenant-Governor is of opinion that when the system is once fairly established, the arrangements approved by Mr. Ricketts will probably be the most desirable; but in the infancy of the experiment, Mr. Currie's plan appears to be the safest, and, as such, it may be adopted, at all events for the present.

4. The Lieutenant-Governor is sanguine as to the success of the experiment, but, should it fail, his Honour feels assured that it will not be for want of the most sedulous good management on the part of the Board.

I have, &c.

W. GORDON YOUNG, *Under-Secretary to the Government of Bengal.*

Appendix G.—No. 15.

To the Secretary to the Government of Ben

Sir,

Fort William, September 23, 1854.

Salt.
H. Ricketts and
E. Currie, Esqrs.

With reference to para. 8th of my letter, dated the 8th instant, and to Mr. Officiating Under-Secretary Young's communication in reply, dated the 18th idem, I have the honour, by direction of the Board of Revenue, to submit herewith for approval, a draft of the rules under which it is proposed to grant licences to parties desirous of manufacturing salt on the excise system in the Soonderbunds, and to solicit that the Lieutenant-Governor's orders may be passed thereon as early as possible in order that the rules may be notified in the Gazette before the holidays.

2. I am to take this opportunity of stating that the Controller will be desired to bring the assistant superintendent of salt chowkeys, at present located in the Chittagong division, to Barreepore to relieve Mr. Crank of part of the ordinary duties of the superintendent, in order to leave him more at leisure to give his attention to the special duty of supervising the excise operations.

I have, &c.

A. R. YOUNG, *Officiating Junior Secretary.*

Appendix G.—No. 16.

To the Officiating Junior Secretary to the Board of Revenue.

Sir,

Fort William, September 25, 1854.

I am directed to acknowledge the receipt of your letter dated the 23rd instant, and in reply, to inform you that the Lieutenant-Governor approves of the draft of rules forwarded therewith, for granting licences to parties desirous of manufacturing salt on the excise system in the Soonderbunds.

Miscellaneous
Revenue.
Salt.

I have, &c.,
W. GREY, Secretary to the Government of Bengal.

Appendix G.—No. 17.

To the Controller of Salt Chowkeys.

Sir,

Fort William, September 25, 1854.

With reference to your letter, dated the 31st ultimo, and its enclosure, I am directed to transmit herewith for your information, and for communication to the salt chowkey superintendents of Bareepore and Baugundee, a copy of the rules* approved by Government, under which licences will be granted to parties desiring to manufacture salt on the excise system.

Salt.
Ricketts and
E. Currie, Esqrs.

2. Mr. Crank will understand that the supervision of the manufacture, is to be conducted in the manner indicated in paragraph 8 of my letter, of the 29th of July last. The Board approves his suggestion for retaining the establishment throughout the year, and he will, in due course, submit the usual proposition statement for the sanction of Government. The scale noted in the margin† would seem to be appropriate at the commencement of the experiment.

3. Adverting to your 10th paragraph, the Board desire that the assistant superintendent may be instructed to proceed to Bareepore in order to relieve Mr. Crank of part of the

* Enclosure A.

	For 7 months, from December to June.	For 5 months, from July to November.	
	Rs.	Rs.	
1 Assistant superintendent	120	80	
Boat hire for ditto	50	..	
2 Darogahs	80	40	
2 Boats, at 30 each	60	60	
2 Jemadars, at 10 each	20	20	
12 Chuprassees, at 4 each	48	48	
	378	248	
In the year	2,646	1,240	= 3,886

Stationery 20
 3,906

ordinary duties of the superintendent, and leave him more at leisure to give his attention to the special duty of supervising the excise operations.

4. You will observe, that it is proposed that applications for licence should be preferred to the Bareepore superintendent, who will furnish the applicants with all necessary information, and submit their applications, with his report thereon, for the Board's orders. Mr. Crank will, of course, carefully study the rules, and apply for any further instruction which he may require.

5. You will be so good as to instruct Mr. Swinden, at once to prepare materials sufficient for 8 or 10 golahs at Baugundee, which will be under the charge of the superintendent of that division. He will, when the time comes, depute a trustworthy officer of his sudder establishment, for the performance (under his own supervision) of the duties assigned by the rules to the "officer in charge of the golahs." There will be a separate mohurrir, or darogah, for each golah, as proposed by Mr. Crank. On all points connected with the receipt of salt into store, the superintendent of Baugundee will communicate with the supervisor of manufacture; but the returns of salt stored and delivered, which should be submitted monthly, and the golah clearance statements may be furnished by him to your office direct. Forms for these returns, as well as for the returns to be submitted by the supervisor of manufacture, will be prescribed hereafter.

I have, &c.,
A. R. YOUNG, *Officiating Junior Secretary.*

Enclosure A.

Notification of the Rules for granting Licences to parties desirous of engaging in the Manufacture of Salt under an Excise System.

Applications for licences will be received by the Board of Revenue, and also by the superintendent of the Bareepore salt chowkeys for transmission to the Board, from parties desirous to engage in the manufacture of salt under an excise system. A portion of the Sunderbunds, known as the Tuffal aurungs of the late 24 Pergunnahs Salt Agency, has been specially set apart for this purpose, and licences to manufacture will be granted to applicants on the following terms and conditions:—

1. The Sunderbund lots, 131 and 132, in the first instance, afterwards lot 149, and subsequently lots 127, 128, 150, 151 and 152, in such order as may hereafter be judged expedient, will be made available for the manufacture of salt on a system of excise.

2. Lands suitably situated in the above locality will be divided into allotments of 50 beegahs each, and rented at the rate of one anna per beegah, to parties engaging to manufacture not less than maunds 2,000 of salt per annum. Each new allotment must be contiguous to the one last granted, or as nearly so as the nature of the ground will admit; but any number of allotments may be assigned to a single individual, on his satisfying the Board of his ability, and *bonâ fide* intention, to work them. The rent of the lands must be paid half at the beginning, and half at the end of the season.

3. The supervision of the manufacture will be entrusted to the superintendent of the Bareepore salt chowkeys, assisted by an establishment, whose duty it will be to take an account of the daily manufacture of each khalary and to prevent malpractices.

4. The salt when made may, at the option and convenience of the manufacturer, be delivered to purchasers from the aurungs or stored in golahs, which will be provided by Government free of charge; or a manufacturer may, if he prefers it, under certain conditions, remove his salt to be stored elsewhere than in the Government golahs. In each case the following rules must be observed:—

5. When salt is sold for delivery from the aurungs, the amount of duty leviable upon it, at the rate of rupees 2 : 8 per maund, must be paid into the general treasury, and on production of receipts for such payment, permits will be granted at the Board's office for the protection of the salt, in the same manner as in the case of salt imported by sea. The weighment on delivery must be made in presence of one of the supervisor's officers, and the permit must be endorsed by the aurung assistant.

6. When salt is to be removed for the purpose of being stored in the Government golahs (which for the present will be established at Baugundee), the boats must be laden and the salt stamped over in the presence of one of the supervisor's officers. It will then be transported to the golahs by a certain prescribed route, under chellauns specifying the quantity by coot measurement. The chellauns will be numbered and signed and the boats passed by the aurung assistant, who will keep a register of the chellauns. On arrival at the golahs, the despatch will be examined by the officer in charge of the golahs, the condition of the stamps noted, and the chellaun registered. The salt will then be weighed into store and the result of the weighment entered in the chellaun register, as well as in the store account to be kept by the golah darogah. The expense of weighing the Salt into store will be borne by the manufacturer.

7. Each manufacturer's salt will be piled in a separate heap, and stamped with his own stamp. When a whole golah is stored with salt of a single manufacturer, the golah will be secured with two locks, one key being kept by the manufacturer, and the other by

the golah darogah. When a golah contains the salt of more than one manufacturer there will be only one lock, the key of which will be kept by the golah darogah.

8. The registers of chellauns kept by the aurung assistant and the officer in charge of the golahs, will be carefully compared by the superintendent, for which purpose extracts will be sent to him weekly; and if any despatch be not duly accounted for, or if any despatch appear to have been tampered with, and the quantity received at the depôt from such despatch be deficient as compared with the estimate, no salt belonging to the party concerned will be allowed to be delivered from the depôt until the duty chargeable on the deficient quantity shall have been made good.

9. Salt will be delivered to purchasers from the golahs on the production of permits, to be obtained from the Board's office in the manner described in Rule 5.

10. Wastage at the rates specified in the margin,* will be allowed in accounting for salt stored under these Rules, and duty must be paid by the manufacturer on any deficiency beyond the allowed wastage, which may not be accounted for to the Board's satisfaction. For the realization of this duty, a sufficient portion of the salt may be detained and sold by Government,

11. The salt of each year's manufacture will be kept separate, in order that the accounts of each year's store may be duly made up.

12. Manufacturers, who may not choose to store their salt at the fixed depôt must make a deposit of the duty in Company's paper, before removing it, and the duty must be paid in full, within six months from the close of the season, that is, before the 1st of December of each year. The salt must be weighed before removal and an excess of three per cent. above the quantity registered for duty will be allowed for wastage. Salt so removed will be protected by special passes, to be filled up and signed by the superintendent, and, after removal, will be at the free disposal of the manufacturer, subject only to the provisions of section 46, Regulation X, of 1819. Manufacturers intending to remove their salt under this rule, must give notice to the superintendent, at the commencement of the season.

13. The manufacture will be closed on, or before, the 31st of May, and all salt must be removed from the aurungs not later than the 15th of June. Any salt remaining in the aurungs after that date will be liable to be destroyed by the supervisor's officers.

14. For a breach of any of the provisions of the Rules, the licence of the party offending will be liable to be immediately withdrawn; and, in the event of smuggling, or connivance at smuggling, being proved against the manufacturer, or his duly-authorized agent, the whole of the salt manufactured, or stored, by him will be liable to confiscation.

15. Applicants, before receiving their licences, will be required to bind themselves to accept and abide by the conditions embodied in the foregoing Rules.

16. Should any individual or joint stock company desire to manufacture salt on a large scale elsewhere than in the locality above described, licences will be granted for such manufacture, provided the site chosen appear, on inquiry, suitable for the purpose, and a compliance with the application be otherwise unobjectionable. The foregoing terms, except in so far as they may be in part modified by special conditions to be entered in the licence, will be applicable to licences granted under this rule.

By order of the Board of Revenue,

A. R. YOUNG, *Officiating Junior Secretary.*

Fort William, September 25, 1854.

Appendix G.—No 18.

To the Secretary to the Government of Bengal.

Sir,

Board of Revenue, L. P., Fort William, May 14, 1855.

I have the honour, by direction of the Board of Revenue, to acknowledge the receipt of your letter, dated the 28th March last, in which the Lieutenant-Governor calls for a report of the working of the experiment of manufacturing salt under a system of excise, in certain parts of the late 24 Pergunnahs Agency.

Salt.
E. Currie and
J. Dunbar, Esqrs.

								MDS.	RS.
*	First Quarter, after storage, per 100 maunds	..	..	..	..	..	..	2	10
	Second " " " " " "	..	..	..	..	..	..	3	10
	Third " " " " " "	..	..	..	..	..	..	3	30
	Fourth " " " " " "	..	..	..	..	..	..	4	0

And an additional allowance at the rate of one maund per annum for salt kept in store above one year.

2. In reply I am desired to state that, in order that the Board might be in a position to make their report to Government, inquiries had to be made of the superintendent of Bareepore chowkeys (to whom the carrying out of the experiment of the excise scheme had been entrusted), with respect to the present state and prospects of the manufacture, as set on foot in Saugor Island and the Soonderbunds. Mr. Crank's report has now been received and the Board proceed to offer the following observations and opinions.

3. The rules, as approved by Government, were translated and published on the 25th of September last, and measures were adopted for making the scheme generally known. Only two applications, however, were received for allotments of land in the Tuffal aurung, and, of the two applicants, only one actually took out a licence. The cause of the withdrawal of the other is not very clearly stated, but it would seem to have been some disagreement with the neighbouring zemindars of Takec, whose ryots it was intended to employ in the manufacture. One licence also has been granted, under Rule 16, to Mr. Fraser, the agent of the Saugor grantees.

4. Mr. Fraser, on taking out his licence, expressed an intention of making about 11,000 maunds of salt. The superintendent estimates that his manufacture will reach 20,000 maunds, and that about 5,000 will be made in the Soonderbunds' allotment. But both these, I am to remark, are, in the Board's opinion, over estimates: the Board apprehend that the whole of the manufacture, under the new Rules, will not exceed 20,000 maunds.

5. The inquiries made by Mr. Crank, last year, had led the Board to expect that the applications for allotments in the Soonderbunds would be much more numerous. The reasons now assigned by him for the paucity of the applications appear to be:—

1st. The opposition of persons connected with the former manufacture, on account of Government.

2nd. The rule which prescribes a minimum quantity of 2,000 maunds.

3rd. The small profits realized by parties other than zemindars of the neighbourhood;

4th. And the risk of loss in making advances to the molunghees.

6. As regards the first reason, the Board think it quite possible that the "sajooneahs" or contractors, under the late 24 Pergunnahs Agency, several of whom were expected to take out licences, may have hung back from the expectations that the failure of the scheme would oblige Government to re-open the agency. There can be no doubt, as was seen in the case of Mr. Fraser, that parties would rather manufacture under contract for Government than on their own account.

7. The second point the Board directs me to observe, viz., the Rule which fixes 2,000 maunds as the minimum quantity for which a licence will be granted, is that upon which Mr. Crank appears to lay most stress, but, as it seems to the Board, with little reason. He brought it forward before and it was adverted to in paragraph 3 of the Board's Report of the 8th of September last. At Bombay the limit is fixed higher, viz., 5,000 maunds. Mr. Crank says that, if there were no restriction, "the poorer classes would band together, for manufacturing purposes." But there is nothing in the rules to prevent two or more sajooneahs from entering into partnership, and taking out a joint licence. The Board think the restriction necessary, and that no good, but much evil, would result from its abandonment.

8. With respect to the third reason, it is quite true that there are expenses connected with manufacture in the Soonderbunds, which would, probably, make it too costly for any others than persons residing in the neighbourhood. But the parties whom the Board expected to take out licences were not distant speculators but some of the more substantial sajooneahs, and the neighbouring zemindars. The low prices at which the salt of the agencies is sold, joined to other considerations, would probably deter any other persons from entering in such a speculation.*

9. The last reason mentioned by Mr. Crank, viz., the difficulty of recovering advances, is one of the considerations just alluded to, and no doubt it is a very important one, for which it would be very desirable to derive a remedy. The superintendent suggests that summary suits for the recovery of advances from molunghees might be tried by salt superintendents. The Controller of Chowkeys proposes that the power of distraint, given by section 18, Act XXIX, of 1838, to salt agents, might be conferred on licensed manufacturers. The Board cannot advocate the adoption of either of these plans. Any proposition for extending the power of distraint, which, in the hands of individuals, is admitted to be liable to the greatest abuses, seems very questionable; and the multiplication of special courts for particular causes is both objectionable and unnecessary. The Small Cause Court Bill will probably provide all that is requisite in this respect. Or if such Courts are not generally introduced, and the point should appear to be of such importance as to call for the interference of the Legislature, summary process might, perhaps, be provided for this class of cases, in the same way as has been done for indigo advances, by Regulation VI, of 1823, the cases being made cognizable by moonsiffs.

10. Mr. Crank was desired to report especially upon the probability of more extended manufacture next year. Upon this point the expectations which he holds out are not very

* An influential native gentleman, formerly connected with the salt department, had some thoughts of trying it, in partnership, it is believed, with others; but he stated afterwards that it could not be done unless Government would make some abatement of duty in their favour.

encouraging. He says that Mr. Fraser will enlarge his operations in Saugor, and the Board have no doubt that he will. They expected that he would have made more salt this year. The person who took the Soonderbuns' allotment, and who is said to be the agent of the wealthy zemindar, Prannath Chowdry, will also, probably, extend his manufacture. But Mr. Crank says nothing of any likelihood of more applicants for allotments in that neighbourhood coming forward.

11. Upon the whole the Board are of opinion that no considerable extension of operations can be looked for, under the rules for manufacture in the Soonderbuns, and storage at Baugundee. It would, perhaps, be premature to say that the plan has failed; but the prospect of success is so doubtful and remote that it should not, the Board think, be allowed to stand in the way of any arrangements for the extension of manufacture, on the part of Government, which the exigencies of the department may suggest. The Board would look rather to undertakings under Rule 16, similar to that of Mr. Fraser, for the gradual increase of manufacture, under a system of excise. Mr. Crank mentions vaguely that one of the great salt merchants has such a plan in contemplation, and the Board believe that such an idea was entertained by an English landholder in Bullooah, with respect to one of the islands at the mouth of the Megna.

12. The expense of the small establishments entertained in the Tuffal aurung, and at Saugor amounts, it would seem, to about rs.1,680 per annum, which, on manufacture of 20,000 maunds, yielding a duty of rs. 50,000, is something more than three per cent. To this is to be added the remuneration to be allowed to the superintendent, which it was determined, by Government order of the 7th of July last (paragraph 3), should take the form of a percentage. Mr. Crank asks for three per cent., and this rate, which, on the present year's manufacture, will not, the Board believe, give him more than 1,500 rupees, is, they think, moderate and suitable. It should, however, be understood that the rate will be open to revision next year. The extra preventive charge on the excise salt will thus amount, probably, to about six per cent.; the extra preventive charge on agency salt, that is, the total of the agency charges not included in the cost price of the salt, is a little more than 2½ per cent.

I have, &c.,
H. V. BAYLEY, *Officiating Junior Secretary.*

Appendix G.—No. 19.

To the Officiating Secretary to the Board of Revenue, Lower Provinces.

Sir,

Fort William, May 21, 1855.

I am directed to acknowledge the receipt of your letter dated the 14th instant, furnishing a report on the working of the experiment of manufacturing salt under a system of excise, and in accordance with the rules which were sanctioned by Government on the 25th of September last.

2. The Lieutenant-Governor desires me in reply to state, that having considered the facts stated in this Report, he thinks it would be well that the rules should be again generally and widely promulgated, with the especial object of inducing persons to apply for licences, under Rule 16, for manufacturing salt in other places not comprised within the limits of the Soonderbunds.

3. I am desired to convey his Honour's sanction to the remuneration proposed for the superintendent of the Bareepore chowkeys for the present year, viz., 3 per cent. on the manufacture, a revised rate of remuneration being adopted next year, if thought necessary.

I have, &c.,
H. PRATT, *Under-Secretary to the Government of Bengal.*

Appendix G.—No. 20.

Sir,

Fort William, May 15, 1855.

Salt.
E. Currie and
J. Dunbar, Esqrs.

On the 12th of May, 1854, the Board of Revenue submitted a special Report to Government upon the state of the salt provision for the then ensuing year. As the state of that provision is now in some respects equally, or even more, critical, and as it is also near the time when the Board usually request the orders of Government respecting the quantity of salt to be manufactured in the coming season, they are of opinion that it will be well that this important subject should be, at once, brought under the consideration of Government.

2. In my predecessor's letter of the 3rd of June last, it was stated that the stock in hand, exclusive of the new salt then in course of receipt into the golahs, and making a due allowance for wastage, was about 15½ lacs of maunds. It was calculated that, exclusive of the Cuttack local sales, the wholesale deliveries of the year would be, at the very least, 38,00,000 maunds, and the retail sales 3,00,000 maunds, making a total of 41,00,000 maunds. To meet this demand, the Board reckoned upon a supply from various sources of maunds, 37,50,000, and consequently anticipated that the small reserve above-mentioned would be further reduced to the extent of at least 3½ lacs.

3. The actual results, the Board regret to say, have been even more unfavourable than this prospectus. Notwithstanding an increase in the supplies of imported salt, which they had little reason to hope for, the rowannah sales have exceeded the estimate, and the total deliveries of Government salt, wholesale and retail, must be about 43,00,000 maunds.* On the other hand, owing to the non-fulfilment of the expectations held out by the Arracan officers, and to the produce of the Cuttack Agencies having turned out less than was anticipated,† the supplies have fallen short of the estimate, as shown in the following comparative table:—

Agency.	Estimate.	Out-turn.
	Maunds.	Maunds.
Hidgellee	9,00,000	9,21,532
Tumlook	8,00,000	8,37,564
Balasore and Pooree	10,00,000	8,28,922
Pooree kurkutch	2,00,000	1,01,659
Cuttack	1,50,000	61,535
Chittagong	5,00,000	4,82,183
Arracan	1,00,000	25,788
Madras (at Chittagong)	1,00,000	1,13,403
	37,50,000	33,72,586

In consequence, the actual balance, instead of being, as hoped for, about 12 lacs, is only about 5½ lacs, exclusive of about 3,00,000 of kurkutch received from Madras, in part of last year's indent of 5,00,000 maunds. In fact, the store at Sulkea may now be said to be reduced to the Madras salt, and about 4 lacs of maunds of the old 24 Pergunnahs' manufacture, which is priced so high as to be sure of remaining unsold, so long as there is any other salt in the market.

4. The question then is, what are the means for meeting the demand of the current year? Most unfortunately the season has, from the commencement, been very unfavourable for the manufacture; hence, notwithstanding the exertions made to secure a large supply, the out-turn is likely to be very inadequate. In Chittagong, the manufacture was brought to an untimely close about the middle of last month, by storms and continuous rains. From the Agency Returns, it is manifest that neither the Hidgellee nor Tumlook will complete their taidads. The reports from Arracan are also disappointing. The Commissioner himself went down to Kyouk Phyoo for the purpose of making inquiries, and the result was very far from confirming the expectations which had been held out by the superintendent, Mr. Hind. At Captain Hopkinson's recommendation, the Board have authorized the price to be raised from 7 annas to 8 annas a maund, with a view of securing all the salt that may be available. It is difficult to form any estimate of the probable

To the Secretary to the Government of Bengal.

* The retail returns for the last month have not yet been received.

† Besides the produce being short, some salt was lost in Cuttack, and by default of the transport contractors, about 1,30,000 maunds has been left in the agencies, and is not therefore brought into the accounts.

receipts from Cuttack; but, even including some salt of last year's manufacture left in the agencies, they are very unlikely to exceed those of the current season. According to the best judgment the Board can form, the quantity that will be available may be as follows:

	Mds.
Hidgellee	9,00,000
Tumlook	8,00,000
Chittagong	6,50,000
Arracan	1,50,000
Madras at Chittagong	2,00,000
Balasore	4,00,000
Cuttack	1,00,000
Pooree	3,00,000
Ditto kurkutch	2,00,000
	<hr/>
	37,00,000

The demand for Government salt, for reasons to be given presently, may probably not exceed the amount at which it was reckoned last year, viz., 41,00,000. Indeed, the Board think it may, probably, be less; but, under the most favourable circumstances, the supply must apparently fall short of the demand, and the small reserve of pungah above referred to will, in all probability, be absorbed, leaving in store only such portions of the Madras indent (15,00,000 maunds) for the two years 1853-4 and 1854-5, as it may be practicable to bring up. The Government has been made aware, by recent Reports,* of the great difficulty experienced in obtaining tonnage for this salt.

5. It is then, the Board think, abundantly evident, that, for the next few years, the Government will require all the salt that can possibly be manufactured in order to replenish their stores, and that the present sources of supply are inadequate for the purpose. Last year the Board pressed strongly on Government the expediency, or rather the necessity, of re-constructing the 24 Pergunnahs Agency, but the Lieutenant-Governor objected that it would interfere with the experiment, then about to be tried, of introducing private manufacture under a system of excise. In the Report† just submitted upon the results of that experiment, the Board have stated that they do not think them such as to warrant that the trial of the excise system should be allowed to stand in the way of the measures necessary for the extension of the Government manufacture. The Board, would, therefore, again, respectfully and earnestly, urge upon Government the immediate reestablishment of the 24 Pergunnahs Agency. Hoodah Gochoba, which was partially occupied by an excise manufactory this year, and other hoodahs if necessary, might be set apart for applicants for licence under the excise system, and with them the Government operations would not interfere. The Board do not think that any hesitation need be felt about re-opening the agency on the score that the present dearth of salt is only temporary, and that it may be necessary to close it again when that dearth ceases; they believe that so long as manufacture, on account of Government, is continued, it will be the interest of Government to make salt in this agency. Mr. Bury, who had been Salt Agent of Chittagong and of Tumlook, and was in charge of the 24 Pergunnahs Agency when it was abolished, always maintained that the abolition was a mistake, and that the facilities for the manufacture of a large quantity of salt were much greater than in any other agency. The produce may be dearer than that of Tumlook and Hidgellee, but it need not, the Board are persuaded, be dearer than that of Chittagong, Cuttack, and Pooree; and the change recently made in the mode of adjusting the cost-price of salt will effectually prevent the Government from being again undersold by imports from the United Kingdom.

6. The Board would therefore propose, with some slight modifications,‡ the same standard which they recommended last year, viz. :—

	Mds.
Hidgellee	11,00,000
Tumlook	9,00,000
Chittagong	8,00,000
Balasore	5,50,000
Cuttack	2,50,000
Pooree { pungah	4,00,000
{ kurkutch	8,00,000
24 Pergunnahs	6,00,000
Arracan	2,00,000
	<hr/>
	56,00,000

Exclusive of the quantity for local sale in the Province of Cuttack, which will be about

Mds.
1,00,000 for Balasore.
2,00,000 for Cuttack,
3,00,000 kurkutch for Pooree,
<hr/>
6,00,000.

* Dated April 17, 1855; dated May 14, 1855.

† Dated 14th instant.

‡ It would be useless to fix the 24 Pergunnahs taidad for the first year higher than 6,00,000. An addition has been made of 2 lacs of Pooree kurkutch.

7. It has been stated above that the Board expect that the demand for Government salt, or rather the quantity of Government salt required for the supply of the market (for Government salt is now so cheap that it will always be in demand in preference to salt from England) in the year now commencing may, probably, be less than it has been during the two last years. The ground of this opinion is, that there has been, within the last few months, a very great improvement in the imports, especially from the United Kingdom. The quantity of imported salt in bond, on the 30th of April, 1854, was 2,77,389; on the 30th of last month it was 5,21,761 maunds. The exports from Liverpool, in January and February, 1854, were *nil*; in January and February, 1855, the Board learn that they have amounted to 11,413 tons, equal to more than 3 lacs of maunds, and they continued at about the same rate up to the latest date of which advice has been received. This is satisfactory as showing that the inexhaustible supplies of England may be made available for the wants of this country, though not always so promptly as would be desirable. It relieves us of the apprehensions of an actual dearth, which was otherwise imminent; but it does not, the Board conceive, furnish any reason for keeping the Government golahs in their present state of exhaustion one hour longer than it may be unavoidable.

I have, &c.,

H. V. BAYLEY, *Officiating Secretary.*

Board of Revenue, Lower Provinces, May 15, 1855.

Appendix G.—No. 21.

To the Officiating Secretary to the Board of Revenue, Lower Provinces.

Sir,

Fort William, May 21, 1855.

With reference to paragraph 6 of your letter, dated the 15th instant, I am directed to convey to you the sanction of Government to the proposed provision of salt for the ensuing season,* with the exception of the quantity proposed to be manufactured in the old agency of the 24 Pergunnahs, regarding which, orders will be communicated to you hereafter.

I have, &c.,

HODSON PRATT, *Under-Secretary to the Government of Bengal.*

Appendix G.—No. 22.

To the Controller of Government Salt Chowkeys.

Sir,

Fort William, June 5, 1855.

I am directed to transmit herewith 80 copies of printed Rules, under which licence will be granted to parties desirous to engage in the manufacture of salt on the system of excise, and to request that you will be good enough to distribute them on your tour, and give to the superintendents subject to your control, for the same purpose, such numbers of copies as you may think expedient. You are further requested to have copies affixed in your own cutcherry, and those of your subordinates, and cause the same to be affixed in those district cutcherries of other departments where you may consider the knowledge of the Rules likely to lead to the extension of the excise system.

I have, &c.,

H. V. BAYLEY, *Officiating Secretary.*

	Maunds.
Hidgellee	11,00,000
Tumlook	9,00,000
Chittagong	8,00,000
Balasore	5,50,000
Cuttack	2,50,000
Pooree { pungah	4,00,000
{ kurkutch	2,00,000
Arracan	2,00,000

N.B.—Add for local sale in the Cuttack Province 6,00,000

Total 50,00,000

Appendix G.—No. 23.

To the Collector of the 24 Pergunna

Sir,

Fort William, June 5, 1855.

I am directed to transmit herewith, 25 copies of printed Rules for granting licences to parties desirous to manufacture salt under the system of excise, and to request that you will be good enough to take such steps for their distribution, as you may think most likely to lead to a knowledge on the part of the public of the terms upon which the excise system can be adopted and extended.

I have, &c.,
H. V. BAYLEY, *Officiating Secretary.*

Appendix G.—No. 24.

Fort William, June 13, 1855.

Miscellaneous
Revenue.
Salt.

In compliance with the instructions conveyed in paragraph 2 of Mr. Allen's letter, dated the 23rd day of June, 1854, I am directed to submit the accompanying copy of a Report* from the Board of Revenue, of the working of the experiment of manufacturing salt under a system of excise. A copy of the Rules† under which this experiment has been tried, is also submitted, which will sufficiently explain the measures which have been taken for establishing a manufacture of salt upon a system of excise.

2. In the reference which was made on this subject to the Supreme Government last year, the question of attempting to establish a manufacture of salt under an excise system was mixed up with another question, namely, the proposition of the Board of Revenue for the re-opening of the 24 Pergunnahs Salt Agency. The reasons which induced the Lieutenant-Governor to deprecate the re-opening of that agency, were fully stated in my letter, dated the 12th of June, and were such, it is presumed, as satisfied the Supreme Government, though the question was not directly adverted to in Mr. Allen's reply.

3. The two questions are again this year, necessarily, connected, for, on the one hand, the Government stocks of salt being yet lower than they were this time last year, the Board have again, in their letter dated the 15th ultimo, (a copy of which accompanies, together with the reply to it), strongly urged the re-opening of the 24 Pergunnahs Agency; while, on the other hand, it is yet more plain to the Lieutenant-Governor than it appeared last year, and is, indeed, it may be said, admitted in paragraphs 5 and 6 of the Board's Report on the working of the excise system, that the re-opening of that agency is likely to operate most materially in deterring parties from coming forward to take out licences for an excise manufacture. The Lieutenant-Governor is not prepared to dispute the Board's assertion, that "there can be no doubt that parties would rather manufacture under contract for Government, than on their own account." He believes this to be, unquestionably, the feeling at present as respects manufacture within a certain limit, and there has, hitherto, been no indication of a private manufacture under licence being set up on a large scale by any person, or company of persons.

4. This state of the case, however, if real, only serves to show how difficult it is to establish in the face of the old system, to which the people are accustomed, the entirely new system of manufacturing on their own account under licence, and, consequently, that, if it be really regarded as a great object to introduce this new system, nothing should be done if it can possibly be avoided, which is likely to deter the people from entering upon it.

5. On a careful consideration of the present prospects of the salt supplies, the Lieutenant-Governor thinks that there is really less reason for apprehending a scarcity of salt than there was last year. Taking the annual consumption, exclusive of the retail

To the Secretary to the Government of India, Home Department.

* Dated May 14, 1855.

† Enclosure in Board's Letter, dated September 23, 1854.

consumption, in Cuttack, to be 60 lacs of maunds, as stated in paragraph 14 of my letter of June last, it appears, that to meet that demand for 1855-56 there were, on the 1st of May, including the Madras salt, about 8 lacs in the Government stores, and the out-turn of the season the Board place at 37 lacs, which gives a total of 45 lacs, thus leaving 15 lacs to be supplied by importation. Of this amount, there was in bond, on the 1st of May, upwards of 5 lacs of maunds; and since that date, up to the 7th instant, the importations have amounted to 5 lacs more, leaving in bond on the last-named date, after deducting the clearances, upwards of 8 lacs of maunds.

6. It will be seen from the concluding paragraph of the Board's Letter, dated the 15th ultimo, that they anticipate, on good grounds, very considerable importations during the current year; and the Lieutenant-Governor has been informed, that, up to the latest advices received, the shipments at Liverpool during the months of January, February, March and April, had amounted to close upon 5 lacs of maunds, of which quantity, not 20,000 maunds have yet arrived. The importations for the last 5 years are given in the margin,* distinguishing between the importation from Great Britain and from other sources. Of the 5 lacs already imported during the current year, a trifle above 3 lacs are from Great Britain; and it is evident, therefore, that if the imports from other places should, during the current year, equal only the smallest amount imported during the last 5 years, namely, 8,69,689 maunds; yet that that amount, added to the imports from Great Britain already received, and those known to be coming, will considerably exceed 15 lacs of maunds, to which again has to be added the 5 lacs which was in bond at the beginning of the year. Taking everything, therefore, at the lowest possible estimate, the following would appear to be the position of affairs to meet the consumption of the current year:—

	Maunds.
In Government stores on April 30, 1855	8,50,000
In Bond	5,21,761
Estimated out-turn of the closing season	37,00,000
Imports from Great Britain already received	3,02,736
Imports from Great Britain (known to be coming)	4,50,000
Imports from other places already received	1,92,033
Estimated balance of imports from other places	6,77,656
	8,69,689
	66,94,186

7. In addition to this, the Board have indented on Madras for 12 lacs of maunds, which have not, however, been included in the above calculation, because very great difficulty is experienced about the transport of it, and it is, in consequence, quite impossible to reckon with any certainty upon what portion of it may come to hand. But assuming only a small portion of it to come to hand, and assuming only a very small addition to the minimum of imports above given, and putting the produce of excise manufacture at the lowest figure, it does not seem unreasonable to expect that the total income of the year, from all sources, will reach to 75 lacs of maunds, thus leaving a balance, on the 30th of April next, of not less than 15 lacs. This being the state of things, it seems to the Lieutenant-Governor that it will be quite safe to adopt the Board's taidad for the year 1855-56, as shown in paragraph 6 of their letter, dated the 16th ultimo, excepting from it the quantity proposed to be manufactured in the 24 Pergunnahs. This will still leave it at 44 lacs of maunds, and will show a prospective supply to meet the consumption of 1856-57 almost sufficient for that year independent of importations. At all events, the Lieutenant-Governor would earnestly deprecate any immediate decision being come to for the re-opening of the 24 Pergunnahs Agency. If, on the estimates shown above, the Supreme Government should doubt the expediency of longer refraining from re-opening that agency, the Lieutenant-Governor would yet urge the postponement of a decision to the contrary to the latest possible moment, as he is not without expectation that by the month of September or October it may be placed beyond doubt that the imports of

	Maunds.
Amount imported from places other than Great Britain in 1853-54	8,69,869
Already imported from Great Britain	3,02,736
Quantity known to be already on its way out from Great Britain, about	4,50,000
	16,22,605

	1850-51.	1851-52.	1852-53.	1853-54.	1854-55.
England ..	10,20,000	18,50,762	10,92,792	3,99,477	5,05,045
Other places ..	14,27,480	13,23,608	17,61,008	8,69,689	15,91,102
	24,47,480	31,74,370	28,53,800	12,69,166	20,96,147

the current year will very materially exceed the low figure at which they have been above estimated. It is not necessary, he desires me to represent, that the intention of Government to re-open the 24 Pergunnahs Agency should be declared before, at soonest, the 1st of October, for there is no doubt, that, owing to the expectations of its re-opening which have been excited, the people are ready to come forward and to renew their manufacture under Government at short notice. The period for making actual advances to the molunghees does not commence till about the middle of November.

8. The President in Council will observe that the experiment for the introduction of a manufacture under excise has not, hitherto, been very successful, and that it has been attended with an expense greatly in excess of the corresponding charges calculated on the same quantity of agency salt. This excess is, of course, attributable to the very small amount manufactured, and is not urged by the Board as a reason against the further prosecution of the experiment. But the Board, although hesitating to pronounce the experiment absolutely a failure, consider that the prospect of success is too doubtful and remote "to warrant that the trial of the excise system should be allowed to stand in the way of the measures necessary for the extension of the Government manufacture." And they recommend accordingly, as they recommended last year, that the 24 Pergunnahs Agency should be reestablished, certain tracts comprised in the limits of the old agency being set apart for applicants for licence under the excise system.

9. The case appears to the Lieutenant-Governor to stand very much as it did last year, with this difference, that, as has been shown, the prospect of any scarcity in the supply of salt is certainly less imminent now than it was then, owing to the imports of the past year having much exceeded what was expected, and those of the current year promising to be again considerable. And it may also be hoped, looking forward to the next year, that after two consecutive bad salt seasons, the next season will be a more favourable one, and that, with the best energies of the salt agents given to their work, the out-turn may not fall short of the large amount—44 lacs of maunds, comprised by the Board's taidad, exclusive of the 24 Pergunnahs.

10. Under these circumstances, the Lieutenant-Governor, on the same grounds that he explained last year, deprecates the re-opening of the 24 Pergunnahs Agency unless the Government are prepared to say that the experiment to introduce a manufacture under excise has so entirely failed as to make it futile to attempt it further. The Lieutenant-Governor does not think that the Government would be justified in the eyes of the public in saying this, and, if the experiment is to be prosecuted at all, he is strongly impressed with the necessity of giving it the fullest and fairest trial, and with that view, even if the supply of salt were matter of more uncertainty than it is, he would still think it expedient to forego the additional six lacs of maunds which the re-opening of the 24 Pergunnahs Agency is calculated to give.

I have, &c.,

W. GREY, *Secretary to the Government of Bengal.*

Appendix G.—No. 25.

To W. GREY, Esq., Secretary to the Government of Bengal.

Sir,

Fort William, July 6, 1855.

I am directed by the President in Council to acknowledge the receipt of your letter, dated the 13th ultimo (with enclosures), reporting the result of the measures adopted with a view to encourage the manufacture of salt in Bengal under a system of excise, and forwarding the strong recommendation of the Board of Revenue for the immediate re-opening of the 24 Pergunnahs Salt Agency, which the Lieutenant-Governor does not support.

Home Department,
Separate Re-
venue.

2. The measures for encouraging an excise system are detailed in the notification of the Board of Revenue, dated the 23rd of September, 1854, and agree generally with the proposals made in your letter, dated the 12th of June, 1854.

3. That portion of the Sunderbunds known as the Tuffal aurungs of the late salt-agency of the 24 Pergunnahs, was specially set apart for the purpose, allotments of 50 beegahs each were offered at a rental of one anna a beegah to all persons who would engage under licence to manufacture not less than 2,000 maunds in the year; the duty of rs. 2:8 a maund was to be paid on delivery of the salt to purchasers, either from the place of manufacture, or from the storehouses in which it might be placed; if placed in Government storehouses, it was to be kept there free of charge; if in private storehouses, a deposit was to be made on its removal from the place of manufacture; a liberal rate of wastage was allowed; and the licence was to be liable to forfeiture only for breach of its conditions, or for smuggling or connivance at smuggling.

4. Special licences were also to be granted to persons desirous of manufacturing salt on a larger scale in any part of the country on the terms above mentioned, subject to such further conditions as might be agreed upon.

5. Although effectual means were taken to make these terms generally known, only two applications were received for allotments of land in the Tuffal aurungs, and of the two applicants, only one actually took out a licence, while only one special licence has been granted for manufacture on a larger scale, and that in Saugor Island to Mr. Fraser.

6. It is estimated by the local superintendent that 20,000 maunds of salt have been made in Saugor Island, and about 5,000 maunds in the Sunderbunds' allotment, but the Board do not expect that the out-turn has been more than 20,000 maunds altogether.

7. The reasons assigned by the local superintendent for the absence of more applications, are (1) the opposition of persons connected with the old manufacture on account of Government, (2) the rule prescribing a minimum of 2,000 maunds, (3) the small profits realizable from the manufacture by any but zemindars, and (4) the risk of loss in making advances to the molunghees.

8. The Board think it probable that the sajooneals who formerly contracted with the officers of Government for the supply of salt, and who were expected to take out licences under the excise system, may have held back in the hopes that the manufacture on account of Government would be revived. It is, perhaps more likely that they had not the means of making advances to the molunghees. The Board do not consider that the minimum of 2,000 maunds operates to deter people from taking licences, and are opposed, probably on sufficient grounds, to its reduction. The third reason assigned by the local superintendent is founded on a necessary incident of the manufacture, and the force of the last will be materially lessened, if not removed, by the establishment of Small Cause jurisdictions.

9. It appears that the licensed manufacturer in Saugor Island intends to enlarge his operations next year, and that the person who has taken out a licence for manufacture in the Sunderbunds will do the same. It is also mentioned that other persons have been thinking of engaging in the manufacture on a long scale, not only in the old 24 Pergunnahs Agency, but in other parts of Bengal, though it does not appear that any have yet come forward.

10. The Board in reporting the result of the experiment, express an opinion that no considerable extension of operations under the excise system can be looked for; and that, although it would perhaps be premature to say that the plan has failed, the prospect of success is so doubtful and remote, that its further prosecution ought not to "be allowed to stand in the way of any arrangements for the extension of manufacture which the exigencies of the department may suggest." In a subsequent report upon the prospects of the supply of salt for the current year, the Board represent that owing to early rains, the produce of the past season has been far short of the quantity expected, and they anticipate that the whole stock of Bengal salt will be exhausted by the 1st of May next, leaving nothing in store but so much Madras kurkutch salt as it may be practicable to bring up. Under these circumstances, the Board renew, with increased earnestness, the recommendation made last year, for the re-constitution of the 24 Pergunnahs Agency.

11. The remarks of the Lieutenant-Governor are directed not so much to the results of the working of the excise system during the past year, and to its probable results in future years, as to a condemnation of the Board's proposal to revive the manufacture of salt on account of Government in the 24 Pergunnahs Agency, upon the ground that it may interfere with the further development of the excise system. His Honor thinks that the Government would not be justified in the eyes of the public in saying that the experiment of introducing a manufacture under excise has so entirely failed as to make it futile to attempt it further, that, if the experiment is to be prosecuted at all, it should have the fullest and fairest trial, and that, if it be really regarded as a great object to introduce this new system, nothing should be done if it can possibly be avoided, which is likely to deter the people from entering upon it.

12. The President in Council fully agrees with the Lieutenant-Governor in the importance which he attaches to giving all the fair encouragement possible to this system. The object of introducing and extending as widely as possible a system of private manufacture under excise, with a view, if possible, eventually to supersede and annihilate the system of Government manufacture is one of magnitude and importance, and the experiment must be prosecuted with vigour, and aided by all the legitimate means at the command of the Government. It must, unquestionably, have the fullest and fairest trial, and nothing must be done, if it can possibly be avoided, which can, in any way, interfere with its progress and development.

13. His Honor in Council accordingly approves of all that has been done by the Lieutenant-Governor during the past year, and is of opinion that although the first year's result is not so successful as could have been wished, yet it affords no reason for abandoning the project; on the contrary, the Government is called upon to prosecute the more earnestly the undertaking it has entered upon, and to endeavour to remove, as far as possible, the obstacles which are found to oppose its success. His Honor in Council observes with satisfaction, from the weekly abstract of the 25th of May last, that the Board has been directed to keep the subject before the public by the republication of the Rules.

14. But, in the first place, the President in Council sees no reason to conclude that the re-opening of the 24 Pergunnahs Agency, even to the extent recommended by the Board, would really interfere with the operations of manufactures under licence, or deter persons from engaging in such operations; and in the second place, His Honor in Council is

satisfied that, even if this could be shown to be the case, the necessity for protecting the people against the effects of a dearth of salt, and a consequent sub-monopoly, would, under the circumstances set forth by the Board, peremptorily require the Government to resume the manufacture of salt in the 24 Pergunnahs Agency on the public account, even at the risk of retarding for some time the success of the excise experiment.

15. It must be observed, and carefully borne in mind, that the only portion of the 24 Pergunnahs Agency which has been set apart for excise manufacture under the general provisions of the Board's Rules, is the portion called the Tuffal aurungs, and that the other great division of the agency, comprising the Dessee and Baherboony aurungs, has not been thrown open to manufacturers under excise, except such as may take out special licences under the 16th Rule. Up to the present time, although so far as the President in Council is aware, there exists no expectation on the part of the public, that the Government is about to resume the manufacture of salt in the 24 Pergunnahs, no applications have been made for new licences, and the operations under excise are confined to Saugor Island (which is not included in the proper limits of the agency) and to the Tuffal hoodah of Gochaba. If the manufacture to be undertaken on account of Government, were restricted to the Dessee and Baherboony aurungs, and if the cost price paid to the molunghees were fixed at such a rate as to afford them no inducement to prefer the employment of Government to that of private manufactures, the President in Council cannot conceive it possible that the existence of such a Government manufacture would operate to deter parties from working on their own account in the Tuffal aurungs under an excise system, any more than the present Government manufacture in Hidgellee and Tumlook interferes with the private manufacture on Saugor Island, or than the former Government manufacture in the 24 Pergunnahs, interfered with Mr. Prinsep's operations at Nairainpore, or deterred Mr. Fraser from urging repeatedly upon the Government his request to be allowed to manufacture in Saugor Island, either for Government without advances, or on his own account under excise.

16. The proposition of the Board goes the length of resuming the Government manufacture in the whole agency, on the footing on which it existed in former years, when a provision equal to that now required was obtained from it, but this his Honor in Council hopes may not be necessary. If the Dessee and Baherboony aurungs are fully occupied, it will, probably, not be found necessary to extend the manufacture far into the Tuffal aurungs, at all events not so far as practically to limit the field of operations open to private manufacturers, or restrict their supply of labour, while the department will derive advantage from concentrating its operations within a smaller circle. But, even if it be found necessary to resume the manufacture in the whole agency, with the exception of the spots actually occupied by private manufacturers, there is nothing to prevent the Government from setting apart for the grant of allotments under the rules, a tract of country further to the eastward of equal, or greater, extent, where the influence of a Government manufacture could not possibly be felt.

17. The Lieutenant-Governor observes that, it may be said to be admitted by the Board, in the 5th and 6th paragraphs of their Letter dated May 14, that the re-opening of the agency is likely to operate most materially in deterring parties from coming forward to take out licences for an excise manufacture. The President in Council does not infer any such admission from the Board's remarks. The Board certainly state that parties would rather manufacture under contract for the Government than on their own account, and they think it quite possible that the sajooneahs, or contractors, may have hung back in the expectation that the failure of the scheme would oblige Government to re-open the agency; but this is a mere conjecture. It is nowhere stated that any of these sajooneahs will come forward, even if the Government do not engage again in the manufacture; on the contrary, it is to zemindars, and to persons willing, like Mr. Fraser, to undertake the manufacture of salt on a large scale, that the Board look for an extension of the excise system. The Board's remarks, too, are made on the supposition that the Government manufacture, if revived, would be conducted in the whole of the agency, whereas if the Government manufacture, be confined, as his Honor in Council believes it may be, to the Dessee and Baherboony aurungs, the sajooneahs of the Tuffal aurungs will have the same inducements to manufacture on their own account, as they had last year.

18. With regard to persons desirous of taking out special licences under the Board's 16th Rule, the President in Council desires me to observe that the whole saliferous tract to the north of the Bay of Bengal, extending from the Fenny river on the east to the Hooghly on the west, with the single exception of the Dessee, and Baherboony aurungs of the 24 Pergunnahs (and even without that exception if they choose to occupy localities contiguous to those in which the Government operations are carried on) is open to them. And his Honour in Council cannot understand how the partial occupation by Government of about 200 square miles in which no one has yet attempted to take up the manufacture of salt under the new excise system, could possibly interfere with that system when it has liberty to develop itself fully in the remaining 10,000 square miles of saliferous country, and partially in the whole.

19. Having stated the grounds of the conviction entertained by the President in Council that the revival of the 24 Pergunnahs Agency, especially if the Government manufacture be confined to the Dessee and Baherboony Aurungs, will not, in any way, interfere with that full and fair trial which is undoubtedly to be given to the excise experiment, and which his Honour in Council hopes will be crowned with success. I am now directed to advert to the present state of the stock of salt in store, and to explain the

reasons which induce the Government of India to think that the recommendation of the Board for the revival of the Government manufacture in the 24 Pergunnahs Agency ought at once, and immediately, to be complied with.

20. Taking the figures given in your letter and its enclosures, it appears that the annual consumption of salt (exclusive of the retail consumption in Cuttack) is about 60,00,000 maunds. To meet this it appears that on the 1st of May there was in store 8,50,000 maunds (including 3,00,000 maunds of Madras kurkutch salt) that the out-turn of the season from all sources is 37,00,000 maunds, that 5,00,000 maunds of imported salt was in bond on that date, and that the importations during the year are expected to amount to about 16,00,000 maunds more, so that on the 1st of May, supposing the consumption to be 60,00,000 maunds and no more, there will remain a stock of 6,50,000 maunds, besides the salt indented for on Madras, of which, it is admitted to be quite uncertain how much may come to hand. Moreover, upon the calculation above given, it is quite impossible to say how much of the 6,50,000 maunds that may be expected to remain on the 1st of May, 1856, will be in the Government golahs, how much in bond, or how much in the hands of private importers. In any case, it is obvious that the whole stock will be in the power of private capitalists, and that if a sub-monopoly does not ensue, it can only be from accidental want of combination, and not from the inherent impossibility of such a contingency.

21. Even taking for granted all the favourable circumstances predicted in the 7th paragraph of your letter, and supposing the stock on the 1st of May, 1856, to be 15,00,000 maunds, still, if this be the case, and if the out-turn of the manufacturing season (exclusive of the 24 Pergunnahs) be, as estimated by the Board, 44,00,000 maunds, there will be but 59,00,000 to meet the consumption of 1856-57, leaving the deficiency of 1,00,000 maunds, and the stock in hand on the 1st of May, 1857, to be made good exclusively by imports of foreign salt.

22. The President in Council is of opinion that, while the people of Bengal are for the most part dependent upon the Government for an adequate supply of salt at fair prices, it is not safe to administer the Salt Department as it were from hand to mouth, and to keep its stocks so low, that at any time, from the accident of a storm, or by the least derangement of trade, the people might be deprived of a first necessary of life, or compelled to purchase it at an exorbitant price. His Honour in Council conceives that, even upon the favourable view of the probabilities of the present and following year taken by the Lieutenant-Governor, the Government ought not, while its stocks are so low, to limit its manufacturing operations to the quantity of salt required for the consumption of a single year, and he is of opinion that no time should be lost in making the most strenuous efforts to raise the stock of Government salt (independent altogether of private imports and excise manufacture) to 30,00,000 maunds at least, if not more. But his Honour in Council, looking at the rates of freight which now prevail, and to the extensive and increasing demand for tonnage especially from the United Kingdom, on account of iron for the railways, and for purposes connected with the war, is very apprehensive that the estimates of imports relied on by the Lieutenant-Governor may be found fallacious even during the present year, and that the imports of salt in 1856-57 may be deficient in a still greater degree. Nor can his Honour in Council rely, in a case of this kind, upon the chance of a favourable season next year calculated on the fact that the two last seasons have been comparatively unfavourable, the more so as, on that kind of calculation, the chance of extensive loss by hurricane, fire, or wreck, is much more imminent.

23. Taking all these circumstances into consideration, the President in Council is of opinion that, as recommended by the Board, measures should at once be taken to revive the 24 Pergunnahs Agency, by undertaking the manufacture of salt on account of Government in the Dessee and Baherboony aurungs, or in so much of the agency as may be necessary for the provision of six lacs of maunds during the ensuing season of manufacture. It is understood, that, before the abolition of the agency in 1848, the molunghees expressed their readiness to manufacture at the rate of 7 annas a maund, and, if that be the case, the Board will, no doubt, be careful that no higher rate be allowed, except on the strongest grounds of necessity, and on the other hand, endeavours will doubtless be made to assimilate, as nearly as possible, the rates of the 24 Pergunnahs Agency to those which have now been for some time in force in Tumlook.

24. With regard to the request of the Lieutenant-Governor that the decision of the Government of India should be deferred to September or October, in order that by that time it might be placed beyond a doubt, whether the imports of the year are likely to exceed the amount at which they have been estimated, I am directed to observe that the President in Council would willingly have postponed the decision of this grave question as proposed in your letter, if he did not feel satisfied that any delay would be fatal to all prospects of success in the present year from re-opening the 24 Pergunnahs Agency. It is not probable that any increase of imports, which can reasonably be supposed to take place in the next two months, would influence the opinion which his Honour in Council has formed of the absolute necessity of reviving the Government manufacture in the 24 Pergunnahs during the coming season. But, however this may be, his Honour in Council is convinced by reference to the records of the salt department, that the success of the Government operations to the full extent proposed by the Board, that is to say, to the extent of 6,00,000 maunds, depends upon the appointment of an agent, and the adoption of preliminary steps in the course of the current month of July. His Honour in Council observes that it has been usual to fix the taidad of agencies actually in operation in the month of June or July, and he believes that it is thought an object of importance by salt

agents, even in an old established agency in work, to obtain the orders of the Board respecting the taidad of the ensuing season at an earlier period of the year, with a view to the adoption of preliminary measures suited to the scale on which it is intended that the manufacturing operations should be carried on. In a newly constituted, or revived, agency, of course, time for preparation must be still more necessary. When the Chittagong Agency was revived in 1853, it was considered necessary by the Board, as early as June, that *immediate* measures should be taken to organize an establishment, and though an agent was accordingly appointed by the Government for the purpose in the following month, it is believed that he was unable to complete his taidad, chiefly in consequence of the late period in the season at which his operations commenced. It may be true, that the advances are not actually made till November, but it is equally true that an establishment has to be organized, molunghees sought for and collected, and engagements entered into, all at a much earlier period of the season.

25. Moreover it appears probable to the President in Council, that if any parties should really intend to embark in the manufacture under the excise system, they might have a reasonable ground of complaint, if, after they have made their arrangements and taken out their licences, the Government should, suddenly and unexpectedly, at the very last moment, enter upon the manufacture of salt on a large scale at no great distance from the scene of their operations; whereas, if the Government gives, as it ought to do, timely notice of its intentions, intending manufacturers will enter the field with full information as to all the causes likely to affect the success of their operations, they will select places of manufacture where the Government manufacture cannot interfere with them, and no just cause of complaint can arise.

26. On these grounds the President in Council desires to recommend to the Lieutenant-Governor the immediate adoption of the measures necessary to carry out the proposal of the Board for the manufacture of at least six lacs of maunds of salt in the 24 Pergunnahs Agency during the season of 1855-56, and he also directs me to suggest that his Honour should insist upon every endeavour being made to bring up the whole of the salt indented for on Madras, whatever may be the rate of freight which the Government may have to pay for its carriage.

I have, &c.

CECIL BEADON, *Secretary to the Government of India.*

Appendix G.—No. 26.

Sir,

Fort William, July 17, 1855.

With reference to your letters, dated the 14th and 15th of May last, I am directed to forward herewith, for the information of the Board, a copy of the correspondence noted in the margin,* and to state that, as the Supreme Government have decided that it is expedient to re-open at once the 24 Pergunnahs Agency, it is the Lieutenant-Governor's intention to nominate Mr. Trevor from the 1st proximo to be salt agent in addition to his present duties. The Board are requested to apprise Mr. Trevor of this, and, in communication with him, to submit as soon as possible a statement of the establishment necessary for the duties of the salt agency.

2. I am desired to add that the Lieutenant-Governor intends to propose to the Government of India that Mr. Trevor shall draw a consolidated salary as Collector and Salt Agent of 28,000 rupees per annum.

3. I am directed to request the Board's special attention to paras. 23 and 26 of Mr. Beadon's letter.

I have, &c.

W. GREY, *Secretary to the Government of Bengal.*

To the Officiating Secretary to the Board of Revenue.

* Letter from the Secretary to the Government of Bengal to the Secretary to the Government of India, Home Department, dated June 13, 1855.

Letter from the Secretary to the Government of India to the Secretary to the Government of Bengal, dated July 6, 1855.

Appendix G.—No. 27.

Fort William, July 21, 1855.

Salt.
Dunbar and
W. Dampier,
Esqrs.

Sir,

I am directed to transmit herewith for your information and guidance a copy of a letter, dated the 17th instant, (and of its enclosures), from the Secretary to the Government of Bengal, intimating the decision of the Supreme Government that the salt agency of 24 pergunnahs should be re-opened, and the intention of the Lieutenant Governor to nominate you to be *ex officio* Salt Agent.

2. I am to request, accordingly, that you will adopt immediate measures (reporting them to the Board) for the entertainment of a suitable establishment, and also notify to the public the re-opening of the Dessel and Baherboonee aarungs for the manufacture of salt on account of Government, and endeavour to induce the old sājoooneahs and molunghees to come forward and engage in the manufacture.

3. You will, as far as possible, prevent all interference with the excise system manufacturers, and carry on the agency operations without in any way discouraging them; indeed, if your position offers you the opportunity, you should encourage that experiment on the part of those who take licences under the Rules of the 25th of September, 1854. But the necessity of an immediate proper provision of pungah salt is one which must be cared for, when at this time the excise system has failed to secure that provision. The taidad will be 6 lacs of maunds, but you will consider that as a minimum.

I have, &c.

H. V. BAYLEY, *Officiating Junior Secretary.*

To the Collector of the 24 Pergunnahs.

APPENDIX H.

A Collection of Papers containing Evidence and Opinions against the Tax, or in favour of a low or a reduced rate of Duty.

Parliamentary Papers.

Against the Tax.

No. 1.—Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India in 1836.

Extract from a Paper put in by JOHN CRAWFURD, Esq. Appendix, No. 76, page 185.

In favour of a low or a reduced rate of Duty.

No. 2.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Lords, in the year 1830.

Extract from the Evidence of W. M. FLEMING, Esq.
Extract from the Evidence of R. D. MANGLES, Esq.

No. 3.—Extract from Minutes of Evidence taken before the Select Committee of the House of Commons on the affairs of the East India Company in the year 1832.

Extract from the Evidence of W. B. BAYLEY, Esq.

No. 4.—Extract from Letters in reply to a Letter in the Revenue Department, dated the January 17, 1832, circulated by the Commissioners for the affairs of India.

From the Right Honourable HOLT M'KENZIE.

No. 5.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India in 1836.

Extracts from the Evidence of JOHN CRAWFURD, Esq.
Extract from the Evidence of HUGH STARK, Esq.

No. 6.—Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India in 1836.

Extracts from a Paper put in by JOHN CRAWFURD, Esq. Appendix, No. 76, page 185.

No. 7.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian Territories in 1853.

Extracts from the Evidence of D. C. AYLWIN, Esq.
Extract from the Evidence of W. WORTHINGTON, Esq.

Official and other Papers.

In favour of a low or reduced rate of Duty.

No. 8.—Extract from Tucker's Review of the Financial Situation of the East India Company in 1824, page 57.

No. 9.—Extracts of a Letter from the Court of Directors, dated February 23, 1831.

No. 10.—Extracts from a Report prepared by the Chairman of the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India in 1836, but not adopted or officially published.

No. 11.—Extract, paragraph 12, of a Letter, dated March 25, 1847, from the Government of Bengal to the Government of India.

Appendix H.—No. 1.

Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India in 1836.

Extract from a Paper put in by JOHN CRAWFURD, Esq. Appendix, No. 76, page 185.

Besides the more palpable objections to the salt monopoly, which have been already stated, there are others which are very obvious. A tax on salt, as has often been urged, is of the nature of a capitation tax, and consequently, one which bears very unequally on the different classes of society; a heavy tax to the poor, and an imperceptible one to the wealthy. On general principles, with the single exception of its being more easy to levy, a tax on salt is hardly more defensible than a tax on bread, or even on air or water. Indeed, but for the exigencies of the Indian treasury, and the great difficulty of pointing out a more productive source of revenue to meet its pressing wants, the total abolition of the tax throughout India would be the most becoming course of legislation for a just, beneficent and unembarrassed Government to pursue. Mr. Tucker, of the East India Direction, justifies the salt-tax, although admitting that it operates as a poll-tax. The grounds of this justification are, that in India "the great mass of the people, with few exceptions, are nearly in the same condition;" and that, therefore, "there is no injustice and little inequality in applying to them one common scale of taxation, regulated by the scale of their consumption." I am not prepared to admit either the correctness or the justice of these sweeping assumptions: I have, for my own part, never visited any Asiatic country in which there was so much inequality, both of rank and fortune, as in Bengal: the great mass of the people, it is quite true, are in a state of perfect equality; but it is an equality of need and poverty, and upon this part of the population I have already shown that the salt-tax is not a light, but a very heavy and grievous, burthen. Notwithstanding the opinion expressed by Mr. Tucker, the gross inequality of the tax may be shown in a very few words: thus, an agricultural labourer in Bengal, earning 48s. a year, as already shown, pays 8s. a year for the salt consumed by himself and his family, which is the sixth part of his wages; an artisan, earning double the

amount, consumes, according to the Indian authorities, exactly the same quantity of salt, and of course the rate of his tax, in proportion to his income, is but one-half, or but a twelfth part of his income: the one labours two months for the salt his family eats, and the other, with more means, but one. An Indian shopkeeper, whose income is six times as great as that of a rural labourer, or £14 8s. a year, would pay for the salt used in his family but the thirty-sixth part of his income; ten days' earnings, instead of a month's or two months' labour, would furnish the necessary supply. It is by no means requisite to push this comparison to the better or upper class of society—to persons earning such wages, or having such incomes, as some of the individuals named in the tables furnished by the Salt Board, and where the weight of the tax must be either trivial or imperceptible. Even if we are to suppose, what is probably true enough, that the consumption of these parties is three or four times as great as that of the mass of the rural labourers, and their contributions to the State in the same proportion, still the inequality of the tax would appear prodigious.

Appendix H.—No. 2.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Lords, in the Year 1830.

Extract from the Evidence of W. M. FLEMING, Esq., Second Judge of the Court of Circuit, at Patna.

1085. Do you apprehend that the natives are enabled, at the present price of salt, to obtain as much as they want?—I am of opinion they would consume more if it were cheaper.

1086. Do you think that the revenue would be increased by increasing the quantity sold, and diminishing its price?—I should think it would.

Extract from the Evidence of R. D. MANGLES, Esq. Deputy-Secretary to Government in the Territorial and Judicial Departments.

651. Are they enabled, at the present price of salt, to obtain possession of so much as they want for culinary purposes?—I think if the price was lower they would use more, but I have never heard complaints that they had not enough: no native ever told me he had not enough salt.

Appendix H.—No. 3.

Extract from Minutes of Evidence taken before the Select Committee of the House of Commons on the Affairs of the East India Company, in the Year 1832, Volume VI, Report and Evidence, Part III, Revenue.

Extract from the Evidence of W. B. BAYLEY, Esq.

1647. Have you any reason to suppose that if the price of the salt could be, by any difference of arrangement, reduced, it would lead to any very extended consumption in the territories which are now supplied by the Bengal market?—I have no doubt that, if the salt were furnished to the public at a lower rate, a much larger quantity would be consumed.

1648. Do you apprehend that that would arise from the increased consumption of the natives, or would it be applied to other purposes, such as the feeding of the cattle?—I should think from both causes.

1649. The probability is that there would be an increased consumption, is it not?—I think there would be a much larger quantity consumed.

Appendix H.—No. 4.

Extract from Letters in Reply to a Letter in the Revenue Department, dated January 17, 1832, circulated by the Commissioners for the Affairs of India. See Inquiry of the Select Committee of the House of Commons, in 1832, Volume VI, Report and Evidence, Part III, Revenue, pages 389, 390, 432 to 434.

From the Right Honourable HOLT M'KENZIE.

The notion that the consumption of salt might not be extended, and the Revenue ultimately improved, by a reduction of price, I consider to be quite unsound, though it is favoured by those best acquainted with the subject, in Bengal; and I must confess that, on repeated inquiry, I have never been able to get a native of the country to acknowledge that he would use more if he had the article cheaper.

Appendix H.—No. 5.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons, appointed to Inquire into the Supply of Salt for British India, in 1836.

Extracts from the Evidence of JOHN CRAWFURD, Esq., formerly in the Bengal Medical Service.

361. Is the local supply in Bengal ample and cheap, or scanty and high-priced, in comparison with the supply in other countries with which you are acquainted?—I should think, upon the whole, that there is no country in the world in which salt, at the present moment, is higher priced than it is in Bengal, in reference even to its absolute price, and still more in reference to the capacity of the people who are the consumers of it.

362. Is the nature of the food of the inhabitants of India of that description as to require a greater condiment of salt than those who live more upon animal food require?—I think that rice, which is the bread of all the inhabitants of those districts that are subject to the monopoly, is a peculiarly insipid food, and the people use very little fish, and very little animal food of any kind; and, upon the whole, I should think that an abundant supply of salt is more necessary to them than to almost any people that I know.

363. Do you consider that the effect of the monopoly is so greatly to enhance the price of salt, as to make a supply sufficient for health and comfort unattainable by the mass of the people?—I do.

377. You have heard it stated, that the Indian authorities have estimated the consumption of salt in the territory, subject to the monopoly, at about twelve pounds per head; do you consider that they are furnished to that extent to each individual?—I do not.

378. State your reasons?—According to the estimate of the population in 1793 and in 1823, that rate of consumption, or very near it, was supplied to people subject to the operation of the monopoly; but, in 1833, the consumption did not, as it appears to me, exceed eight pounds and three-quarters, estimating that consumption upon the augmentation of population, which I think must have taken place between 1823 and 1833.

379. Do you consider eight pounds and three-quarters per head as an insufficient supply for the native population of India?—I should certainly think so; even if I had supposed that twelve pounds were sufficient, which I do not; of course, eight pounds and three-quarters would be evidently inadequate.

390. Suppose the twelve pounds per head is an average calculation as to general consumption in India; how much would it cost a labourer, his wife and three children, per annum, to supply them in salt?—In the paper which I have proposed to submit to the Committee, I have furnished a calculation upon all these points. I estimate the cost of salt to a rural labourer, that is say, to the great mass of the people of Bengal, for a family, as being equal to about two months' wages, that is to say, one-sixth part of his whole annual earnings; and that also, to the best of my recollection, is the estimate made by Mr. Becher, a civil servant of the East India Company, one of the salt agents. It is about the same thing as if it were to cost the rural labourer in this country 4*l.* per annum for the salt he eats, that is to say, one-sixth part of his earnings, taking those wages at 24*l.* a year.

391. Upon what amount of wages do you form your calculations?—Upon 24 rupees a year, or 48s., which I take to be the average wages of a rural labourer throughout the district subject to the monopoly. I think that the salt, without any reference to its transport, but merely considering the price that they would have to pay for it to the first purchaser of the Company's salt, would amount to about 8s. a year for the consumption of a family; the expense of transport would vary according to the distance.

392. Without any intermediate profits?—The profits to the first purchaser, that is to say, not his profits upon the cost of transport.

393. Do labourers' wages vary much in the different parts of India within the monopoly district?—I am not aware of any considerable variety of wages that would not be more than counterbalanced by the augmented price of the necessaries of life, and the expense of going in search of that. At Calcutta, the expense is considerably lower, and at the residency of Civil servants; but then they are counterbalanced by some circumstances of a disagreeable character, being forced to return more labour, having more to pay for the necessaries of life, and being forced to leave their homes perhaps two, or three, or four, hundred miles distant.

394. Does it not happen, that when salt, by the expenses and profits, from the original purchaser through various channels of dealers becomes very much enhanced, as well by the expenses of traffic, that in that part of the country the wages are very much lower than they are in other parts of Bengal?—Yes, the price rises in proportion as the wages are low, if you reckon from Calcutta, the spot where the principal sales take place.

395. Is salt used for no other than common culinary purposes in Bengal?—It is given to cattle occasionally; it is too high-priced to be used for other than ordinary culinary purposes; what is commonly given to cattle, consists of impure salts, containing but a very small portion of muriate of soda.

396. Then your general calculation is, that the Indian population is very scantily supplied with an article which is so peculiarly essential to their comfort?—Yes, I come to that conclusion.

* * * * *

401. What do you understand to be the present amount of the Calcutta public sales yearly?—They were at one time (1823, 1824, and 1825) fifty lacs of maunds, or five millions of maunds; and by the last statements which I have seen, they have fallen off to forty lacs of maunds, or four millions of maunds; that is to say, as I have already stated, to the same quantity as was put up to sale thirty years before.

402. According to your estimate of the population of Bengal, what quantity of salt would be required, at twelve pounds a head, to furnish it?—About six millions of maunds (of 84 lbs.), supposing the population just now (1836) to be about forty-two millions.

403. If the people in Bengal really consume twelve pounds of salt per head, does it not necessarily follow that the difference between four millions which is sold, and six millions of maunds, which is the quantity required, must be furnished by the contraband trade?—I should think so unquestionably.

404. Have you ever heard that, in consequence of the scarcity of salt produced by the monopoly, the people in some parts of India have been compelled to have recourse to some very impure salts as a substitute?—I have often heard it stated that they have recourse to the ashes of some burnt vegetables to use as condiment with their food, and there is abundant evidence to show that they use very impure salts, as the fact, which I have referred to respecting the consumption of impure salt in the province of Behar, shows.

* * * * *

514. In speaking of what you call free trade, had you in your mind the supposition that a duty of two rupees would be imposed, or what duty do you suppose would be imposed?—I had in my own mind the idea that an equal duty must be imposed on every salt from wherever imported, and wherever made.

515. What amount of duty?—Such an amount as would not encourage smuggling; the highest possible amount that would not provoke a contraband trade.

516. Had you any fixed and definite amount of duty in your own mind, when you gave that portion of your evidence which related to the importation of salt, there being a free trade?—In my evidence I have suggested two rupees a maund, being two-thirds of the supposed existing duty.

517. And it was with reference to that evidence you gave your opinion?—Yes, at the same time that I mentioned a duty of two rupees, I must admit that this was done more with the wish of not perilling the existing amount of revenue, than in the belief that I was fixing what would be, permanently, most conducive to the comforts of the people, or advantageous to trade, or ultimately even most beneficial to the revenue itself.

* * * * *

523. Do you think a duty of two rupees per maund would tend to prevent smuggling, and also, by the increase in the consumption of the article, leave the present revenue untouched?—If I could bring myself to believe that three rupees a maund is the tax which has heretofore been levied, I should have no doubt in my own mind but that a reduction of that duty by one-third part would have a material effect in suppressing smuggling, and, consequently, in securing the amount of the present revenue. I believe, however, that so large a duty as three rupees has in reality never been realized by the Government. I have made my estimate on a duty of two rupees per maund, and I think two rupees might receive, at

all events, a fair trial. In making a change of system, that change ought, no doubt, to be as little perilous to the revenue as possible; for my own part, however, I, undoubtedly, would rather see the duty reduced to one-half its present imaginary rate of three rupees, and I think that, ultimately, it would be more beneficial even to the revenue. At all events some great change, and I may even add, that some great sacrifice, must absolutely be made by the Indian Government, not only in order to recover the former amount of revenue, but even to secure the present one, and to prevent further defalcation.

524. All these questions have reference to the consumption of salt, within what is called the territory of the monopoly, but I would wish to ask you this question; what rate of duty do you suppose would establish a legitimate sale of salt beyond the monopoly district?—I have contemplated the possibility of extending the system of customs and excise duties, to which I have before referred, to the whole of British India, and to the Tributary States, or even Independent States, which receive their supply of salt through the British territory. The coast of India is, with partial and very trifling exceptions, almost entirely in our occupation at present, and we are also in possession, in reference to the parts I have just described, of nearly the whole western frontier, from which is introduced the salt of the salt-water lakes, the brine-spring salt, and the rock salt, with which the great portion of the inhabitants of the western part of India are supplied with salt. I have endeavoured to make a rough estimate of the population which would, under such circumstances, be supplied with salt, which must, of necessity, pay either a duty of custom or excise to the British Government, and, in round numbers, I make that population about 133,000,000. Now, that population, at a consumption of 12 lbs. a head, would consume 19,000,000 of maunds, which at one rupee per maund, or one-third part of the computed tax levied under the monopoly, would produce a gross revenue of 1,900,000*l.* The same population, however, consuming 10 lbs. per head, will give a total consumption of above 25,000,000 of maunds. At three-fourths of a rupee or 18*d.* per maund, or one-fourth of the present estimated tax, and which, as far as I can discover, is the total amount of the local tax levied at Madras, that consumption would give a gross revenue of 1,875,000*l.* Now, I take it that either of these sums would exceed the whole revenue now derived from salt throughout all British India. They would, I am well convinced, be a great deal less burthensome to the people, and be collected at a much smaller charge, because a smaller rate of taxation would contribute to the suppression of smuggling, and, consequently, enable the Government to collect the revenue with smaller and cheaper establishments.

Extract from the Evidence of HUGH STARK, Esq., Senior Clerk in the Revenue Department of the Board of Control.

1225. If the price was much lower, do you not conceive there would be a greater consumption?—I have no doubt of it.

APPENDIX H.—No. 6.

Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to Inquire into the supply of Salt for British India, in 1836.

Extracts from a Paper put in by JOHN CRAWFURD, Esq. Appendix No. 76, page 185.

The main position assumed by the Board of Customs, Salt and Opium, is, that the population supplied by the salt of the monopoly is adequately furnished with this necessary of life; that if salt were cheaper, the people would consume no more; and that in fact, to use its own words, "each poor man now consumes as much as the wealthiest."* In proof of this opinion, which I cannot help considering a very fanciful notion, the Board endeavours to show that each individual consumer, according to the most probable estimate of the population, is furnished with six seers, or about 12 lbs. avoirdupois of salt, yearly. This opinion, I know to have been entertained by the members of three successive Boards; and although it had, at one time, been controverted by the Court of Directors, and would seem to have received an ample refutation in the results of the recent sales of salt, I find it still insisted upon by the same authority, in some of the latest despatches from India.†

The first point to be determined is, whether the alleged quantity of 12 lbs. of salt a head be actually consumed. The Board quotes the various estimates that have been made of the population of the districts subject to the monopoly, in proof that they are. It admits that the country supplied with the salt of the monopoly has been uniformly the same from 1790, when the monopoly on its present footing was established, down to the present time.

* Selection of papers, page 71.

† Select Committee on Salt, 1836, page 82.

This is a territory estimated to contain 144,762 square miles. About the period when the monopoly commenced, the best estimate of its population, that of Mr. Celebrooke and Sir Wm. Jones, made it 24,000,000. Thirty years afterwards, or in 1823, another estimate was made by the Superintendent of Police, which raised it to 35,593,309. These are, of course, only estimates; for no census of the population of Bengal has ever been taken. My own opinion, however, is, that they are very probable and judicious estimates, which, upon the whole, rather underrate than overrate the population: at all events, as they are assumed as probable data by the Salt Board to reason upon, it will be fair, also, in this place, to make a similar use of them.* It appears, then, from these estimates, that in the 30 years from 1793 to 1823, the population subject to the salt monopoly had increased by about 48 per cent.: this, it is remarkable, is very nearly the same rate of increase which is ascertained to have taken place in Great Britain in a similar space of 30 years, or from 1801 to 1831. The estimate made in 1823, it ought to be observed, immediately followed the six years in which the ravages of the epidemic cholera were greatest; and it is probable, therefore, as is ascertained to have happened in all similar cases in other countries, that population made a considerable start in the years which followed. The best means of testing the adequacy of the supply of salt to the consumption, will be to take the population and consumption at intervals of 10 years, dividing the one by the other, so as to exhibit the consumption per head. The actual consumption of salt, of course, will not consist of the actual public sales, but what are called, in the Indian public accounts, "the clearances" from the public warehouses; what would be called in this country, the quantity taken from under lock for home consumption; always, of course, taking it for granted that the monopoly supplied the whole consumption, or that there was no smuggling. To make the statement a fair one, instead of a solitary year in each period, I take the average of three years' consumption; that is, of the year in which the estimate is supposed to have been made, and of the years immediately preceding, and following it. On the principle now stated, the following table, exhibiting the area of the districts subject to the monopoly, the absolute and relative population, the absolute and relative consumption, and the wholesale monopoly price of salt, is constructed.†

	Area.	Population.		Consumption.		Price per 100 maunds.
		Absolute.	Relative.	Absolute.	Relative.	
A.D.	Square Miles.		Per sq. mile.	lbs.	lbs.	Rupees.
1793 ..	144,762	24,000,000	165	286,054,440	11.90	297
1803 ..	144,762	27,840,000	192	313,820,220	11.27	381
1813 ..	144,762	31,716,655	219	370,368,516	11.67	321
1823 ..	144,762	35,593,309	246	407,190,840	11.44	385
1833 ..	144,762	41,288,238	285	360,862,152‡	8.74	370

This table, it will be seen, by no means supports the assumption of the Salt Board, that the population has continued to be supplied, throughout the whole period of the monopoly, with nearly 12 lbs. of salt per head. The largest supply was in the first period, or at the commencement of the system; and it seems to have generally declined ever since. After 30 years, or down to 1823, the decline was no more than half a pound a head. Between the last-named period and the concluding one, the falling off was very nearly two and three quarter pounds, or 24 per cent.; while, between the first and last period, the decline was 3.16 lbs., or 26½ per cent. The clearances of salt, in 1833—34, were but 42,69,444; and for the following year, as far as can be made out by the public documents, they would probably not exceed 38 lacs of maunds: which, in a population, in round numbers, of 42 millions, would give a consumption of no more than 7.69 lbs. per head.§

But the Salt Board has furnished a statement, the result of inquiries instituted by itself with a view to ascertain the actual consumption of salt in Bengal per head. The parties whose consumption is given amount to 33 families or parties, comprising 634 individuals. Looking into this list, I find that no less than 465 are individuals belonging to the families of wealthy people, or, at least, of people in comparatively easy circumstances; whilst only 169 belong to the labouring classes. Even here, however, there is hardly any one who can be said to belong strictly to the great mass of the people, and the poorest part of them, the rural population; for the lowest wages estimated for any individual is four rupees per month, which, I believe, is at least double the average amount of the wages of agricultural labour in Bengal, throughout the year; and by one-fourth more than the wages of country labour, as stated by the Board itself. Of the first class, or those in easy circumstances, no less than 118 individuals belong to the salt establishment; parties who cannot, according to the cha-

* Selection of Papers, page 192.

† Selection of Papers, page 202.

‡ Maunds are reduced to lbs. in the above statement, at the rate of 84 lbs. airdupois. If the maund were estimated at 82 lbs. the rate of consumption would appear considerably less throughout.

§ Select Committee on Salt, 1836, page 58.

acter given of the native establishment by the Board itself, be supposed to pay the highest market price for salt. Moreover, all the families whose consumption is given are for any thing to the contrary which appears on the face of the document, either inhabitants of Calcutta or of the salt districts; that is to say, of persons at the seat of production and manufacture, who necessarily get their salt a great deal cheaper than the mass of the population; the majority of whom must receive their salt enhanced in price by a voyage or journey varying from 60 to 600 miles. It would, I think, be quite extravagant to consider the consumption of a few parties, thus taken, as affording an average of that of some 40 millions of people.

There is, however, in the statement itself, internal evidence quite sufficient to destroy its validity. The family of a hooka-snake maker (No. 7), consisting of three grown-up persons and one child, uses but six pounds of salt per head per annum; a weaver, earning five rupees per month (No. 6), whose family consists of two grown-up persons, consumes double the same amount per head; and a brahmin (No. 8), earning four rupees per month, and whose family consists of two persons, consumes 15 lbs., or more than double the consumption of the snake-maker (No. 7), although his wages be the same. The consumption per head, in short, varies widely throughout; running from four pounds, as in No. 5, to four times four pounds, as in No. 19. The average of the whole 634 persons happens to give something less than 12 lbs. per head; and from this vague statement it is concluded, by the Board of Customs, that the whole population, throughout, is supplied with this amount. It is remarkable that the Board has quoted, in another despatch, a statement made in 1809, by a committee of five of the principal Civil servants of Government, among whom I find the eminent and respected name of Mr. Colebrooke. In this, the consumption, in the family of an individual with an income of 40 rupees per month, is computed at 23 seers or 46 pounds per head, being very nearly three times as great as the alleged expenditure, according to the Board, for a family with 50,000 rupees a year. The Committee alluded to, make the following observation on the consumption of salt generally "It will be observed, that in the sketch of the monthly expenditure of a family, the medium consumption of salt by each individual amounts to near 23 seers per annum, while we estimate the consumption of the whole population at the rate of only 6 seers per annum; but the poorer classes, who constitute in fact the bulk of the people, do not probably consume quite so much as 6 seers, and the general average may, therefore, still be correct." It will be seen, indeed, that this opinion of the Committee, anticipated many years before by Mr. Colebrooke, in his work on Bengal, is corroborated by the tabular statement which I have already given, in so far as regarded the periods which preceded 1823. I, of course, confine myself in this observation to the mere legal sale, for smuggling, in one form or another, has always existed: indeed, according to the statement of the Board of Customs itself, it is computed that there is a population of 3,000,000, in, and on the borders of, the manufacturing districts, "who are wholly independent, by their position, of licit salt."*

The Bengal Salt Board use it as one of their arguments in vindication of the small consumption of Bengal, that the term consumption per head, means a different thing in that country from what it does in a civilised one; in short, that in Bengal it means nothing whatever but human consumption for culinary purposes, or, as the Board expresses it, "the quantity actually eaten with his daily meals by each individual." The real difference, however, in the consumption per head, between such a country as Bengal and an industrious and improved one, as England, is perhaps not so great as the Board would suppose. The consumption of England per head is commonly estimated at nearly double that of Bengal, or about 22 lbs. No one, for a moment, fancies that one-half this amount is used in agriculture and the arts; the greater part is unquestionably employed, directly or indirectly, for culinary purposes. The only agricultural purpose for which salt is at present used to any extent, is the feeding of cattle; in tillage it has, if I am rightly informed, been nearly dropped. In the arts, its chief application is in the preparation of chlorine and soda. This last application of it is no doubt very large, but it would go but a short way towards accounting for the vast annual consumption of this country.

With respect to the curing of provisions, it is obvious that the quantity applied to this purpose will not affect the average consumption per head for culinary purposes, except in so far as such provisions may be exported for Foreign consumption; and, as far as England, at least, is concerned, that amount is much more than counterbalanced by the quantity imported for home use.

There is much difficulty in ascertaining the rate of consumption per head for culinary purposes, in any country; and in attempting an estimate, many circumstances must be taken into consideration. I have made some inquiries upon the subject, and the following brief tabular statement contains the results:—

Institution.	Number of Inmates.	Quantity of Salt consumed.	
		Absolute.	Per Head.
Liverpool Workhouse	1,679	27,460	16 3
House of Correction, Coldbath Fields	865	11,251	13 0
Glasgow Bridewell	339	5,712	16 8

* Selection of Papers, page 151.

These statements were furnished to me by the Governors of the respective establishments mentioned in the table, accompanied by written explanations. The consumption is, of course, that of a convict or pauper population; and of establishments, too, conducted with extraordinary frugality. It, of course, excludes entirely the consumption of the upper and middling, and indeed of all the classes of society that are in easy circumstances; while on the other hand, the inmates of the establishments in question contain a larger proportion of adults than the mass of society. Upon the whole, if the average consumption of the kingdom for mere culinary purposes be taken as equal to that of the establishments in question, or at 16 lbs. per head, I am of opinion that it would be less overrated than underrated.

In the Glasgow and London institutions, no salt meat whatever is consumed; and in that of Liverpool, the whole consumption of this description of food consists of a little fish twice a week. In the Liverpool and Glasgow establishments, the salt stated includes that used in the preparation of bread, which is made on the spot; whereas in the Coldbath Fields prison, the quantity stated, is exclusive of what is used in bread, that article being contracted for. In Liverpool, the quantity of salt per head used in bread is about two pounds and a half; and in Glasgow, about two pounds and a third. Adding either of these quantities to the consumption at the London Institution, the consumption there will be brought to within a pound of that at the other two establishments; a difference possibly to be accounted for by the greater insipidity of much of the diet at the two latter, much of which is composed of oatmeal porridge and potatoes.

At any charitable institution where salted provisions are used, the nominal consumption of salt per head is very small, while the real consumption does not perhaps differ from what is above stated. Thus, in the workhouse of the parish of St. Pancras, where it was stated to me that there were 972 inmates, throughout last year, the nominal quantity of salt used comes to but 6 lbs. 1 oz. per head; but then there is a large consumption of salt butter and bacon; and the bread, which is largely consumed, is contracted for; so that probably, in one shape or another, nine or ten pounds of salt are used beyond the nominal amount.

The Board of Customs has, in my judgment, expressed a very hasty and inconsiderate opinion, when it states that the repeal of the salt tax in England had not, perhaps, increased the consumption for culinary purposes, even to the extent of "an ounce per annum per head." When the duty in England before 1823 was 15s. per bushel, the retail price in London I am told was 4½d. per pound; it is now about a halfpenny, or one-ninth part of that amount. At present, a peasant with a family of five persons, earning 21l. a year, may have an annual consumption of salt at the rate of 16 lbs. per head, for the consideration of 3s. 4d.: to consume the same amount under the tax would have cost him 30s., or about one-sixteenth part of his entire earnings. It would be extravagant to suppose that these two rates of charge should make no difference in the quantity he consumed. It is impossible but that this vast disparity of price should make a difference in salt, as in any other article, in the quantity used: when the commodity was high-priced, it was of course used frugally, and, now that it is cheap, it is used liberally.

A London workman earning 30s. a week, will use about half a pound of salt a week for himself and family, which, if it consist of five persons, does not much exceed five pounds per head per annum; but then there is to be added to this apparent consumption, his consumption of salt in bread, bacon, cheese, butter, and occasionally salt fish; and certainly, the whole quantity with this addition will not fall short of 16 lbs. On a principle so obvious and admitted as the increase of consumption of any article from diminished price, I need not insist at any length: I shall content myself with a single illustration; this is the article of black pepper, which in its character as a condiment in general use, bears a nearer resemblance to salt than any other that I could refer to. When, in 1811, the price of this commodity, including duty, was at least 3s. per pound, the consumption of the United Kingdom per head was but one ounce: now that the price for some years back has not exceeded 16d., duty included, the consumption has risen to an ounce and a-half per head. There are no means of exhibiting so conclusive a proof in regard to the augmented consumption of salt since the abolition of the duty; but I shall state one fact of some interest, which has come under my own knowledge. In the Liverpool Workhouse, already referred to, the consumption per head, which is now above 16 lbs., was, before 1823, with the duty, but 11½ lbs., so that we have here, between cheap salt and dear salt, an increase of consumption of between 40 and 50 per cent.

The Board of Customs however, will have it, that under no possible circumstances is it likely that a larger quantity of salt than 12 lbs. would be consumed by the people of Bengal. They insist that, "the argument which holds good of the superior productiveness of low prices on all articles in general demand in civilised countries at home, is almost wholly inapplicable to the salt trade in India, where the poorest individual gets what custom and convenience have taught him to eat, and where, such are the simple habits of the bulk of the society, little more would be used, whatever were the extent of the supply and the cheapness of the article." My own opinion is, that a more unfounded opinion than this could not well be propounded. The people of Bengal, I have no doubt, should they ever get cheap salt, will consume it as largely as any other class of men. There are even some circumstances connected with their peculiar condition, which would lead one to suppose it probable that they would consume even in a somewhat larger proportion than the inhabitants of many other portions of the globe. Their climate is damp; most of their country is distant from the sea air; their soil is not impregnated with saline matter; their diet is

almost wholly vegetable, and remarkable for its insipidity, and the poverty of the great mass of the people is so great as to exclude them from the use of almost any other condiment than salt.

These circumstances would lead me to believe, that, in so far as the mere alimentary use of salt is concerned, the people of Bengal are likely to consume rather more, than less, than other people. Indeed, the Government of Bengal, when taxation is not at issue, must be either sensible of this, or very prodigal in its allotment of the article on specific occasions. Thus I find, that when it has to determine the quantity of salt necessary for the use of an individual; it never acts on the principle of considering 12 lbs. as an ample allowance per head. A Bengal and Madras sepoy, on foreign service, receives a ration of three quarters of an ounce of salt per diem; which is at the rate of above 17 lbs. per annum. A Bombay sepoy is allowed the extravagant amount of two ounces a day; which is equal to above 45 lbs. per annum. These allowances refer to services on shore. The allowances when at sea, somewhat preposterously, are much greater. In this case, the Bengal sepoy is allowed a ration equal to between 22 and 23 lbs. per annum; and the Bombay sepoy the same, with an allowance of some salt fish; whilst the Madras sepoy gets $2\frac{1}{2}$ ounces per diem, equal to above 50 lbs per annum, with some salt fish to boot.

I may give another example: by the convention made with the French Government in 1815, it is provided that the Government of Bengal shall furnish yearly the quantity of salt that shall be judged necessary for the consumption of the inhabitants of the settlement of Chandernagore, "reference being had to the population of the said settlement."* Now, in 1823, the population of Chandernagore was 44,538; and, in that year, and with few exceptions ever since, the Bengal Government has furnished, for the use of its inhabitants, 12,000 maunds of salt,† which is at the rate of between 22 lbs. and 23 lbs. per head; that is, very nearly twice as much as the estimated consumption of their neighbours, the inhabitants of the British possessions.

It is a constant argument used by the Board of Customs against an increased consumption of salt in Bengal, that salt neither is, nor ever will be, used except for mere alimentary purposes. This is not strictly correct, even as applicable to the present state of things. A good deal of salt (not indeed muriate of soda, for that being highly taxed cannot be used for such a purpose, but of other impure and untaxed substitutes) is given to horses, horned cattle, and even sheep; pure salt, and in considerable quantity, would no doubt be given if it could be afforded. "It is well known," says the Board of Customs, "that the wretched Bengal bullock scarcely receives from his owner that description of fodder which requires nothing but the trouble of collecting it; is it likely, then, that he will give to his cattle anything that costs money?" "In short," it adds, "all the speculations we have seen respecting the consumption of salt in India, are applicable not to Bengal, but to a country five centuries in advance of any part of these provinces."‡ The poorer the bullock of Bengal the more he stands in need of salt, and I have not a moment's doubt, in my own mind, but that the want of salt is one of the causes which makes the horned cattle, sheep and horses of Bengal, by far the smallest and the puniest and the worst-conditioned which I ever met in any part of India whatever. The Board of Customs will have it that salt will not be given to cattle in Bengal as it is in England. The system of which they are the most strenuous advocates makes it nearly impossible that any should be given at all; and no one need be surprised at this who reflects upon these simple facts, that the price of salt in Calcutta is perhaps not much less than twenty times as much as it is in Liverpool, and the value of the Indian cattle which would consume the salt, by more than the same proportion, less valuable. The heavy tax on salt in Bengal is a prohibition upon all improvement; and, if persevered in, the people of that province, at the end of the five centuries alluded to by the Board, would be no more able than they are now to give salt to their cattle.

The more important part of the salt monopoly is now to be considered; the extent of the taxation imposed upon the people through its operation. Since the establishment of the English authority in Bengal, a great variety of prices have prevailed for salt, and the effect of the interference of our Government may generally be described throughout, as having greatly contributed to augment the cost. In 1764, and the beginning of 1765, I find the wholesale prices at Calcutta varying from 80 to about 100 sicca rupees per 100 bazaar maunds, which are prices a good deal lower than those now paid by the Government for prime cost and charges. Indeed, it is not easy to believe that the price could rise beyond 100 rupees; for that paid to the manufacturer, even so late as 1762, by order of the Bengal Government, was but 40 rupees per 100 maunds; and, under the native government, the tax to Mahomedans was but $2\frac{1}{4}$ per cent., and to Hindoos but five per cent.; while the import duty on Madras salt, then from 50 to 60 rupees less valuable than boiled salt, was but 10 per cent. Even under Lord Clive's monopoly, it was ordered by his Government that salt should not be sold above 200 rupees per 100 maunds. With that monopoly and its excessive prices, it is well known that the Court of Directors expressed their heaviest displeasure. On this subject, there is a very curious and instructive paragraph, in a letter from them to the Bengal Government, which is well worth quoting, on account of its application to the present state of things. After directing the trade to be laid open to the natives, and declaring that their principal object was "the care and convenience" of these natives, they proceed in the

* Selection of Papers, pages 273 and 282.

† Selection of Papers, page 202.

‡ Selection of Papers, page 59.

following strain:—"We hope this freedom of trade will be the means of keeping salt at a low price; but if ever it should be sold at the places we have limited, at, or above, 140 sicca rupees per 100 bazaar maunds, including the duty, we shall esteem it too high a price for the natives to pay; and we do expect that, under your influence, the price never exceeds the said 140 sicca rupees, unless in the case of some general calamity; for we had rather the duty should be diminished, than salt should exceed that price."—Under instructions from the Court of Directors, the salt-pans were sold in lots of five each to the highest bidder, and a duty of 30 rupees per 100 maunds levied on the salt, for the Government. Even with the double impost thus created, it was ordered that the price at Calcutta, exclusive of the duty of 30 rupees, should not exceed 110 rupees.*

Under the system of sales at fixed prices, introduced by Mr. Hastings, the same which now exists under the Madras Government, I find that the prices were under 200 rupees per 100 maunds, and in the first year of the existing system, they were but 243. Reckoning the price of salt under the Mahomedan Government at 100 rupees per 100 maunds, the British Government may be said to have quadrupled the cost to the consumer.

The rise of price cannot indeed be denied; but the Bengal Board of Customs has recourse to some very singular arguments in extenuation of the increased taxation. They inform us, that the wages of labour have risen since 1790, even in a greater ratio than the price of salt; and, consequently, that the great mass of the people, the party chiefly interested, are in a better condition to pay the high tax of the present times, than they were to pay the lower one of 40 years ago.† The Board, anxious for information to confirm this theory, addressed letters to the Collectors of the land revenue, within the limits of the monopoly, and the replies furnished such information as the Collectors were enabled to pick up, by consulting landholders, and others, within their several Collectorships. The prices of the 24 Pergunnahs are selected by the Board as an example, although, according to it, by no means so favourable to their hypothesis as some other districts.

The price of rural day-labour in the 24 Pergunnahs, constituting the territory surrounding the capital, is stated to have been in 1790, 24 rupees, or 48s. a year; which, however, I must beg leave to observe, is by one-fourth part higher than it was stated to have been four years later, by the most accurate of all Indian statistic observers, Mr. Henry Colebrooke.‡ According to the returns made to the Board, the wages of rural labour had risen, in 1830-31, to 45 rupees, or 90s. The manner in which it is concluded that this rise has taken place, is sufficiently singular. The wages of 1790 are yearly wages, without any reference to their per diem amount. In 1830, the daily wages are calculated at two annas, and these being multiplied into the Hindoo solar year of 360 days, make exactly 45 rupees. It is upon such data as these that the Board concludes that 45 rupees, or 90s., are the average wages throughout the year of all the day-labourers among the 40,000,000 subject to the operation of the salt monopoly. No allowance is made for holidays, although one of those peculiar to Bengal continues for 10 consecutive days: no allowance is made for incapacity to work, nor for inability to find employment. The error is exactly the same as if we were to take an Irish day-labourer's wages at 8½d., and multiply this amount by 365 days: by such a mode of reckoning it would, of course, be concluded that his yearly wages, and consequently his capacity to bear taxation, would be represented by the sum of 12l. 17s. 6½d.; whereas the average of his real earnings turns out to be a good deal less than one-half of this amount, namely, 5l. 17s.§ In reference to capacity to bear the salt tax, the matter is much worse than this, for every individual belonging to the class of peasants, among the 30,000,000 or 40,000,000 paying the tax, are supposed to be earning 45 rupees a head.

The truth is, that the statements furnished by the revenue officers are full of contradictions, and, on due examination, will be found not to be of the slightest value. While the wages of common day-labour are represented to have advanced in the 24 Pergunnahs at so prodigious a rate, the statement for the rich and populous district of Moorshedabad shows, in so far as ploughmen and herdsmen are concerned, that 40 years had made no difference whatever. In the district of Dacca, a ploughman's wages are represented as having advanced only one-third; but a day-labourer's to have been doubled, and a herdsman's to have been multiplied fourfold! In the district of Backergunge, the ploughman, the herdsman and the day-labourer, are each represented as having had the amount of their wages doubled;—neither more nor less.* In the district of Bulloah, the increase of the price of labour is represented as no more than 14 per cent. In Sylhet, on the contrary, a ploughman's wages are represented to have advanced, since 1790, by 133 per cent.; a day-labourer's by 160; and a herdsman's by no less than 200. In the province of Dinagepoor, there is a repetition of the error made with regard to the 24 Pergunnahs. The wages of a day-labourer in 1790, are represented as equal to one rupee or 2s. per month; in 1830, they are given at two annas per diem, which multiplied into the Hindoo month of 30 days, give three rupees 12 annas; so that wages are represented as having risen in this part of Bengal by 275 per cent.

With the exception of the wages paid in some of the large thriving towns, and by the proprietors of indigo factories, Native and European, whose branch of industry has almost entirely sprung up since 1790, I believe that there has been no real increase in the wages of labour in Bengal. In the situations alluded to, there no doubt has been a very considerable one; but even here the rise is counterbalanced by the higher price of provisions; often by the severity or disagreeableness of the labour or employment; and for the most

* Fourth Report of the Committee of Secrecy, 1772-3. Ninth Report of the Select Committee of 1780.

† Selection of Papers, page 98.

‡ Husbandry and Commerce of Bengal, page 98.

§ Third Report on the Condition of the Poorer Classes in Ireland.

part by the expense and privation of quitting one's native place, often by a journey of several hundred miles.

In further extenuation of the increase in the price of salt, produced by the operation of the monopoly, the Board of Customs endeavours to establish it as a fact, that, even since the year 1805, all the necessaries of life consumed by the poor, and especially corn, had "nearly doubled" in price. The inference they draw from this supposed fact is, that the price of salt has only kept pace with that of other commodities, and indeed not even this. "The cost of salt itself," they say, "would have increased in the same proportion as that of other articles, had the price been left to find its natural level in the market."* The price of salt has not doubled itself since the commencement of the existing system; and hence the Board argues, that monopoly has done what monopoly never did before, prevented the object of it from rising in price; made it cheaper, in short, than commodities subject to competition. I believe the alleged facts upon which this theory is founded, are wholly without foundation. If corn and the other necessaries of life had doubled in price in so short a period as 26 years, it would, I think, have been indeed a strange anomaly, in a country not yet over-peopled, but with a considerable quantity of rich unoccupied land; in a country which has always exported much corn and other produce of the soil, and which exports more now than it did 26 years ago; in a country which has rather improved in skill, industry and capital, than retrograded, and in a country of which the currency has undergone no change whatever. Common rice, according to the Board of Customs, had risen in price from 12 annas, or 18d. per maund, in 1805, to one rupee eight annas, or 3s., in 1831. I have consulted, in reference to this subject, such Calcutta price currents as were accessible to me. A printed price-current of April, 1780, gives the price of common rice at one rupee four annas per maund. I have the price of the same article for January 1836, and it is from 14 annas to one rupee per maund. From this isolated fact, I might argue, as most probably the Board of Trade did when it drew an opposite inference, that the price of corn had greatly declined in the 56 years which have elapsed between 1780 and 1836. Nothing would be more fallacious. I am sorry that I have not the means of quoting intermediate years between 1780 and 1805, and between this last and 1819; but in February 1819, the average price of common rice per maund, in Calcutta, was one rupee eight annas and a-half; a rise, in reference to 1780, of no more than four annas and a-half, or about 22 per cent. in a period of almost 40 years. In January 1834, I find the price of common rice one rupee eight annas; so that it was somewhat less than it was 15 years before. The truth is, that the price of corn in India has probably neither risen nor fallen; improvement and the redemption of new land having, probably, kept pace with the demand for food produced by increase of population. The six years' price-currents which I have consulted, and the two referred to by the Board of Customs, divided into two periods of four years each, give evidence of this as far as they go:—

A.D.	Pence.	A.D.	Pence.
1780	30	1829	39½
1805	18	1831	36
1819	36½	1834	36
1824	47½	1836	22½
Total	132	Total	134½
Average	33	Average	33½

Bengal is subject to variations in the price of corn, like European countries; but, as it is a country with bad roads and inadequate capital, the fluctuations of price are greater than in any improved country. "Without famine or scarcity," says Mr. Colebrooke, an authority to which, in common with the Board of Customs, I have often referred, "we have known corn four times dearer, at the first hand, in one year than in the preceding."† I strongly suspect that it is one of these cases of violent fluctuation in price which may have misled the Board of Customs into a belief that a permanent rise in the necessaries of life had taken place. It seems, however, to have escaped them, that if the rise in the necessaries of life were equal to the rise in the wages of labour, the labourer's capacity of enduring additional taxation was in no respect improved,—that his condition was, in fact, neither better nor worse than what it was, but stationary; and that, with the same command over the necessaries of life, except salt, his tax for this, in 1830, was more than double what it was in 1790.

On the authority of such supposed facts as those now stated, the Board of Customs proceeds to argue, that the taxation produced by the operation of the salt monopoly is trifling, light, and scarcely perceptible by the consumer. This mode of argument is by no means new; Lord Clive had recourse to it, and offered elaborate details in proof, in his celebrated speech in Parliament in 1772; a speech published in an authentic form by himself.‡ The price of salt under his Lordship's monopoly, he takes at 200 rupees per 100 maunds, or just one-half the price which the Indian authorities are so anxious, at present, to maintain; and he estimates the price of day-labour at 2½ rupees a year; at the exchange of that period, making

* Selection of Papers, page 100.

† Husbandry and Commerce of Bengal, page 108.

‡ Speech delivered in the House of Commons, March 30, 1772. Printed for J. Walter, London.

3*l.* sterling. The expense for every individual in Calcutta he makes to be 1*s.* 3*d.*; in the centre of the provinces, 1*s.* 8*d.*; and at Patna, the extreme limit, 2*s.* 6*d.*; but in this case he strikes off one-third of the whole population, for children, and what he calls accidents; allowing the remainder a consumption of 20 lbs. a head. His Lordship asks "whether the expense of from 1*s.* 3*d.* to 2*s.* 6*d.* a year, to the very poorest of the inhabitants, can be a grievance?" His Lordship's computation for Patna, of 2*s.* 6*d.* for two-thirds of the population, will be 1*s.* 8*d.* a head for the whole population; but like the Board of Customs, he forgets that every labouring man has a family to maintain; that the 1*s.* 8*d.* therefore must be multiplied by at least five, and that the result, 8*s.* 4*d.*, will constitute near a seventh part of the labouring man's whole earnings.—Mr. Hastings, in 1775, repeated this mode of reasoning. "Suppose," said he, "the inhabitants, one with another, to expend a seer of salt per month (which is a large allowance), and suppose the Government to draw from it a revenue of one rupee per maund, which would amount to 20 lacs, the charge to each person would be little more than a fourth part of a rupee in a year; so mere a trifle that it could scarcely be felt." The tax which Mr. Hastings considered "so mere a trifle," and the amount of which he has so greatly underrated, would however, even as he has given it, have amounted to an income tax of between five and six per cent.—Mr. Tucker, 50 years later, took up the same notion;* and, although, according to his statement, the tax was increased by above 40 per cent., he still considered it a fair and light one: and the Board of Customs, after Mr. Hastings' tax had, as they allow, been doubled, is of opinion that it is lighter than ever. They assume the rate of labour, throughout the whole of the provinces subject to the monopoly, to be 36 rupees a year, or 3*l.* 12*s.*; they take the consumption of each individual, as before stated, at six seers, or 12 lbs. per annum; and the tax at three rupees per maund, which is 4*s.* per bushel. The contribution of each labourer, according to this statement, is something more than 10½*d.* per head, and the Board concludes it to be but one eighty-second part of his yearly earnings, or a tax on his income of less than one and a-half per cent.† I believe it would be impossible to produce, from the records of any Government, a statement more replete with error than this. In the first place, the average wages of agricultural labour, throughout the year, and for the vast population subject to the salt monopoly, are prodigiously exaggerated. Thirty-six rupees per annum are double the wages stated by Mr. Colebrooke, and 50 per cent. above the highest average I have ever heard given, or 24 rupees. Then it is concluded, most erroneously in my opinion, that every individual who consumes 12 lbs. of salt, that is every one who is brought under the average consumption, also earns the average wages. It is forgotten, in fact, that the labourer has in India, as everywhere else, a family to support from his individual earnings. In the United Kingdom, the number of persons composing a family exceeds five. In Bengal, it is probably more, and cannot be less, than five; and, consequently, the labourer has to contribute not to the tax on 12 lbs. of salt, but to the tax on five times 12, or 60 lbs. The amount of his contribution will be, in fact, near 4*s.* 3½*d.*; or, according to the estimate of 1*s.* for the tax, made in another place, by the same authority, 5*s.* Of the yearly wages of 18 rupees, or 36*s.*, the lowest of these sums is a tax of between an eighth and ninth part; and it is an income tax of near 12 per cent. Of the annual wages of 24 rupees, or 48*s.*, it is about the eleventh part, and an income tax of nine per cent. Even of the Board's supposed average wages of 36 rupees, or 72*s.*, the salt-tax, as above stated, forms not the eighty-second part, or less than one and a-half per cent., but five times this amount, or between a sixteenth and a seventeenth part, that is, a tax of six per cent. on his income.

The Board is not only at great pains to show that the tax has been light at all times, but that it is now, although nominally higher, yet virtually lower, than it was 40 years ago, when the present system was established. This conclusion is founded chiefly on the error already exposed, of the imaginary increase of the price of labour. The price of six seers or 12 lbs. of salt, that is, of the annual consumption of an individual, in 1790, according to the Board, was about seven annas, which it reckons was 1-55th part of a labourer's earnings, reckoning these at 24 rupees per annum. The price of the same quantity of salt in 1830-31, was, according to the Board, about 10 annas, or no more than the seventy-second part of a labourer's earnings; that is to say, of earnings estimated at 45 rupees a year. From these premisses, so obviously erroneous, the Board however comes to the conclusion which it expresses in the following terms:—"We respectfully submit that, in the face of these facts, it is not easy to assume that the salt-tax has become more onerous, or that it is more difficult for a poor man to procure salt now than it was 40 years ago."‡ The wages of labour here stated, it will be observed, are those of the 24 Pergunnahs; which, for an average of the 40,000,000 of people subject to the monopoly, even if the statement could be relied on in all other respects, is about as fair as the rate of wages, as those of Middlesex would be for the whole of this kingdom, including Ireland. Taking the rate of wages, however, to be 24 rupees a year throughout the whole region subject to the monopoly, and the consumption of salt uniformly 12 lbs. per head, or 60 lbs. per family, the progressive increase in the price of salt to the consumer, from about the period of our first acquisition of sovereign power in Bengal, would be nearly in the following proportion:—In 1760, the cost of salt would amount to above 4 per cent. of the labourer's wages; in 1790, it would amount to near 7½ per cent.; and in 1830, it would exceed 10 per cent. of his wages.

But this is by no means the rate in which the monopoly affects the consumer of salt. It

* A Review of the Financial Situation of the East India Company in 1824, pages 52 and 56.

† Selection of Papers, page 96.

‡ Selection of Papers on the Bengal Salt Revenue, page 99.

is not the mere prime cost and naked amount of the tax which is to be estimated, but, as in every other case of monopoly or excessive taxation, the enhanced cost to the consumer which springs out of heavy, or injudicious, taxation. I shall give a few illustrations of this in detail. The Salt Board estimates the prime cost of the salt at 100 rupees per 100 maunds, throughout, while the salt of Hidgellee appears to cost but 77 rupees, that of Tumlook but 36, and that of Madras, after paying a tax of 12 rupees to the Madras Government, but 84.* The average of 100 rupees for all salt, is made up by injudiciously forcing the manufacture at stations where it costs 125, 150, and, occasionally, as much as 225 rupees. This is a system so pernicious that it could not be pursued by private individuals; and therefore the enhancement of price which it gives rise to, is to be wholly charged to the monopoly. The price paid to the molunghee or manufacturer in 1762, by authority of the Government, was 40 rupees per 100 maunds of 82 sicca weight to the seer, exactly, I believe, the present weight.† We have few authorized facts respecting the prices at present paid, but the Board of Customs informs us that in one district, the 24 Pergunnahs, the amount now paid is 87½ rupees. In so far, then, as this district at least is concerned, the cost of manufacture has advanced very nearly 120 per cent.‡ Even where the salt is produced most cheaply and in largest quantity, Hidgellee and Tumlook, it seems to be at present infinitely dearer than it ought to be.

In the year 1773, the contract price paid for salt in the three divisions of Hidgellee, Tumlook, and the 24 Pergunnahs, was 55 rupees; and in all the rest 65. Now the present prices for the first, exceed these by 82 per cent., and for the last, by 106 per cent. The excess in this case is evidently an additional tax levied on the consumer, without benefit to the public. The causes of this rise in the prime cost of salt, when, with increase of capital and the progress of improvement, it ought, as a manufacture, to have decreased, are the usual costliness of every manufacture which a Government attempts to conduct; increased cost of fuel, from increased clearing of land in the neighbourhood of the manufacture; a process of manufacture entirely stationary, to which, in the shape of machinery, or ingenuity, or capital, there certainly has not been a single addition for 70 years, and very probably not for 700; and, finally, the amount produced not being equal to the demand. This last cause of high price is so important, that I shall add a few words in explanation of it. When, so long ago as 1767, the Government of Bengal were carrying into effect the instructions of the Court of Directors for the regulation of the salt trade and revenue, it stated the average quantity of Bengal boiled salt, yearly produced, to be 28,00,000 maunds.§ On the average of years, the quantity now produced I find does not exceed 33,00,000 maunds; an increase of less than 18 per cent. in a period of near 70 years.|| It is true, that, of late years, an additional supply of 7,00,000 maunds of boiled salt have been obtained from Cuttack, making the whole supply about 40,00,000 maunds; but this is counter-balanced by the supply of Bengal salt having continued stationary, or rather, indeed, declined. In 1767, the whole supply of salt, including bay, would probably be about 34,00,000 maunds; of late years, it may be taken at 46,00,000. Lord Clive's estimate of the population was 15,000,000; it was estimated by the public authorities, in 1823, at 35,500,000; and at an interval of 13 years, I cannot suppose it less than 42,000,000. If these data make any approach to correctness, population, and consequently demand, have increased 180 per cent., and supply only 35 per cent.; the first has been nearly trebled, while the last has been multiplied by little beyond one-third part. Under such circumstances, it is impossible but that price should have advanced, and advanced greatly, and it has done so.

But without reference to enhanced prime cost through mismanagement of the manufacture, it is obvious enough that the consumer must pay for the risk and profits of the merchant, who advances to the Government that portion of the price of salt which consists of tax; and which, according to the Salt Board itself, consists of no less than three-fourths of the whole cost. The consumer, however, has not only to pay the profits on the quantity annually cleared for consumption, but also on the quantity uncleared, and for which the merchant has paid. In 1834, for example, the uncleared balances in the store amounted to more than half the year's consumption; so that in that year, at least, the profit exacted from the consumer, in order to reimburse the merchant who purchased at the public sales, must have been half as much more as his legitimate profit on his actual sales. Instead of profits to cover an advance of three rupees' tax to the Government, he is compelled to exact profits to cover a tax of four rupees and a-half, with the cost of half as much more salt as he can sell: if he cannot obtain profits to this extent he must be ruined: and his ruin would leave the Government without the means of obtaining the tax. The common rate of interest in Bengal, among natives, is 12 per cent.; and as natives are nearly the sole dealers, we may reckon the mercantile profit as half as much again, or 18 per cent. Near half as much more as this again, however, must be added for the uncleared balances paid for by the merchants, say 25 per cent. in all; this would raise the price of 400 rupees to 500 rupees, without any reference to transport, or even to retail profit. "Government," says a recent writer favourable to the policy and power of the East India Company, and decidedly so to the salt monopoly, "receive about three rupees a maund; but the salt is re-sold under their

* Selection of Papers, pages 204 and 206.

† Fourth Report of the Committee of Secrecy of 1773. Bengal Consultations, September 3, 1762.

‡ Selection of Papers, page 19.

§ Fourth Report from the Committee of Secrecy, 1773. Bengal Consultations, October 7, 1768.

|| Selection of Papers, page 234.

eye in Calcutta, by retail, after being adulterated with 10 to 15 per cent. of earth and dirt.”*

The Board of Customs has been in the habit of publishing statements of the price of salt in the provinces; these are, however, derived from sources upon which it is perfectly clear, from internal evidence, that no reliance whatever can be placed. As indications of the advance charged to the consumer on the amount of the public sales, they are, consequently, valueless. Thus, to give an example, the price of salt at Calcutta, in the month of August, 1826, at the Government sales, is 468 rupees per 100 maunds; while the average of five different provincial stations, ranging from 30 to 500 miles from Calcutta, gives an advance of no more than 13 per cent. in the same month.† The advanced price at Patna, a distance of more than 500 miles, is but 22 per cent.; one scarcely sufficient to cover mere freight. One main source of the inaccuracy of these statements, although never adverted to in any case by the Salt Board, is however distinctly pointed out by the Governor-General, in the papers on the table of the Committee. This is the adulteration practised on the salt after it has quitted the public stores, and which I have never heard estimated at less than 10 to 12 per cent.

Let the wholesale price of the salt, however, to the local consumer be taken at 500 rupees, without reference to its conveyance. For a family of five persons, consuming 12 lbs. per head, the cost of salt will in this case amount to 7s. 1½d.; and with the retail cost the price will rise, at the very least, to 8s., or the sixth part of the labourer's wages. It will be seen that this statement agrees perfectly with the estimate of a respectable and intelligent public officer of Government, Mr. Beccher, who stated some years back, to the Government of Bengal, that it required two months' wages to furnish a labourer and his family with this necessary of life. I cannot, at the present moment, lay my hands upon the document in which this statement is made; but evidence of it, I am satisfied, is accessible to the Committee, should it be necessary to apply for it.

The average reward of agricultural labour in England is computed at between 8s. and 10s. per week, throughout the year, or about 24l. per annum. If the English labourer, then, had to pay one-sixth part of this, or 4l. per annum, for the price of his salt, it would be exactly the same thing to him as the payment of 8s. to a native of Bengal; and no one, I think, would venture to say that such would be a moderate exaction. The price of salt in Bengal, taking it only at the Government cost of four rupees per maund, is about 15 times as great as the price in England; and the price of rural labour in England is 10 times, indeed for that matter probably about 15 times, as great as in Bengal. From such facts as these, the Committee will be able to judge upon how slender a foundation the Indian authorities have pronounced the salt tax to be a light and moderate one. Indeed the Court of Directors themselves give it as their opinion that such an inference would be a rash one. “The Board,” say they, in a despatch dated the 23rd of February, 1831, “give it as their opinion that the tax on salt, as now paid by the public, is little felt, inferences of this sort, however, should be very cautiously admitted; the sum paid by each individual is indeed inconsiderable, but when we compare it with the small amount of the earnings of a poor ryot, the proportion does not appear to be small.”‡

The Salt Board itself, however, has incidentally stated several facts, which show that there is a real scarcity of salt, particularly in Behar, the part most remote from the source of supply. This scarcity is implied by the admitted necessity which some of the more indigent classes are put to, of using septic, or impure, or bitter salts, as a substitute for muriate of soda. These salts consist of the saline matters extracted from the ashes of vegetables, which I presume can be nothing else than potash, or possibly, in some cases, soda, and of such as are procured from the refuse lie after the extraction of saltpetre, consisting, besides common culinary salt, of muriate of lime and sulphate of magnesia. Nothing but sheer necessity, I think it will readily be admitted, could induce any people to have recourse to such nauseous substitutes. The number of persons that are compelled to have recourse to them is by no means so inconsiderable as the Salt Board would have it thought. The evidence brought forward by itself, indeed affords the best proof of this. In 1815, it was stated, in a public Report, that out of about 8,00,000 maunds of salt consumed in Behar, 1,50,000 consisted of impure salts, not paying duty; the quantity of these manufactured and used in 1834, is admitted rather to have increased than decreased; it is, however, taken by the parties at the same amount, and the whole consumption made to be exactly what it was near 20 years before.§ The population of Behar, in 1823, was, according to the estimates laid by the Directors before Parliament, 7,919,925; and according to the rates of increase already given, it would, in 1815, have been about 7,057,000. At that time, therefore, upwards of 1,300,000 of the inhabitants of Behar were compelled to eat impure salt; that is, near a fifth part of the population was forced to do so. The results of the salt monopoly, however, in Behar, are so remarkable, according to the data thus furnished by the Board of Customs itself, that I think it will be instructive to present the details in a tabular form. In the three decennial periods, 1814, 1824, and 1834, the population—the absolute—and *per capita* consumption, would, on the data above given, be as follow:

* Observations on the Law and Constitution of India, 1st edition, page 121.

† Selection of Papers, page 261.

‡ Selection of Papers, page 126.

§ Report of Mr. A. Trotter, dated August 2, 1834.

	Population.	Total Consumption of Salt.	Consumption per Head.
A.D.		lbs.	lbs.
1814	7,957,000	67,484,172	9.56
1824	7,919,925	67,552,086	8.53
1834	9,187,000	67,620,000	7.36

Thus it would appear that the consumption of salt in Behar has never approached the alleged average of 12 lbs. a head, and that there has been a decline, at the rate of better than 1 lb., every 10 years; and in the whole period, one of about 2½ lbs. per head; this, however, includes the impure salt, which pays no tax. In 1834, the report already cited, gives the consumption of pure salt at 6,55,000 maunds, which makes the consumption per head less than 6lbs; and consequently, less than one-half the quantity assigned by the Indian authorities as a general average for the whole population subject to the monopoly. A number, then, approaching to a fourth part of the entire population, consumes less than one-half what has been supposed by the Board of Customs the average consumption.

The fidelity of the following statement, which is from Mr. H. Colebrooke's work, printed, but not published, in Calcutta, in 1794, will be acknowledged by every one who has had a tolerable acquaintance with the people of Bengal. "Salt," says he "is eagerly desired by the Indian, his vegetable diet requires it; but the most numerous classes cannot afford to season their food with it. Observe the peasants meal, a pinch of salt on a leaf stands by his plate of rice; a few grains at a time deceive his palate, while he swallows several mouthfuls of insipid food. His abstemiousness in respect to this and other condiments, for which his predilection is known, is not voluntary. He is sensible that he is ill fed." When Mr. Colebrooke wrote this statement the price of salt at the public sales was 4s. a bushel; and it was above 5s. 6d. in the year 1831, the same in which the Salt Board were describing the price as moderate, and the supply ample.

I believe that I do not speak with any exaggeration, when I assert that there is no considerable country in the world in which salt is absolutely so dear as in Bengal; and if the reference be to the capacity of the great mass of the people to pay, there can be no doubt whatever on the subject. There are obvious causes for this. There is no part of the coast of Bengal fit to produce salt by the cheap process of solar evaporation. The brine is nowhere strong, because the sea on the coast of Bengal is mixed with an unusual quantity of fresh water. Fuel is comparatively dear, and dearest where the manufacture might otherwise be conducted most cheaply. The process of manufacture is extremely rude, and for centuries appears to have sustained no improvement whatever. Even after the salt is manufactured, its preservation is precarious, owing to the frequent occurrence of heavy rains, tempests, and sudden inundations. The interior of the country affords no rock salt, and no salt springs, such as are to be found in almost every other country of considerable extent. The monopoly comes in, in aggravation of these natural causes of high price; conjoined with them, the effect has been an aggravation of cost, which has no other limit than the protection which the smuggler affords the consumer. One example will show the Committee, satisfactorily, the extent to which the causes now enumerated contribute in enhancing the price of salt; it is this, that a cost of four rupees per maund, which may be considered as an average of recent years' public sales, is equal to a tax in England, on the average prime cost of English salt at 15s. per ton, of between 1,300 and 1,400 per cent.; and that a wholesale price of five rupees per maund upon the spot, and without reference to distribution over an immense tract of country, often without roads or bridges, for the most part with indifferent ones, and notoriously deficient in capital, is equal to an advance upon the same English salt of between 1,600 and 1,700 per cent. It must be clear, indeed, that in many parts of the country the cost of salt must be higher than it was even in England when it paid a tax of 15s. per bushel, or an *ad valorem* duty of 4,000 per cent. In 1823, for example, in many parts of the country the price rose to 12 rupees a maund for adulterated salt, which is equal to 32L per ton, or more than the whole price of salt in England before the abolition of the duty. The Committee will be pleased to recollect that the charges now stated are applicable to a people among whom the wages of labour are, at the utmost, but one-tenth part of what they are in England.

It remains to offer some suggestions to the Committee for the security of the salt revenue. Considering the rapid decline of that revenue for some years back, however needy the Indian treasury, some great change seems absolutely called for, and some nominal sacrifice of duties must be made by the Government, if for no other reason than to prevent further loss. The plain and obvious remedy seems to me to consist in a free local manufacture, and the free importation of salt from every country, the first subject to an excise duty, and the last to a custom duty of the same amount. The revenue received from the Bengal salt monopoly was, in its most prosperous time, about a million and a quarter per annum; and at present it seems not much to exceed one million. I presume that the Government ought to be satisfied

with a tax upon a necessary of life, in a country where salt is naturally very high-priced, which shall eventually realize the highest of these amounts, and increase with the population and prosperity of the country. If the population within the limits of the salt monopoly be, in the present year, 1836, in round numbers, 42 millions, and the average consumption of each individual 12 lbs., this will give a total consumption of 60 lacs, or 6,000,000 of maunds of salt, which is but a million of maunds more than the sales and clearances of particular years between 1820 and 1830, and not beyond the usual estimated consumption of the country, including contraband salt. By reducing the duty by one-third part, or from three rupees to two rupees, I think this increase of consumption, which in fact is but 20 per cent., may be fairly reckoned upon. This rate of taxation and consumption would give a gross revenue of 1,200,000*l.*, and allowing an additional five per cent. for the charges of collection, beyond the existing establishments for the collection of customs and other branches of the revenue, a net revenue of 1,140,000*l.*

With a consumption of 16 lbs. per head for the same population, the total consumption would be eight millions of maunds. A duty of one-half of the present estimated amount, or a rupee and a-half per maund, would, on such a consumption, give exactly the same amount of revenue. The net revenue, in either case would considerably exceed the amount estimated for the years 1833-34, and 1834-35; and it is one which would steadily increase with the wealth and numbers of the people.

Appendix H.—No. 7.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories, in 1853.

Extracts from the Evidence of D. C. AYLWIN, Esq., a member of the firms of Messrs. Aylwin & Co., at Calcutta, and Aylwin, Brown, and Stacey, at Akyab.

6987. What is your opinion as to the consumption of salt in India; taking the two together, the manufactured and the imported salt, has the consumption increased or diminished?—That is one of the most difficult questions that I shall have to answer; my own opinion is, that the amount of salt consumed in India has very much increased, but at the same time, I find that the quantity of salt manufactured by the Company, plus the importations, has diminished; I am speaking now of the last and previous years; I find that the trade and commerce of Bengal has increased in the most wonderful manner. The total imports from the year 1813—14, (my own statistics not going beyond that,) having increased from 2,12,26,998 sicca rupees, to 9,24,77,934 Company's rupees in the year 1851—52, and the exports having increased from 3,55,40,438 sicca rupees in the year 1813—14, to 11,04,09,706 Company's rupees in the year 1851—52.

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But it may be argued, that this does not show an improvement in the condition of the mass of the people who are the consumers of salt; therefore, in proof of that, I have a statement showing the increase in the consumption of Lancashire fabrics, for there are no persons more interested in the abolition of this salt monopoly than the Lancashire manufacturers. I have drawn up a statement showing the increase in the consumption of those Lancashire manufactures, which are consumed by the poorest of the poor, who are the consumers of salt, salt being one of the first necessities of life; and I find that whereas in the year 1837—38, the consumption of long cloths, and shirting, jaconets, and madapollams, or those descriptions of goods, used only by the poorest of the poor, was only 190,770 pieces, last year they have actually increased to 5,341,057; whereas the descriptions of goods, Glasgow goods, which are used among the richer natives of India, that is of lappets, scarfs, white cambrics, and book-muslins, have only increased from 1,027,862 pieces to 2,042,070 pieces. The one has increased 100 per cent., the other from 190,770 to 5,341,057.

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Now, in the face of this there can be very little doubt that the position of the poorer classes in Bengal must have been very materially improved during those years. These facts go to prove the benefit that has been derived to the natives from the East India Company's rule. I believe it has been, as far as my own experience has gone, very beneficial to the natives of India, and that the natives have advanced and prospered under it; but I therefore cannot for one moment believe, that the natives of India should so increase their luxuries, that is what they put upon their backs, and yet not in any degree increase their necessities, that is what they put into their stomachs; and I am led to believe, that the different amount of salt consumed, as compared with the amount upon which the Government get the duty, is really the amount of salt that is smuggled into India; I think there can be very little doubt of that, and my opinions are shared by the local Government of India. I have here a document from the local Government of India, which shows that, in Secretary Prinsep's Letter to the Board of Salt, under date of the 29th of September, 1834, it is stated, "that no less than 10 lacs of

maunds (or more than 35,000 tons) of salt have been conveyed illicitly for consumption from the districts of Hidgelee, Tumlook, and 24 Pergunnahs." If, therefore, from those places alone, which are immediately under the eye of the Executive of the East India Company, no less than one-fourth of the total amount by them manufactured, is allowed to be annually smuggled, how much may we reasonably infer is the total amount smuggled of which they know nothing? I can speak for myself as regards Akyab, that when I was down there, I have no hesitation in saying, that almost every vessel that went up to Calcutta, had illicit salt on board intended to be smuggled. Throughout the whole of the Dacca district, and the Sunderbund district, there is an organised system of smuggling going on, in which the native servants of the East India Company are leagued with the smugglers; and I have no hesitation in saying, that the natives at the different police stations in those districts, are cognizant of 9 out of 10 boats that are smuggling salt. The Board of Salt in 1845, say, "we do not mean to say that smuggling has not increased, but we doubt of its having increased to the extent assumed by the petitioners." Mr. Blunt, a member of the Council, thus expressed himself in a Minute, dated the 9th of December, 1834: "There exists throughout the whole entire establishment of the salt agency, a combination and an identity of interests which is extremely adverse to an efficient control, and which renders the detection or the proof of fraudulent practices, however notorious, almost impracticable." In fact, if it was necessary, I might multiply the admissions from Government officers to any extent, in which they admit the fearful amount of salt that is being smuggled.

6988. Your opinion is, that the system of smuggling has been on the increase?—Very considerably on the increase.

6989. Since when?—I am not prepared to say when exactly; it has been carried on always to a great extent, and from the reasons I have stated, of late years particularly.

6990. Are you aware that very stringent measures have been taken to put a stop to the smuggling, and that those measures have been attended with very great success in the last six or seven years?—There is one measure which, in the eyes of the Hindoo, is more attractive to smuggling than any preventive measures can be to the contrary; while you attract him with high duties, and whilst you make it the most profitable occupation that he can engage in, you may take all the stringent measures you may see fit, but you will not put a stop to smuggling.

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6992. If smuggling exists to so great an extent as you describe it, why do you conceive that, in the event of the abolition of the manufacture of salt by the Government, the duty on the Foreign salt imported would not be evaded by smuggling?—The illicit trader can very well afford to make salt, and to import it at a profit, when he is smuggling against a duty of 7*l.* a ton; but he might find it very difficult to carry on the same trade if the duty were reduced to 2*l.* or 3*l.* a ton.

6993. Is it your proposal to reduce the duty on salt to 2*l.* or 3*l.* a ton?—I consider that such a reduction of the duty would interfere with the profits of the smuggler, and would consequently, very greatly enhance the present revenue.

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7010. If there were a duty of only 2*l.* or 3*l.* a ton, would that be sufficient to enable the Government to keep up this very large staff, and to make any profit out of the duty?—I consider a reduction of the duty to 2*l.* per ton, would obtain a greater revenue than is now derived.

7011. At present there is a large staff kept up for the purpose of preventing smuggling. Do you suppose, if the duty were reduced to the amount you would fix it at, it would be worth the while of the Government to keep up that large staff, in the expectation of making a profit out of that amount of duty?—I do not think it would be necessary; if you were to reduce the duty to 2*l.* or 3*l.* a ton, it would not pay smugglers to carry on an illicit trade, and you would not require so large a staff as is at present needed.

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7074. Supposing there were no manufacture of salt in India at all, would not it be requisite to maintain a very large, though not so large an establishment as at present, to protect the revenue of the country, to guard against smuggling, externally or internally?—There is no doubt there would have to be a very large establishment kept up, provided you maintained the present high rate of duty. So long as you give a premium to the smuggler, whereby he can earn more in smuggling salt than in any other mode of livelihood, so long you will have the fearful amount of smuggling that you now have; you are actually tempting the Hindoos to dishonesty.

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7079. Have you any other observations which you wish to make upon the subject of salt?—I wish to call the attention of the Committee to certain statements which have been put forward, I presume by the East India Company, in a return to an order of the Honourable the House of Commons, dated April 15, 1853. I refer to a document which appears to have been drawn up by the East India Company, and to have been put into the hands of the members of the House of Commons, in order to give them some idea of the working of the salt question and other affairs connected with India. It is here stated that, "salt purchased at Calcutta at 1*d.* per lb. the Government price, is sold at Benares (400 miles from Calcutta, where it comes into competition with the salt from Rajpootana) at 12 lbs. the rupee, or 2*d.* per lb. The consumption of salt in India has been usually estimated at 12 lbs. per head per annum, and assuming the wages of agricultural labour at 3 rupees per mensem, (the rate now

paid on the Calcutta and Bombay mail-road, and also to village watchmen,) it would, at Calcutta, absorb the income of five days' labour to provide the quantity required for a year. The salt duty thus operates as a tax of about $1\frac{1}{2}$ per cent. upon the labourer's wages, if he have none but himself to provide for, if he have a wife or children, the percentage will of course be increased by the amount of their consumption." By this paper, I would have the Committee observe, the East India Company would lead a member of the House of Commons to believe, that the salt duty operates as a tax of only $1\frac{1}{2}$ per cent., and that a Hindoo earns 3 rupees a month, as also that the price of salt is 1*d.* per pound. Now, in the first place, I have been myself some years in India, very much connected with all classes of the natives, and I conscientiously believe, that a more erroneous statement never was put forward, than to calculate upon anything like 3 rupees a month being the average rate of wages in Bengal; I am prepared to doubt whether the average rate of labour in Bengal is even 2 rupees, and I certainly am prepared to state, that 3 rupees is the maximum which can be obtained for agricultural labour in any part of Bengal. By the estimate, also, salt is calculated at 1*d.* per lb.; now, the East India Company must be perfectly aware, that salt never can be purchased by the consumers at anything like that price. It is very true, that if you take 100 maunds of salt at the wholesale price, 385 rupees, and divide the one by the other, it would amount to 1*d.* per lb., but it is equally true, and the East India Company know it, that the consumers of salt do not get their salt at anything like that price. Had the East India Company made the slightest inquiry (which I myself have been at great pains to do,) they would have found that in the bazaars in the interior, at Patna, at Dacca, and other places, the price of salt varies from 3 to $3\frac{1}{2}$ annas a seer, or $2\frac{1}{4}$ *d.* to $2\frac{3}{4}$ *d.* per lb. The price of salt of course varies in the interior, from several causes; first of all, the facilities of obtaining the smuggled commodity; secondly, the cost of transit, and other causes, which would act upon any article of commerce. But I have no hesitation in saying, that 3 annas a seer, which I take as my estimate of what the salt costs the consumer, is very much indeed under the average. In fact, it is 50 per cent. under the estimate which, in the year 1836, was allowed to be the cost of salt to the consumers in the interior of India. The principal error, however, is in the calculation that the labour of every consumer of salt, is effective to the extent of 3 rupees per month. In this country, we allow an average of five souls to each family; and, if we assume such to be the case in Bengal, it follows there is required 12 lbs. of salt plus 5 for the consumption of a family; which, even at the wholesale price of 1*d.* per lb., and estimating a man's wages at the absurd rate of 3 rupees per month, would necessitate the surrender of one-fourteenth of a Hindoo's entire earnings, or, in other words, operate as an income-tax of about 7 instead of $1\frac{1}{2}$ per cent.

7080. Does not that paper state the Government selling price, not the retail price?—It does; but it then goes on to argue upon this wholesale price, that it only presses $1\frac{1}{2}$ per cent. upon the labourer's wages. It goes on to say that "the pressure of the salt tax on the labourer cannot be regarded as severe." It is a most unfair way of arguing, to take the wholesale price of an article, and then to imagine that the consumer gets it at the wholesale price, or anything like it.

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7123. You have been asked a question respecting the revenue, and what effect would be produced on the revenue if the Government of India ceased to manufacture salt; you have stated that, the duty remaining the same, there would not be much alteration. Can you give any estimate, or have you any proof to show what amount of smuggling of salt takes place in Bengal?—I have a statement which, if the Committee will allow me, I will submit to them upon the subject; this is a statement, first, showing the net consumption of salt per head, and next, the net revenue derived from salt per head. The amount of population, and the amount of revenue I obtained from Sir Charles Trevelyan. In the year 1793-94, the population of the districts under the salt monopoly was estimated at 24,000,000, and the net revenue derived was 806,781*l.*, showing a net revenue of 8*d.* per head. The amount of salt consumed in that year was 286,054,440 lbs., giving a relative consumption of 12 lbs. per head. In the year 1850-51, the net revenue per head had declined to $5\frac{1}{4}$ *d.*, and the amount of consumption to $9\frac{1}{2}$ lbs. I submit to the Committee that, in the face of those facts of the revenue having declined from 8*d.* to $5\frac{1}{4}$ *d.*, and the consumption from 12 lbs. to $9\frac{1}{2}$ lbs., upon that first necessary of life, there can be no doubt, as the general condition of the people of India has very much improved, especially in these districts, the amount of salt which has been smuggled has been increased in a very great proportion. If we take the amount of consumption at 12 lbs. per head, the amount of salt which is smuggled would then be very nearly 100 per cent. more than the amount which at present pays duty to the Company, or passes through their hands.

7124. Are you aware that the present consumption is 13 lbs. a head?—You are estimating the total consumption of Bengal, Bombay, and Madras taken together. ●

7125. In Bengal, the North-Western Provinces, Madras and Bombay combined, taking the whole amount of salt consumed and the population, you will find that the result gives a consumption of salt of 13 lbs. a head?—Yes, but if you take Bengal by itself, separating it from the other parts, where the monopoly does not extend, you will find it is only $9\frac{1}{2}$ lbs.; putting it altogether, it is, as the Honourable Baronet has stated, but that is by mixing up the other Presidencies with Bengal.

7126. What would you propose to do as regards the duty, if an end were put to the manufacture of salt in Bengal, in order to prevent the revenue suffering?—Were the duty lowered to such a point that it would not pay the expense and risk which the smuggler incurs,

I consider the revenue would not be injured but might be benefited, and that a far larger amount of salt would come into consumption in India.

7127. Have you any means of estimating what is the pivot point of smuggling, that is, the amount of duty which would render it not worth the while of smugglers to evade the tax?—I consider that were the duty reduced to 1 rupee a maund, or about 2*l.* 14*s.* a ton on importation, that would be sufficient.

7128. That would put an end to the smuggling which now exists?—I consider it would.

7129. And it would give a great relief to the population, and enable them to increase their consumption?—Most unquestionably.

7131. If the duty were reduced to 1 rupee a maund, do you consider that that would be perfectly satisfactory to the manufacturers of salt in England?—I consider that the reduction of the duty from 2*½* rupees to 1 rupee a maund, would open out nearly an illimitable market for British salt. The superior quality of British salt, I consider, would nearly command the entire market in India.

7132. Looking at the proportion which you believe now to be smuggled, the revenue of India you think would not suffer by the change?—Decidedly not, in my opinion. If the Committee will allow me, I wish to state that the number of inhabitants of the districts subject to the Bengal monopoly, is 53,467,000; the number in the districts supplied with salt is, 33,000,000; and the number in the tributary States is 28,000,000, making altogether about 115,000,000. If we calculate the consumption at 12 lbs. a head, and the duty at 1 rupee per maund, there would be a revenue of no less than 16,966,000 rupees, or about 350,000*l.* more than is at present derived.

7133. The remedy you recommend is a reduction of duty, by which relief would be given to the population of India, and by which the revenue also would be increased?—Yes. The best proof of the correctness of what I have stated I find in this, that every reduction of the duty on salt, which the East India Company have made, has been met by a corresponding increase in the revenue. During the seven years commencing with 1837–38, and ending with 1843–44, the duty on salt was 3 rupees 4 annas per maund. The annual average quantity of salt sold and imported during that period was 4,627,030 maunds. In November, 1844, the duty was reduced to 3 rupees per maund, and the annual average sale increased to 4,966,917 maunds. In April, 1847, the duty was further reduced to 2 rupees 12 annas per maund, and the annual sale amounted to 5,452,909 maunds. In April 1849, the duty was again reduced to 2 rupees 8 annas per maund. The report goes on to say, “It would appear that no further reduction can, for the present, be expected, consistently with the maintenance of the revenue, the last reduction in 1849 having led to no further increase of consumption.” Now, I submit, that from the year 1849–50, there has not been sufficient time allowed to see the benefit of the reduction last made.

Extracts from the Evidence of W. WORTHINGTON, Esq., Proprietor of Rock Salt Mines and Works in Cheshire.

7168. Do you suppose that the high duty now levied upon salt in India interferes much with the consumption of British salt in that country?—I am of opinion that it does; and I believe, that if the Government were to reduce it to one-half its present amount, there would not be very much deficiency in the revenue.

7169. Do you wish to convey to the Committee any information as to the opinion of the Governor of Bengal in 1847, on the effect of a reduction of duty?—I have in my hand a copy of a despatch signed by F. J. Halliday, the Secretary to the Bengal Government, and sent to Sir John Hobhouse, dated April, 1847, in which he states: “Under these circumstances, the Deputy-Governor would submit to the consideration of the Supreme Government, the propriety of making another reduction in the duty, to the extent of 4 annas a maund. Of the great expediency of diminishing the duty upon this important necessary of life, and the vast benefit which would accrue to the people from the imposition of a more moderate tax than the present, it is not now his Honour’s part to speak; these have been admitted on all hands; and the principle is established, that, so far as financial exigencies will allow, the duty ought to be gradually reduced, until it shall come to bear a much smaller proportion than at present to the value of the article taxed. That the people in the interior still buy their salt, at a price which presses hardly on their means, and that no small portion of the community obtain no salt at all, but are obliged to substitute for it adulterated and often deleterious articles, are, unfortunately, notorious facts; and for the remedy of these evils, as well as for the discouragement of smuggling, and its numberless consequent mischiefs, the Government will not cease to exert itself, as far as its circumstances may at any time permit. That reduction of duty must ultimately, and at no distant period, cause a largely increased consumption, cannot be doubted by any persons acquainted with the actual condition of the people; and it is indeed proved by the result of the last reduction, which, in the first complete year after it took place, has been followed by an increase of consumption so considerable, as nearly to bring up the revenue to the highest average of many years past; and since it has been shown that, taking into account the decrease of the expense in the department, the Government has, on the whole, gained, rather than lost, ground, in respect to salt revenue during the year in question, and the prospective diminutions of expense, are such as to secure the Government against loss for some years yet to come, even on the supposition of a further reduction of duty, the

Deputy-Governor is most anxious that the opportunity may be taken to make that further reduction at once; so that the coming clearances, which, owing to the falling-off in imports now to be expected, are certain to be larger than usual, may be encouraged to the utmost possible extent, and the present large, wasting, and expensive stocks taken off without delay." With regard to the reduction of duty increasing the demand, I can state what was the effect in this country. I have in my hand the following official statement from the excise, of the quantity of salt charged with duty in England in the undermentioned periods, viz. :—

AN ACCOUNT of the Quantities of Salt charged with Duty in England in the undermentioned Periods.

Years.	Number of Bushels for Home Consumption.	Years.	Number of Bushels for Home Consumption.
1800	At 10s. 1,878,013	1810	At 15s. 1,999,487
1801	1,822,988	1817	1,967,654
1802	1,863,398	1818	1,948,683
1803	1,996,259	1819	1,892,879
1804	2,065,728	1820	1,980,412
	At 10s. 1,440,940	1821	1,983,157
1805	At 15s. 510,663	1822	At 15s. 1,609,512
	At 15s. 1,910,454		At 2s. 313,256
1806	1,912,500		At 2s. 2,840,708
1807	1,906,704	1823	2,011,862
1808	1,965,161	1824	
1809			

It begins with the year 1800, the duty continues at 10s. per bushel, with a gradually increasing consumption, amounting in the last year of the 10s. duty to 2,065,728 bushels. The duty was then raised to 15s., when it declined to 1,910,454, and never afterwards, during the next 17 years, amounted to the same quantity as in 1804, the last year of the 10s. duty, though, during that period, the population must have doubled.

Appendix H.—No. 8.

Extract from Tucker's Review of the financial situation of the East India Company in 1824, page 57.

But, although I have endeavoured to justify the principle of the tax, or rather the necessity which exists in India for levying the public contributions from articles of general consumption, I am very far from justifying its immoderate extension. Our object ought to be to draw our present income from a larger quantity; for it is unquestionable that the people do not consume as much salt as they desire to use, and we certainly have it in our power to place the article more within their reach, and to afford them a more liberal measure of indulgence.

Appendix H.—No. 9.

Extracts of a Letter from the Court of Directors, dated February 23, 1831.

7. The correspondence of the Board is chiefly employed in establishing certain opinions, which form the basis of the plan which they would recommend for the future administration of this branch of the revenue.

8. We shall first advert to a position of theirs which they had urged on a former occasion, viz.: that the population supplied with salt from the Calcutta sales, consume as much as they have occasion for, and would not increase their consumption if the price were

reduced. We offered some remarks on this supposition in our despatch in this department, dated the 4th of November, 1829, to which we have not yet received your answer, and to which we again direct your attention.

9. It is stated in support of this opinion in the correspondence before us, that 6 seers of salt is the annual consumption of one man, and that, according to the most probable estimate of the number of inhabitants, this quantity is actually supplied to each. This, however, does not appear to us to be sufficient. The Board may know that six seers only are consumed at the present price, but we distrust their inference that more would not be consumed at a lower price.

11. We admit, however, that doubt may be entertained whether reduction of price would be accompanied by a proportional increase of consumption. This can be determined only by experiment, and we agree that the experiment ought to be made cautiously, by slight alterations at a time, either by a small reduction of the price, if the stores are opened at a fixed price, or by a small addition to the quantity sold, if the plan of periodical sales is persevered in; at the same time we are decidedly of opinion, that for so important an object as cheapening to the population so material an article of consumption, a risk of some temporary diminution of revenue might not improperly be incurred.

16. The Board give it as their opinion, that the tax on salt as now paid by the public is little felt—inferences of this sort, however, should be very cautiously admitted—the sum paid by each individual is indeed inconsiderable, but when we compare it with the small amount of the earnings of a poor ryot, the proportion does not appear to be small.

Appendix H.—No. 10.

Extracts from a Report prepared by the Chairman of the Select Committee of the House of Commons, appointed to Inquire into the supply of Salt for British India in 1836, but not adopted or officially published.

The defenders of the monopoly have attempted to show, that it is a fallacy to suppose, that there would be any increase in the consumption of salt in our Indian territories, however much its price might be reduced.

It is asserted, that when a poor family is already in possession of a sufficiency of salt for their domestic use, no reduction in the price could induce them to consume a greater quantity. This is admitted. But the whole of the argument is founded upon the assumption, that the people of India are actually in the enjoyment of that full proportion of this article, which the quality of their food and their habits demand.

That this is not the case, must be inferred from the evidence which has already been adduced, and from that which was laid before the Committee of 1832.

That six seers, or 12 lbs. of salt per head, throughout the population, is a scanty and insufficient allowance, may be inferred from the circumstance, of nearly double that quantity being allowed to each convict in our Australian settlements, nor does any diminution appear to take place, except when they are supplied with salt meat.

That salt, like every other commodity in general use among the poorer classes, will be always consumed in proportion to its cheapness, is a truth, which, though strongly denied by the advocates of the monopoly, has been demonstrated by general experience and by our particular inquiry.

It is not meant to deny, that this use may have its limit; but there is no reason to think that the consumption has reached this limit in India, or that much more would not be consumed if it were more easy of attainment.

The improbability of an increase of consumption is further enforced, by a reference to the case of an English labourer before, and after, the reduction of the salt tax in this country.

It must, indeed, be admitted, that the vast increase in the consumption of salt in England has been principally occasioned by its application in the arts and manufactures, a purpose to which, it is presumed, it would not speedily be applied in India; but nevertheless, there can be little doubt, with those who are acquainted with the habits of the poorer classes in this country, that the difference of price consequent upon the repeal of the duty, did very materially affect the quantity used by the labourer for his daily consumption.

But even, were this increase as inconsiderable as assumed, in a country where the bread, the bacon, the cheese, and the butter, which form so large a portion of the daily food of the English labourer, are already strongly impregnated with salt, and where only a small addition was to be looked for in his table consumption, the same rule would by no means apply in estimating either the actual quantity required, or the increase of consumption to be expected among a people living wholly upon rice and other vegetable food, to render which wholesome, or even palatable, salt in considerable quantities, or other ingredients dressed with salt.

are absolutely required. There is every reason then, to believe that the increase in the consumption of salt would be much greater in India than it has been in England, were the price proportionately reduced.

But it has been demonstrated by the experience of modern times, that the only way by which a Government can hope to annihilate, or materially to control, the operations of the smuggler, is by lowering the duties.

A reduction of the tax to two rupees, as well on imported salt, as on that manufactured in the country, would go further to check the illicit traffic than any preventive system, however well contrived; and, while it gave the people a greater command over this simple luxury, would probably produce an equal, if not a greater amount of revenue than the present system.

Appendix H.—No. II.

Extract, paragraph 12, of a Letter dated March 25, 1847; from the Government of Bengal to the Government of India, relating to the Reduction of Duty on Bengal Salt.

12. Under these circumstances, the Deputy-Governor would submit to the consideration of the Supreme Government the propriety of making another reduction in the duty, to the extent of 4 annas a maund. Of the great expediency of diminishing the duty upon this important necessary of life, and the vast benefit which would accrue to the people from the imposition of a more moderate tax than the present, it is not now his Honour's part to speak; these have been admitted on all hands; and the principle is established, that so far as financial exigencies will allow, the duty ought to be gradually reduced, until it shall come to bear a much smaller proportion than at present to the value of the article taxed. That the people in the interior still buy their salt at a price which presses hardly on their means, and that no small proportion of the community obtain no salt at all, but are obliged to substitute for it adulterated, and often deleterious, articles, are, unfortunately, notorious facts; and for the remedy of these evils, as well as for the discouragement of smuggling and its numberless consequent mischiefs, the Government will not cease to exert itself as far as its circumstances may at any time permit. That reduction of duty must ultimately, and at no distant period, cause a largely-increased consumption, cannot be doubted by any persons acquainted with the actual condition of the people; and it is indeed proved by the result of the last reduction, which in the first complete year after it took place has been followed by an increase of consumption so considerable as nearly to bring up the revenue to the highest average of many years past. And since it has been shown that, taking into account the decrease of expense in the department, the Government has, on the whole, gained, rather than, lost ground, in respect to salt revenue, during the year in question, and the prospective diminutions of expense are such as to secure the Government against loss for some years yet to come, even on the supposition of a further reduction of duty, the Deputy-Governor is most anxious that the opportunity may be taken to make that further reduction at once, so that the coming clearances, which, owing to the falling off in imports now to be expected, are certain to be larger than usual, may be encouraged to the utmost possible extent; and the present large, wasting, and expensive stocks taken off without delay.

APPENDIX J.

A Collection of Papers containing Evidence and Opinions in favour of the Tax, and against a Reduced Rate of Duty.

Parliamentary Papers.

In favour of the Tax.

No. 1.—Extract from Minutes of Evidence taken before the Select Committee of the House of Commons on the Affairs of the East India Company in the year 1832.

Extract from the Evidence of JAMES MILL, Esq.

No. 2.—Extract from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to Inquire into the supply of Salt for British India in 1836.

Extract from the Evidence of Sir FRANCIS DOYLE.

No. 3.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories in 1853.

Extract from the Evidence of R. M. BIRD, Esq.
 Extracts from the Evidence of T. J. TURNER, Esq.
 Extracts from the Evidence of F. J. HALLIDAY, Esq.

Against a Reduced Rate of Duty.

No. 4.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to Inquire into the supply of Salt for British India in 1836.

Extracts from the Evidence of THOMAS LOVE PEACOCK, Esq.
 Extracts from the Evidence of Sir FRANCIS DOYLE.

No. 5.—Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to Inquire into the supply of Salt for British India in 1836.

Extracts from a Letter from the Salt Board to Government, dated January 26, 1832. Appendix No. 2, Page 1.

No. 6.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories in 1853.

Extract from the Evidence of T. J. TURNER, Esq.
 Extracts from the Evidence of F. J. HALLIDAY, Esq.
 Extracts from the Evidence of F. W. PRIDEAUX, Esq.
 Extract from the Evidence of T. L. PEACOCK, Esq.

Other Papers.

In favour of the Tax.

No. 7.—Extract from Tucker's Review of the Financial Situation of the East India Company in 1824, pages 50 to 52.

Appendix J.—No.

Extract from Minutes of Evidence taken before the Select Committee of the House of Commons on the Affairs of the East India Company in the year 1832. Vol. VI, Report and Evidence, Part III, Revenue.

Extract from the Evidence of JAMES MILL, Esq.

3009. If it was thought desirable altogether to abandon a duty on salt in the East India Company's dominions, and at the same time to raise an equal amount of revenue, could you point out any mode of raising it which would be less inconvenient or less onerous to the people?—I know of no substitute for the tax on salt which would be so little onerous to the people.

Appendix J.—No. 2.

Extract from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to Inquire into the supply of Salt for British India in 1836.

Extract from the Evidence of Sir FRANCIS DOYLE, Chairman of the Board of Excise.

1330. On fiscal grounds alone you believe salt is a good subject of taxation?—Undoubtedly; it is very easily collected, and is not much exposed to fraud, and being very extensively used, being used by every individual, it, of course, amounts in the aggregate to a large sum, although the burthen to the individual is very light. I should say, confining myself merely to the fiscal view of the case, it is a fit subject of duty, and it has always been in all countries, from time immemorial, a subject of duty; but it certainly was a very enormous rate of duty upon the original cost of the article here.

Appendix J.—No. 3.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories in 1853.

Extracts from the Evidence of R. M. BIRD, Esq., First Member Sudder Board of Revenue, N. W. Provinces.

5659. Supposing the salt-tax were done away with, and the same revenue were required to be made up in some other way, is there any tax that you can suggest that might be substituted for it, that would be less obnoxious?—I do not know of any increased tax that could be put upon Indian produce that would not increase the annoyances to which they would be subjected; we have to deal with an unscrupulous people. The habits of the officers of Government for centuries have always been to plunder for themselves more than they collected for the Government, and that was the reason why we got rid of all the town duties; the duties levied at the gates of towns and all internal transit duties, and all those things; because it was found that the people paid twice or three times as much as the Government got by them; therefore the whole of those have been given up altogether. We have nothing now but those great articles of taxation, the frontier duties and the land tax, and the opium. I consider the salt as one of the frontier duties.

Extracts from the Evidence of T. J. TURNER, Esq., Senior Member Sudder Board of Revenue, N. W. Provinces.

5806. Has it ever occurred to you whether, supposing that tax to be considered arbitrary and injudicious, there is any other tax that could replace it?—I know of none; I do not think there is any that could replace it.

* * * * *

5831. Is there any tax which you think might be substituted for the salt-tax, and which would be less obnoxious to the people?—None whatever.

Extracts from the Evidence of F. J. HALLIDAY, Esq., Secretary to the Government of India, Home Department.

5405. With respect to the other sources of revenue in Bengal, take for example the salt revenue; is the rate at which it is levied considered burdensome to the population of Bengal?—I do not think it is burdensome in the sense of the population generally complaining of it. They have been long used to it, and they are very patient of taxation which they have been used to, though they are very impatient of novelties of that kind. Of course the tax levied on salt by the Government is a very considerable addition to the price which the people have to pay for their salt, and so far it must be considered as a grievance to them.

5406. The real question which arises of course is, whether, supposing the same amount of revenue must be raised, there could be any other taxes imposed less burdensome to the population of Bengal than those which are now levied?—I am not able to suggest any of which they would be likely to complain so little as they do now of the salt-tax.

* * * * *

7608. Do you think there is any possibility of providing a substitute for the revenue derived from salt?—I see no way of doing it.

7609. It has been suggested to the Committee that the revenue might be increased by an increased duty on imports?—The imports are very largely from England. If the English people think fit, I dare say it would be a very good thing for India, and very practicable.

7610. Is there any other source of revenue which you can suggest?—I am not aware of any other great source of revenue sufficient to speak of as a substitute for the present salt revenue.

* * * * *

7647. Supposing that 1,250,000*l.* sterling may be taken as the salt revenue of all India, what additional rate of customs duties upon imports generally would be necessary to make up the difference?—That requires a calculation which I am not competent to go into at the moment.

7648. What is the average per centage of customs' duties in different parts of India?—Probably 5 per cent.

7649. Are you aware of the gross receipts of customs of all India?—I think they amount to about 2,000,000*l.*, speaking from memory.

7650. Are you of opinion that an additional 5 per cent. might advantageously be levied upon imports, in case it should be considered advisable to abolish the duties on salt altogether, and to find a substitute in an import duty?—I have said, speaking from an Indian point of view, that I think it would be advantageous; speaking from an English point of view, I doubt whether it would be considered so.

Appendix J.—No. 4.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons appointed to Inquire into the Supply of Salt from British India in 1836.

Extracts from the Evidence of THOMAS LOVE PEACOCK, Esq., Assistant Examiner of Correspondence, India House.

955. Do you not conceive if salt was supplied at a cheaper rate there would be a much larger consumption by the population of India?—I should think that no man will eat an additional quantity of salt if it is supplied to him in ever so great an abundance; he will consume what is necessary for him, and no more. If a poor man does not consume as much as a rich man, it shows it is too dear; but the report of the Board of Customs goes to the contrary; it shows that the consumption of the poor man is as great as that of the rich man.

956. Though there is no decided evidence upon that point, is it not notorious to persons acquainted with the habits of the poor people of England, that much more salt is consumed in this country now than when the price was so much higher?—In the first place, in this country there is a great deal used in salting pigs; that is not done in India; and a great deal is given to sheep and cows.

957. I restrict the question to the use of an agricultural labourer's family?—I should think, during the high price of salt, the labourer's family did not get so much alimentary salt as they wanted; I believe that they consume more than they did. I have asked several labourers in my own neighbourhood, without letting them know why I asked it, and I found that they think their present consumption greater than in the time of the high duty; but it must be remembered that was 60 to 1.

958. If that is the case in England, where the great part of the provisions that the people buy, such as bread, bacon, butter, cheese, and other articles, are already impregnated with salt, how much more must that be the case in a country where the population subsist chiefly upon rice and other vegetables, which require some condiment to make them palatable?—That is a point that is not quite clear to me. I have asked the same question of the same parties, whether they thought fresh meat or vegetables required most salt; and they have said, fresh meat.

959. But fresh meat or vegetables, be it the one or the other, would require a greater quantity of salt than bacon and cheese, which have salt in them?—Yes; but then the question is, what is the consumption of salt among the people of England; the question went to this, whether the people of England consumed more alimentary salt than they did under the high duty. I believe they do; but it does not follow that they consume 12lbs., which is allowed by the Board of Customs to those who consume vegetables alone.

960. The question was, whether you did not think that they would consume more salt than they do now?—I think they would; people in general eat very little salt; but if they get it very cheap, they will waste it.

961. You do not entirely adopt the reasoning in a letter from the secretary to the Board of Customs, that if salt was rendered cheaper by any means, no increased consumption would ensue?—I do not adopt that reasoning to the full extent; but I do not think the increase would be considerable, unless their estimates of the population, which appear to be correct, are fallacious. I should adopt a medium opinion between those who think there will be no increase of the consumption, and those who think there will be a great increase.

974. Do you conceive that the salt-tax paid by the Bengal labourer bears the same proportion to his wages that the taxes paid by the English labourer bear to his wages?—I think the English labourer's taxes bear a greater proportion to his wages.

975. Do you know anything of the wages of labour in the interior of India?—I do not, any more than is stated in the papers. I believe that the amount of taxes paid out of the wages of the English labourer is greater in proportion to the amount of his wages than the tax paid to the Indian Government by the Bengal labourer.

976. Are those taxes paid out of the necessaries of life, or out of the luxuries?—Almost all the taxes that fall upon the labourers are out of the necessaries of life; many taxes have been taken off of late years; the taxes are taken off soap, leather, and candles; formerly there was scarcely anything that was not the subject of taxation to the poor man in England.

Extracts from the Evidence of Sir FRANCIS DOYLE, Chairman of the Board of Excise.

1331. What was the duty on salt?—Fifteen shillings a bushel.

1332. Do you think that if there had been a lower rate of duty upon it, it would have been more productive to the revenue?—I do not think it would; it is an article which a great number of persons make use of, and I do not think a smaller duty would raise a

larger sum. I do not mean to say that to diminish the duty considerably from 15s. would not increase the consumption to a great degree, but not in proportion to the amount of the duty.

1333. Confining yourself to the question of culinary consumption, are you of opinion that the article of salt is one of the best articles as to which the diminution of duty is likely considerably to increase the consumption?—I have no doubt it would increase the consumption to a certain degree, but it would not increase it in proportion to the loss of revenue.

1334.—When there has been a deficiency of the supply, the lowering of the price would increase the consumption?—Yes; it is an article of which every body uses a certain portion, but they do not increase that portion much if they get it cheaper.

1336. If the duty was so high as to produce smuggling, of course the reduction of it would be an advantage to the revenue?—Yes.

Appendix J.—No. 5.

Extract from the Appendix to the Report of the Select Committee of the House of Commons, appointed to Inquire into the Supply of Salt for British India in 1836.

Extracts from a Letter from the Salt Board to Government, dated January 26, 1832.
Appendix, No. 2, page 1.

2. We commence with the Court's letter in the order in which it is written, and first, with reference to the observations contained in the paragraph quoted in the margin,* we must beg permission to repeat our opinion that six seers of salt, on an average for each person, is a liberal supply for the consumption of the people in our Bengal provinces, limited as that is to a mere alimentary consumption, for it is well known that in the arts little salt, if any, is employed by the natives of India.

3. We hoped in former Reports, especially in that of the 9th of July, 1829, to have made our reasons for adopting the above opinion sufficiently intelligible; but we are led to apprehend from their not being met by anything beyond a bare expression of dissent on the part of the Court, that we have not been explicit enough, or entered into sufficient detail on a point, upon the right understanding of which, it appears to us, the whole question depends. We are most anxious to place this subject in a proper light, and we have the less difficulty in recurring to our arguments on it, because the more we have considered the question, the more fortified have we become in believing those views to be accurate which we never hastily adopted, and which are now, to the best of our judgment, confirmed by a mass of facts and information, such as we confess ourselves quite unable to discredit.

4. In a case like the present, it is perhaps allowable to appeal to personal recollections, and we will venture so to appeal in perfect confidence that those recollections will bear out our own impressions.

5. Most people, then, can remember the enormous tax on salt consumed in Great Britain during the wars which arose out of the French Revolution, yet we would challenge the recollection of any individual to recal an instance where, in a family of easy circumstances, any particular precaution was adopted to prevent the consumption of alimentary salt—we trust that the nature of the subject under consideration, will be admitted as an apology for our entering into details of so familiar a description, but they are so applicable to the argument that we should not feel justified in omitting them, and so long as they bear upon, and tend to throw light on, an important question, we hope the use of the illustrations will be excused if their adaptation to the subject is conceded—we will therefore request it to be kept in mind, that at the very period to which we have adverted above, alimentary salt was as

* Paragraphs 8, 9, and 10 of Court's Letter, dated February 23, 1831.

Paragraph 8. "We shall first advert to a position of theirs, which they have urged on a former occasion, viz., that the population supplied with salt from the Calcutta sales, consume as much as they have occasion for, and would not increase their consumption if the price were reduced. We offered some remarks on this supposition in our despatch in this department, dated November 4, 1829, to which we have not yet received your answer, and to which we again direct your attention.

9. "It is stated in support of this opinion in the correspondence before us, that six seers of salt is the annual consumption of one man, and that, according to the most probable estimate of the number of inhabitants, this quantity is actually supplied to each. This, however, does not appear to us to be sufficient. The Board may know that six seers only are consumed at the present price, but we distrust their inference that more would not be consumed at a lower price.

10. "As little satisfactory is their reference to the annual returns of Golah clearances to show that the increase of supply has kept pace with the increase of population. This has no tendency to prove that at every one of those dates, the same population would not have taken off a greater quantity at a smaller price."

freely used by the servant as by his master in a family circumstanced as we have assumed, and that it was employed without any particular restriction in the most common purposes of domestic economy.

6. These are facts which must be more or less in every person's remembrance, and to an observer at the time, the inference would have been that even in a family of ordinary respectability, the salt-tax, however heavy in theory and however inimical to the arts in which the article is used, was not so severely felt as practically to limit the consumption in such a family, of that necessary article.

7. If in such a family this was really the case, it would be quite impossible that an opulent household* should not consume any quantity of salt which might be necessary.

8. If the inquiry were conducted further, and it was found that the average consumption of salt in the household of the moderately wealthy family, was twenty pounds per head annually, and that the consumption in the opulent family, also gave a rate of twenty pounds per head per annum and no more, the inquirer would perhaps be justified in assuming that the individuals of the two households could not consume more even if salt bore no duty whatever; if on the other hand, it was found that the wealthy household consumed twenty pounds per head per annum, and the less wealthy only sixteen pounds, then it might fairly be inferred that the heavy taxation of an article, in itself one of the cheapest of productions, contributed to occasion the difference in the two rates.

9. We beg it may be borne in mind that we advert only to the human consumption of salt for alimentary purposes; and adverting to that *alone*, we may perhaps be permitted to doubt whether any tax short of one so enormous that it would never enter into the imagination of a financier to impose it, would materially affect the quantity consumed, or the comforts of the consumers. The expense entailed, even by the largest individual consumption, is very small, and it is incurred in almost imperceptible portions. Where the arts or agriculture are concerned, the question we submit assumes an entirely new aspect. To those who use vast quantities of salt, who are consequently obliged to make a great outlay for which there are frequently no immediate returns, the price of the article, and the duty it bears, become of course serious considerations; nor is it the probability that the tax will ultimately fall on the consumer of the article produced, which can reconcile great dealers, who buy salt not to retail it, but to use it in the arts or in agriculture, to the heavy investment of capital which may, after all, be unproductive. Where then the arts and manufactures of a country, the curing of salt provisions, agriculture, or other causes, demand the employment of salt in immense quantities, a heavy impost must necessarily be felt as a grievance, and will indisputably diminish consumption, or largely encourage an evasion of the duties; but where there is no consumption of salt, except as a condiment, and *that* consumption is limited by religious feelings and observances, we would respectfully submit, our doubts whether the poorest individual would materially feel any reduction in the price of,† or in the impost on salt, so long as neither were so exorbitant as to place the article altogether beyond his reach.

10. This, we contend, is not the case in Bengal, and we think that our opinion is proved by the golah clearances or consumption, a consumption which need only be divided by the number of inhabitants according to official returns already quoted, to show that each person actually consumes as much as he could use, or in other words as much as the books of an extremely wealthy family show to be consumed by the wealthiest class in the country, which, on the principle of our illustration in the 8th paragraph, is, of course, as much as they desire.

11. Our inquiries, the result of which we have already had the honour to submit, substantiated the fact that, in the household of a great native landholder, with an income not short of 2 lacs of rupess per annum, the average consumption of each individual was six seers of salt per annum. It would be a mere waste of time to employ any further arguments to prove that to such an individual, either in England or in India, it could be of very little importance whether his household expended 1 rupee's worth of salt each per annum, or 15, or 13 annas worth. It cannot for a moment be doubted that they consumed as much as they desired.

12. If on leaving this class of society, we had discovered that as we descended in the scale, or in other words, as we inquired amongst humble and poor individuals, we had found their consumption of salt decrease in proportion to their poverty, we could then only have assumed that such persons did not obtain as much of the article as was requisite to their comfort, and the natural inference would have been that the price, combined with the impost, placed it beyond their reach. But our inquiries amongst this last mentioned class did not elicit this fact; on the contrary, although the average rate of consumption, as shown by the table submitted with our letter of the 9th of July, 1829, was under the rate we have always stated, less than, or six seers per annum, still we found that in some cases the taste of individuals led them to the use of rather more than that quantity, nor did their condition, though in the most humble class of menial servants and artisans, appear at all to that limit, their means for indulging their taste—in short, as we have observed, the average consumption of the lowest class, to whom the price of salt might be an object, if the monopoly were so burthensome as its adversaries assume, was proved to be as great as that of the highest class, to whom the price could *not* possibly be any object of a moment's consideration, even if the

* Say a family with an income of from fifteen to twenty thousand pounds per annum.

† They would be gainers of course to the amount of the tax, but that amount, we contend, is so trifling, that it must be an object of no consideration to any individual.

cost of the article and the impost were both quintupled—for let us again inquire of what importance could it be to an English gentleman, with a liberal fortune, whether salt was one shilling or ten shillings a bushel, when the fiftieth part of one day's income would supply his entire household with that article for six months? Surely, if it was ascertained, from an extensive and indiscriminate inquiry, that every English artisan purchased, on an average, as much bread and as much meat daily as is consumed by the wealthiest merchant who employs him, it could not be argued that the prices of bread and meat, whether natural or enhanced by taxation, placed those articles beyond the reach of English artisans. Still, it may be said that they would consume more if those articles were cheaper, and this is the point which we have next to consider.

13. With respect to the two necessaries of life we have mentioned, we doubt whether, in the case supposed, the consumption would at all increase if mankind was content with as much as nature rendered requisite for health and comfort; but bread, at least flour, and meat may be prepared in a hundred luxurious modifications, and extreme cheapness in those articles would probably lead the poor not merely to supply their wants, but to pamper their appetites. With salt, we submit, the case is widely different; it is a condiment the excessive use of which is not only the reverse of an improvement in culinary preparations, but positively renders the food in which it is so used uneatable—no decrease in the price of salt would induce an individual to cast an ounce into a prepared dish, or to use an ounce on his plate, if we may be permitted such illustrations, when a drachm would be sufficient to give the desired flavour in either case, and when two drachms would not only destroy that flavour, but make the food nauseous.

14. Still it appears to be argued that, at the present price of salt in Bengal, the people cannot get enough to give that desired flavour to their food—in other words that they would take more if it was cheaper. But this brings the question to that point where we submit it is completely disposed of by the fact that the rich, or those who *can*, and who will, use the quantity of salt requisite to their full gratification, consume no more than we find by actual inquiry (as well as by the *golah* clearances compared with the population) to be the average annual consumption per head for the whole people, viz., rather less than 6 seers per annum. To the rich, salt, for the mere purpose of alimentary consumption must, we submit, be the cheapest of all culinary articles even when subjected to the highest rate of impost ever yet laid on in any country; and wherever, as in Bengal, every man uses the same quantity of that article which he would use if possessed of great wealth, we cannot persuade ourselves that any decrease in the price at which such a consumption is effected, would materially add to that consumption, always begging it to be remembered that by *that* term we intend to signify the quantity used by each individual with his food.

15. We would again inquire why should it? Each poor man now consumes as much as the wealthiest; this is no assumption; we have laid before your Honorable Board the results of the inquiries on which we found our assertion. To give him salt for nothing, would doubtless enable him to spend in other things the *anna* per mensem which he before spent in salt, and whether the tax should be given up altogether, or not, is a matter of purely financial consideration; but if it was wholly repealed, still it seems to us that it would not enable an individual to eat with his daily food one-half scruple more than he eats at present, or than is eaten at present by persons to whom it is of no moment whether they pay a few rupees a year for the salt they consume, or only a few annas.

16. While we feel ourselves constrained to hold the opinion we have expressed, we are prepared to admit that our views would be materially modified, if once we perceived any disposition to employ the article in question in large quantities for agricultural purposes, and in the arts. We cannot but feel that in such a case, the impost on the article might be detrimental to undertakings in which it ought to be employed on a large scale; twenty or thirty thousand maunds of salt would be no extraordinary expenditure in many speculations where that article is extensively used, and a lac or a lac and a-half of rupees, to be invested in an uncertain adventure, might be a great obstacle to such an adventure even being attempted.

17. It is, however, sufficiently known that we have no demand for salt in this country for the purposes contemplated. Agriculture and the arts are in too rude a state to create such a consumption. In those districts where salt is made, and where it is to be purchased from the smugglers, where the monopoly is in short inoperative, and where there is consequently no impost to prevent the consumption of the article, still the people employ little, if any, even in the curing of fish. It is more congenial to their indolent habits, or it may be more in accordance with their taste, to dry the fish in the sun, or by the smoke of a wood fire. Yet, with this one exception, we are not aware of a single purpose, besides the seasoning of food at the time it is prepared for use, to which salt is likely to be turned in the *rowannah* provinces. No art, therefore, no manufacture, no agricultural improvement, is checked by the system under which the article is taxed.

18. We may refer to a few more facts, indicating with sufficient accuracy the limit of human consumption when salt is used only as a condiment as in our *rowannah* provinces. In the statement which accompanied our letter of the 9th of July, 1829, the annual consumption of the scholars of the Free School, as shown by the books of the establishment, was proved to be about $3\frac{1}{4}$ seers per head. It is hardly necessary to say that in a public establishment, where the health of the scholars is concerned, and where the strict economy of private families is rarely exercised, it is impossible that there should have been any very rigid precaution adopted to prevent the consumption to the extent of each individual's taste, of an article so cheap in comparison with any other as salt. We solicit permission indeed, again to refer to

personal recollection, and inquire whether any one remembers at an English school an injunction to the scholars to restrict themselves in the use of salt (except as far as their health might render it desirable), even when that article bore a duty of four thousand four hundred per cent. on the production price, instead of three hundred per cent. as it does here. We can have no difficulty in believing that the average quantity of food consumed by the scholars of the Free School, fully equals the average quantity consumed by the same number of individuals taken indiscriminately from the poorer class of natives; yet we find that the consumption of the scholars per head, did not much more than exceed half the quantity per head which is purchased by the people of our Bengal provinces, judging from the information we were at so much pains to procure; a fact from which we cannot but infer that the latter are not even careful to limit their purchases to the precise quantity they are capable of consuming, as would indisputably be the case if the monopoly bore upon them so heavily as its adversaries contend.

19. No artizan in England purchases two loaves when one will suffice for the consumption of his family, because the expense of bread is generally felt by the English artizan; but we will venture to say that even the poorest English artizan, short of an absolute dependant on charity, never reflected whether he could, or could not, by some management save an ounce of salt per mensem in his domestic economy. If the pupils, then, of the free school consume less than the quantity consumed by the poorest class of natives, as ascertained from actual investigation: if, again, the last-mentioned quantity is sufficient for the wants of the rich, to whom its cost is altogether immaterial, and whose consumption was also gathered from actual inquiry, then we must submit that there is every probability in favour of our assumption that that the poorest class (not including mere beggars dependant on the bounty freely given by the Hindoos) can purchase as much salt as they can possibly require without feeling the tax in the least degree an impediment to their use of the article, and that, consequently, if the tax was taken off altogether, they would not, indeed could not, consume more for alimentary purposes.

20. We have already brought to the recollection of your Board that Mr. Colebrook estimates the consumption of salt in Bengal, where "*moderately cheap*," at less than 6 seers per head; he again observes that "*a consumption of 7 seers (14 lbs. per head) exceeds all experience in India, where salt is cheapest.*" Dr. Tennant, a statistical writer of good judgment, and much research, estimates the consumption at $4\frac{1}{2}$ seers per head, without at all intimating an opinion that he considered it to be limited by the dearness of the article.

21. The monopoly of salt in Bengal has been frequently compared with the gabelle, and this comparison has given rise to many of those fallacies which encumber the consideration of the subject. Indeed, in all comparisons between the salt-tax in Bengal and the impost on that article in European countries, or in the United States of America, one main error appears to have been perpetually allowed to embarrass and complicate the whole inquiry. Adverting to the gabelle particularly, it is contended by the adversaries of our Bengal tax, to which it is compared, that as the reduction in the rate of the gabelle increased the consumption per head in France, and as that consumption was larger in districts where the gabelle was more moderate, so would a reduction of the impost in Bengal be attended by an increased demand per head.

22. The whole fallacy in the above argument appears to us to lie in the terms "*consumption per head.*" In Bengal it is to be taken solely in its literal sense, viz., the personal consumption of each individual, but used with reference to the gabelle or other imposts on salt in Europe, the term "*per head*" includes all the vast expenditure of salt incurred in civilised countries in the arts and in agriculture.

23. What should we suppose of a writer who asserted that in a certain parish the consumption of salt was 1,000 lbs. per diem per head, if we did not recollect that this was a mere statistical mode (rather a loose one) of stating the quantity of salt consumed in a particular parish, as compared perhaps with the consumption in another, we should of course infer that a very small fractional part of the quantity mentioned was appropriated to daily use as a condiment, and that the rest was consumed in curing fish or meat, or in some manufacture. Newfoundland probably employs more salt than the most populous county in England, yet were a writer to state that a ton of salt per head per annum was consumed at St. John's, and only 40 lbs. per head per annum at Liverpool, we should betray an extraordinary degree of credulity to imagine that salt could only be procured with difficulty by an inhabitant of Liverpool, or that he would consume a ton annually with his daily food if the article was as cheap as in Newfoundland.

24. Yet this, it appears to us, has been the loose and fallacious view always adopted when the Bengal salt monopoly has been discussed by many writers who have made use of its assumed oppressiveness as an argument against the Company's Government. The statist of Europe are unable to imagine a country where the terms "*consumption per head*" are to be interpreted with the most rigid literality, and where even that consumption is limited by the customs of the people and by religious prejudice.

25. In France the abolition of the gabelle, in England the repeal of the salt-tax, naturally increased the consumption not perhaps 1 oz. per annum "*per head*"—if by that term we are to understand the quantity actually eaten with his daily meals by each individual, but many thousands of tons per annum in other ways.* The boldest experimental agricul-

* Under the gabelle most salt was consumed in provinces where that impost was lightest—this was natural enough, for manufactories in which it was requisite to employ large quantities of salt, would of course be attracted to those provinces by the lighter cost of the article.

turist, for instance, would pause before he covered extensive lands with salt at a guinea per bushel merely to ascertain whether salt would improve their quality; but when the repeal of the tax lowers the article to its mere production price, or about 6*d.* per bushel, he would not be esteemed rash, who might use so cheap a material experimentally, even if the experiment failed.

26. The same argument is clearly applicable to the taxation on salt in connection with the whole range of arts, and all processes in which that article is employed; but those arts and those processes must have existence in a country, or show some symptom of establishing themselves, or the argument is altogether futile, and its use can only result from ignorance or want of consideration, unless indeed it is employed, as we apprehend it to have constantly been, for the furtherance of a political object by the adversaries of the Company's Government. If the British public have long calculations placed before them, exhibiting without any explanation the simple facts that the consumption of salt in Great Britain exceeded 40lbs. per head per annum, while the consumption of India is only 12lbs. per head per annum, they naturally conclude, as the opponents of the Company's exclusive privileges calculate they will, viz., that so great a difference can only arise from the monopoly price interfering with consumption in this country; for it would be too much to expect the British public, or any other, to consider a question with a perfectly unbiassed mind, and even if they did consider it fairly, they would still, as a body, possess no data from which to seek the true explanation of the difference in the annual consumption, as compared with the population, of Bengal and Great Britain.

27. Owing to the absence of better information, we are obliged to refer to a very inaccurate work* for another fact connected with the consumption of salt by a people, exclusive of what is used in agriculture and the arts; as, however, the work in question is written by a professed enemy of the monopoly, we may perhaps use his materials, when they happen to be in favour of the principles and calculations on which it has been conducted, with some degree of confidence, as he certainly does not intend to present us with any likely to be so employed.

28. The writer to whose work we have adverted, states that the kingdom of the Netherlands† is entirely supplied with foreign salt. As it is imported free on home bottoms there is only an excise duty leviable, amounting to about 5*s.* 3*d.* per bushel, making the price of salt, duty inclusive, 6*s.* 1*d.* per bushel—all salt used in the arts and manufactures, in curing meat and the curing of fish, whether at home or abroad, as well as all refined salt exported, is duty free, and even all crude salt re-exported is subject merely to a nominal impost.

29. Thus it appears that in the kingdom of the Netherlands no salt was liable to duty but that actually consumed in domestic economy; in other words, eaten with food, or employed in its preparation, just before it is consumed. The quantity of salt on which a tax was so levied, divided by the population, shows the real, not the nominal, consumption per head; and gives to that term a signification precisely analogous to the signification of the same term as employed in our own calculations.

30. The quantity of salt on which duty was levied, according to the foregoing explanation, was 9,05,042, bushels, showing a consumption of salt for culinary purposes, or for use with food at the time of eating, of $8\frac{43}{100}$, say $8\frac{1}{2}$ lbs. per head.‡ This result is so completely opposed to the preconceived notions of the writer, and so injurious to his theory (that 12lbs. per head§ is a stinted supply to the people of Bengal) that he endeavours to account for the smallness of the Netherlands' consumption per head in any way rather than admit that it is accurately known.

31. The cost to the Netherlands' consumer of his yearly supply of salt is, including the tax, $9\frac{14}{100}$ *d.*, for which he obtains $8\frac{1}{2}$ lbs. of the condiment,—in short, he pays little more than $\frac{1}{4}$ of a penny per month,—now, we would submit whether it is possible that the richest and best fed peasantry in Europe, as we believe those of Belgium and Holland are acknowledged to be, could ever be brought to reflect on the subject, or to afford a moment's consideration as to whether they paid three halfpence or three farthings monthly for the salt employed by them in domestic economy.

32. For our own parts, we entertain little doubt but that the consumption in the Netherlands for domestic purposes, as ascertained by the excise realized, is very nearly the true one, and only limited by the pleasure of the consumers, who, using more salted provisions|| than are used in Bengal, thence consume a smaller quantity of salt, in other shapes, per head, than is consumed in Bengal, and we must be permitted to doubt whether the total repeal of the salt-tax in the Netherlands would at all add to the demand for salt in that country, unless indeed the excise system there is such that, as in England under the salt-tax, people pay duties, or relinquish speculations, or use smuggled salt, rather than go through the troublesome official forms, and execute the bonds requisite to secure drawbacks, or obtain remissions on salt exported, or used in arts and manufactures.

33. The work we have referred to gives a table which shows that in France under the gabelle (which impost averaged 1*s.* 11 $\frac{47}{100}$ *d.* per head) $15\frac{39}{100}$ lbs. per head was annually consumed, or to leave that inaccurate term, as applied to the consumption of a country abounding in arts and manufactures, 6,818,736 bushels were consumed by 24,800,000 people.

* A pamphlet of Mr. Crawford's, full of extraordinary assumptions and miscalculations respecting the salt monopoly in Bengal, though otherwise ably composed, and well suited to the purpose for which it was written.

† The pamphlet was written prior to the separation of Belgium from Holland.

‡ Mr. Crawford estimates the consumers at 6,000,000.

§ Six Seers.

|| Duty free as already explained.

In the same country, under a duty which, divided by the population, averaged 1s. 7 $\frac{1}{10}$ d. per head, 32,000,000 of people consumed 7,960,000 bushels of salt; here we perceive that while the population increased one-third, the consumption of salt only increased one-seventh, although, under the gabelle or monopoly, the article paid a duty averaging 4d. per head per annum more than that paid under the tax or excise.

34. Leaving the writer from whom we have quoted to explain results so much opposed to his opinions, we shall avail ourselves of another of his statements which goes far to explain our own views. "Salt in France," he observes, "for fifteen years after the destruction of the gabelle in 1791, was exempt from all impost,—this was, of course, followed by great advantages. Marshes incapable of cultivation were converted into salt-fields (marais salins), improved processes were applied to the manufacture of salt, production, of course, was greatly increased, and, consequently, increased consumption followed. The agriculturist could now afford to supply salt as manure, and use it more liberally in feeding and fattening of cattle, and hence a great improvement in the culture of the olive, and in the rearing of stock."

35. We have no doubt that the above statement is essentially correct, but the writer is speaking of France, not of Bengal; neither does it appear on record that, even in France, people ate more salt at table after 1791 than before that year; they might have used salt in improving their olives, or in the thousand other branches of agriculture, but does any one who knows Bengal imagine that the natives would take the trouble to manure their rice-fields with salt even if they got it at the production cost? As for "feeding and fattening cattle," for whom are they to be fed or fattened but for a few Europeans, who pay sufficiently high for the small quantity of meat they consume to reimburse any feeder, although all the salt he used bore ten times its present price? It is well known that the wretched Bengal bullock scarcely receives from his owner that description of fodder which requires nothing but the trouble of collecting it, is it likely then that he will give to his cattle anything that costs money? In short, all the speculations we have seen respecting the consumption of salt in India, are applicable not to Bengal, but to a country five centuries in advance of any part of these provinces. People who have not yet attained a greater proficiency in husbandry than that recorded by Mr. Colebrooke are not very likely, for some years to come, to realize those speculations which assume that 200 000 tons of English shipping would* be required to transport salt to Bengal for the use of the arts and agriculture in this Presidency, if it were not for the monopoly.

66. We shall proceed to offer a few observations on the 16th paragraph of the Court's letter quoted in the margin.†

67. We are unable to persuade ourselves that the poorest individual in the rowannah provinces, exclusive, of course, of such as are in all countries supported by charity, feels the salt-tax so onerous an impost as the paragraph quoted would seem to imply; neither do we perceive how the impost would be rendered more bearable by an increased supply, if, as assumed, that extension would lead to an increased consumption; for, although the salt would be cheaper, yet, if each individual's consumption increased in proportion to the fall in price, the amount of taxation on each individual would remain just as at present; the only difference would be in point of comfort to the consumer; the deduction from his gains as a labourer, for the use of the State, would continue precisely the same; in other words, the proportion which the tax would bear to his own earnings, would not be reduced by his consuming 12 seers of salt per annum at half an anna per seer, instead of 6 seers at an anna per seer.

68. We must, however, be permitted to doubt—first, whether, considered with reference to the ryot's means (the wealthier class it is not necessary to take account of in such a question), the salt tax is burthensome; and secondly, to submit that it is in reality less burthensome now, than at the introduction of the monopoly.

69. The salt tax is, we believe, almost the only tax which a labourer receiving a monthly, or daily, stipend cannot avoid paying, or can only avoid paying by denying himself a necessary of life; we mean that hired labourers not residing in towns,‡ and using few articles, the prices of which include custom duties—in short, the mass of the poorer class—pay very little, either directly or indirectly, towards the expenses of the State beyond their contribution through the salt tax. A man who frequents the licensed Abkars, or who purchases articles imported from Europe, or manufactured, and subject to duties in India, makes a further indirect contribution; but the poorest class, those we have principally to consider in discussing this question, add but little in those modes to the general revenue. The habits and customs of the people are a sufficient assurance of this. The means of fabricating the simple clothing of the poorer description of ryots are generally to be found round the village in which he resides, or the cloth he wears has only paid the light transit duty leviable on raw cotton;§ no impost is levied on the tobacco, oil, ghee, &c., which is produced and consumed on the spot;

* Another writer assumes that a supply which would require 640,000 tons of shipping for its conveyance might be profitably sent from Liverpool to Calcutta.

† 16. The Board give it as their opinion, that the tax on salt, as now paid by the people, is little felt. Inferences of this sort, however, should be very cautiously admitted. The sum paid by each individual is indeed inconsiderable but when we compare it with the small amount of the earnings of a poor ryot, the proportion does not appear to be small."

‡ And consequently not liable to the indirect operation of the town duties.

§ That is, supposing that it has passed within the limits of a Custom-house, but thousands of square miles may be traversed, in every direction, without such a necessity arising.

it is probable, indeed, that the only articles in his possession which have ever been subject to an indirect tax, are the few brass vessels which descend from father to son, and which in the shape of unwrought metal may have paid customs' duties.

70. If he is more wealthy, he of course wears the finer description of cloth, which has probably been manufactured elsewhere, and paid transit or importation duties; he uses also in his domestic economy many articles which the village cannot produce, and which have been subjected to taxation in other places, or in other shapes; but to this class the salt-tax cannot possibly be worthy of consideration. The body to which alone it is necessary for us to advert is the great mass composed in all States of the *poorest* of the people; and if we can make out that the salt-tax is not likely to be burthensome even to that class, we trust it will be conceded that it is not likely to be so to any.

71. Assuming, then, that a common labourer or cooly, receiving 3 rupees per mensem, which is about the average rate of cooly*-hire in the Lower Provinces, consumes 6 seers of salt per annum, subject to an impost of 3 rupees per maund, (which the *tax* may be said to be) or 1 anna 2 pies per seer, his contribution towards the expenses of the State is about the eighty-second part of his income, or less than one and a-half per cent. Now, we are not prepared to believe that in any part of the world a taxation of double that amount would be considered burthensome, if the payer was subject to no further impost in any shape, and we believe that the great bulk of the poorest class in the Lower Provinces are not for the reasons already assigned.

72. It must be much the same thing to a poor man, in whatever country he resides, that a certain *proportion* of his earnings goes towards the expenses of the Government under which he lives. To say that such an one pays 5*l.* per annum in England in various taxes, and 1*l.* per annum in India, is little to the purpose, because the first impost may be more easy to bear in Great Britain than the last here; but the relative weight of taxation may, it appears to us, be fairly estimated with respect to the same class of people in any two countries, if it be calculated what *proportion* of the income of an individual of that class is taken in the shape of imposts in each country.

73. We must be permitted to doubt whether in any country with a regular Government, a lower rate of taxation exists, including all imposts direct and indirect, than 2 per cent. on the income of the payer; neither should the mode of paying the tax under consideration be lost sight of; for, conceding that it must be paid, as the impost is levied on a necessary of life, yet there is that advantage to the payer which is characteristic of all indirect taxation; he may lay in his stock of salt when the article happens to have fallen in price, or he may purchase it in the small quantities requisite for daily consumption with as many cowries as are equivalent to the thirtieth part of an anna, or in English money about the fourth part of one farthing, which we estimate to be the daily amount cost of the salt, including all charges, and the tax where that article is retailed, at a rate higher than the average price which it bears in the rowannah provinces.

74. But if we could find any reason to believe that the salt tax was burthensome to the people at large, or, we should rather say, to that class who could alone feel it onerous, we should still have abundant grounds for thinking that it has become decidedly less so since the first establishment of the monopoly on its present footing.

75. In corroboration of the correctness of this assumption, we have the honour to submit the accompanying copies of letters and statements from Land Revenue Officers in various and far divided portions of those provinces through which the monopoly extends its operations. The statements adverted to exhibit so remarkable an increase in the rate of wages since the year 1790, that if we had obtained the information from one quarter alone we should have been dubious of its accuracy; we have, however, made personal inquiries amongst intelligent native landholders and others, and their reports are entirely corroborative of the facts stated by the several Collectors.

76. While we refer generally to the fact that the rate of wages has advanced out of all proportion to the increase in the price of salt, we shall select a single instance as best calculated in our opinion to show the effect of such increase with reference to the salt-tax and its payers amongst the most humble classes of society.

77. Taking the 24 Pergunnahs then, though the rates there are by no means so favourable to our hypothesis as those exhibited by some of the statements from other Collectorships, it appears that a common cooly could earn in 1790 Sa. Rs. 24 per annum; in the same year,

* The present rate of Cooly hire in Calcutta is from 4 Rs. to 4 Rs. 8 A. per mensem.

† We do not of course advert to the land tax, the peculiar nature of which is thus characterized by the Sudder Board of Revenue in the Western Provinces, in a recent communication to our Board:—"In the opinion of the Board, the land revenue of this country cannot be likened to the imposts which are commonly called taxes in Europe, either in its effect on the property of individuals, or on the interests of persons, so far as high or low prices are concerned, who live within the range of its exaction. It forms a part of the land rent of the country which exists, of course, independently of all Government arrangements, and has, from time immemorial, or at all events from a date antecedent to the origin of any existing proprietary interest in land, belonged to the ruling authority, and if it were a question whether the State should cease to take it in future, it might not be easy to determine to whom it could, equitably and with the greatest advantage to society in general, be given. If the appropriation of a part of the land rent by the Government of the country operate at all as a tax, the Board presume it does so in opposing some impediment to the accumulation of wealth, because a revenue thus taken is almost always applied to purposes which cause it to be consumed as income; whereas, if it were left in the possession of any class of individuals, a part may be saved, and used as capital, in aid of further acquisition."

salt, (as shown by the table, which we have already had the honour to submit,) was Sa. Rs. 243 : 7 : 3 per 100 maunds, or, taking the average of the five first years in the table already adverted to,* Sa. Rs. 270 : 8 per 100 maunds, being about Sa. Rs. 2 : 11 : 3 per maund, or 1 anna 1 pie per seer. Assuming the consumption of 6 seers per head per annum, this calculation will show the amount paid by each cooly for salt to have been a very trifling fraction more than 6½ annas, say 7 annas per annum, being, as nearly as possible, one fifty-fifth part of his earnings during the same period.

78. In the year 1830-31, a cooly in the 24 Pergunnahs, as it would appear from the return already quoted, could earn 45 rupees in the course of a year. In the five years ending with 1830, (as will be seen by the statement which accompanied our letter of the 9th of July, 1829, and a continuation for 1829-30 forwarded herewith) the price of salt averaged 394 : 6 : 5 per 100 maunds, say in round numbers, as we have no wish to give any advantage to our own views, 400 rupees per 100 maunds, or 4 rupees per maund. Calculating with reference to this price, and still assuming the same consumption as in 1790, or 6 seers per head per annum, the cooly would in 1830 pay 9½ annas, say 10 annas, for his supply of salt for one year; this amount is as nearly as possible one seventy-second part of his earnings.

79. Thus, in the early period of the monopoly, when established on the footing maintained since 1790, it would appear that the salt tax, or to speak with greater accuracy, the price of salt including the tax, absorbed 1 anna out of every 55 earned by a common cooly in the district of the 24 Pergunnahs. In the latest period, during which the same tax has been in operation, or from 1826 to 1830 inclusive, it has absorbed, including the production price of the salt, 1 anna in every 72 of the same earnings; we respectfully submit that, in the face of these facts, it is not easy to assume that the salt-tax has become more onerous, or that it is more difficult for a poor man to procure salt now than it was forty years ago. It is always to be remembered also that the production price of the salt, with all the expenses attending the manufacture and transportation of the article to the place of ultimate sale, which the ryot would have to pay, whether the monopoly existed or not, are to be deducted from the amount of actual taxation.

80. Without entering on the question of why the rate of wages has so materially increased in the Lower Provinces, we have only to refer you to the returns from the revenue authorities herewith submitted for proofs of the fact; those officers who had not the slightest idea of the object of our inquiries, and they were remote from each other, yet in every case it appears that the wages have more or less increased; but nearly in all the districts the increase has been in a much greater ratio than the enhancement in the price of salt; for while the latter has advanced in the proportion of 40 to 27, or has increased about one-third, wages have, in many of the districts, been doubled. In the 24 Pergunnahs they appear to have been nearly so. In Dacca those of a cooly are more than doubled; of a herdsman they are quadrupled; and in Backergunge they have doubled. In Sylhet they have been enhanced from 40 to 50 per cent. In other Collectorships, where the rise in wages (as at Moorshedabad†) has not been so great, part of the labourer's remuneration is given in food and clothing, the former of course including salt, so that the tax in that case is not borne by him.

81. We have another fact to advert to which appears to us worthy of consideration in conjunction with any opinion that the monopoly has become more burthensome to the people, since the period when it was resorted to for the collection of the salt tax.

82. From the records which we have had examined of one of the greatest hauths,‡ or native markets in Calcutta, it appears that many of the necessaries of life have doubled, or more than doubled, even since 1805. Common rice has risen from 12 annas to 1 rupee 8 annas per maund; wheat from 9 annas 9 pies to 1 rupee 11 annas; ghee, from 11 rupees to 20 and 25; sugar, from rupees 3 : 4 to 5 rupees; oil, from 4 to 8. Salt sold at the public sales of 1805, and at the Presidency the retail price§ is naturally but a small advance on the wholesale cost of the article, for Rs. 323 : 5 : 4 per 100 maunds, say 3½ rupees per maund; in 1830 it sold at 410 : 6, say 4½ rupees per maund, or about one-fourth dearer|| than in 1805, while the other necessaries of life chiefly consumed by the poor had nearly doubled, as had the rate of wages.

83. We see no other inference to be drawn from these facts, than that the cost of salt itself would have increased in the same proportion as that of the other articles, had the price been left to find its natural level in the market, and that, consequently, the real price per maund, the tax continuing the same, would have been twice as great now as it was in 1805, instead of selling at the advance we have quoted—the further conclusion would naturally follow that this enhancement had been prevented by the market being overstocked through our anxiety to prevent the tax from being burthensome, as there is no fact better established than that a small excess of quantity operates very powerfully on price, and more especially when the excess is in an article which can be, or is, only turned to one use.

84. We do not desire the above hypothesis, viz., that the price of salt would have

* Enclosed in a letter to Government, dated July 9, 1829.

† Even at Moorshedabad the Collector states that in some parts of the district the price of labour has doubled since 1790-91.

‡ Sootanooty, in Haut Kolah.

§ There is so little expense incurred in bringing salt either from the Sulkea golahs, from Tumlook, or the 24 Pergunnahs.

|| Assuming the tax in both cases, at three-fourths of the bazaar price of the article, and that the remaining fourth, or bazaar rate, includes all charges of manufacture, transportation, and storing, besides profit to the dealer, in short, that it is the real price exclusive of the impost.

followed the ratio of increase exhibited by other articles of ordinary consumption, to be adopted as that on the probability of which we have deliberately satisfied ourselves. Many and extended inquiries would be necessary before a definitive conclusion on the subject could be arrived at, but, in the mean time, we adduce the facts we have had the honour to submit, under a present impression that no more satisfactory inference is to be drawn from them than that which we have ventured to suggest.

88. To contend that the salt monopoly is not chargeable with many imperfections would be to contend that it is free from those objections which may be urged against all taxes in all countries, and it is not to be supposed that we claim for it an exemption from the evils and abuses which are more or less inherent in every description of impost—we merely think that it is, as a tax, as unobjectionable as most others; certainly as little vexatious to the contributors as any which could be carried into effect in *this* country, and that it presses on the people in its present form as little as any tax by which an equal amount of revenue could be realized. If we thought otherwise, we should, we repeat, conceive it our duty to recommend an immediate departure from the principles upon which it has hitherto been conducted at whatever risk to the public resources, for we feel assured that you would not hesitate a moment between a decreased revenue, and any possible distress or vexation of the people, which might arise from its being maintained at its present height.

89. With our existing impressions, however, we confess that the tax on salt is one of the last taxes administered by our Board which we should desire to see relinquished, or in the mode of collecting which we could suggest any immediate improvement. If the state of the finances made a reduction in the general burthens of the country as practicable as it is desirable, we should advise the transit and town duties to be first abolished, then the duty on stamps, next the abkary mehal to be relinquished, and fourthly the salt tax; which we conceive to be less liable to well-founded objections than any of which we have the administration, except the monopoly of opium. In fact, we know not where we shall look for an instance of any Asiatic revenue producing net annual assets to the extent of a million and a quarter sterling, the machinery of which is so simple, the amount so certain, and the burthen, according to our opinion, so light upon the people.*

Appendix J.—No. 6.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories, in 1853.

Extracts from the Evidence of T. J. TURNER, Esq., Senior Member of the Sudder Board of Revenue, N. W. Provinces.

5804. Do you consider that it would be a loss to the revenue to reduce the duty upon salt?—Most decidedly.

5805. Would not the consumption so increase as to enable the revenue to regain the loss?—I think not, because each individual only wants but a very small portion of salt. If salt were much cheaper than it is, each individual would not increase his consumption much: he might possibly give his cattle a little more than at present.

Extracts from the Evidence of F. J. HALLIDAY, Esq., Secretary to the Government of India, Home Department.

5508. Are you aware that there is a movement in this country, at present, for the purpose of obtaining a reduction of the duty on salt?—I was not aware of it.

5509. The effect of that would be a considerable reduction in the Indian revenue, would not it?—It would seem so, because the duty has been reduced on three successive occasions; the last reduction being to 2½ rupees a maund, which, although it was followed by an increase of consumption, was not followed by such an increase as to make up the difference of revenue.

* It may be added so cheaply collected, for, after all that has been assumed on this subject, it will perhaps excite some surprise when it is stated, that the salt revenue is collected at no greater charge than about 5 per cent., which charge includes all expenses of the agency and protective establishments, the expenses of the superintending board, together with all allowances drawn by covenanted and uncovenanted officers of whatever rank. The remaining charges are precisely those which would be paid by the public if the tax, to the same amount, was not collected through the medium of the monopoly, but was voluntarily brought into the treasury without the intervention or aid of a single public officer.

5510. Did it replace a part of the reduction?—It did replace a part of it; but the revenue has fallen off since that.

5520. When the first reductions were made in the duty on salt, there was not only a great increase of the consumption, but there was an absolute increase in the receipts in the Exchequer?—There was.

5521. You have now stated that although the last reduction of duty to 2½ rupees a maund, has been attended with a slight increase of consumption, that increase of consumption has not been sufficient to bring up the revenue to its former amount?—It is so.

5522. To what do you attribute that falling off in the revenue?—It would almost seem as if the supply at present was equal to the demand.

5523. Supposing any agitation which may be raised in this country for the purpose of diminishing very considerably the duty upon salt to the extent of one half to be successful, what do you suppose would be the effect upon the revenue of the Government of Bengal?—I should be very much afraid that the revenue would fall off greatly.

5524. Upon what data do you found that opinion that the revenue would fall off?—Because it has fallen off in consequence of the last reduction; the demand has not risen up sufficiently to meet the reduction.

5525. Do you recollect what was the amount of the salt revenue last year?—I do not.

5526. Do you think, with the probability before us of the loss of a great part of our income from opium, we can afford to lose any portion of those salt duties?—Of course not; I should be very much afraid to try the experiment just now.

7603. The returns of the different presidencies show that there has been a much greater proportionate increase in the revenue at Bombay, where the revenue is entirely derived from customs and excise, than in Madras and Bengal, where there is a more direct Government interference with the manufacture: in your opinion, does that tend to establish the fact, that a change of system in Bengal would produce a greater amount of revenue?—I do not think it affords any reason for believing that an excise system would produce a greater revenue; I do not believe the excess in Bombay is owing at all to the system of excise; a great part of that salt which pays revenue in Bombay is exported to Bengal and consumed there; and besides that, in the long run, there has been a considerable increase in the consumption in Bengal, and the increase is going on. I myself received a letter, only the day before yesterday, from an officer in a high position connected with the Government of Bengal, who tells me that the salt revenue in Bengal, for 1852-53, is 16 lacs in excess of that in the previous year, which would bring the revenue of 1852-53 very nearly up to one of the highest previous years; at all events, it gives me ground for believing that the revenue is on the increase, and that the falling off, which arose from the reduction of the duty in 1849-50, is already in process of being recovered, as I have no doubt it is.

7607. Would not what you state as to the recent increase of the revenue tend to show that it would be advisable to carry out a further reduction of the duty on salt?—The revenue has not yet come up to what it was before those reductions began, and till it does so, I think it would be imprudent to attempt any further reduction; but as soon as it comes up to that amount and covers it, and the increase shows a tendency to continue, the Government may safely proceed in reducing the duty; they ought, in my judgment, gradually to proceed experimentally reducing it as far as they possibly can without detriment to the revenue.

7611. Your idea is, that the profit upon the manufacture and the duty might be gradually diminished as the revenue would permit?—I think so. I look upon it that that is the principle upon which the Government has been acting; they have gone even a little beyond the point of prudence in acting upon it, but I think, keeping within the line of prudence, they ought to go on; it would be most unsafe to make a general reduction down to 1 rupee a maund, as has been suggested by some parties; it appears to me quite out of the question.

7619. It has been stated that the annual cost of salt to a native is a very great percentage upon his annual earnings; are you of the same opinion, or can you give the Committee any idea as to what proportion of his earnings is expended in the purchase of salt?—No doubt the expense to the native is increased by the duty as well as by those excessive charges of manufacture, if they are to be so called, to which I have referred; but I think the estimate of what it really costs him, which is given in the statistics published by the East India Company, is correct. Mr. Aylwin challenges it in one part of his evidence, and endeavours to show that it is manifestly incorrect. It so happened that, long before I ever thought of coming to England, or being examined on this subject, and without the slightest regard to any inquiry of this kind, I had a casual conversation with a man likely to be very well informed upon the subjects: an East Indian, a Deputy-Collector, and a man who has mixed intimately and familiarly with the natives from his birth, and has been officially employed among them, and is thoroughly acquainted with all their concerns. I happened to ask him (and to jot down, as I was accustomed to do, the heads of his information) something about the cost of salt to the ryots in the Bengal villages. I had no conception whatever that it would ever turn to account in this way. When I saw this evidence of Mr. Aylwin's, I turned to it, and I found it remarkably corroborated the statistical tables

which have been referred to. He told me that in a Bengal village, salt cost to the peasant one anna and a-half to one anna and three-quarters a seer; that will be at the rate of about 1½d. a lb. The consumption is about at the rate of half an anna a head per mensem; or six annas, equal to 8d. a head per annum. Their earnings, he said, he reckoned at from two to three rupees per month; so that the cost of salt is a little more than one per cent. upon their earnings. Mr. Thornton's tables give one and a-half per cent.

* * * * *

7630. You say you do not think the Government would be warranted in making a reduction to one rupee instead of two rupees eight annas; have you paid any attention to the great increase which has invariably taken place on the reduction of the price of every article of general consumption to the people of that country?—No doubt I am aware of that increase, but the consumption of salt would have to increase more than 150 per cent. in the Lower Provinces of Bengal to bring the revenue up to what it is now. It is not conceivable that the consumption of any article, say nothing of such a thing as salt, could increase to that amount in any but a very long space of time, if at all.

7631. Do not you think that continuing the heavy duty actually prevents the trial being made, how far the consumption would increase by a decrease of price?—Continuing the heavy duty is undoubtedly against that experiment, and therefore it is that the Government, as I have said before, even beyond the limit of prudence, persisted in gradually reducing the duty.

7632. Have you considered what portion of the salt manufactured in India is smuggled?—I believe a very small proportion is smuggled. I believe we could not go on selling salt in so large a quantity, increasing year by year as it is in the long run, unless smuggling were very much kept down; on the other hand, I have ascertained from official reports, the attention of the Government being closely directed to this very subject, that, as far as they know, smuggling is kept down to its lowest possible limit. The Government is always doing its utmost to increase the efficiency of the preventive establishment, and it is believed that they do improve it year by year; and, in proportion as it is so improved, smuggling must of course decrease, and I have no doubt it will decrease.

7633. You say that the attention of the Government has been directed to keeping down the duty to the lowest possible limit; will you state on what principle the limit, which you says exists, has been calculated; is it on the price at which the article can be manufactured, or what is the principle you allude to?—What I mean is this, that taking one of the most favourable of those years as a standard, I think the Government, as far as I am aware of their views, would not be indisposed, but, on the contrary, would be very strongly disposed, to go on gradually reducing the duty, so long as they had reason to see, and practically did see, that, notwithstanding the reduction of the duty, the increase of consumption continually brought the total revenue up to this standard amount. I mean to say they would not look to any increase beyond this standard amount; but, as the standard kept up to that, they would prudently, and cautiously, and gradually go on reducing the duty, as long as they found it practicable to do so.

7634. Have you formed in your mind any idea of the amount, which I would denominate the pivot point of smuggling, at which the natives might be obliged to cease their manufacture?—No, I have not, but I do not believe that one rupee a maund would do it; the duty of one rupee a maund would be so much in excess of the intrinsic value of the article, that the inducement for smuggling would remain for practical purposes almost the same.

7635. You agree that, if smuggling could be put down, the consumption of the Government salt would greatly increase?—The question assumes that smuggling is not put down, and that the sale of salt in the long run does not increase, both of which assumptions I believe to be contrary to the fact.

7636. You do not think that the statements which have been made to this Committee, that one-third, or even two-thirds, of the salt manufactured is smuggled?—Certainly not.

7637. Have you any data on which to form the opinion which you have stated as to the small quantity which is smuggled?—What I rely on is the constantly recorded reports to the same purport of all the individual officers employed in the preventive service, and the gradually increasing sale of salt at this high duty, which is incompatible with the existence of such a large amount of smuggling.

* * * * *

7639. You are not of opinion that an immediate reduction from 2 rupees 8 annas to 1 rupee would put an end to smuggling, or so increase the consumption as to bring up the revenue to the present amount?—I am not of that opinion.

Extracts from the Evidence of F. W. PRIDEAUX, Esq., Assistant to the Examiner of India Correspondence.

7275. Does the statement under the head of "total quantity," constitute, in your opinion, the whole consumption of salt in the Bengal provinces?—It constitutes the whole consumption of salt in the Bengal provinces, with the exception of any which may be made illicitly, or smuggled in; and we have no reason to believe that, with the present organization of the preventive establishment, any large amount of smuggling goes on.

7276. You consider that there is not an increasing quantity of smuggling?—Certainly not; the latest reports are conclusive upon that point.

7277. Then the returns do not appear to show any great increase in the consumption in

Bengal?—If you refer to the beginning of the table, the figures do appear to show a considerable increase. In 1841—42, the total consumption was 53,98,994 maunds.

7278. I see the return of the total quantity in 1847—48, is larger than the last return of the total quantity, and, in point of fact, since that period there has been, taking the average, little if any increase. Can you explain that in any way?—An explanation was called for from the Bengal Government, and they stated that they thought a very considerable quantity had been purchased shortly after the reduction of the duty, in 1848—49, more than was required for the wants of the market, and that was not completely cleared off. They do not attribute it to any increase of smuggling. I may here read one paragraph in a letter, with reference to the importation of English salt. This is a letter from the Board of Revenue to the Government of Bengal, dated the 29th of June, 1852: “Besides the reaction consequent upon the extensive clearances of 1849—50, the Board think that this further diminution of quantity may partly be attributed to the increase in the importation of Liverpool pungah, which is of so fine a quality, that it is usual to mix it with earth and other impurities in order to adapt it to the taste of consumers, who have been habituated for ages to the use of a substance of very different appearance, and are strongly prejudiced against the undisguised foreign article. The contrast between the pure snow-white salt imported from the United Kingdom, and the muddy-coloured article sold on account of Government in Bengal and Cuttack, has only to be observed to render it as obvious as it is notorious, that the former must be largely qualified before it is reduced to the standard of the latter, that is to say, the standard of consumption among the natives of the Lower Provinces. Supposing that only 5 per cent. of impurities is mixed with Liverpool pungah, in order to fit it for the market, this upon an importation of 16,00,000 maunds, would of itself amount to 80,000 maunds, upon which no duty is taken. Upon indigenous salt, the duty is taken in its impure state, but upon the salt of Europe, the duty is taken upon the pure article, and thus the impurities which in one case are taxed, in the other case escape taxation altogether. It may also be observed, that purchasers of salt from on board ship, usually get better weight than those who resort to the Government golahs, where the salt is weighed with scrupulous accuracy.” That would account for 80,000 maunds of reduction by English salt taking the place of Indian salt.

7285. Is it your opinion, that if any reduction of the duty were to take place the present revenue could be maintained; do you suppose that any reduction of duty would increase very much the consumption?—My impression is, that no reduction of the duty would very much increase the consumption. I do not know how far the circumstances of India may differ from those of England, but I remember before the Committee of the House of Commons, which sat in 1836, tables were produced showing the action of the salt-tax in this country: I think the first duty was 5s. a bushel, it was then raised to 15s., and then reduced again to 2s., without affecting, except in the very slightest degree, the consumption of salt. I think the difference between 5s. and 15s. a bushel made no difference in the consumption whatever.

Extract from the Evidence of T. L. PEACOCK, Esq., Examiner of India Correspondence.

8122. Answer * * * With respect to the salt monopoly, I wish to say a single word; what is called the salt monopoly proper, is that which belongs to the salt agency system of Bengal; the limits within which that monopoly acts are, as nearly as possible, the limits of the permanent settlement, where it is not possible to impose any new tax, therefore there is a peculiar justification for the salt monopoly tax of Bengal Proper, as distinguished from the salt-tax any where else. In other territories, where we can increase the land revenue when we make new settlements, or where we can impose new taxes bearing upon agricultural produce, there may be a question about the policy of keeping the tax at its present amount, or retaining it at all; but within the limits of the permanent settlement, nothing can be substituted for the salt-tax; and as the zemindars, to whom all the rights of the ryots have passed away *sub silentio*, get all they can out of their ryots, the remission of the salt-tax would be a benefit to the zemindar, and not to the ryot.

Appendix J.—No. 7.

Extract from Tucker's Review of the Financial Situation of the East India Company in 1824—pages 50 to 52.

The salt stands second in point of importance, and, as it has been so often stigmatized under the reproachful term “monopoly,” it will be proper to bestow a little attention upon the principles on which this tax has been established.

If a certain revenue be required beyond what the land will produce, and if the number of opulent consumers, in whose hands luxuries, and other tangible objects of taxation, might be found, be so small and dispersed that the charge of collection would go far to absorb the produce of the tax, then it would appear that a Government has no alternative but to have recourse to some article of general consumption as the object of taxation. It never can answer any useful purpose to tease and torment a country with taxes and tax-gatherers, when such taxes are unproductive, or produce little more than is sufficient to maintain a host of revenue officers. These officers are an evil in any country; but in India, where it is almost impossible

to prevent their malpractices, they are a serious evil. Such is the force of long-established habit, under a bad Government, that even now, when there is an anxiety felt by the ruling power to repress abuse, and to afford protection to all, the revenue officer exacts, and the people suffer his exaction, as a matter of course, and almost without a complaint. If, again, a people be constitutionally timid, or unable, from whatever cause, to defend their property, and to resist oppression, then it would seem to be a happy discovery if, instead of subjecting them by direct taxation to the screw of the Exchequer, the Government should succeed in drawing from them the periodical contribution required, by a process scarcely perceptible, in sums so minute as scarcely to be felt, and by means totally divested of the odious character of force. I will not say that these were the considerations which led to the establishment of the salt monopoly, but they are the considerations which may be urged to justify it. The Government have selected it as an article of general consumption, which can be rendered productive; and as a medium, or instrument, for levying contributions, by a sort of voluntary process, without the intervention of the tax-gatherer. It approaches, I own, to a poll-tax; but it is a very light poll-tax, which is paid almost insensibly; and whereas in India the great mass of people, with few exceptions, are in nearly the same condition, there is no injustice, and little inequality, in applying to them one common scale of taxation, regulated by the scale of their consumption.

APPENDIX K.

Latest Official Correspondence relating to the reduction of the present rate of Duty.

- No. 1.—From the Board of Revenue to the Government of Bengal, dated March 18, 1854.
Enclosures.
- A. Statement showing the quantity and proceeds of salt sold by wholesale, and imported in each of the twelve years from 1841-42 to 1852-53 inclusive.
 - B. Statement showing the Net Revenue realized from Salt in each of the twelve years from 1841-42 to 1852-53 inclusive.
- No. 2.—From the Government of Bengal to the Board of Revenue, dated March 30, 1854.
- No. 3.—From the Government of the North Western Provinces to the Government of Bengal, dated April 9, 1855.
- No. 4.—From the Board of Revenue to the Government of Bengal, dated May 4, 1855.
- No. 5.—From the Government of Bengal to the Government of the North Western Provinces, dated May 21, 1855.

Appendix K.—No. 1.

To the Secretary to the Government of Bengal.

Fort William, March 18, 1854.

Sir,

Salt.
E. Currie and
T. Bruce, Esqs.

The period of five years, for which the present rate of duty on salt (2 rupees 8 annas per maund) was fixed, will expire at the end of this month, and the Board are aware from your letter dated the 15th of April last, that it is the intention of Government to consider the future rate of duty to be charged, simultaneously with the subject of the sale price of Government salt, on which I had the honour, by direction of the Board, to address you in my letter dated the 13th instant.

2. Although the question of the amount of duty which it would be expedient to impose is one of a purely financial character, and must be determined mainly on financial consideration, it may not be considered out of place for the Board to submit a few remarks on the effects of past changes, and the probable consequences of any future reduction, as was done by the late Board of Customs in 1849.

3. Two Statements are annexed, of which one marked A, shows for the last twelve years the quantity and the proceeds of salt sold by wholesale, and imported. The retail sales, averaging about 9 lacs of maunds annually, are excluded from this statement, because the retail prices would not be affected by any change made in the duty on rowannah salt. The other Statement marked B exhibits, for the same period, the net revenue realized from salt, consisting of the net proceeds of the Government salt, after deducting all departmental charges, as given in the Accountant's Returns, with the addition of the proceeds of the import and excise duties.

4. There have been three successive reductions of duty of 4 annas each, by which the rate has been lowered from Rs. 3 : 4 per maund, the tariff rate of Act, No. XIV, of

1838, to Rs. 2:8 per maund. The first of these reductions had effect from the 1st of November, 1844; the second, from the 1st of April, 1847; and the third from the 1st of April, 1849. The reasons for a cautious and gradual reduction, in preference to a bolder and more decisive course, were fully discussed in Mr. Dorin's letter of the 18th of October, 1844. In making the first reduction, the Government were prepared for a present loss of revenue to the full amount of the remitted duty, and anticipated that, in the most favourable event, a long time would elapse before it could be made up by increased consumption.

5. The results of the two years immediately following the reduction were, however, so favourable, that the Bengal Government thought itself justified in urging upon the Government of India a further extension of the experiment. The out-turn of the year which followed the second reduction (1847-8) was also extremely favourable, and the statements which the late Board laid before Government in January, 1849, showed that, at the rate of consumption which had obtained during the previous twenty-one months, three-fourths of the deficiency, arising from the double remission of duty, had been already made up by increased deliveries of duty-paid salt; and that if the net revenue to be derived from salt were taken at the average of a course of years preceding the Report of the Select Committee of the House of Commons in 1836, there was "an ample margin for any further abatement of duty which the Government might be disposed to make." The third abatement was conceded in March, 1849.

6. It is now for the Government to determine whether the financial prospects and exigencies of the country are such as to warrant a further reduction. The Board stated in 1849, that, since the first remission of duty in 1844, the annual consumption had increased to the extent of 7 lacs of maunds. This statement was based on the results of only 21 months, a period much too short to give trustworthy data for a permanent average. It proves, however, to have been nearly correct; the average annual consumption of rowannah salt exceeds now by about 7 lacs of maunds, the average annual consumption previous to the year 1844-5, as will be seen by the figures given in the margin.* In this series of averages it will be observed, that the first reduction in October, 1844, and again the second reduction in March 1847, were followed by a very large increase of deliveries, but that, since the last reduction in March, 1849, the increase has been comparatively inconsiderable. It should be added, however, that, could the present year have been included in the last triennial period, the result would have been more favourable. The increase of 7,00,000 maunds at the present rate of duty Rs. 2:8, is nearly equal to one-half of the aggregate amount lost by the three successive reductions.†

7. Repeated enquiries have been made at different times, but it is difficult to obtain any trustworthy statistics regarding the trade on salt, or the price which the article bears in different parts of the country. Generally the information with which the Board has been furnished goes to show, that, since the late reductions, salt is supplied to the people at a cheaper rate, and in a much purer state than was the case formerly. It cannot, however, be doubted, that in some parts of the country the price is still so high as greatly to restrict the use of the article, if not to place it altogether out of the reach of the poorer classes, and, apart from financial considerations, it would be most desirable that further reductions should be made. But if the Board be permitted to offer a suggestion, they would say that, if any change is determined on, it should be to lower the duty at once to Rs. 2 per maund, the rate which prevails in the North-Western Frontier, instead of making only a 4 annas abatement as heretofore. By so considerable a reduction there would be a much greater probability of the price being at once reduced to the consumer, and a stimulus in consequence given to consumption, than if an intermediate rate of Rs. 2:4 were adopted, such a measure, however, would involve a present sacrifice of Rs. 27,00,000, with the prospects only of some portion of it being gradually made up hereafter by increased consumption. Fully to make up the amount just mentioned, would require, at 2 Rs. a maund, an increased consumption of 13½ lacs of maunds, and judging from past experience more than one-third of this increase could not, the Board think, be reasonably expected within the next five years. It is for the Government to judge what course should be adopted; but the Board would venture to remark, that the present moment, when the Government stocks are very low, and importation is more slack than it has been for many years past, is not peculiarly favourable for a change which might have the immediate effect of causing a sudden increase of demand.

I have, &c.,

A. R. YOUNG, *Officiating Secretary.*

* Annual average of deliveries of salt, excluding salt sold by retail.

				Maunds.
For three years ending with	1840-41	..	..	46,99,749
"	"	"	"	47,36,679
"	"	"	"	50,93,624
"	"	"	"	53,53,808
"	"	"	"	54,28,936

				Rupees.
† 12 annas per maund upon	47,00,000 maunds	..	..	35,25,000
7,00,000 maunds at	Rs. 2:8 annas per maund	..	..	17,50,000
Actual loss	..	..	..	17,75,000

Enclosure A.

STATEMENT showing the Quantity and Proceeds of Salt sold wholesale, and imported in each of the 12 years, from 1841-42 to 1852-53, inclusive.

YEAR.	Salt sold wholesale from Government Depôts.		Imported Salt paying Customs' Duty.		Salt sold wholesale from private Golahs, paying Excise Duty.		Total Quantity and Proceeds of Salt sold wholesale and imported.		REMARKS.
	Quantity.	Proceeds.	Quantity.	Proceeds.	Quantity.	Proceeds.	Quantity.	Proceeds.	
1841-42	Maunds. 39,59,336	Co.'s Rupees. 1,68,72,960	Maunds. 6,12,691	Co.'s Rupees. 18,45,119	Maunds.	Co.'s Rupees.	Maunds. 45,72,027	Co.'s Rupees. 1,87,18,079	The retail sales, averaging about 9 lacs of maunds annually, are excluded from this statement, because the retail prices would not be affected by any change made in the duty on rowannah salt.
1842-43	38,70,635	1,63,86,740	8,92,740	26,51,539	....	....	47,63,375	1,90,38,279
1843-44	39,07,624	1,63,05,622	9,67,013	28,80,355	....	....	48,74,637	1,91,85,977
1844-45	41,50,346	1,66,28,988	9,70,595	27,14,888	....	....	51,20,941	1,93,43,876
1845-46	33,99,275	1,30,48,886	15,81,986	44,31,057	....	....	49,81,261	1,74,79,943
1846-47	37,11,446	1,40,25,323	14,66,744	40,03,181	....	....	51,78,190	1,80,28,504
1847-48	39,88,541	1,38,49,068	16,15,084	42,07,269	....	....	56,03,625	1,80,56,337
1848-49	33,16,637	1,14,00,320	16,10,256	41,00,361	16,450	45,237	49,43,343	1,55,45,918	
1849-50	33,83,833	1,08,31,987	21,03,219	48,83,264	23,630	59,075	55,10,682	1,57,79,326	
1850-51	28,25,100	91,43,205	26,01,033	61,39,113	35,000	87,500	54,61,133	1,53,69,818	
1851-52	22,39,952	72,48,158	29,26,860	70,37,543	18,600	46,500	51,85,418	1,43,32,201	
1852-53	31,25,129	1,00,63,606	24,94,331	58,74,764	19,600	49,000	56,39,060	1,59,87,370	

Board of Revenue, Fort William, March 18, 1854.

A. R. Young, Officiating Junior Secretary.

Enclosure B.

STATEMENT showing the Net Revenue realized from Salt in each of the 12 years, from 1841-42 to 1852-53, inclusive.

Year.	Gross Proceeds of Salt sold by wholesale and retail from Government Golahs and under Excise.	Departmental Charges.	Net Proceeds of Salt Department.	Customs' Duty levied on Salt imported by Sea.	Total Net Revenue derived from Salt.	REMARKS.
	Co.'s Rupees.	Co.'s Rupees.	Co.'s Rupees.	Co.'s Rupees.	Co.'s Rupees.	
1841-42	1,91,85,094	55,73,657	1,36,11,437	18,45,119	1,54,56,556	
1842-43	1,86,37,062	52,31,371	1,34,05,691	26,51,539	1,60,57,230	
1843-44	1,85,03,829	58,69,299	1,26,34,530	28,80,355	1,55,14,885	
1844-45	1,88,49,201	55,98,792	1,32,50,409	27,14,888	1,59,65,297	
1845-46	1,53,33,547	49,20,515	1,04,13,032	44,31,057	1,48,44,089	
1846-47	1,64,52,146	42,66,983	1,21,85,163	40,03,181	1,61,88,344	
1847-48	1,58,64,351	35,94,141	1,22,70,210	42,07,269	1,64,77,479	
1848-49*	1,34,64,057	33,63,000	1,01,01,057	41,00,361	1,42,01,418	
1849-50	1,34,64,944	32,69,116	1,01,95,828	48,88,268	1,50,84,096	
1850-51	1,00,52,449	33,39,447	76,13,002	61,39,113	1,37,52,115	
1851-52	91,20,382	33,45,333	57,75,049	70,37,543	1,28,12,592	
1852-53	1,19,29,972	25,74,292	93,55,680	58,74,764	1,52,30,444	

* In 1848 the Excise system came into operation.

Board of Revenue, Fort William, March 18, 1854.

A. R. YOUNG, Officiating Junior Secretary.

BENGAL.

Appendix K.—No. 2.

To the Officiating Secretary to the Board of Revenue.

Sir,

Fort William, March 30, 1854.

I am directed by the Most Noble the Governor of Bengal, to acknowledge the receipt of your letter dated the 18th instant, discussing the question of altering the rate of duty now levied on salt, and in reply to inform you that, under all the circumstances of the case, his Lordship considers it inexpedient to make any alteration in the duty at present.

2. A communication to this effect will be made to the Honourable Court.

I have, &c.,

C. BEADON, *Secretary to the Government of Bengal.*

Appendix K.—No. 3.

To W. GREY, Esq., Secretary to the Government of Bengal.

Sir,

Head Quarters, Nynce Tal, April 9, 1855.

The Lieutenant-Governor, directs me to state, that he would be glad to be informed at the early convenience of the Bengal Government, of the views of the Lieutenant-Governor, and of the Board of Revenue at the Presidency, as to the importance of maintaining the special additional duty of 8 annas a maund on salt, now taken at Allahabad, with a view to the protection of the revenue on Bengal salt from competition with the western salts, on which, excepting on the Allahabad line, a duty of only 2 rupees is levied.

2. The Lieutenant-Governor would desire to relieve the population of the districts of the Benares division from this extra duty, which bears the harder on them that they are the furthest removed from the points at which the western salts are imported into these provinces, and the question has now become of pressing importance, as a new and extensive re-arrangement of the customs' line, under this Government is under consideration, upon which it might be found desirable to employ a portion of the establishment which is at present assigned to the Allahabad line.

I have, &c.,

W. MUIR, *Secretary to the Government of the N. W. P.*

Appendix K.—No. 4.

To the Secretary of the Government of Bengal.

Sir,

*Board of Revenue, Lower Provinces,
Fort William, May 4, 1855.*

Salt.
E. Currie and Mr. Under-Secretary Pratt's letter, dated the 16th ultimo, forwarding one from the J. Dunbar, Esqrs. Secretary to the Government of the North Western Provinces; and requesting the Board's opinion on the question, whether the additional duty of 8 annas a maund levied at Allahabad on salt passing eastward might not be abolished. In reply, I am desired to observe as follows:—

2. The question here proposed is mainly a financial one, and must, the Board apprehend, be determined in a great measure on financial considerations.

3. The quantity of western salt which passes Allahabad annually, is about 6½ lacs of maunds. From inquiries made at different times, it appears that Ghazeepore is about the point on the Ganges where the western salt is met by salt from Calcutta. The latter passes

up the Gogra, and is said to be consumed in the eastern pergunnahs of Azimgurh and Goruckpore.

4. The abolition of the 8 annas duty at Allahabad, would, of course, have the effect of very greatly extending the limits within which western salt is consumed. It is quite impossible to say what would be the amount of this extension; but it may be remarked that the consumption of the Behar districts is principally kurkutch from Madras, Bombay, and other places; and that the use of this salt would be at once superseded by Balumbha, from the westward, if the latter were offered at a lower price. The remission of the 8 annas duty, would pay twice over for the transport of the salt even to Calcutta, and the increase of its consumption would apparently be restricted only by the extent of the supply, and by the preference for boiled salt, which prevails generally in Bengal.

5. The financial result of the measure would thus be the loss of 8 annas a maund on the $6\frac{1}{2}$ lacs of maunds which is now actually charged with that tax, and a further loss at the same rate on an unknown, but certainly a very large quantity of imported and Bengal salt, which would be displaced by the lower taxed salt from the westward.

6. A bounty in the shape of a discriminating duty, would be given to the latter salt to the prejudice of all imported salt, and the native salt manufactured on account of Government. The effect would be greatly to discourage, if not altogether stop, the trade in salt with Madras, Bombay, Ceylon, the Red Sea, and other places, and to some extent with Great Britain also; and to place the native produce at a disadvantage in the market to the supply of which it has a natural claim.

7. The Board are of opinion, therefore, that as long as the Bengal duty remains at its present rate, it would be very inexpedient to discontinue the additional duty levied at Allahabad. Did the finances of the country admit of it, the Board would be very glad to see the Bengal duty reduced to 2 rupees, when, of course, the Allahabad, additional duty would be discontinued, and the trade in salt would be free and uninterrupted throughout the Presidency; but the present juncture, when the Government stocks are very short, and the present unfavourable season threatens to reduce them to the lowest ebb, if not to produce an actual dearth of salt, would, the Board think, be unpropitious for the change. On this point they would beg to refer his Honour to their Report of March 18, 1854.

I have, &c.,

H. V. BAYLEY, *Junior Secretary.*

Appendix K.—No. 5.

To W. MUIR, Esq.; Secretary to the Government, North Western Provinces.

Sir,

Fort William, May 21, 1855.

I am directed to acknowledge the receipt of your letters noted in the margin,* relating to a proposal that the special duty on salt passing to the eastward of Allahabad shall be abolished, and requesting the opinion of the Lieutenant-Governor of Bengal on the proposal so far as it may affect the interests of the Lower Provinces.

2. I am instructed in reply to forward the accompanying copy of a Report on the subject, received from the Board of Revenue at this Presidency, and to state that the Lieutenant-Governor does not see how the objections to the proposed measure therein advanced can be satisfactorily met.

3. A copy of the Board's Report, together with the above expression of the Lieutenant-Governor's opinion on the subject, will be forwarded to the Supreme Government, in accordance with the wish intimated in the 4th paragraph of your letter to the address of the Financial Secretary, dated the 20th ultimo.

I have, &c.,

W. GREY, *Secretary to the Government of Bengal.*

April 9, 1855. April 20, 1855.

APPENDIX L.

Extracts from Minutes of Evidence, taken before the Select Committee of the House of Commons on Indian territories, in 1853, in relation to the Retail Sale of Salt by the Government, in the manufacturing localities, and their neighbourhood, at reduced rates of Duty.

Extracts from the Evidence of D. C. AYLWIN, Esq.
 Extracts from the Evidence of F. W. PRIDEAUX, Esq.
 Extracts from the Evidence of F. J. HALLIDAY, Esq.

Appendix L.—No. 1.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories, in 1853, in relation to the Retail Sale of Salt by the Government, in the manufacturing localities, and their neighbourhood, at reduced rates of Duty.

Extracts from the Evidence of D. C. AYLWIN, Esq., a member of the Firms of Messrs. Aylwin and Co., at Calcutta, and Aylwin, Brown, and Stacey, at Akyab.

6966. What is your reason for thinking that the return of the Government is not correct, as to the cost of their salt?—Simply because it has not realized the amount of duty which has been derived from the duty levied upon imported salt. Supposing 100 maunds of salt are manufactured by the East India Company every year, and supposing the duty upon foreign imported salt is three rupees a maund, and that the Government is selling this salt of theirs for 350 rupees, if they do not realize 300 rupees as net revenue or profit, it is clear that the salt has cost them more than 50 rupees.

6967. Is the Committee to understand that you infer that the price which the Government alleges to be the cost of production is not the real cost of production?—Most assuredly; I state it, and am prepared to prove it. This list that I am now quoting from, which I had from Mr. Melvill, there can be no cavilling at. Here is a statement, in the handwriting of a gentleman in the East India House, that the amount of salt manufactured, from the year 1845-46 to 1851-52, was 2,95,29,421 maunds. Taking the average rate of duty which has been levied upon foreign imported salt it ought to have given a net revenue, and would have given a net revenue, had the whole of it been foreign imported salt, of 8,06,26,003 rupees. That is the revenue that would have been derived had this salt been all foreign imported salt; but we find, on the contrary, that the actual revenue derived (this is taken from the Parliamentary Papers published annually) was only 6,92,53,633 rupees, or 1,137,237*l.* less than it would have been had this salt been all foreign imported salt, paying the customs duty that is levied upon foreign imported salt: whence it is clear the local Government have, during these years, been selling their salt by this amount (that is 1,137,237*l.*) less than what it actually cost them; or, in other words, have been imposing a preferential duty to this extent, on their own manufactured salt.

6969. Your inference from that statement is that a greater revenue would be derived by the Company, from the duty on imported salt, than they now derive from the profit on the manufacture of it; but how does that prove that the actual cost of manufacture is different from that which they state to be the cost?—Because they do not, as they profess, realize the net duty on imported salt.

6970. I understand you to deduce, from those figures, that there was discrepancy between the actual cost of manufacture and the alleged cost; how do those figures lead to that inference?—The East India Company, upon several occasions, as I have just shown, have stated that they fixed the price at which they sell their salt at the cost of manufacture plus the duty; now the figures which I have given clearly prove that they do not do that, whatever else they may do. You may place the deficit either against the import duty or against the cost of manufacture. If against the former, then the Bengal Government are striving to maintain their manufacture against their Cheshire rivals, by a protective duty; if against the latter, then most clearly they are not realizing the avowed cost of their manufacture. It must come off either one or the other. Here we have a price at which they

sell their salt, which price they say is the cost of the manufacture plus the import duty. Now we find that they do not realize the amount of import duty. Then, I repeat, it comes to this: either the deficit is taken off the import duty, in which case they are giving a preferential duty in favour of their own manufacture, or it comes, as I assert, off their own manufacture; whichever way it is done, it amounts to the same thing.

6971. How does it appear that they do not realize the amount of the import duty?—By calculating the number of maunds which have been made by the East India Company, and seeing the amount of duty which is charged upon imported salt, we find that they have not realized that amount. If they ceased their illegal manufacture and (as they ought to) derived their revenue from foreign imported salt, they would realize the entirety of the duty: instead of comparatively losing, as they now do, some 200,000*l.* per annum by manufacturing.

6984. You have stated that your impression is that, provided the Company adheres to the resolution of charging to the consumer the cost of production plus the amount of duty, the result has been that there has been a less amount than the real cost of production obtained by the sales, and that the Company would obtain an equal, or a larger, amount of revenue by relying entirely upon the duty on the import of foreign salt?—Yes. The fact is this: either these statistics (furnished me by the East India Company) are correct, or they are incorrect. If they are correct, it is clear that, within the last seven years, the East India Company would have derived nearly one million and a quarter more revenue by a customs duty on foreign imported salt, than they have derived from the profit of manufacturing.

7075. It is your opinion that the Government actually lose by the manufacture of salt and that they do not place the home-manufactured salt in fair competition with the imported salt?—It is not only my opinion, but, it is a positive matter of fact that the Government, since 1790-91, with the exception of five years, have made a comparative loss by manufacturing salt, to what they would have done by having the customs revenue, amounting now to close upon 12,000,000*l.* sterling; and that they are putting a protective duty upon their own salt, to exclude British and other manufactures from entering into competition with their own.

Extracts from the Evidence of F. W. PRIDEAUX, Esq., Assistant to the Examiner of India Correspondence.

7266. The second column in the table you have put in exhibits the amount of retail sales; where do those retail sales take place, and how are they regulated?—The retail sales take place within the salt-producing districts. It was found impossible to realize the full amount of revenue within the salt-producing districts, from the great facility of smuggling: every man might so readily procure sufficient salt for his own family, that, in order to obtain some revenue, and partly to prevent the people being tempted, by the high rate of duty, to break the law, retail shops are established, at which salt is sold in small quantities, at a very reduced price; the price varies according to local circumstances, but it is always considerably within the duty.

7267. Though that is an advantage to the consumer, it is to the prejudice of the importer of British salt, is not it?—It is only within particular districts; the salt cannot pass out of those districts; it is only for the consumption of the districts in which experience has shown it to be impracticable to raise the full amount of the revenue. To those districts, the imported salt would never reach. It does not interfere in the slightest degree with the consumption of the interior of Bengal; it is merely in the salt-producing districts round the head of the bay, and it is always distinguished in the returns.

7268. It would appear that that reduced price upon those retail sales must interfere with the import trade, unless the price of other descriptions were so high as to give an additional stimulus to the production of the contraband production in those places; is that the case?—No doubt it would be so; but when it was attempted to raise the whole duty, experience showed that it was practically impossible. It was very much like attempting to make a man pay a heavy tax on the consumption of water, when the Thames flowed by his door.

7269. So that it would operate equally against imported salt and salt of Government manufacture?—Yes.

7270. They are obliged to sell salt cheaply in the manufacturing districts, in order to get any revenue from salt?—Yes.

7284. It has been stated in evidence that the East India Company sustain a loss by the manufacture of salt in Bengal, that is, that if all the salt consumed were imported on payment of a customs' duty, the salt revenue would be greater than it now is; is that your opinion?—I have seen the same statement made in print. I believe the way it is arrived at is, by including in the sales of salt the whole of the retail sales, on which, I have already explained, the full amount of the revenue is not now raised, and experience has shown it is impossible that it should be. I believe upon a statement of the wholesale sales of salt for the interior of Bengal, which is that only which can be fairly taken into account, no such

inference can be drawn. On that not only an amount equivalent to the import duty, but even more than the import duty, is now raised, in consequence of those charges to which I have before alluded being taken into account in calculating the cost price, which, I believe, ought to be excluded from it.

Extracts from the Evidence of F. J. HALLIDAY, Esq., Secretary to the Government of India, Home Department.

7592. A paper has been put in to the Committee which, according to its figures, would show that the net amount received by the Company, from its system of contractors for the manufacture of salt in Bengal would not correspond with the amount which it would receive if an equivalent quantity of salt were imported, paying the duty fixed by the Government. It exhibits a very considerable difference. The sales of the Government salt ought, according to the statement referred to, to have produced 8,06,26,003 rupees during the space of seven years, from 1845-46 to 1851-52, while the official returns of the East India Company only show a net profit, during those seven years, of 6,92,53,633 rupees; can you explain to the Committee how that discrepancy arises?—I understand Mr. Aylwin to have attempted to show, by this statement, that the Government does not act up to its professed principle of selling at the minimum price, composed of the real costs and charges of the manufacture, plus the duty; but that, on the contrary, it sells at a less price, which, as the duty must remain the same, proves, in his opinion, that the Government under-calculates, and, as I understand him, purposely under-calculates, the costs and charges; thereby committing a fraud upon the public, and imposing a differential duty in favour of its own salt and against the imported salt, for the express purpose of keeping out the latter. That is the understanding which I gather from his evidence. He shows it in this way: that whereas in those seven years, from the figures derived from the India House, and therefore not to be challenged in point of correctness, the Government has manufactured and sold wholesale and retail a total amount of 2,95,29,421 maunds, which, at the different rates of duty prevalent in those years, varying from 3 rupees to 2 rupees 8 annas, ought to have produced 8,06,26,003 rupees; they have in fact, after deducting the charges of manufacture agreeably to the figures which he has here furnished, only realized 6,92,53,000 rupees. The difference between these two sums of 8,06,26,003 rupees and 6,92,53,000 rupees represents, in Mr. Aylwin's statement, the amount by which the Government has defrauded the public and evaded its own declared principle, by levying a differential duty against the imported salt. Upon looking at this statement, with the aid of details which are to be obtained at the India House, I find it open to the following corrections. In the first place, the total amount of salt sold and manufactured is composed of two items: salt sold at the golahs wholesale, and salt sold retail in the salt-producing districts. Mr. Aylwin has calculated the duty, during those years, upon both those columns alike, being probably unaware of the fact that the salt sold by retail in the districts of manufacture, in the manner explained to the Committee on the last day by Mr. Prideaux, is sold at a very much lower rate than the salt sold wholesale, which has been found to be necessary, in order to secure any salt being sold there at all. The average difference in those seven years between the profit, which in this case may be called revenue, realized upon the wholesale sales of salt, and realized upon the retail sales of salt has not been less, but in point of fact has been more than 1 rupee 2 annas a maund. That reduces the amount given in those columns by Mr. Aylwin, as the revenue which ought to have been realized, from 8,06,26,003 rupees to 7,32,33,697 rupees; a very important reduction from the amount which, on Mr. Aylwin's own principles, ought to have been realized by the Government under this system. On the other hand, in the column of charges of manufacture and collection, &c., which obviously according to the principles assumed by Mr. Aylwin, and admitted by the Government, ought to include only the real costs and charges, exclusive of all costs of prevention, Mr. Aylwin has, from not having had recourse to the detailed accounts, included both. Now the costs of prevention, during those seven years, averaged more than 8 lacs of rupees a year. For the seven years, taking it only at 8 lacs, the amount to be deducted from this column is 56 lacs of rupees. After you have made that correction, the charge of manufacture, instead of being 2,51,42,976, is in reality 1,95,42,976. Deducting that corrected account from the column of gross revenue, instead of the amount which Mr. Aylwin has deducted, you have the actual net profit which should have occupied this column, according to the precise accounts of the department; not as Mr. Aylwin has stated, of 6,92,53,633 rupees, but 7,48,53,633 rupees, that is to say, whereas, in Mr. Aylwin's statement, the amount which the Government has received is greatly less than the amount which they ought to have received, which deficit he puts down to the account of fraud, the fact, upon correcting the accounts is, that the amount which they have received is greater than the amount which they ought to have received; and, therefore, the Government system has told against itself, and in favour of, instead of against, the importer.

7593. I understand you to say, that this difference arises, in the first place, from the Government not deriving upon the retail sales the profit of 2½ rupees, but only of 1 rupee 2 annas; and in the next place, from the column in Mr. Aylwin's statement of "charges of manufacture," including a large sum for the preventive service, which ought not in justice to be ascribed to the cost of production?—Precisely so.

7594. It appears that the retail sales amount to nearly one-fifth of the whole of the sales, and upon those retail sales there is a difference to the prejudice of the importer of

1 rupee and 2 annas per maund; how do you explain that?—It would be to the prejudice of the importer, if the imported salt could possibly find its way into the Bengal manufacturing districts; that, in Bengal we hold to be impossible; but I imagine, if the importer should wish to try it, there would be no great objection to allowing him to do so. Considering that the salt is manufactured at a cheap rate in those districts, and in large quantities, and that the imported salt must be carried there, generally in a round-about way, it is not likely, we think, that any importer would ever endeavour to carry his salt there, even at the low rate at which the Government is obliged to sell its salt on the spot. If, however, any importer were to wish to try the experiment, and if any plan were presented to the Government for that purpose, which would reasonably secure it against smuggling arising out of the transaction, I dare say there would be no difficulty in allowing the importer his full share of any advantage arising out of it.

7595. If the importer could import salt, paying a duty of only 1 rupee 6 annas, you think he could not compete with the Indian manufactured salt, on account of the cost of transit to those places where the Government was selling with a profit of 1 rupee 6 annas?—I think it very likely that he could not; I cannot imagine that he could; but if any importer thinks he could, and the experiment could be so tried, as to secure the Government fairly against the chance of increased smuggling arising out of the system, I imagine there would be no objection to allowing the experiment to be made. No importer has yet offered, or dreamed of making such an experiment; and it still remains to be shown whether any importer ever will.

* * * * *

7643. Are you of opinion that the present system of retail sales of salt in the manufacturing districts of Bengal, at prices considerably lower than the price of manufacture, plus the duty, is in accordance with the resolution of the House of Commons' Committee in 1836?—I think it is in accordance with the spirit of the resolution. It is not strictly in accordance with the letter, but it is most perfectly in accordance with the spirit of the resolution, for the reasons which I gave before; namely, that the imported salt does not, in fact, and cannot, as I believe, come into competition with that salt in the manufacturing districts; and next, that the difference given up in those districts is, in fact, a charge of prevention; it prevents a great amount of smuggling, which under any other circumstances must take place in those districts, and which, to that extent, would displace an equal quantity of either manufactured or imported salt.

7644. Do you recollect that this question was considered by the Bengal Government?—I am not aware of any special consideration.

APPENDIX M.

Separate Papers relating to the Consumption of Salt per head.

No. 1.—Extract from Colebrooke's Remarks on the Husbandry and Internal Commerce of Bengal, printed at Calcutta, 1804, pages 20 to 22.

No. 2.—Memorandum by Mr. PARKER, dated July 9th, 1829, selected from the Records of the Salt Board.

Enclosure.

A. Statement exhibiting the result of the Inquiries instituted by the Board of Customs, Salt and Opium, with a view to ascertain the actual Consumption of Salt per head of several individuals and families of various ranks and incomes.

No. 3.—Extracts from a Paper entitled Contributions to the Statistics of Bengal,—Income, Expenditure, and Food,—By J. R. Bedford, Esq., Bengal Medical Staff.

Appendix M.—No. 1.

Extract from Colebrooke's Remarks on the Husbandry and internal Commerce of Bengal printed at Calcutta, 1804, pages 20 to 22.

3. Remains to compare the estimated population with the consumption. The food of an Indian is very simple; the diet of one is that of millions, namely, rice with split pulse, and salt to relieve its insipidity. Two and a-half ounces of salt, two pounds of split pulse, and eight pounds of rice, form the usual daily consumption of a family of five.

persons in easy circumstances. Or, according to another estimate, four máns of rice, one mán of split pulse, and two and a-half sérs of salt, suffice for the monthly consumption of a family of six persons, consisting of two men, as many women, and the same number of children. Whence we deduce for the average consumption of salt in a year, five sérs, or ten pounds a head, according to either estimate; or, admitting a chatac a day for four persons, as is estimated where salt is moderately cheap, the annual consumption of each person is a little more than five and a half sérs, but less than twelve pounds. The annual sales of salt, under the monopoly of that article by Government, exceeded 35,00,000 máns, on an average of five years ending in 1793. The quantity, and the price for which it has been sold, have since been much increased; and it is certain, that no precautions can entirely prevent smuggling. The exports from Bengal into Assam and other contiguous countries, though not inconsiderable, are probably balanced by the contraband trade, and by the illegal manufacture of impure salt obtained from ashes, and from the mother of nitre. These impure sorts, which are deemed salutary, and even necessary for cattle, though not equally so for men, were often employed by retailers in adulterating sea-salt; and were also voluntarily consumed by the poor: probably they still are so, in some degree, though less than heretefore. The quantity of salt consumed in Bengal and Behar, certainly exceeds 40,00,000 máns, exclusive of Benares, the consumption of which is supplied by its own manufacture, joined with importations from Sambher and other places. That quantity, compared with a supposed population of thirty millions of people, would indicate an annual consumption of nearly eleven pounds a head: but if we suppose the population not to exceed twenty-four millions, we must then rate the average consumption of salt so high as fourteen pounds; which exceeds all experience in India, even where salt is cheapest.

Appendix M.—No. 2.

Memorandum by Mr. PARKER, dated July 9, 1829, selected from the Records of the Salt Board.

Without the most minute and patient inquiry, it is almost impossible to arrive at the real daily consumption of salt by a native in the middling or lower classes. Few think the cost of sufficient consequence to be remembered, from which a fair inference may be drawn that their expense for the article is not found very burthensome; neither do many of the rich families keep any accounts of the article, salt, generally professing to consider it as not worth a particular heading, but bringing it into their house accounts amongst sundries for the use of the kitchen. This, however, ought not to be considered extraordinary, as very few English families in Calcutta could explain what quantity of salt is consumed in their houses annually; and if we advert to England, we shall find a similar want of information on the subject very common there, in short it can only be in countries where salt is exorbitantly expensive and scarce, that it can ever become an object with each individual to keep a regular account of its cost. In Bengal, Behar, and Orissa, where the highest rate a man could pay for his whole year's supply has never amounted to more than one rupee, and does not amount now to above twelve annas, the small daily, or monthly, expenditure is neither felt, or thought of, even by the poorest class. This circumstance, however, stands very much in the way of our acquiring accurate information, except in instances where the regularity of some particular household or individual has led, as a matter of custom, to the keeping of a separate head in the bazaar accounts for salt, in all other cases the first answer a native gives to the query of how much salt do you consume per diem? is, "I dont know," the next "Andaz ek chittack"—about one chittack—if shown the quantity and told to speak more particularly to the point, he *thinks* he is able to eat about half a chittack. If told to state the quantity he brings daily from the bazaar, he says he does not know the weight of the salt which he obtains for his money, as he never weighed it, it is about a pie's worth of salt for himself and his family. He is requested to bring it, and then on its being weighed, it turns out, almost invariably, to be at the rate of a catcha, or quarter of a chittack per head per diem, for himself and those who eat with him. But the difficulty is not entirely overcome, for if he is further asked whether he consumes the entire supply during the day, he replies not always. I merely venture to advert to the aboye facts, in order to exemplify the difficulty of arriving at the truth, in any inquiry to ascertain the consumption of salt by individuals, without much perseverance and some management.

H. M. PARKER, Secretary.

Enclosure A.

STATEMENT exhibiting the result of the Inquiries instituted by the Board of Customs, Salt and Opium, with a view to ascertain the actual Consumption of Salt per head of several Individuals and Families of various Ranks and Incomes.

Nos.	Names of Heads of Families or Persons providing for their Associates.	Profession or Condition in Life.	Monthly Income of every description.	Persons in each Family.		Annual Consumption of Salt for the Family.	Annual Consumption of Salt per Head.	REMARKS.
				Description.	No.			
1	Ramkistno Chatterjee ..	Sircar in the employ- ment of Messrs. Payne and Co. ..	Sa. Rs. A. P. 7 0 0	{ Grown up Persons 3 } { Children 3 }	6	Srs. Chs. 24 0	Srs. Chs. 4 0	<p>* These are grown men, in the prime of life, well paid, and living as well as a <i>Moosulmaan</i> manjees and dandees in a Government boat may be supposed to live; yet if the entire population of the rowannah provinces was Mohomedan and of this class, and if no allowance were made for the smaller consumption of women and children, how nearly our calculations of average annual consumption would be correct.</p> <p>(a) This individual was particularly asked whether he did not desire a larger supply of salt, to which question he replied in the negative.</p> <p>(b) This person, it will be observed, has the same family and a smaller income than No. 6, yet he consumes a larger quantity of salt.</p> <p>(c) Exclusive of what is expended at feasts given to Brahmins; but of course those persons, while eating salt at the house of the entertainer, consume none at home. This information is from the account books of the family.</p>
2	Buxoo Tindall provides for his associates ..	Tindall of a boat ..	64 0 0	Grown up ..	15	*91 1	6 1 $\frac{1}{2}$	
3	Gooroopersaud Seit ..	Sircar	35 0 0	Persons ..	15	86 10	5 12 $\frac{1}{2}$	
4	Moheschunder Ghose ..	.. ..	20 0 0	Persons ..	7	46 15	6 11 $\frac{1}{2}$
5	Keaumuddy (a) ..	Peon	5 0 0	{ Grown up 3 } { Children 3 }	6	12 0	2 0	
6	Ramkissore	Weaver	5 0 0	Grown up ..	2	12 0	6 0	
7	Khodabuksh	Nychabund or hookah snake-maker ..	4 0 0	{ Grown up 3 } { Child 1 }	4	12 0	3 0	
8	Nusseeram Mookerjee (b) ..	Brahmin	4 0 0	Grown up ..	2	15 0	7 8	
9	Bissonath Motec Lall (c) ..	Darogah of the salt go- lahs and zemindar }	3,000 0 0	{ Grown up .. Children .. }	{ 46 } { 2 }	288 0	6 0	
10	Gooie	Tailor	6 0 0	Grown up ..	3	21 0	7 0	
				Carried over..				

Enclosure A.—Statement, &c.—continued.

Nos.	Names of Heads of Families or Persons providing for their Associates.	Profession or Condition in Life.	Monthly income of every description.	Persons in each Family.		Annual Consumption of Salt for the Family.	Annual Consumption of Salt per Head.	REMARKS.
				Description.	No.			
			Sa. Rs. A. P.			Srs. Chs.	Srs. Chs.	
11	Rampersaud Doss	Translator	200 0 0	Brought over ..	14 } 6 }	120 0	6 0	<p>(d) On this statement entire reliance may be placed. The account books of the family were submitted for inspection, and the result quoted shows the total supply of salt for all the consumption and waste of an opulent household, without making any reduction for the proportion expended in entertainments to friends and visitors, which should in fact (with a view to show the real amount per head used in the family) be deducted from the 450 seers, if the quantity could be ascertained.</p> <p>(e) In this case, the individual was brought in as he was returning from the Bazaar, with the salt for himself and the other Sayces; it was weighed and found to amount to exactly 2 chittacks, which he explained was an ample daily supply when they eat meat, but more than sufficient when they did not eat meat, in which case the remainder was reserved for the succeeding day's consumption.</p> <p>* By unknown is meant that the number of grown-up persons and the number of children has not been ascertained.</p>
12	Ram Doss, with 9 others ..	Bearers	48 0 0	Grown up ..					10	45 0	4 8
13	Baboo Dwarkanath Tagore (d)	Dewan and zemindar ..	18,000 0 0	Grown up ..	55 } 15 }	450 0	6 6½	
				Children ..					15
14	Wasil, eats with 5 others (e)	Sayce	30 0 0	Grown up ..	6	45 0	7 8	
			for the 10 persons					
			for the 6 persons.					
15	Junglee	Sweeper	12 0 0	Grown up 3 } Child 1 }	4	24 0	6 0	
			including wages for his wife.					
16	Golaun Dacod	Jemadar	13 0 0	Grown up 6 } Children 3 }	9	36 0	4 0	
17	Bissonanth Bhuttacharjee ..	Sircar	30 0 0	Unknown* ..				20	123 0	6 2
18	Kissen Mookerjee	Ditto	12 0 0	Grown up 15 } Children 5 }	20	112 8	5 10	
				Carried over ..				

Enclosure A.—Statement, &c.—continued.

Nos.	Names of Heads of Families or Persons providing for their Associates.	Profession or Condition in Life.	Monthly Income of every description.	Persons in each Family.		Annual Consumption of Salt for the Family.	Annual Consumption of Salt per Head.	REMARKS.
				Description.	No.			
			Sa. Rs. A. P.			Srs. Chs.	Srs. Chs.	
19	Cassinath Mullick (f) ..	One of the most opulent families in Calcutta }	50,000 0 0	Brought over .. Unknown ..	30	240 0	8 0	(f) In this instance, the large expenditure arises from the caste of the family, which compels them at their feasts to present each guest separately with salt, instead of having it used in dressing the dishes provided for the entertainment.
20	Ramdhun Mookerjee ..	Banyan	300 0 0	Ditto	13	96 0	7 6½	
21	Ramjee bearer and his set ..	Bearers, 6 in number ..	30 0 0	Grown up ..	6	36 0	6 0	
22	Sonahoollah	Bookbinder	6 0 0	Unknown ..	10	45 0	4 8	
23	Gourchund Banerjee ..	Sheriff's dewan and zemindar ..	2,000 0 0	Ditto	70	480 0	6 13½	
24	Ramtonoo Buttachaj (g) ..	Pundit in Bow Bazaar	(g) This individual receives young men, whom he boards and lodges as scholars; he delivers the allowance of salt on a fixed day, once a week, to each pupil; the quantity is 2 chittacks for the weekly consumption, making 8 chittacks per month, or 6 seers per annum per head.
25	Annunda Sein	Cabinet maker	Unknown ..	Unknown ..	20	108 0	5 6½	
26	Bhugwant Oollah	Moonshee	15 0 0	Grown up 13 } Children 4 }	17	85 15	5 1	
27	Aymut Odllah	Peon	4 0 0	Grown up ..	1	5 11	5 11	
28	Loochun	Tannadar, with 3 naibs, and 36 chowkeydars, who all feed together at chowkey No. 10 ..	184 0 0	Grown up ..	40	273 12	6 13½	
29	Teen Cowry and others ..	Fishermen, sellers of vegetables, coolies, petty tradesmen, and others in the Barra Bazar ..	Uncertain.	{ Grown up } persons }	60	342 0	5 11	
30	Parbuttychurn Banerjee ..	Formerly opium dewan and zemindar ..	1,500 0 0	Grown up 46 } Children 9 }	55	273 12	4 15½	
				Carried over ..				

Enclosure A.—Statement, &c.—continued.

Nos.	Names of Heads of Families or Persons providing for their Associates.	Profession or Condition in Life.	Monthly income of every description.	Persons in each Family.		Annual Consumption of Salt for the Family.	Annual Consumption of Salt per Head.	REMARKS
				Description.	No.			
31	Gunganarain Biswas..	Writer	Sa.Rs. A. P. Unknown ..	Brought over..	10	Srs. Chs. 57 0	Srs. Chs. 5 10½	<p>The whole of the above information has been obtained from individuals selected from all classes indiscriminately—none of whom had the slightest reason for returning a wilfully incorrect answer to the questions proposed—with a single exception, they were unanimous in declaring that they could not consume a larger quantity of salt if delivered to them for nothing. The rich and middling classes indeed have so little cause to care for the price of the article, that they would scarcely be constrained from consuming to the utmost required extent by the difference between purchasing or obtaining salt as a free gift.</p>
32	Gunganarain Ghose ..	Ship sircar	30 0 0	Grown up 8 } Children 2 }				
33	Ramdhun Doss ..	Writer in Mr. Attorney } Wodsworth's office }	55 0 0	{ Grown up 18 } { Children 13 }	31	157 8	5 14½	
				Total ..				
				Average per head per annum	5 15½	
Scholars of the Free School*					279	919 0	3 4½	

APPENDIX TO SALT REPORT.

Appendix M.—No. 3.

Extracts from a Paper entitled Contributions to the Statistics of Bengal, Income, Expenditure, and Food. By J. R. Bedford, Esq., Bengal Medical Staff.

The relation between income and expenditure existing in any given community, affords a fair index to the soundness of its condition, and general prosperity. If the average rate of labour be such as to provide all able-bodied men and their families with a sufficiency of food, clothing, and shelter, it must be conceded that such a population is in the possession of some of the primary, if not most important, elements of happiness, as applicable to a certain stage of civilisation.

It has been, and is, the custom to represent the peasant-inhabitant of Bengal as weighed down by the pressure of land taxation to a point at which he can barely support life. That great suffering occasionally arises from the local deficiency of the staple article of food, must be conceded, but such is due to imperfect means of intercommunication, rather than inability to meet its average cost. As far as my own experience goes, the average income of the Bengal peasantry, by which term I desire to express small landed proprietors, day-labourers, and the general mass of the people, suffices for all the necessary outlay of their position. It is an incontrovertible fact that debt largely prevails, but this would appear to be due rather to the enormous rate of interest which is taken, and the comparatively excessive sums lavished on occasional ceremonies, than upon any actual necessity, in regard to the necessaries of life.

Desirous of attempting some analysis of the condition of the people, I constructed the following table, when in charge of the Civil Station of Chittagong. The subjects of inquiry were, patients attending the dispensary. Their ailments were first attended to, and the facts tabulated below, obtained by inquiry immediately afterwards, through the zealous assistance of Bábu Buddináth Brimo, the Sub-Assistant Surgeon.

They are not offered as absolute truths. Those who have had any practical experience of the great difficulty of making statistical inquiries in Bengal, will fully understand how far they may deviate from correctness. But examining the facts here noted, seriatim, I think sufficient intrinsic evidence of their reliability will be found to confer upon them the character of approximate truths. The table comprehends every ordinary item of expenditure, except that incurred on account of live-stock, which has been accidentally omitted, and the probable amount of which must of course be deducted from the balance when in favour.

With the view of rendering the questions, and consequent information, as clear as possible, it was agreed that the inquiry should embrace the condition of its subjects during the past twelve months only.

Table exhibiting the Monthly Income and Expenditure of 100 Families in Zillah, Chittagong, Bengal, 1849, in Rupees, Annas, and Pies—continued.

No.	Name.	Caste.	Employment.	Number of Dependents.			Income per Month.					Monthly Expenditure of whole Family.														Is supply of salt sufficient?									
				Wife.	Children.	Brothers &c.	Husband.	Wife.	Other Members of Family.	Monthly Produce of Land.	Total.	No. of Live Stock.	Rice.	Dhal.	Salt.	Fish.	Meat.	Pepper and Spices.	Vegetables.	Milk.	Fuel.	Tobacco.	Oil.	Clothing.	Schooling.		Rent of House.	Rent of Land.	Total.	Balance.					
													12	13	14	15	16	17	18	19	20	21	22	23	24		25	26	27	28					
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29					
	Ramdhun...	H.	Shopkeeper	...	...	2	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	...	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	R. A. P.	Yes				
	Abdool ...	M.	Ryot	...	...	3	...	...	2 0 0	1 2 0	5 10 0	4 Cows	2 0 0	...	0 2 0	0 4 0	...	0 1 0	0 4 0	...	0 4 0	0 1 0	0 3 0	...	0 1 0	0 2 0	3 0 0	3 0 0	...	...	...	
	Ramjan ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Brojonath ...	H.	Fisherman	...	...	2	...	...	0 8 0	3 4 0	5 12 0	5 Cows	1 8 0	...	0 2 0	0 4 0	...	0 1 0	0 2 0	...	...	...	...	...	...	...	...	...	...	...	...	...
	Pucharam ...	H.	Chowkeydar	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Mohjan ...	M.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Toolseyram ...	H.	Weaver	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Raj Chunder ...	H.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bachagazy ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Mahomed Bokey ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Torabon ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Kurimbux ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Dhongazy ...	M.	...	...	...	2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Hurrilur ...	H.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Rohim Khan ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Jenat Olla ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Cumser Ally ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Saker Mahomed ...	M.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Basseeram ...	H.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Baker Ally ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Mahomed Hossen ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Prosudram ...	H.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Cassim Ally ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Womed Ally ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Dil Mahomed ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Currim Olla ...	M.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Buxu ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Assen Olla ...	M.	Tailor	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bacur Ally ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Futtay Ally ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Tufun Ally ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bussarat Ally ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Hyder Ally ...	M.	Servant	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bemjoy ...	H.	Manjee	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Allif Khan ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Muvur Ally ...	M.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Allif Khan ...	M.	Gardener	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Hassen Ally ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Shriram ...	H.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Annu ...	M.	Laacar	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Mahomed Ally ...	M.	Chuprassee	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bucker Ally ...	M.	Peon	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Chamra ...	H.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Sonaram ...	H.	Bearer	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Bux Ally ...	M.	Ryot	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Mahomed Ropoy ...	M.	Cooly	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Cumner Ally ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Kutub ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Abdool Rohim ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Calla Gazy ...	M.	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

* Balance against.

The mean wages of the husbands amount to Co.'s rupees 3-3-5, whilst those of the wives are 3as. 1p.: columns 12 and 13 show us, that, whilst by far the largest proportion of the sums devoted to food is spent in rice, dhal is consumed in very small quantity. The outlay on salt exhibits a large figure in column 14, whilst column 29 was formed with the view of ascertaining whether they obtained a sufficiency of this important condiment. •

Having thus endeavoured to determine the average income and expenditure of one hundred families, who may be regarded as types of the great mass of the inhabitants of Bengal, it became a point of interest to ascertain the actual quantity and quality of food consumed daily by the same class. No opportunity for effecting this inquiry occurred during my subsequent stay at Chittagong. As soon as I became sufficiently acquainted with Rajeshaye, however, I put it in operation. Forms of inquiry regarding the separate daily consumption of food of twenty men were accordingly placed in the hands of six darogahs, attached to the same number of separate thannahs of Rajeshaye. These were accompanied by full instructions to the effect that twenty inhabitants of the nearest village should be individually and separately, questioned as to the amount and kind of food daily consumed by each. On my receipt of these detailed tables, the totals for every five men were tabulated as below,* and from their total again the mean quantity was computed. The fact of six returns, made by as many separate inquiries, differing so little from each other in mean results, and approximating so closely to the table formed by myself, on which I bestowed considerable care, gives them a claim to reliability, which in the absence of such checks they would have failed to possess.

* Tables 1 to 4.

TABLES 1 to 4, showing the Average Quantity of Food consumed Daily by Four Classes of Adult Men in Zillah Rajeshaye, in the Month of March, 1852.
N.B. In Kutcha Weight—Seers, Chittacks, and Kachas.

No. 1.

Number of Men subjected to inquiry.	Names of the Thannas and Ghatees at which inquiry was made.	Total quantity and kind of Food consumed by Hindoo Ryots.									
		Rice.	Dhal.	Salt.	Fish.	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	2	3	4	5	6	7	8	9	10	11	12
		S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
5	Bauleah	5 6 0	1 5 0	0 5 1	..	..	0 1 1	1 2 0	..	0 4 2	..
5	Tanore	5 0 0	1 4 0	0 2 2	..	..	0 2 2	1 4 0	..	0 3 3	..
5	Bhobaneegunge	4 11 0	1 2 0	0 1 0	..	..	0 1 0	2 0 0	..	0 0 2	..
5	Godagary	5 0 0	1 4 0	0 2 2	..	..	0 1 1	0 12 0	..	0 2 2	..
5	Ghatee Surda	6 14 0	1 4 0	0 5 0	..	..	0 1 1	0 10 0	..	0 5 0	..
5	Do. Pooteah	6 0 0	1 4 2	0 4 0	..	..	0 1 0	1 6 2	..	0 2 0	..
	Total	32 15 0	7 7 2	1 4 1	..	..	0 8 1	7 2 2	..	1 2 1	..
	Daily means for each man	1 1 2	0 4 0	0 0 2	0 1 0	..	0 0 1	0 3 3	0 1 0	0 0 2	1 12 2

No. 2.

Number of Men subjected to inquiry.	Names of Thannas and Ghatees at which inquiry was made.	Total quantity and kind of Food consumed daily by Moosulman Ryots.									
		Rice.	Dhal.	Salt.	Fish.	Mcat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	2	3	4	5	6	7	8	9	10	11	12
		S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
5	Bauleah	5 6 0	1 4 0	0 5 0	..	..	0 1 1	1 2 0	..	0 4 2	..
5	Tanore	6 0 0	0 15 0	0 3 3	..	..	0 1 1	1 4 0	..	0 5 0	..
5	Bhobaneegunge	4 11 0	1 2 5	0 1 0	..	..	0 1 0	2 0 0	..	0 0 2	..
5	Godagary	5 0 0	1 2 0	0 2 2	..	..	0 1 1	0 10 0	..	0 2 2	..
5	Ghatee Surdah	7 8 0	1 4 0	0 5 0	..	..	0 1 1	0 6 0	..	0 5 0	..
5	Do. Pootcah	5 13 0	1 4 1	0 3 3	..	..	0 2 1	1 5 3	..	0 2 2	..
	Total	34 6 0	6 15 1	1 5 0	..	..	0 8 1	6 11 3	..	1 4 0	..
	Daily means for each man	1 2 1	0 3 2	0 0 2	0 1 0	0 0 2	0 0 1	0 3 2	0 1 0	0 0 2	1 13 0

No. 3.

Number of Men subjected to inquiry.	Names of Thannas and Ghatees at which inquiry was made.	Total quantity and kind of Food consumed daily by Hindoo Coolies.									
		Rice.	Dhal.	Salt.	Fish.	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	2	3	4	5	6	7	8	9	10	11	12
		S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
5	Bauleah	5 6 0	1 2 0	0 5 0	..	..	0 1 1	1 0 0	..	0 4 3	..
5	Tanore	5 0 0	1 4 0	0 2 2	..	..	0 2 2	1 4 0	..	0 3 3	..
5	Bhobaneegunge	5 0 0	2 0 0	0 5 0	..	..	0 1 0	2 0 0	..	0 0 3	..
5	Godagary	5 0 0	1 4 0	0 2 2	..	..	..	1 0 0	..	0 2 2	..
5	Ghatee Surda	6 14 0	1 4 0	0 5 0	..	..	0 1 1	0 10 0	..	0 5 0	..
5	Do. Pooteah	5 11 0	1 2 2	0 3 2	*	*	0 4 0	1 5 2	*	0 2 1	..
	Total	32 15 0	8 0 2	1 7 2	..	..	0 10 0	7 3 2	..	1 3 0	..
	Daily means for each man	1 1 2	0 4 1	0 0 3	0 1 0	..	0 0 1	0 3 3	0 1 0	0 0 2	1 13 0

BENGAL.

Number of Men subjected to inquiry.	Names of Thannas and Ghatees at which inquiry was made.	Moosulman Coolies.									
		Rice.	Dhal.	Salt.	Fish.	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
		S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
5	Bauleah	5 6 0	1 5 0	0 5 0	..	..	0 1 1	1 2 0	..	0 5 0	..
5	Tanore	5 0 0	0 10 0	0 2 2	..	..	0 1 1	0 10 0	..	0 2 2	..
5	Bhobanecgunge	5 0 0	2 0 0	0 5 0	..	..	0 1 0	2 0 0	..	0 0 3	..
5	Godagary	5 4 0	1 3 0	0 2 2	..	..	..	0 10 0	..	0 2 2	..
5	Ghatce Sirda	7 8 0	1 4 0	0 5 1	..	..	0 1 1	0 10 0	..	0 5 0	..
5	Do. Pooteah	5 9 0	0 15 1	0 3 0	*	*	0 3 2	1 5 0	*	0 2 1	..
	Total	33 11 0	7 5 1	1 7 1	..	..	0 8 1	6 5 0	..	1 2 0	..
	Daily means for each man	1 2 0	0 3 3	0 0 3	0 1 0	0 0 2	0 0 1	0 3 1	0 1 0	0 0 2	1 13 0

* The mean quantities of fish, meat, and milk are derived from statements accompanying the detailed Tables. In calculating "totals" and "means" small fractions are omitted. Columns 6, 7, and 10 are left unfilled in consequence of the articles of food therein referred to being consumed only occasionally, and their insertion in a table showing daily consumption thus becomes difficult. The note appended to the Table will however show how the means have been obtained. The meat generally consumed by the Moosulmans in this zillah is cow-beef.

I am not disposed to place any great faith in the statistical accuracy of the darogahs, but the fact of the totals from separate thannahs of the district, between the officers of which no intercommunication on the subject is at all likely to have taken place, exhibiting no great discrepancy, is intrinsic evidence in favour of the average arrived at, being a fair exposition of the daily food of the people.

With the view of correcting any inaccuracy, however, which might arise from careless inquiry, I personally instituted a similar one amongst twenty men in the Sudder station, which I give in detail in the following Tables A and B:—

Table A.

Showing the average quantity of Food consumed daily by 20 Mussulman Coolies in Rampore Bauleah, March, 1852.

N.B.—In kutchu weight;

Coolies working in private compound.

No.	Rice.	Dhal.	Salt.	Fish.	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	3	4	5	6	7	8	9	10	11	12
	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
1	1 0 0	0 4 0	0 0 2	0 4 0	0 4 0	0 0 2	0 2 0	0 8 0	0 1 0	..
2	1 0 0	0 4 0	0 1 0	0 2 0	0 2 0	0 1 0	0 4 0	0 8 0	0 0 2	..
3	1 4 0	0 4 0	0 0 2	0 4 2	0 8 0	0 1 0	0 1 0	..	0 1 0	..
4	1 0 0	0 4 0	0 0 2	0 4 0	0 4 0	0 1 0	0 1 0	0 8 0	0 1 0	..
5	1 0 0	0 2 0	0 0 2	0 1 0	0 2 0	0 0 2	0 2 0	..	0 0 2	..
6	1 0 0	0 4 0	0 0 3	0 4 0	0 4 0	..	0 4 0	..	0 0 2	..
7	1 0 0	0 8 0	0 1 2	0 4 0	0 4 0	0 1 0	0 4 0	0 8 0	0 1 0	..
8	1 0 0	0 4 0	0 0 3	0 4 0	0 4 0	0 0 1	0 4 0	0 8 0	0 0 2	..
9	1 0 0	0 4 0	0 0 3	0 4 0	0 4 0	0 1 0	0 1 0	0 4 0	0 1 0	..
10	1 0 0	0 2 0	0 0 2	0 2 0	0 2 0	0 0 1	0 2 0	0 4 0	0 0 2	..
Total.	10 4 0	..	0 7 1	..	..	0 6 2	..	..	0 7 2	..
Daily means	1 0 1	0 1 0	0 0 3	0 1 0	0 3 0	0 0 3	0 1 2	0 1 0	0 0 3	1 7 0

Table B.

Coolies working in silk filature.

No.	Rice.	Dhal.	Salt.	Fish.	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	3	4	5	6	7	8	9	10	11	12
	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.	S. C. K.
1	..	0 2 0	0 0 2	0 4 0	0 2 0	0 0 0½	0 2 0	0 1 0	0 1 1	..
2	1 0 0	0 2 0	0 0 2½	0 4 0	0 4 0	0 0 2	0 2 0	0 0 0	0 0 2	..
3	1 0 0	0 4 0	0 0 2	0 3 0	..	0 1 0	0 2 0	0 8 0	0 1 0	..
4	1 0 0	0 2 0	0 0 1	0 2 0	0 4 0	0 0 2	0 2 0	0 8 0	0 0 2	..
5	0 12 0	0 2 0	0 0 2	0 1 0	..	0 0 2	0 1 2	0 2 0	0 0 2	..
6	1 0 0	0 4 0	0 0 2	0 1 2	0 3 0	0 0 1	0 1 0	0 8 0	0 0 2	..
7	1 0 0	0 2 0	0 0 1	0 2 0	0 3 0	0 2 0	0 2 0	0 8 0	0 0 2	..
8	0 12 0	0 2 0	0 0 0½	0 1 0	..	0 0 1	0 1 0	0 0 0	0 0 2	..
9	1 0 0	0 4 0	0 0 1	0 2 0	..	0 2 0	0 2 0	0 8 0	0 0 1	..
10	0 10 0	0 2 0	0 0 1	0 1 0	..	0 0 1	0 1 0	0 4 0	0 0 2	..
Total.	8 12 0	1 10 0	0 3 3	..	..	0 7 0½	1 0 2	..	0 6 0	..
Daily means	0 14 0	0 2 2	0 0 1	0 1 0	0 2 0	0 0 3	0 1 3	0 1 0	0 0 2	1 6 1

In columns 4, 6, 7, 9, 10, of Tables A and B, the quantities noted were only consumed at varying intervals, and from a calculation based on these the mean has been computed.

Owing to the steady demand for labour in the silk filatures in, and around, Kampong Bauleah, the standard of wages is high. It is probable, therefore, that the results above shown exhibit the maximum of food consumed by the labouring population of Bengal.

With the view of testing what quantity a man could possibly consume at one time, I directed five coolies working in my compound to obtain whatever they pleased for the morning meal. The supply was brought, and carefully weighed in my presence, before and after cooking, with the following results, and was subsequently eaten before me.

Table C.

Showing the quantity of Food consumed at their morning meal by 5 Mussulman Coolies; April 3rd, 1852, in kutchas weight seers, chuttaks, and kachas.

Articles.	Weight before Cooking.	Weight after Cooking.	Price.
	S. C. K.	S. C. K.	R. A. P.
Rice	3 2 0	10 2 0	0 1 3
Dhall	0 8 0	2 12 0	0 0 3
Salt	0 3 0	0 3 0	0 0 3
Fish	0 3 0	..	0 0 6
Vegetables	0 6 0	1 7 0	0 0 3
Spice	0 2 2	0 2 2	0 0 1½
Oil	0 2 1	0 2 1	0 0 3
Dhyc	1 0 0	1 0 0	0 0 6
Total	5 10 3	15 12 3	0 3 4½
Evening meal, said to be ¾ of above	3 14 0	..	0 2 3
Grand Total	9 8 3	..	0 6 0½
Mean	1 15 0	..	0 1 2½

Table D.

TABLE showing the Bazaar rate per Sicca Maund of articles of Food in Rampore Bauleah, for each Month of 1852, in Rupees, Annas, Gundas.

Names of the Months.	Rice.	Dhal.	Vegetable.	Fish.	Salt.	Oil.	Tobacco.	Mussala.	Wood.
	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.	Rs. A. G.
January	0 15 10	1 9 0	0 4 12	4 9 13	4 0 0	5 5 6½	2 8 0	2 3 16	0 2 0
February	0 15 8	1 8 11½	0 4 12	5 2 10	4 0 0	5 0 6½	2 8 0	2 5 0	0 2 0
March	1 0 4½	1 9 2½	0 4 11½	3 13 18½	4 0 0	5 0 6½	2 8 0	2 6 0	0 2 0
April	0 15 17½	1 3 19	0 4 1½	4 6 7	4 0 0	5 0 6½	2 8 0	2 5 6½	0 2 0
May	1 0 3½	1 3 19	0 5 13½	4 4 14	4 0 0	5 14 0	2 8 0	2 1 7½	0 2 0
4 T 2 June	1 13 1½	1 4 0	0 9 0	4 4 0	4 0 0	5 7 17	2 8 0	1 12 2	0 2 0
July	1 1 0	1 4 0	0 7 2	4 3 13	4 0 0	5 8 16	2 8 0	1 13 8	0 2 0
August	1 1 14½	1 3 19	0 7 2	6 1 0	4 0 0	5 6 15	2 8 0	1 9 3½	0 2 0
September	1 2 18½	1 6 2½	0 5 13½	6 0 0	4 0 0	5 6 14½	2 8 0	1 6 0	0 2 0
October	1 6 10	1 7 5	0 4 7	6 13 0	4 0 0	5 6 18½	2 8 0	1 8 8	0 2 0
November	1 2 0	1 6 6	0 5 13	4 13 10	4 0 0	5 9 6	2 8 0	1 14 13	0 2 0
December	1 4 0	1 7 5	0 2 16½	4 4 0	4 0 0	5 14 15	2 8 0	1 12 0	0 2 0
Average of the year	1 1 14	1 16 2½	0 5 8	4 14 7	4 0 0	5 6 15½	2 8 0	1 14 15½	0 2 0

Sufficiency of food, and income in excess of necessary expenditure, constitute two important elements of the Public weal, and these would certainly appear to have been in existence in the portion of Bengal from which my observations are derived. That many and various social evils yet exist cannot be doubted, but want of means to procure a sufficiency of food for the retention of life and health would not appear to be one of them, except in special famine years, and, so far, Bengal may be considered to exhibit as small an average deficiency of the comforts of life as any modern nation.

APPENDIX N.

STATEMENT showing the Consumption Price of Salt during August, 1854, at the Sudder Stations of the Districts of the Lower Provinces.

Divisions.	Districts.	Description of Salt, and price per Seer of 80 Tolahs.							Remarks.
		Pungah.	Kurkutah.	Rock.	Liverpool.	Laberec.	Sambur.	Puckwa.	
		A. P. K.	A. P. K.	A. P. K.	A. P.	A. P. K.	A. P.	A. P.	
Patna.	Behar	2 0 9	1 10 4	{ 2 7 3 to 2 9 0 ¹	..	2 11 10	..	1 8	¹ The higher rate is for "Chowkeah," and the lower for "Sendha," or Muscat rock salt.
	Patna	1 10 1/2 0	1 9 0	2 1 1/2 0 ²	..	..	..	..	² "Sendha." No licit salt of the North-West Provinces is sold in this District.
	(Dinapore) ..	1 10 1/2 0	1 9 0	2 2 0	..	..	..	..	³ "Sendha." None of the salt sold at the Sudder Station is the product of the North-West Provinces.
	Sarun	1 6 0	..	2 1 0 ³	..	..	..	..	⁴ Licit salt of the North-West Provinces, brought by merchants from Patna.
	Shahabad	1 9 0	..	..	..	2 5 1/2 0 ⁴	..	..	⁵ "Sandubbh."
Bhaugulpore.	Bhaugulpore ..	1 7 0	..	2 8 0 ⁵	..	..	..	..	⁶ "Sendha." None of the salt sold here is licit salt of the North-West Provinces.
	Monghyr	{ 1 5 0 to 1 6 0	..	{ 1 9 0 ⁶ to 1 11 0	..	..	..	..	⁷ "Sendha."
	Tirhoot	1 11 0	..	2 0 0 ⁷	..	..	..	..	⁸ "Sendha."
	Purneah	{ 1 8 0 to 1 9 0	..	3 6 1/2 0 ⁸	..	..	..	..	⁹ "Sandubbh."
Rajshahye.	Bograh	1 8 0	..	4 0 0 ⁹	..	..	..	..
	Dinapore ..	{ 1 6 0 to 1 7 0	..	..	..	..	..	..
	Maldah	1 7 1/2 0	1 7 0	..	..	..	..	..
	Pubna	1 6 0	..	7 0 0	..	..	..	..
	Rajshahye ..	{ 1 4 1/2 0 to 1 5 1/2 0 ¹⁰	..	..	..	..	..	..	¹⁰ The higher rate is for Chikka salt.
Rungpore	1 9 1/2 0	..	..	..	..	..	..
Dacca.	Backergunge ..	2 0 0	..	1 8 0 ¹¹	..	..	..	..	¹¹ "Sandubbh."
	Dacca	{ 1 7 1/2 0 ¹² to 1 9 0	..	..	1 9	..	6 0	..	¹² The cheaper is Chittagong, and the dearer Arracan salt.
	Furreedpore ¹³	..	..	..	..	..	..	..	¹³ The salt sold in this district is described in the local return as "2nd Sort," retailed at 1 anna 6 pies per seer.
	Mymensingh ..	2 0 0 ¹⁴	..	..	..	..	6 0 ¹⁵	..	¹⁴ Much adulterated.
	Sylhet .....	..	..	..	..	..	..	..	¹⁵ The only other alimentary salt reported is described in the local return as "1st Sort," retailed at 2 annas, and "2nd Sort," at 1 anna 9 pies per seer.
Chittagong.	Oschar	1 9 0	..	..	2 0 ¹⁶	..	..	..	¹⁶ Clean, white, and small grained.
	Bullocah	1 6 0 ¹⁷	..	..	..	..	..	..	¹⁷ Arracan salt, retailed by Government.
	Chittagong ..	0 10 1/2 0 ¹⁸	..	..	..	..	..	..	¹⁸ Ditto Mitto
	Tipperah	{ 1 9 0 to 2 0 0	..	3 0 0 ¹⁹	..	..	..	..	¹⁹ "Sandubbh."
Nuddea.	Nuddea	1 6 0	..	..	..	..	..	..	²⁰ Tumlock salt, dirty and apparently adulterated.
	Jessore	1 7 1/2 0 ²⁰	..	..	..	..	..	..
	Baraset	1 6 0	..	..	..	..	..	..
	24 Pergannahs	{ 1 5 1/2 0 to 1 8 0 ²¹	..	..	..	..	..	..	²¹ The lower price obtains at Chitta Hunt, the higher at Tollygunge Bazaar.
	Moorshedabad	1 8 1/2 0	{ 1 7 0 to 1 8 1/2 0	3 2 1/2 0 ²²	..	..	..	..	²² "Sandubbh."
Burdwan.	Beerbhoom ..	1 8 0 ²³	..	..	..	..	..	..	²³ Bombay; a very coarse salt.
	Burdwan	1 6 0	..	..	..	..	..	..
	Bancoorah ..	1 8 0	..	..	..	..	..	..
	Hooghly	1 6 0	..	..	..	..	..	..
Cuttack.	Midnapore ..	1 6 0	..	..	..	..	..	..
	Balasore	0 11 0 ²⁴	..	4 0 0 ²⁴	..	..	..	..	²⁴ One anna per seer is the rate for quantities less than half a seer.
	Cuttack	0 10 0	0 9 0	..	..	..	..	..	²⁵ "Sandubbh."
	Pooree .....	..	0 9 0	3 9 14 ²⁵	..	..	..	..	²⁶ "Sandubbh."

APPENDIX O.

Extracts from a Letter, dated May 27, 1854, addressed by the Superintendent of the Jellasore Salt Chowkeys to the Controller of Government Salt Chowkeys, descriptive of the system of smuggling.

4. I will commence at the fountain-head of smuggling, *i. e.*, the manufacturing localities, and follow the illicit salt till it reaches the consumer. In my annual report, I remarked that, from the highest to the lowest of the native officials employed in the Hidgellee manufacturing districts, the whole are interested and implicated in a regular and trained system of trading in illicit salt, or conniving thereto. I will show you how this is done, and also expose some of the most glaring methods adopted by the aurung darogahs and their subordinates, the zillahdars, aduldars, chuprassees, koyals, chuppadars, and the molunghees themselves, to defraud Government.

5. The price paid by Government for salt manufactured by molunghees has, I am told, been gradually lessened, from 12 to 5½ annas per maund: were the whole of this latter sum enjoyed by the molunghees, without deduction, they would have little cause to complain or any pretext to engage in the sale of illicit salt; but this is a boon which, for years past, has not been allowed them. The following information I have collected from various sources, and at different times and localities, during my late tour in the southern chowkeys of my division, and in the Hidgellee Agency, and may, I think, be depended upon, as true and correct.

6. With the first advance made by the salt agent to the molunghees, the system of fraud and exactions commences. First the molunghees, ere they are allowed by the aurung darogah to commence manufacture, have to pay him a baree bassa salamee: its amount depends on circumstances; for instance, if the molunghees are regular and old hands, they pay only one rupee per khullaree, but, if novices, six rupees is the sum demanded by the darogah, as the price of their "footing" or "entrance fee." Old hands, who may have left off manufacturing for some years, on returning again to their calling, pay the same as novices: this is a regularly-established rule and *nirikh* at the aurungs.

7. The molunghees have next to pay the aurung darogah two rupees per khullaree, at each of the three first advances, the fourth or final one being made at the close of the manufacturing season, in full of all demands on the Government for salt made by the molunghees; they seldom pay, as then they have no further fear of the officials lately over them. When the darogah receives one rupee per khullaree, at each of the above three advances, the zillahdar receives one rupee, the aduldar one rupee, and the chuprassees attached to each kotee, or subdivision of khullarees, one rupee amongst them. In addition to the above, they have to propitiate the koyal and chappadars who weigh out their salt. One rupee per khullaree, at each of the four bhaugonees, is the *nirikh* of these men; this is to ensure them fair and true-weighment.

8. The molunghees have thus to pay, from their advances, the darogah six rupees plus one rupee, for baree bassa salamee, in all seven rupees; the zillahdar three rupees, aduldar three rupees, chappadar and koyal four rupees, and chuprassees three rupees, making a total of twenty rupees per khullaree; these may truly be styled exactions. Should the molunghees decline paying these demands of the aurung darogahs and their subordinates, they would very soon repent their temerity: for these officers have so many ways and means of constantly harassing and dikling them, that, in the end, they are but too glad to give in to their views. It is a well-known fact what adepts native officials in power are, in bullying those who are subordinate to them, when they are so disposed. The Government are the only losers by these exactions, for the molunghees, as I shall show hereafter, make up for these forced deductions, by trafficking in illicit salt.

9. After these exactions come salamees. The first is of one rupee per khullaree to the aurung darogah. This is a *douceur* paid by the molunghees, to be allowed to make their nunds of eight pyar diameter, instead of twelve, as ordered by the salt agent. The reason the molunghees prefer an eight-pyar nund to one of twelve pyars is this: they find it more profitable and economical in boiling off to make their choolahs or churkahs of smaller size than those ordered by the salt agent. A nund of eight pyars just fills one of their so-made churkahs, whereas one of twelve would fill one and a-half, so that, whilst the filled one was being boiled off, the remaining liquor in the nund was often wasted, ere the churkah was again ready to be filled, or, when ready, could be only half filled, to boil off which would take almost as much fuel as a full one; they would thus lose much firing material, which is a serious consideration to the molunghees, as fuel is scarce and expensive, especially in the Beercool and Kalindee basse divisions. By having their nunds of eight pyars diameter, they are able to boil off five, and even six, a day, at a less cost of fuel than three of the larger size, independent of the extra fuel required for the three large ones. The molunghees say they make more salt from five or six small nunds than they can from a proportionate number of large ones. To secure the privilege of making their nunds and choolahs as they best wish they pay the darogah one rupee per khullaree or choolah.

Nund Baree
Salamee.

Kharee Pota
Salamee.

10. Of one rupee per khullaree to the aurung darogah. This is to be allowed to evade the salt agent's order, to have a stratum of wood ashes or chye in the temporary golahs at the khootee below the floor, on which the newly-made salt is stored. The object of this layer of ashes is to draw away as much moisture as possible from the newly-made salt, ere it is despatched for weighment, previous to its final storage in the Sudder golahs, at the different depôts. Were the agent's orders carried out, the molunghees would lose in weight the excess moisture drawn away by the wood ashes. To obviate this loss, they find it to their advantage to fee the darogah to be excused this stratum of ashes.

Jalkhumtee
Salamee.

11. Of one rupee per khullaree. This is also a *douceur* to the aurung darogah, to excuse the molunghees from acting up to the agent's order, that each khullaree shall give an uniform average of so much salt per day, under penalty of fine, &c. This order, for various reasons, the molunghees try and shirk, as they like going to their homes after each advance, and remain away a few days, attending festivals, marriage, &c., which are generally pretty numerous during the cold weather and manufacturing season, also for the purpose of repairing their houses, ere the coming on of the rains. At each departure from the khullarees they carry off a quantity of salt, which they either sell or exchange for dhan; by feeing the aurung darogah they are allowed to work up the arrears at after hours, so as to make up the quantity required of them for their advances from the salt agent.

Chuttee or Khottee
Salamee.

12. Of four annas per khullaree. This is a kind of good-will offering, paid to the darogah to overlook any irregularities, &c., he might notice, at his periodical visits to the khottee or khullaries.

Retail Salamee.

13. This is a salamee to the retail chowkey establishment and licensed salt venders in the agency, within whose jurisdiction and elakeh the molunghees reside, for permission to consume, without molestation or hindrance, salt manufactured by themselves, instead of that retailed by the Government. I believe there is an order, by a former salt agent, directing that the molunghees and their families should consume the Government retail salt, the same as all other classes residing in the Hidgellee Agency. It is to evade this order, and, at the same time, to gain the good-will and complicity of the retail establishment, in glossing over any irregularities they may commit, in disposing of illicit salt to parties resident in their elakeh, and also to secure themselves against capture, in transporting illicit salt from the khullarees, to their homes or elsewhere, that the molunghees give this salamee. The retail chowkey darogah receives one rupee and his subordinates, chaprassacs, and salt venders, eight annas per khullaree, among them.

Police Salamee.

14. Of four annas per khullaree to the police jemadar or burkundaz, within whose pharee the molunghees reside, or through whose jurisdiction they transport illicit salt, for the privilege of being allowed to go about at all times, night and day, unquestioned. The police also often share in the profits of a run, by assisting in effecting a safe passage through their elakeh. Besides this money payment to the police, there are one or two contingencies, such as presents of salt to the chowkeydars and head men of their villages, for their good-will and assistance in case of emergency, such as an apprehended seizure, whilst making a run of illicit salt, or furnishing them with witnesses, in case they are apprehended on suspicion of being concerned in a case of smuggling.

15. From the foregoing account, it will be seen that there are 20 rupees per khullaree on account of exaction to the aurung darogah and his subordinates, and 5 rupees on account of salamees, 3 rs. 4 as. of which also goes to the aurung darogah, 1 rs. 8 as. to the retail chowkey establishment, and 4 annas to the police. After paying, or agreeing, to pay the above-mentioned sums the molunghees, so long as they keep up to their advances, are allowed, without the least opposition or hindrance, to dispose of as much illicit salt as they please. Having, as I have above shown, paid 25 rupees per khullaree for this privilege, it is not to be supposed that the molunghees are very backward in profiting by it, or that they fail to indemnify themselves for the deductions taken from them; how much more they may realize it is impossible to say. I believe there are from 800 to 900 khullarees in the Beercool, Bassy, and Bograi aurungs; taking 800 in round numbers and that each party of men working a khullaree have received, by sale of illicit salt, the 25 rupees paid away by them, from their advances, the Government would lose, from these three aurungs alone, 20,000 rupees; but the actual loss is very much greater; for instance the molunghees sell their illicit salt at 10 to 12 annas per maund; 20,000 rupees, at 12 annas per maund, would give 26,666 $\frac{2}{3}$ maunds, but the salt, as sold by the molunghees, is fresh and very damp: allow 25 per cent. on account of drainage and wastage, the 26,666 $\frac{2}{3}$ maunds of raw salt would be equivalent to 20,000 maunds of dry marketable quality. Allow that this 20,000 maunds would have cost the Government, including every expense, 8 annas per maund, and that it sold the same at 3 rupees per maund, the actual loss to Government is 50,000 rupees or half a lac of rupees annually, from these three aurungs alone. If the khullarees are more than 800, and I have good reason to believe that they are, the loss would be proportionally greater.

16. It is impossible to calculate the exact quantity of illicit salt disposed of by the molunghees and their confederates; but that it must be very considerable is proved from the very small sales of Government salt sold in the Contai, Tikra, and Govindpore chowkeys, in the Hidgellee Agency, in the Kalkapoor, Seebpore, Agrachor, and Dantoon chowkeys, in this division, and those of Khutnuggur and Puttaspoor in the Midnapoor Superintendency. The agency chowkeys are large and populous ones, and should each consume from 300 to 400 maunds per mensem, even calculating at the rate of consumption of my southern chowkeys; whereas the average of Kontai is 80 to 100 maunds, Tikra from 50 to 60, and Govindpore from 70 to 80 maunds per mensem; a large portion of each, however, finds

its way into my southern chowkeys, the price of the retail agency salt being 4 annas per maund less than that of the Jellasure southern chowkeys.

17. From what I hear of the consumption of salt in Bengal, I should say, even taking the maximum of the sales of any one of the aforesaid chowkeys, in either of the 3 divisions above mentioned, there would not be one-half of the quantity sold in a like tract of country in the more northern parts of Bengal. The low scale of consumption of salt in this part of the country may, I think, be fairly attributed to the extensive system of smuggling, carried on from the Hidgellee manufacturing districts, through the complicity and connivance of the very officers appointed by Government to prevent such malpractices.

18. I will now draw your attention to the transport of illicit salt from the khalaries, and the means adopted by smugglers for effecting its safe passage. When the molunghees have got together a sufficient supply of contraband salt, for a run, they inform those who deal regularly with them. Arrangements are come to as to price, time, &c., and whilst the purchaser proceeds to lay a dawk of carriers, a friend or partner superintends weightment and package of salt; if the distance where the salt is to be taken be great, the relieving stages are usually 8 to 10 miles apart; if it be only 12 to 15, one set of men carry the salt on their heads the whole distance, having arranged as to the number of carriers, stages, and the rendezvous where carriers are to meet in case of seizure of part of the run, and the disposal of the salt in case of its safe arrival; for the regular smuggler rarely commits himself by lodging the whole in his house, but previously arranges with the petty retail dealers of his neighbourhood that each shall take a certain quantity immediately on its arrival. In this way, a whole run (the bags being generally of one weight, from 25 to 30 seers,) is speedily distributed into numerous channels, rendering capture most difficult. The purchaser having made all his arrangements, now returns to where the salt is secreted, and after getting together his people, and starting the run, he returns to his home, by a different route; he very seldom accompanies the run, but sends some of his trustworthy men as chalandars. These men go around with lathees and pellet bows, and act both as advance and rear guards; the former generally proceed about a hundred yards ahead of the carriers, to see that the road be all clear, they extend in regular skirmishing order, beating each hedge and bush they come across in their route, while the rear guard act on the defensive, in case of an attack from the rear. The carriers generally go Indian file at a good round trot, accomplishing 5 or 6 miles an hour easily; having arrived at a relieving stage, the bags are at once placed on the heads of the relieving party, and away they go again, and so on until they reach their destination, generally an open dhankhate near the purchaser's village; here the retail dealer is waiting with his carriers, and as soon as the run arrives, he takes possession of his share, and hurries off with it; this salt generally stands him in, including all charges, about rupees 1 : 12 per maund in the Dantoon, and rupees 1 : 14 to rupees 2 in the Khutnuggur chowkey. Salt venders are, for the most part, importers of such contraband salt, and as soon as they get a new batch, it is at once mixed with their stock in hand, rendering detection, unless at the instance of an informer, impossible.

19. It appears extraordinary, and hardly credible, that such extensive and systematic smuggling can be carried on; but that it actually is, I firmly believe. I had long ago heard that such a practice existed, and have lately ascertained its truth beyond doubt, from some apprehended smugglers, who, annoyed at being deserted by their companions, peached on them.

20. That such a system should go unchecked may also appear to you astonishing, but it must be taken into consideration, that *all* classes from the wealthy zemindar to the police pyke and village chowkeydar are in league. Small zemindars and talookdars are often themselves dealers in illicit salt, and they have such influence and power over their ryots, that it is almost impossible, unless two zemindars are at variance, to get informers to come forward. Four men who have, at different times, given information to my chuprassees whereby seizures were made, have had their houses burnt down; this has created such a panic that no informers now come to the assistance of the salt officers. One man's house was fired near my camp two days after a seizure, in which it was known he had given information; luckily he succeeded in extinguishing it in time; and, although he knows well the parties who fired his house, he is afraid to prosecute, fearing further consequences.

21. It may be asked what object the wealthy zemindar has in conniving at smuggling, the answer I learnt from one of their own body, salt is necessary to health; natives cannot do without it; and it must be paid for at the time in cash; if the price be high, ryots are unable to pay in their rents so readily as when salt is cheap, and as long as the zemindar gets in his rents, he little cares what frauds are committed on the Government. If his ryots are apprehended smuggling, and mulct in fines, they are still less able to pay their rents; if they be imprisoned at certain seasons of the year, their lands lie fallow, and the zemindar experiences much difficulty in getting in his rents, he therefore, on the plea of self-interest, does his best to get off his ryot, if apprehended, and to prevent their seizure at all, gives stringent orders to his people, that if any of them assist the salt authorities, they will meet with his heavy displeasure, punishment, fines, &c.

22. The petty zemindars and talookdars in the vicinity of the salt districts, form a "round robin," and if the ryots of one inform against those of another, he is speedily found out, and if he escapes a "burning out" he is heavily fined as a warning to others. The police are also in league with the smugglers; were they not, large bodies of men would not be allowed to congregate at night, as they now do, in the different villages adjoining

the manufacturing districts; it is the duty of village chowkeydars to report all such arrivals to the police of their pharrees, but this they never do, and the police themselves are too much interested in the continuance of smuggling to check these gatherings.

23. Where all the Government officials and landed proprietors are confederated with smugglers in the importation and sale of illicit salt, it is most difficult for the superintendent to effect seizures, those that have been made this season, have really been by dint of unremitting watching and patrolling on the part of my up-country chuprassees; the Bengallee portion of that force are mostly in league with the smugglers, but they lay their plans with such consummate cunning that it is almost impossible to detect them. I trust I have now shown that stringent measures are really necessary to check smuggling from the manufacturing districts. As long as matters remain in their present unsatisfactory state, I leave it for you to judge whether there is any hope for improvement.

24. If an inquiry could be made into the circumstances of the late and present aurung and ghat darogahs, it would be found that these men were poor and needy adventurers when they commenced service in the salt department, but after a few seasons, they become men of wealth and substance, purchasing land, talooks, &c., near their homes. This they never could have done from actual savings of salary, for they are low paid, and were they to work for years, and lay by the whole of their allowances, they never could become the monied men they are; the inference, therefore, is clear, that it is from their illegal gains alone they amass wealth. I should be very sorry to condemn a whole body of men, but if what I have above stated be true, as I certainly believe it is, I must say that the present class of native officials employed in the Hidgellee manufacturing districts are not the proper persons to be placed in such responsible and money-making appointments.

25. No native of education and respectability would accept employment in the salt department, in the *manufacturing districts*. He is physically incapable of conducting the duties required of him as an aurung or ghat darogah; the climate is against him, or, as the natives themselves say, "noona ab howah, burdast hota ne;" and in a very short time he is completely knocked up. The principal causes of this, are, his inability to procure there the comforts and luxuries he has hitherto been accustomed to in Bengal; sea air for any continued period is prejudicial to the Bengallee constitution; the water, too, in its crude state is brackish throughout the manufacturing districts; all these combined, speedily affect his health, and he very soon loses what little energy he brought with him on entrance into the department. If he retains his appointment, it is for its emoluments, leaving the general management of his duties to an under-strapper, who would be but too happy of an opportunity of, to use a vulgar phrase, "feathering his nest"; whilst he had *power* to do so.

29. To check the prevailing wholesale system of smuggling in, and from, the Hidgellee Agency, by which, as I have shown, the Government lose upwards of half a lac of rupees annually from 3 aurungs alone, I would respectfully submit that European agency be substituted for native in the manufacturing districts, and that a class of officers be appointed as Assistant salt Agents, whose sole duties should be to look after the manufacture, weighing, and storage of salt, assisted by a staff of European overseers or inspectors, one to each aurung or depôt, with an efficient native establishment of writers and chuprassees.

APPENDIX P.

Papers relating to the Principles and Method on which the Manufacturing Cost to the Government of the Home-made Salt is ascertained and fixed.

Parliamentary Papers.

No. 1.—Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons, on Indian territories, in 1853.

Extracts from the Evidence of F. W. PRIDEAUX, Esq.

Extract from the Evidence of F. J. HALLIDAY, Esq.

No. 2.—Extracts from the Appendix to Fourth Report of the Select Committee of the House of Commons, on Indian territories, in 1853. Appendix No. 6, Pages 262 to 275..

Letter from the Junior Secretary to the Board of Revenue, to the Secretary to the Government of Bengal, dated June 29, 1852.

Enclosure

A. Statement of the Cost of Salt Manufactured in 1256 S.S., or 1849-50.

Minute by the Most Noble the Governor of Bengal, dated September 11, 1852.

Official Papers.

No. 3.—Memorandum prepared by the Accountant to Government and approved by the Board of Revenue, explanatory of the general principles upon which the Statements of Three Years' average adjusted Cost, and Charges of Salt manufactured and stored in Bengal Agencies and at Sulkea, are drawn up.

Enclosures.

- No. 1. Extract of a Letter from the Board of Revenue to the Officiating Accountant to the Government of Bengal, dated November 24, 1854.
- No. 2. Extract of a Letter from the Officiating Accountant to the Government of Bengal to the Board of Revenue, dated December 21, 1854.
- No. 3. From the Board of Revenue to the Officiating Accountant to the Government of Bengal, dated January 15, 1855.
- No. 4.—Extract from a Report, by the Board of Revenue, on the Administration of the Salt Department of the Revenue of Bengal, for the Year 1852-53, dated November 5, 1853.
- No. 5.—Extract from the Reply of the Government of Bengal to the Board's Report for the Year 1852-53, dated December 16, 1853.

Appendix P.—No 1.

Extracts from Minutes of Evidence taken before the Select Committee of the House of Commons on Indian territories, in 1853.

Extracts from the Evidence of F. W. PRIDEAUX, Esq., Assistant to the Examiner of India Correspondence.

7255. At the last meeting of the Committee you put in a statement of the salt revenue of Bengal, from the year 1841, arranged under the different heads which constitute the aggregate revenue; will you explain the manner in which the revenue is realized under each head? I observe the first column is headed "Wholesale Sales;" how are the prices of salt which is sold by wholesale regulated?—The first column contains the salt sold by wholesale for the interior supply of the Bengal provinces, after it has left the salt districts. The prices are regulated by a calculation of the cost price, that is what it has actually cost the Government, adding to that a sum equivalent to the import duty.

7256. The price is regulated, is not it, by the average cost of a certain number of years?—By the average cost of a certain number of years, adding to it the duty.

7257. How many years?—I think it is the average of three years.

7258. The wholesale price is the average cost of production of the three years preceding the sale, with the addition now of 2½ rupees per maund as the duty?—Yes, and at that price, salt is delivered to any person applying at the Government warehouses, in quantities of not less than 50 maunds.

7259. By the Government warehouses you mean the golahs at Sulkea?—Yes, at Sulkea, and in the agencies.

7260. Do you believe that the cost price of salt is calculated, by the Bengal Government, on such principles as to give an undue advantage to home-made, over imported, salt?—I believe hitherto the price has been calculated in such a way as to give an undue advantage to imported salt. Practically an undue protective duty has been levied in favour of the imported salt; the advantage is in favour of the importers, and not in favour of the native salt. The Committee will understand that the charges affecting the salt revenue may be divided into charges of manufacture, charges of collection, and charges of prevention. With regard to some of those, there can be no doubt as to how they should be classed. Round the salt districts there is a sort of cordon of preventive officers, in order to prevent the illicit transport of salt from the salt-producing districts, into the interior of Bengal. That, of course, is clearly a charge of prevention. Then, again, the price paid to the molunghees, the salt-makers, for the salt they produce, is, of course, clearly a charge of manufacture. But many of the other charges are rather difficult to distribute under their different heads, and at first only those which were distinctly charges of prevention were charged against the revenue, leaving almost all the others to be charged wholly against the salt. For example the duty of the salt agent is to make advances to the salt-makers, and to receive salt from them equivalent to the value of those advances; but it is equally his duty to prevent the illicit manufacture of salt within his district. If the manufacture were prohibited you must have an establishment of some sort for the purpose of prevention within the salt-producing districts. That portion of the charge, which is really a preventive charge, has, hitherto, been added to the cost price of the salt, as have several other charges

of the same description, so that the salt has been sold by the Government at a price beyond its fair cost of manufacture; consequently the imported salt has had to compete with an article which has been fictitiously raised in price, of course to the advantage of the imported salt.

7261. Will you state to the Committee what are the charges which you think fairly applicable to the production of native salt?—I think it is as well that I should read to the Committee a letter which was received last year from the present Governor-General. The large increase of foreign salt imported into Bengal attracted the attention of the Revenue Board, and they thought it was very desirable, for the protection of the native manufacturers, that those charges should be more closely sifted, although to the Government it is utterly indifferent whether the revenue is raised on the imported salt, or on the home-made salt. The following communication was thereupon, made to the Court of Directors, under date of the 17th of September, 1852:—

“According to the resolution of the Select Committee of the House of Commons, in 1836, and to the instructions of your Honourable Court consequent thereupon, the Government is required to sell agency salt manufactured on its account, at a wholesale price at least equal to the ‘cost price,’ added to the fixed duty. The object of this resolution was to place imported, and especially English, salt on a footing of equality with Bengal salt. The Board of Revenue, in a letter, dated the 29th June last, herewith forwarded, now show that the principle on which this ‘cost price’ has been calculated is, to a great extent, erroneous: that many items are included which are not really charges of manufacture, but charges of collecting and protecting the revenue, and that, hence, Foreign salt, instead of being on a footing of equality with Bengal salt, is much more highly favoured, and is, consequently, in a fair way of driving Bengal salt out of the market altogether. Thus, in 1842-43, the sales of Bengal salt amounted to 38,70,625 maunds, while the imports of foreign salt were only 8,92,740 maunds; but in 1851-52 the former had fallen to 22,58,552, and the latter had risen to 29,26,866 maunds. During this interval, the manufacture has been stopped in some agencies, and contracted in others; large numbers of people have been thrown out of employment, and one of the few remaining sources of domestic industry has been most seriously impaired. The Board’s argument is founded on an assumption, the correctness of which, I believe, will bear the most careful scrutiny, namely, that since the Government was prohibited, by the resolution of the Committee, either, on the one hand, from deriving a profit on the manufacture of salt, over and above the fixed duty, or, on the other, from destroying competition by a temporary sacrifice of a portion of the fixed duty, it has ceased to have any interest whatever in the manufacture of salt, except as a means of realizing the fixed duty, and that the competition, instead of being between the importer and the Government, as it was before the resolution of the Committee was acted on, is now between the Foreign manufacturer and the Bengal manufacturer, between the importer and the dealer, who, in the absence of a direct Government agency, would bring the salt to market at a profit to himself, and at much less cost to the consumer. The Board then show that the Bengal manufacturer, besides being encumbered by the unavoidable extravagance of a Government system of manufacture, and the equally unavoidable extortion of the subordinate agents employed in carrying it out, is also charged with a considerable outlay, which, though incurred in connexion with, and apparently on account of, the manufacturer, is, in reality, expended by the Government, as the cheapest and most convenient mode of realizing its revenue, and protecting it from the operations of the smuggler. To take, for instance, the salary of the salt agent: the principal duties of this officer are to make advances to the molunghees, to prevent any one from making salt, except those to whom advances are made; to prevent those to whom advances are made from disposing of their salt to any one but the Government; to receive, convey, store, and guard the salt, which, from the very moment of its production, becomes worth seven or eight times its natural value; and to see that none is delivered, except on the production of proper documents. He has also to prevent smuggling generally within his agency, and to superintend and control a large body of ill-paid native functionaries, whose authorized salaries are believed to bear but a small proportion to their actual receipts. Now if the manufacture were to be undertaken by a large private joint-stock company (the most unfavourable supposition for the Board’s argument), under an excise system, such a company would employ one or more agents, whose simple duty would be to make advances to the molunghees, to receive the salt at its natural value, store it in golahs in convenient places on the river banks, and either bring it to market, or sell it to dealers on the spot. These agents would be goomastahs, such as are now employed by Calcutta merchants, to purchase sugar and other country produce, of far greater intrinsic value than salt; and their services would be well remunerated by salaries of 25 or 30 rupees a month; and, supposing 10 such agents to be employed in the field now occupied by one Government agent, their aggregate salaries would only be 10 per cent. of what the Government now pays to a single European agent, while nearly the whole expense of Sudder and Mofussil establishments would be saved to the manufacturer. But, even under these circumstances, the Government must still maintain an expensive European officer and a large body of excisemen, to see that no salt is manufactured but by those to whom advances are made by the licensed company, that none is disposed of except to the licensed company; and the licensed company themselves do not dispose of the salt without paying duty on it, and that it is not embezzled by their agents, or pilfered from their storehouses. In short, the interests of the Government in the correct delivery and safe custody of all salt manufactured being from six to seven times as great as that of the dealer, the burden of

protecting it must inevitably fall on, the former; and hence it must be concluded that a very large proportion of what is now apparently a manufacturing charge, is, in reality, a revenue charge, which would have to be incurred under any system of management, and ought not, therefore, to be charged upon the salt, but defrayed from the proceeds of the duty. The Board have entered into a detailed examination of the several items of charge, and have given their opinion whether the whole, or any proportion of each item, should be debited to revenue, or allowed to remain, as at present, a charge upon the manufacture, and an element of the 'cost price,' which, superadded to the fixed duty, is the price at which the Government must sell its salt to the public. The result of the changes which they propose would be to reduce the price of Bengal salt by about 15 rupees, and Cuttack salt by about 10 rupees per 100 maunds, and so diminish the annual gross receipts of the Salt Department by about 2,82,027 rupees. This amount, they truly observe, is, virtually, a tax on home-made salt for the protection of foreign salt, and, if the Government is not prepared to sacrifice it, it should be made good by a general increase in the duty on all kinds. I have recorded my views on this subject more fully in a separate minute, and now desire to recommend it to your immediate attention, it being desirable that, if possible, a reply should be received in India before the next annual adjustment of the 'cost price,' which will take place at the close of the current official year, and have effect from the 1st May next. The duty of 2 rupees 8 annas a maund is fixed, as you are aware, for five years, ending with the 30th of April, 1854."

This is the reply to that letter, under date of the 16th of February, 1853 :—

"We now reply to your letter, dated the 17th of September last, with which you refer for our instructions a letter, dated the 29th of June, 1852, addressed to you by the Board of Revenue, on the subject of the mode in which the 'cost price,' at which, in addition to the fixed duty, the agency salt is issued from the Government golahs, has hitherto been computed. The Select Committee of the House of Commons, which sat in the year 1836, recommended that Government should keep their golahs at all times open for the sale of salt at the cost price, the purchaser to pay in addition a fixed duty on removing the salt from the golahs; and with regard to salt manufactured in any other country than Bengal, that such salt should pay the same duty as that sold by the East India Company, and no other duty or charge whatsoever, except a fair and reasonable rent on such salt as may have been bonded. It appears, therefore, to have been clearly the intention of the Select Committee that the Bengal manufacturer, and the importer of Foreign salt should be placed on a perfectly fair and equal footing, and that the competition between the two descriptions of salt should be altogether free and unrestricted. The Board of Revenue contend that, in the present mode of computing the 'cost price' of Bengal salt, this principle is not fairly carried out, many items of charge being included in the 'cost price,' which are, in no respect, charges of manufacture, but are strictly charges incurred for securing and protecting the revenue, and, as such, should be debited, not to the manufacture alone of Bengal salt, but to the salt revenue generally. This mode of computation, by enhancing the price at which Bengal salt is issued to the public, necessarily places the home manufacturer at a disadvantage as regards the foreign importer, and does, in fact, subject the native produce to burdens from which the foreign article is entirely free. The Board observe that the Government, as a mere question of revenue, has no interest whatever in maintaining the home manufacture, the same duty being payable on all salt brought into consumption, whether imported from abroad, or produced in Bengal. 'It is bound, however,' the Board proceed, 'to take care that the industry of its native subjects is not subjected to any burdens which are not equally borne by the foreign importer, and no fear of misrepresentation, or of clamour unfounded in reason, is likely to induce it to swerve from this object, when the means of attaining it are satisfactorily made out.' The Board consider that the correct principle which ought to be adopted in calculating the prime cost of home-made salt is 'to add to the price actually paid to the molungees so much of the expense incurred by Government in bringing it to market, as would be incurred by private individuals, or a joint-stock company, for the same purpose, on the supposition that the salt were manufactured under an excise system, and subject to the restrictions inseparable from that mode of management, the operations of Government being confined to the collection of the fixed duty, and the prevention of illicit dealings.' All other charges, under whatever name they may be brought to account, the Board hold to be charges incurred for the security and protection of the salt revenue under its present form of administration, and therefore forming no part of the 'cost price' of the salt, as contemplated in the Resolution of the Select Committee of the House of Commons. We entirely concur in the correctness of the principle laid down by the Board of Revenue, and admitted by your Government, and we authorize you to adopt it in the next annual adjustment of the sale prices of Bengal salt, which will take effect from the 1st of May next. It is, however, our desire that the analysis of the charges now classed as charges of manufacture given in the communication from the Board of Revenue should, in the first instance, be carefully revised. We forbear entering on that investigation in detail, and we shall only express our confident expectation, that, in distributing those charges, either as attaching to the manufacture, or to the administration of the revenue, you will be enabled to satisfy the just claims of the native producers, without infringing on the spirit of the recommendation of the Select Committee, or giving any reasonable ground for cavil on the part of the importers of salt, either from this country or elsewhere. It is represented that the readjustment of these charges will probably reduce the cost of

the salt of the Bengal Agencies by about 15 rupees, and that of the Cuttack Agencies by about 10 rupees per 100 maunds, and that its effect will be to throw on the salt revenue a charge of about 2,82,027 rupees. The question is not, however, one of revenue, but of justice to the people of the salt-producing districts; and financial considerations cannot be permitted to outweigh the claims of justice. All that we require is that the charges included in the above estimated sum of 2,82,027 rupees shall be clearly shown to belong to the cost of the excise and preventive establishments, which are required for the security of the revenue, whether derived from the excise duty levied on home-made salt, or from the customs' duty on salt imported by sea. We think that it will be advisable to call for a report from the Comptroller of the salt chowkeys in Bengal on the points referred to in the letter from the Board of Revenue of the 29th of June, 1852, and that this opinion upon the items proposed to be transferred from the charges of manufacture should be obtained, before you determine what the fixed prices of agency salt are to be. We may observe, however, that the present duty of 2 rupees 8 annas per maund is fixed only till the 30th of April, 1854, at which date it will be open to revision, and that, if then deemed advisable, an addition of one anna per maund to the duty would more than cover the anticipated loss of revenue."

7262. What do you consider to be the charges which are justly to be included in the cost of production in Bengal?—Every charge which would have to be incurred by any other manufacturer than the Government.

7263. Everything, in fact, except the cost of the preventive system?—Everything except the cost of the preventive system, and some charges as regards the collection of the revenue, which would be required to be incurred in case the revenue were, as it possibly might be, altogether derived from import duties.

7264. If the revenue were derived altogether from import duties, and there were no excise duty in the country, the only cost would be the cost of the receipt of customs?—There must be a large preventive establishment all round the Bay of Bengal in the salt-producing districts, to prevent its being illicitly made, and smuggled into the interior. In those districts a man would have only to take a pipkin and a little brine, and make salt for himself.

7265. Will you explain the difference which is mentioned in the papers you have read, of 15 rupees per maund upon the produce of Bengal, and 10 rupees upon other produce?—I have not the details in my recollection. That is the result of the analysis made by the Board of Revenue; their report can be produced, if the Committee wish to have it.

* * * * *

7280. Will you explain of what items the column of "charges" in that statement is composed?—Referring to the columns of "charges," the main portion of it consists of the cost price of the salt, together with all such charges as, under the system hitherto, have been regarded as charges of manufacture, many of them being charges which, under the interpretation recently put upon the cost price, ought not to have been included.

7281. Do those charges comprise all which, in your opinion, can be fairly debited to the cost of manufacture, as distinguished from the cost of preventive establishments, or do they include the cost of preventive establishments?—Not the cost of preventive establishments; it is intended to include only the cost of manufacture, but I believe many charges are included which do not properly belong to the manufacture.

Extract from the evidence of F. J. HALLIDAY, Esq., Secretary to the Government of India, Home Department.

7587. Has the Government adhered to the rule of not selling under such a price as would cover the cost, and include an amount equal to the duty levied upon imported salt?—So far as the Government can, it has adhered, *bond fide* and strictly, to that principle. It has recently been a subject of consideration, in consequence of the number of people who have been thrown out of employment by the successive closing of different agencies, whether, in point of fact, owing to the method of calculation adopted, the Government was not putting too heavy a charge upon its salt, which would be to the detriment of its own manufacturers, of course rendering the salt unsaleable, in competition with the cheaper salt coming in by import. An examination was accordingly instituted, the results of which has been a correspondence, which was not long ago concluded, in which it was shown that, of the different items composing the charges of manufacture, some items really, upon close examination, were preventive charges. That has now been remedied, by an order which has gone out from the Home Government to the Government in Bengal, and the effect will be that about 15 rupees per 100 maunds will be deducted from the charges of manufacturing salt in Bengal, and about 10 rupees per 100 maunds from the charges in Cuttack, thereby reducing the price at which the Government can offer their salt for sale by those amounts respectively, and so far improving the chance which the Government has of selling its salt in competition with imported salt. But the apprehension in Bengal on the part of the persons connected with the manufacture certainly is, that they are in process of being undersold, and driven out of their manufacture by the salt imported from Foreign countries.

Appendix P.—No. 2.

Extracts from the Appendix to the Fourth Report of the Select Committee of the House of Commons on Indian territories in 1853.—Appendix No. 6, pages 262 to 275.

Letter from the Junior Secretary to the Board of Revenue to the Secretary to the Government of Bengal.

Sir,

Fort William, June 29, 1852.

I am directed by the Board of Revenue, in continuation of the annual report on the salt revenue of the Lower Provinces, contained in my letter, dated the 29th instant, to submit the following observations relative to the comparative advantages under which, on the one hand, salt manufactured in the Presidency on account of Government, and, on the other hand, salt imported into Calcutta by sea, is brought to market, and to the measures it may be necessary to take, in order to place the two more nearly on a footing of equality than they are at present.

Salt.
E. M. Gordon, H. Ricketts
E. Currie, Esqrs.

2. It will be remembered that in 1836, a Select Committee of the House of Commons recommended that the Government should keep their golahs at all times open for the sale of salt at the cost price, the purchaser to pay in addition, a fixed duty on removing the salt from the golahs, and that permission should be given for the import of Foreign salt into Calcutta, on payment of the same duty as that levied on salt sold by the East India Company. The Committee observed, that if their recommendations (of which those above mentioned are the essential ones) were fully and fairly carried out, the monopoly of the Company would be reduced to one solely of manufacture, and the difficulties, that had previously stood in the way of a fair competition between native and imported salt, would be removed.

3. So far as respects the importation of Foreign salt, the recommendations of the Select Committee have been "fully and fairly carried out:" but it appears to the Board, and they hope to establish the same to the satisfaction of the Government, that, in consequence of the meaning hitherto attached to the ambiguous term "cost price," the salt manufactured on account of Government has been offered for sale at much above legitimate rates, and that hence the consumption of the latter has gradually decreased, until it appears not an improbable contingency, that, unless measures be taken to ensure for it that fair competition contemplated by the Select Committee, it will eventually be driven out of the market.

4. The erroneous interpretation of the term "cost price," referred to in the preceding paragraph, arises from confounding the position of Government, as it was before the recommendations of the Committee were carried into effect, with that which the Government has since occupied: in other words, from regarding the Government, instead of the molunghee, as the local manufacturer. This may have been a correct view of the case in 1836, when a limited supply of salt was annually brought forward and disposed of by the Government at public auction, when the Government realized a profit from the sale of salt independent of the duty, and when the import of Foreign salt was virtually prohibited; but now that the Committee's resolutions have been acted upon, it appears to the Board to be altogether, and most mischievously, erroneous.

5. When the Government had a monopoly of sale as well as manufacture, and could regulate prices at pleasure, it was in its power, first, by lowering prices, to prevent the importation of Foreign salt (which even at that time might legally take place on payment of a fixed duty), and then, by raising them again, to derive a profit far in excess of the fixed duty, and limited only by the repressive effect of exorbitant prices on the consumption; under those circumstances, it was clearly the Government who competed with the foreign importer, and in the teeth of such competition no Foreign salt could be imported.

6. But when the Government was restricted in its operations, and compelled to sell its salt at a price equal to the fixed duty added to the cost price, it seems evident, on the least reflection, that the position of Government towards the foreign importer was altogether changed; that it ceased to be a matter of the smallest importance to Government (speaking with reference to the salt revenue) whether that revenue was raised by a duty of 325 rupees the

100 maunds on the import of Foreign salt, or by selling home-made salt at a price equal to that duty, plus the cost of production; and that the Government, instead of being any longer a competitor, in fact came to hold the balance between the home and the foreign producer, and was bound to regulate its interference for revenue purposes in such a manner as that both should compete on terms of strict equality.

7. This change in the position of the Government appears to the Board to have been lost sight of. The Government was still regarded as the manufacturer, and the competition as between the Government and the foreign importer; and hence it was determined (properly enough, on that hypothesis) that the cost price should consist of all charges incurred by Government in connexion with the manufacture, calculated on the average of a certain number of years immediately preceding.

8. Thus the home-manufactured salt, besides being burdened with the expense of a Government management, was also charged with a considerable outlay, which though incurred by Government nominally for manufacture, was really incurred for the purposes of collecting the revenue, and preventing smuggling.

9. In the Board's opinion, the correct principle which ought then to have been, and now to be, adopted, in calculating the primé cost of home-made salt, is to add to the price actually paid to the molunghees, so much of the expense incurred by Government in bringing it to market as would be incurred by private individuals or a joint stock company for the same purpose, on the supposition that the salt were manufactured under an excise system, and subject to the restrictions inseparable from that mode of management, the operations of Government being confined to the collection of the fixed duty, and the prevention of illicit dealings.

10. Before proceeding to explain more fully the grounds upon which this opinion rests, the Board desire to refer to the discussions that took place between the authorities in India and the Court of Directors, relative to the fixation of price, and to show how, in consequence chiefly of the mode in which effect has been given to the recommendations of the Select Committee, the manufacture in Bengal has been affected by the import of Foreign salt.

Mr. Secretary Prinsep's letter, dated August 9, 1837.

11. The Court of Directors, in their despatch dated January 4, 1837, explanatory of the views as to the manner in which the recommendations of the Select Committee were to be carried out, observed that, "The duty only should be fixed, the price being variable, in relation to the original cost of the salt to Government," and desired that the plan which the Government might propose to carry into effect should be reported for their final sanction.

12. Agreeably to instructions issued by Government on the receipt of this despatch, the accountant prepared a statement, showing the average cost and charges per 100 maunds of salt for 10 years, ending on April 30, 1836, which was submitted to Government with the letter of the late Board of Customs, Salt and Opium, dated September 29, 1840. The Board on that occasion* (see paragraph 14) questioned the propriety of including among the expenses of manufacture certain charges which would have to be incurred under any system of management, and referred again to the subject in their letter, dated September 21, 1843, paragraph 16.†

13. On November 6, 1843, the Government, addressing the late Board, observed, "It is obviously desirable, as it is in conformity with the views and instructions of the Court of Directors, so to arrange the duty on imported salt, in connexion with the monopoly sale prices and the cost of production, that, on the one hand, the importer shall have no ground to complain that he is more heavily taxed than the home producer; and, on the other, that the local manufacture, and the interests of those engaged in it shall

* Extract.

14. This abstract shows the ten years' average ordinary cost and charges per 100 maunds of Bengal, i.e. Pungah* salt. We will first select the Hidgellee salt as an example. We find it costs, as per statement,^b 92,100; the net sale proceeds are 4,12,610, and the profit 3,20,509. But there is included in the cost certain items which do not appear to us to be chargeable to the manufacture; as for instance, Moshairch proportion of salt office charges, and proportion of chowkey charges; all these charges would equally exist if the manufacture on the part of Government was discontinued, and the revenue collected by a pure excise system, or entirely on the importation of salt by sea.

† Extract.

16. Under these impressions, the course we would desire to adopt, is to arrive at what are the cost and aggregate charges of the several descriptions of salt; but we find a difference of opinion prevailed in 1840 what items were to be so regarded, that our Board laid statements before the Government on September 28, 1840, No. 34, and requested the superior authority to determine, to which no orders have yet been received. Before proceeding therefore beyond the reduction already effected by us, simultaneously with the wishes of your Honour, we would request to be informed whether the opinions expressed by this Board in regard to the cost and charges and net profit, have been decided on by Government.

* There is an exception of no moment in the case of Cuttack Abra salt.

† The figures are Company's rupees, and decimal parts of a rupee.

So in the original.]

be in no way prejudiced by the admission of Foreign salt on more favourable terms."

14. On December 4, 1843, the Government transmitted to the late Board extracts from the Court's despatch of September 20, No. 11, 1843,* in which it was explained, that the duty was to be exclusive of "the charges incidental to the manufacture, such as the price paid to the molunghees, aurung, and transportation charges, &c., all of which would become extinct in the event of the abolition of the present system of manufacture," but to include "all those charges, such as the maintenance of a preventive establishment, payments to the French and Danish Governments, and others, which would have to be incurred under any system whatever, by which a revenue should be derived from the article of salt."

15. This distinction, the Court observed, had been altogether lost sight of by the accountant in the statements prepared for the information of the Board, but as the Board seemed to be fully aware of the importance of maintaining it, the Court expressed their confidence that due care would be taken to distribute the various charges on the salt revenue into the classes to which they properly belonged.

16. In October 1844, the duty on all salt was reduced from 3½ rupees to 3 rupees a maund, and the Government at the same time pledged itself not to alter for a certain period the wholesale prices then fixed on the various kinds of salt at the several agency ghats and the Sulkea golahs. These prices were not based on any calculation of cost, but were those which happened to be fixed at the time by the Board, who, until then, regulated prices according to what they conceived to be the relation of supply to demand.

17. Revised statements for the ten years ending with 1835-36, were furnished by the accountant on the 14th of October, 1844, and submitted to Government, with the Board's address of January 8, 1845. In these statements the following items were assumed to be "charges incidental to manufacture," in the sense intended by the Court, which were to constitute the "cost price" of the salt.

1. Cost paid to the molunghees.
2. Aurung charges.
3. Transportation charges.
4. Khullaree rents.
5. Salary of agents.
6. Charges for transporting salt to Sulkea.
7. Charges for receiving and delivering salt at Sulkea.
8. Cost of establishment at Sulkea.
9. Value of salt lost by accident.

There were also three other items included in the statements; viz., bounty to purchasers, charges for refining damaged salt, and proportion of irrevocable balances; but these being obsolete, it will be unnecessary to consider.

18. On November 18, 1846, the Government issued orders on the subject. It appears from the Under-Secretary's letter of that date, that on the receipt of the Board's despatch of January 8, 1845, the Government reviewed the several items of charge set forth in the accountant's statements, and was of opinion that the salary of agents ought not to be charged to the manufacture of salt, but to revenue, "as, in all probability, having to be incurred under any system for purposes of prevention." But, as the statements then submitted only brought down the accounts to April 30, 1836, the accountant was required by Government to prepare fresh statements on the same principle as before; first, for 10 years, ending with 1842-43; and afterwards for three years, ending with 1844-45.

19. In the meanwhile, the Court of Directors having received the Board's despatch of January 8, 1845, with the statements first prepared by the accountant, had addressed the Government in the following terms:

"These statements have been prepared for the purpose of enabling you to carry into effect, as enjoined by us, the recommendation of the Select Committee of the House of Commons, which sat in 1836, that the duty to be imposed should be fixed at the lowest rate consistent with the maintenance of the revenue, and not exceeding the average rate of the net profit of the Company's monopoly for the last 10 years."

The Under-Secretary's letter dated November 18, 184

"We need only observe, that in these amended statements the salt accountant has rightly understood the principle on which it was our desire that they should be framed; the results above given being arrived at by deducting from the sale proceeds the charges incidental to the manufacture, store, and sale of salt on account of Government, excluding from consideration all charges belonging exclusively to the maintenance of the revenue, which would have to be incurred if the manufacture on the part of the Government were wholly abandoned, and the revenue derived by an excise on manufactured, and a customs' duty on imported salt."

* Paragraphs 59 to 62.

20. The Government, therefore, considering apparently, that the Court had sanctioned, not only the principle on which the accountant's statements had been prepared, but also the details, proceeded to fix the prices of the several descriptions of salt then in store, according to the accountant's average of those years, inclusive of the salary of the agents, and upon this footing the "cost price" of the several kinds of salt manufactured on account of Government has been calculated from time to time until now. The Court of Directors reviewing these proceedings in their despatch, dated August 18, 1847, observed, "The Government state (paragraph 2), that, in their opinion, the salary and commission of salt agents should be excluded from the cost of manufacturing and storing salt, as it appeared to them to be 'an item more properly chargeable to the collection of revenue as, in all probability, having to be incurred under any system for purposes of prevention.' We differ from the Government in this opinion; for although, it may be admitted that some portion of the charge of the salaries of salt agents would have, under any system, to be incurred for preventive purposes, yet those officers are ostensibly and principally employed in superintending and controlling the manufacture of salt, and not in the collection of the revenue derived from it. We consider, therefore, that their salaries are fairly chargeable to the manufacture, and the exclusion of that item from the cost of the Government salt would undoubtedly give rise to cavils and objections on the part of importers."

fr. Secretary Halliday's
letter, dated November 3,
1847.

	1844.	1852.
Hidgellee	- 74	- 66
Tumlook	- 85	- 68
Chittagong	- 87	- 76
Arracan	- 82	- 80
Sulkea.		
Cuttack	- 113	- 88
Balasure	- 118	- 75
Khoorda	- 121	- 85

21. From the following statement it will be seen that the imports of Foreign salt, which up to 1844-45 were comparatively small, began to increase largely after the first reduction of duty, and that although the cost prices of Government salt have been intermediately reduced by economical arrangements, to the extent noted on the margin,* yet the imports have continued to increase, until in 1851-52, they amounted to 56½ per cent. of the whole rowannah supply.

	Wholesale.	Imports.	Excise.	Total.
	Maunds.	Maunds.	Maunds.	Maunds.
1842-43	38,70,635	8,92,740	..	47,63,375
1843-44	39,07,624	9,67,013	..	48,74,637
1844-45	41,50,346	9,70,595	..	51,20,941
1845-46	33,99,275	15,81,986	..	49,81,261
1846-47	37,11,446	14,66,744	..	51,78,190
1847-48	39,88,541	16,15,084	..	56,03,625
1848-49	33,16,637	16,10,256	16,450	49,43,343
1849-50	33,83,833	21,03,219	23,630	55,10,682
1850-51	28,25,100	26,01,033	35,000	54,61,133
1851-52	22,39,952	29,26,866	18,600	51,85,418

22. The result of this unexpected increase in the supply of Foreign salt has, of course, been to compel the Government to contract the home-manufacture, and, in pursuance of that object, to abolish the agency in the 24 Pergunnahs, to suspend the manufacture for an indefinite period in Chittagong, and to limit it in Cuttack to the quantity required for local consumption. The provision in the remaining agencies has also become less than in former years, and is likely, unless measures can be taken to alter the present tendency of affairs, to be still further diminished. No salt is now manufactured along the whole line of coast, from the Hooghly to the southernmost point of the Chittagong district.

23. This state of things, so injurious to the home producer, and to the industrial interests of the country, appears to the Board to demand close inquiry, and if possible, the application of a remedy. The discontinuance in any district of a manufacture in which thousands of persons have been engaged all their lives, and from which they have derived a large portion of their subsistence, is a most serious calamity, which the Government is bound to avert by every possible means, consistent with the maintenance of the revenue derived from salt, and with fairness to the foreign importers.

24. The Government has long ceased professedly to derive any advantage in the way of profit from the manufacture of salt, the principle upon which wholesale prices are adjusted having been, since 1846, at least to add the fixed duty to the cost of produce, calculated on an average of three years. The system of agency manufacture is therefore pursued, not with a view to make a profit by the manufacture over and above, or otherwise than in the form of, the fixed duty, but as the cheapest and most convenient form of collecting the revenue. But, in fact, the Government does, unwittingly, continue to derive a profit from the home-manufacture of salt, to the great advantage of the foreign trader, and the injury of the home-producer, by charging upon the agency salt several items of cost, which, though apparently connected with manufacture alone, are really incurred for the purposes of collecting the revenue, and preventing smuggling.

25. That this is really the case will appear clearly, if it be borne in mind, what is undoubtedly the fact, that the Government is not the manufacturer of the salt, but the purchaser, collector, and storer of it for revenue purposes, and that the competition is to be regarded not as between the importer and the Government, but, as between the foreign manufacturer and the molunghee, between the importer and the dealer, who, in the absence of Government interference, would bring the home-made salt to market.

26. Hence many of the agency charges, which, so long as the Government was regarded as the manufacturer, appeared to be, and, on that hypothesis, were no doubt rightly called, manufacturing charges, must stand in a very different light when the molunghee is regarded as the manufacturer, and the Government as interfering between him and the wholesale merchant, simply for the purpose of revenue.

27. If the salt now made in Bengal, instead of being collected by Government agents and stored in Government golahs, were made under the system of excise, the Government would obviously realize nothing but the fixed duty, and all charges of collection and prevention would fall on the revenue. Wherever persons were permitted to make salt under such a system, it would be necessary to employ additional establishments to supervise the works, and prevent frauds on the revenue, and it is probable that the regular preventive service would also have to be augmented, because the Mofussil officers of the Agencies are now employed in preventing smuggling, as well as in receiving the salt from the manufacturers. All the agency expenses which are now thrown upon salt would be swept away, but instead, there would have to be incurred an outlay in proportion to the number of works licensed, and the whole of this outlay must be a charge upon the revenue.

28. There cannot be a more apposite illustration of the truth of the foregoing observations, and of the disadvantage under which the native manufacturer now labours, than that afforded by a correspondence which has recently passed between the Board and the proprietors of the Narainpore salt works, regarding the special establishment maintained there to supervise the manufacture. The Government is aware that salt is made at Narainpore under an excise system, the fixed duty being paid on all salt cleared from the works under rowannah, and the proprietors disposing of the salt to the best advantage.

29. The expense of this establishment, which it is necessary to maintain, in addition to the regular preventive force of the Barreepoor division, has hitherto been borne by Government; but, on an application being made by other parties for permission to make salt elsewhere on similar conditions, it appeared to the Board that the above arrangement placed the proprietors of the Narainpore works in a better position than the molunghees, and the department in a worse position as regards the former than as regards the latter; because, in the case of the Narainpore works, the Government receives nothing but the bare duty, out of which it has to pay the additional establishment, whereas in the case of the molunghees, the Government clears the whole duty, and charges the whole expense of the extra preventive (included in what is termed the manufacturing) establishment to them.

30. But the proprietors, on being called on to say why on these grounds they should not be made to bear the expense of this extra establishment, employed exclusively for the surveillance of the works, protested against being placed in a worse position than importers of Foreign salt, who pay the fixed duty and nothing more; all charges of collection and prevention being paid by the Government from the revenue.

31. This objection appeared unanswerable, and hence the Board, being placed in the dilemma of either continuing to do injustice to the molunghees, by paying the expense of the Narainpore establishment from the revenue, or doing injustice to the Narainpore proprietors, by imposing upon them a charge from which importers are free, were under the necessity of allowing matters to remain as they were; for it was not in the power of the Board, on the one hand, to charge importers with the expense of collection or, on the other hand, to transfer any part of the charges which have hitherto been assumed to constitute the cost price, from salt to revenue.

32. It seems, therefore, to the Board that, in reconsidering each item of the charge, with a view to relieve the agency salt from all charges not borne by imported salt, or by salt made under the excise system, the question to be asked is, whether the charge would be incurred by private individuals or a joint-stock company engaged in manufacturing salt and bringing it to market, subject only to the restrictions necessary, as in the case of the Narainpore works, for the protection of the revenue. If this question cannot be answered in the affirmative the charge must necessarily, in the Board's judgment, be one either of prevention or of collection, not of manufacture, and therefore not properly chargeable on salt, but on revenue.

33. The Court have expressed their opinion that only those charges which would have to be incurred, under any system of management, ought to be debited to revenue; and in this category they include only those

charges which are not ostensibly connected with the manufacture. But, in the view taken by the Board, this opinion is defective, and its operation injurious to the Bengal manufacturers, in two respects; for, in the first place, the revenue ought to be charged not only with the expenses that would be incurred under any system, but with all expenses that, under a different system, would be saved altogether; and, in the next place, many of the charges, which are nominally of manufacture, are, in reality, of collection, and, consequently, debitable to revenue. No charge, in short, which, under a system of excise, would either fall on the Government or be saved altogether, ought to be included in the "cost price" of salt. Such charges are incurred for purposes of revenue, and not of manufacture.

34. It is very possible that, even after making all deductions from the cost price of agency salt, which, on the principle above explained, may be found practicable, Foreign salt will still continue to compete successfully with the produce of Bengal. This is especially the case with the salt of the United Kingdom, because of the great difference in bulk between the exports and imports, the former consisting entirely of raw produce, and the latter of manufactured goods. The excess tonnage must be filled up, and it is more to the advantage of the shipowner to import salt, at however low a freight, than to send a ship in ballast; for a salt cargo is considered beneficial to the timber of a vessel, and the salt is put on board and landed free of all charge to him. It cannot, however, be doubted that every reduction in the cost price of home-made salt will have a tendency to remove the disadvantage under which it now suffers, and at all events the native manufacturers will have no ground, as they now have, for complaining that they are ruined, not by fair competition, but in consequence of being burdened with charges incurred by the Government solely for purposes of revenue, and not properly incidental to the manufacture.

35. The Board now proceed to apply the principle laid down in the 32nd and 33rd paragraphs, to the several items of charge, as shown in the accompanying statement* for 1256, S. S., prepared from the accounts furnished by the several agents.

I. COST PAID TO THE MOLUNGHEES.

	RS.	A.	P.
Hidgellee	2,64,252	15	2½
Tumlook	3,68,930	3	3
Balasore	1,05,923	4	6
Cuttack	67,124	13	11
Pooree	1,10,363	6	6
	9,16,594	11	4½

36. This is no doubt purely a manufacturing charge, and must continue to be borne by salt. At the same time it may be observed that the cost is somewhat higher than it would be if the trade were in the hands of private dealers, as it is perhaps impossible entirely to suppress extortion and speculation on the part of the petty officers employed in receiving the salt and paying for it, and these unauthorized perquisites must augment the price of the salt. This, however, is only to be remedied by vigilance on the part of the salt agents, and the adoption of the lowest rates consistent with a fair remuneration for the molunghee's labour.

II. AURUNG CHARGES.

(a). Fixed Establishment, Sudder and Mofussil.

	RS.	A.	P.
Hidgellee	28,169	10	9
Tumlook	24,965	0	0
Balasore	16,157	14	11
Cuttack	11,746	7	1
Pooree	10,036	0	6
	91,075	1	3

37. The cost of the Sudder and that of the Mofussil establishments, though entered as one item in the statement, seem to the Board to rest on different grounds. The former, or something analogous to it, would probably have to be incurred by private individuals, on account of the receipt, storage, and delivery of salt, and therefore it is not proposed to relieve the salt of any part of the expense incurred under that head.† But the Mofussil establishment is employed exclusively for preventive purposes, and the cost of it, under a different system, would either be wholly saved, not to the Government only, but to the producer, whoever he might be, or incurred by the former for the purpose of maintaining an additional preventive force. If, as at Narainpore, the salt were to be made within a limited enclosure and stored on the spot, nearly the whole of the expense incurred for Mofussil establishments, under the existing agency system, would be saved; and if it were to be collected from molunghees, within a given extent of country, and stored at a convenient ghât, the existing preventive force would not be sufficient to prevent illicit manufacture and removal, and an additional preventive establishment, corresponding to the Mofussil establishment of the agencies, would be required. Under any circumstances, therefore, the charge of Mofussil establishment, as it is not necessarily a manufacturing charge, ought not, in the Board's opinion, to fall upon salt.

* Enclosure A.

† It must not be forgotten, however, that a portion of the time of some of the least paid officers of the Sudder establishment is taken up with the receipt of reports and disposal of cases connected with smuggling. It is not probable that the same amount of expense would be incurred by individuals, or a joint stock company.

(b). Burkundaz Guard.

38. This item may fairly be treated on the same principle as the salaries of agents, to be noticed presently, two-thirds being charged to revenue and one-third to salt. The burkundazes are chiefly employed to guard large accumulations of salt collected together for revenue purposes, and the value of which (rendering a guard necessary) is enhanced sixfold by the duty. Under an excise system a single chowkeydar would suffice to guard the store of a private merchant, so far as his interests were concerned, and any additional force which the Government might require, in order to prevent the removal of the salt without payment of duty, would not be a charge upon the manufacture.

	RS.	A.	P.
Hidgellee	2,086	2	10
Tumlook	2,014	12	0
Cuttack	192	0	0
	4,292	14	10

(c). Pensions.

39. These are clearly chargeable to revenue.

	RS.	A.	P.
Hidgellee	120	0	0

(d). Temporary Pokhtan Establishment and Dawk Runners.

40. These expenses appear to the Board to rest precisely on the same footing as the regular Mofussil establishment, and to be incurred only in consequence of the mode in which the Government thinks proper to collect the revenue. Under any other system, they would either be saved to all parties, or incurred directly and unquestionably as a revenue charge. They ought, therefore, to be charged to revenue.

	RS.	A.	P.
Hidgellee	5,488	0	0
Tumlook	6,656	8	0
Balasure	3,462	0	0
Cuttack	3,432	0	0
	19,038	8	0

(e). Ferry Establishment.

41. This is not properly a charge on the salt department. Certain ferries within the limits of the Government fuel lands have been either established, or resumed, by the agents and their rents appropriated. If the salt is charged with the expense of maintaining the necessary ferry establishment, it should be credited with the rents, but, in fact, neither ought to be taken into account, in estimating the prime cost of salt, and this item should, therefore, be excluded from the calculation.

	RS.	A.	P.
Hidgellee	352	7	2
Balasure	269	12	11
	622	4	1

(f). Building and repairing Golahs, Bridges, Drains, &c., and Cutcherries, and excavating Docks and Canals.

42. These, the Board think, must continue to be charged as expenses of manufacture. They would have to be incurred, perhaps to the same extent, under any system of management, by parties engaged in the trade.

	RS.	A.	P.
Hidgellee	4,484	5	7
Tumlook	3,234	3	11
Balasure	303	15	3
Pooree	81	15	0

(g). Poonza Charges, Gatcha Salt Compensation, and Birtee Charity.

43. These are obsolete charges, which have been discontinued, and require no notice.

	8,104	7	9
	RS.	A.	P.
Hidgellee	3,173	8	5½
Tumlook	1,741	8	0
	4,915	0	5½

(h). Temporary Bhangah Establishments, and Baskets, Jute, &c. used for Bhangah Weighment.

44. There are two weighments at the Hidgellee and Tumlook agencies, one in the Mofussil, called the "bhangah," and the other at the golahs, called the "purtul," or check. If the manufacture were conducted by private persons, one of these weighments would cease, as the salt would only be weighed once, whether it was purchased from the molunghees at the golahs, or at the place of manufacture. In the latter case, an article of such small value as salt would not be weighed a second time by the dealer, though the Government, for revenue purposes, might think it necessary to take measures to ensure the storage of all salt purchased from the molunghees. The Board therefore propose to charge the salt with the expense of the bhangah weighment, but to debit the cost of the purtul weighment (see next paragraph) to the revenue.

	RS.	A.	P.
Hidgellee	4,538	0	1
Tumlook	6,129	8	8
Balasure	124	6	6
Pooree	1,249	12	8
	12,141	11	11

(i). Purtul, or Import Weighment.

45. This item, as stated in the preceding paragraph, the Board propose to debit to revenue.

Hidgellee	1,271	9	1½
Tumlook	2,439	2	2
	3,710	11	3½

(j). Cutcherry and Golah Ground-rents.

46. This is a manufacturing charge; rent would have to be paid for premises which any private trader might occupy.

	RS.	A.	P.
Hidgellee	13	15	10
Tumlook	600	0	0
Balasure	20	5	8
	634	5	6

(k). Fuel Watchers and Straw for covering Bahir Bandedes.

47. These charges, incurred in the Cuttack agencies only, may be left as manufacturing charges,

	RS.	A.	P.
Balasure	1,284	0	0

(I). Zemindars Mosnairn.

	RS.	A.	P.
Balasure	28,246	3	4
Cuttack	17,899	15	5
Pooree	25,856	10	0½
	71,502	12	9½

48. This, as in the Cuttack province, is a payment of 1½ anna a maund to the zemindars of the province of Cuttack on all salt made within their respective zemindaries, partly as an equivalent for the use of the lands which they might otherwise devote to other purposes, and partly as a compensation to them for the profits they formerly derived from the manufacture of salt. In the former light it is doubtless a manufacturing charge, and the Board are not prepared to recommend that it should be otherwise treated. If the Government were to cease making salt in Cuttack, the payment would naturally cease,* and the fuel lands would revert to the zemindars, but their privilege of manufacturing salt would not revive.

(m). Value of Khorakee Salt to Zemindars.

	RS.	A.	P.
Balasure	2,018	12	5

49. This is clearly a revenue, and not a manufacturing, charge. It occurs only in the Balasure Agency, and appears to be a payment secured to the zemindars by way of compensation for the profits they enjoyed from the manufacture before the Government imposed a duty upon salt. The same amount would have to be paid to them under any circumstances, so long as a revenue continues to be derived from this source.

(n). Cost and Revenue of Surruf Salt.

	RS.	A.	P.
Balasure	2,508	15	11

50. This is a manufacturing charge, and ought properly to be included under the first head, viz., cost paid to the molunghees.

(o). Contingencies.

	RS.	A.	P.
Hidgellee	1,452	14	6
Tumlook	208	2	5
Balasure	547	11	5
Cuttack	1,342	0	6
Pooree	197	6	3
	3,748	3	1

51. The details of these are not specified in the accounts rendered to the Board, but the amount is small, and the Board would propose to charge one-half to manufacture, and the other moiety to revenue; to allot it in any other proportions that, on further inquiry, might be found more accurate.

III. TRANSPORTATION CHARGES.

	RS.	A.	P.
Hidgellee	14,422	15	10
Tumlook	23,461	6	10
Balasure	5,229	2	2
Cuttack	1,740	5	7
	44,853	14	5

52. These are incurred for conveying the salt from the aurungs, or manufacturing grounds, to the agency golahs. So far as this operation, as conducted by Government, takes the salt out of the regular course of trade, which it would follow if manufactured under an excise system, the charge must be considered as one of revenue, and not of manufacture. For instance, the whole of the salt produced in the Tumlook agency, say, 7,00,000 maunds, is for the convenience of Government, and the security of the revenue stored at Tumlook, contiguous to the agent's office and residence, and a large proportion of it is brought from the banks of the Huldee river, and other distant aurungs. Supposing the same quantity of salt to be manufactured under an excise system, and the average quantity made at each licensed work to be 50,000 maunds (nearly double the quantity made at the Narainpore works), it is obvious that a considerable proportion of the transportation charges would be saved. The proprietor of each licensed work would store his salt at a place conveniently accessible to merchants, and from thence, as in the case of Narainpore salt, it would be conveyed, under rowannah, direct to its destination. It appears, therefore, to the Board, that only a proportion of these charges should be debited to salt. It is impossible to say exactly what that proportion is, and indeed it must differ in every agency; but on the whole the Board believe that, under an excise system, the cost of transporting the salt to the local depôts would be considerably less than one-half that incurred by Government for the same purpose. At Narainpore, the cost is nearly nominal, as the store is immediately contiguous to the works, and on the banks of a navigable river. To transfer one-half of the present charges of transportation from salt to revenue appears therefore to the Board a moderate proposal, and less than, in strict justice to the manufacture, might be made.

IV. KHULLAREE RENTS.

	RS.	A.	P.
Hidgellee	22,753	10	11
Tumlook	3,880	9	8
	26,634	4	7

53. This item ought never to have been included in the cost price of the salt, even on a strict construction of the principle laid down by the Court. The Board presume it to have been supposed by the accountant that these rents, as they are improperly called, were paid to the zemindars for the use of the khullaree lands, and would cease on the discontinuance of the manufacture; but this supposition, if formed, is certainly erroneous. The nature of the khullaree rents, or rather duty, in the agencies of the 24 Pergunnahs and Chittagong, was fully investigated by a Committee in 1820; and by a resolution

* It is an open question whether, under such circumstances, the proprietors of the Tributary Mehals would not be entitled to some compensation.

of Government, dated the 8th of September of that year, the amount of these rents was settled on the zemindars in perpetuity. By a subsequent resolution of Government, dated the 30th of March, 1836, the khullaree rents paid to the zemindars of *settled* estates in Hidgellee, were declared to be of the same character, and precisely analogous to the moshairah paid in *unsettled* estates of the same district, which has already been specially excluded from the calculation of the prime cost of salt.

V. SALARY OF AGENTS.

54. Under this item, may also be considered those of deputy and assistant salt agents, civil assistant surgeon and native doctor, and the Commissioner's salary in Cuttack.

55. These charges, it appears to the Board, are purely incidental to a Government system of manufacture, and are incurred solely for the purpose of collecting the revenue and preventing illicit manufacture. Were the manufacture and provision of the salt in private hands, it would either be necessary to employ trustworthy agents or goomastahs to look after the works, or the proprietor of the works must himself superintend the manufacture, and derive from it some remuneration for the time and labour, over and above the profit, with which, as an absentee, he might be satisfied. But the proprietors, or their agents, would, under those circumstances only, have to see that all salt paid for was brought into store and accounted for. It would be no business of theirs, as it is of the Government agents, to prevent other people from manufacturing salt. And the expense of employing any probable number of native agents on that footing would be very much less than the cost of a single European functionary, such as those to whom the Government find it necessary to entrust the management of an agency, whose duty is not confined to the mere purchase and delivery of salt as an article of merchandize, but comprehends the prevention of illicit manufacture, smuggling, and speculation, the prevention of extortion by the petty officers of the department, and, in short, the monopoly of an article of which the value is raised by the imposition of duty to six times its prime cost. The Board therefore propose to charge only one-third of the Bengal agents' salaries, or 10,000 rupees each to salt, and in Cuttack the difference between the salaries of the agents, and those which they would draw if they were Collectors only, viz. 5,000 rupees each.

The expense of deputy and assistant agents and medical officers ought, in the Board's opinion, to be borne entirely by the revenue, and no part of the salary of the Commissioner of Revenue in Cuttack (who is not paid differently from Commissioners employed exclusively in land revenue duties) should be charged to salt.

VI. CHARGES FOR TRANSPORTING SALT TO SULKEA.

	RS.	A.	P.
Balasore	48,493	4	0
Cuttack	17,989	2	0
Pooree	54,895	8	7
	1,21,382	14	7

VII. CHARGES FOR RECEIVING AND DELIVERING SALT AT SULKEA.

	RS.	A.	P.
Balasore	659	0	1
Cuttack	4,609	2	6
Pooree	13,172	5	7

VIII. COST OF ESTABLISHMENT AT SULKEA.*

18,440 8 2

56. These are no doubt manufacturing, or rather producing, charges, as they would have to be incurred under any circumstances in respect to the salt of Cuttack, and to such portion of Hidgellee salt as the first-hand dealers might think expedient to bring to market at Calcutta, instead of selling to wholesale merchants on the spot. But it is to be apprehended that these necessarily heavy charges may oblige the Government to discontinue the manufacture, except for local consumption. This, indeed, has already happened in Cuttack itself; and the same result is likely to follow in Khoordah, the produce of which is for sale at Sulkea, at a higher price than that of Hidgellee.

IX. VALUE OF SALT LOST BY ACCIDENT.

57. Where salt is lost by accident in course of manufacture or transport (provided the latter is in the ordinary route of traffic), or even when stored in heaps in the aurungs, the value of the salt so lost is fairly debitable to the prime cost of the remainder, but when salt is lost in its passage to a central Government depôt, out of the regular course of trade, or after being stored therein, the value of such salt ought to be charged to the revenue. The Government consider it necessary for revenue purposes, and in order to prevent a possible dearth of salt, to keep in store a stock of 40 or 50 lacs of maunds in addition to the ordinary stocks in the hands of the dealers; but under an excise system no such necessity would exist, and the risk attending such a vast

	Maunds.
Hidgellee	1,32,719
Tumlook	30,200
	1,62,919

* This item does not appear in the annexed statement, not being included in the accounts, but it enters into the triennial adjustment prepared by the accountant.

accumulation would be incurred neither by the Government nor by the private dealers.

58. If, of the charges above detailed, those which the Board propose to charge to revenue be deducted from the present cost price of salt, it may be expected that at the next annual revision the wholesale price of the salt of the Bengal agencies may be reduced by about 15 rupees the 100 maunds, and of the Cuttack agencies by somewhat less. Supposing only the same quantity of salt to be sold by wholesale as in 1851-52, the gross proceeds would be diminished thereby by about 2,82,027 rupees,* and as the actual expense would remain the same, the whole would be a net loss to Government, and this loss would increase in proportion to the improvement which the proposed deductions might create in the demand for home-made salt, supposing a corresponding diminution to take place in the import of Foreign salt.

59. Upon this a question arises whether the Government is to sustain this loss for the benefit of the molunghees, especially after the diminution which the salt revenue has sustained in consequence of the successive reductions of duty that have taken place since 1844. Undoubtedly, as it appears to the Board, if the measures above advocated are necessary in order to place the salt manufacturers of Bengal on a fair footing of equality with the foreign producer, and to annul the protection which the latter has enjoyed since the change in the system of regulating prices, and in the manner of conducting the sales of Government salt, was introduced, the expense necessary for the accomplishment of this object must be borne by Government. If it be thought that the result of reducing the duty upon salt is not favourable, and that the increase in consumption has not sufficiently compensated for the loss of revenue, the remedy for this is a partial re-imposition of the duty on all kinds of salt, both home and foreign, not the maintenance of an unfair charge upon one, for the benefit of the other. The two questions, in fact, have no connexion with each other.

60. It may perhaps be thought, as apprehended by the Court of Directors in 1847, that the foreign producers, especially those of the United Kingdom, may cavil at the measure, and renew those objections to the mode of administering the salt revenue of Bengal, which, since the admission of Foreign salt on such eminently favourable terms, have been silenced. The Government, however, as already observed, has no interest whatever, so far as the salt revenue is concerned, in maintaining the home manufacture. It is bound to take care that the industry of its native subjects is not subjected to any burdens which are not equally borne by the foreign importer, and no fear of misrepresentation or of clamour, unfounded in reason, is likely to induce it to swerve from this object, when the means of attaining it are satisfactorily made out.

61. If it be asserted that, however the matter be disguised, the Government is actually the manufacturer of salt in Bengal, that it makes advances for the salt, and that, in fact, the molunghees are its labourers and servants, who are paid according to the quantity of salt they produce, instead of by daily wages, the reply must be that this assertion is founded in error. The fact that Government is precluded from deriving profit from the purchase and sale of salt, and that it is not interested in maintaining the manufacture, and the equally certain fact that it is the molunghee alone, and not the Government, who suffers by the discontinuance of the home manufacture, and benefits by its extension, are, in the Board's opinion, altogether inconsistent with the position which, for the sake of argument, has been supposed.

62. Mr. Gordon, I am desired to add, cannot concur in the recommendation of his colleagues; he does not object to the soundness of the reasoning by which it is established that much of what is charged as the cost of home manufactured salt in this country does not belong strictly to cost; but he holds, that as it is found necessary to derive an important revenue from salt, the Government is bound to charge unavoidable expenses either to cost or to duty. If this be not done, the loss, Mr. Gordon observes, will fall inevitably on Government, and that, he imagines, can be ill afforded at present. The proposed diminution in the price of salt cannot be added to duty, and Mr. Gordon would, therefore, leave things as they are until the Government is at liberty to readjust the rate of duty chargeable on foreign and home salt.

I have, &c.,

CECIL BEADON, *Junior Secretary.*

Board of Revenue, Fort William,

29 June, 1852.

	Maunds.		Rupees.
* Bengal salt ..	15,35,260	at 15 per cent. ..	2,30,289
Cuttack salt ..	5,17,380	at 10 per cent. ..	51,738
Arracan and Madras Salt	1,77,840		
Total	22,30,480		2,82,027

Enclosure A.

STATEMENT of the Cost of Salt Manufactured in 1256 S.S., or 1849-50.

	Hidgellee.		Tumlook.		Balasore.		Cuttack.		Pooree.					
									For Pangah.		For Kurkutch.		Total.	
	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.
I. Cost paid to the molunghees	2,64,252	15 2½	3,68,930	3 3	1,05,923	4 6	67,124	13 11	69,482	8 6	40,880	14 0	1,10,363	6 6
II. Aurung charges, viz.—														
a. Fixed establishment, Sudder and Mofussil ..	28,169	10 9	24,965	0 0	16,157	14 11	{ Sudder. 7,293 9 8 } { Mofussil. 4,452 13 5 } { 192 0 0 }		{ 2,497 1 9 } { 7,322 14 11 }	{ 4,258 14 3 } { 2,713 1 7 }	{ 6,756 0 0 } { 10,036 0 6 }			
b. Burkundauz Guard	2,086	2 10	2,014	12 0	..	..	..	..	..	..	..	..	..	..
c. Pension	120	0 0	..	..	..	..	..	..	..	..	..	..	..	..
d. { Temporary Poktan establishment	5,488	0 0	6,656	8 0	3,462	0 0	3,432	0 0	..	..	..	..	..	..
{ Temporary Dawk runners .. .. .	..	..	..	..	315	0 0	..	..	..	..	..	..	..	..
e. Ferry establishment	352	7 2	..	..	269	12 11	..	..	..	..	..	..	..	..
{ Building and repair golahs	1,758	10 7	499	12 0	3	0 0	..	..	..	..	..	..	..	..
{ Ditto bridges, drains, &c.	668	6 10	..	..	..	..	..	..	..	..	..	..	..	..
f. { Ditto cutcherries	1,070	14 5	517	7 10	178	12 6	..	..	67 15 0	..	14 0 0	..	81 15 0	..
{ Excavating docks	141	11 9	..	..	..	..	..	..	..	..	..	..	..	..
{ Ditto canals for embankments, &c.	844	10 0	2,217	0 1	122	2 9	..	..	..	..	..	..	..	..
g. { Poonea charges	105	8 0	..	..	..	..	..	..	..	..	..	..	..	..
{ Gutcha salt compensation	2,433	0 0	1,741	8 0	..	..	..	..	..	..	..	..	..	..
{ Birtee charity	635	0 5½	..	..	..	..	..	..	..	..	..	..	..	..
h. { Temporary bhangah establishment	4,368	0 0	6,017	0 0	..	..	..	..	..	..	..	..	..	..
{ Baskets, jute, &c. for bhangah weighment	270	0 1	112	8 8	124	6 6	..	..	357 4 9½	..	892 7 10½	..	1,249 12 8	..
i. Partul or import weighment	1,271	9 1½	3,439	2 2	..	..	..	..	..	..	..	..	..	..
j. Cutcherry and golah ground-rents	13	15 10	600	0 0	20	5 8	..	..	..	..	..	..	..	..
k. { Fuel watchers .. .. .	..	..	..	..	960	0 0	..	..	..	..	..	..	..	..
{ Straw for covering bhar kundee .. .. .	..	..	..	..	324	0 0	..	..	..	..	..	..	..	..
l. Zemindars' moshairch .. .. .	..	..	..	..	28,246	3 4	17,899	15 5	11,746	11 3½	13,609	14 8½	25,356	10 0½
Carried forward														

BENGAL.

Enclosure A.—Statement, &c.—continued.

	Hidgellee.		Tumlook.		Balsore.		Cuttack.		Pooree.					
									For Pangah.		For Kurkutch.		Total.	
	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.	C.Rs.	A. P.
Brought forward														
m. Value of Khorakkee salt to zemindars .. .. .	..	..	..	..	2,018	12 5	..	..	..	..	..	..	..	..
n. Cost and revenue of Surruf Salt .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..
o. Contingencies	1,452	14 6	208	2 5	547	11 5	{ Sudder. 947 14 6 Aurung. 394 2 0 }	72	15 0	124	7 3	197	6 3	
III. Transportation charges	14,422	15 10	23,461	6 10	5,229	2 2		1,740	5 7	..	..	..	..	..
IV. Khullaree rents	22,753	10 11	3,880	9 8	..	..	..	..	..	..	..	..	..
V. { Salary of Commissioner in Cuttack .. .. .	..	..	..	..	3,888	14 2	3,888	14 3	..	..	..	..	..
Ditto salt agent	42,000	0 0	30,000	0 0	9,333	5 0	9,333	5 0	3,449	15 0	5,883	6 0	9,333	5 0
Ditto deputy salt agent	3,600	0 0	..	..	..	..	..	..	..	..	..	..	..
Ditto uncovenanted assistants .. .. .	..	..	2,400	0 0	4,200	0 0	3,000	0 0	1,108	14 0	1,891	2 0	3,000	0 0
Ditto civil assistant surgeon	3,600	0 0	..	..	..	..	..	..	..	..	..	..	..
Ditto native assistant doctor .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	4,01,880	4 4	4,76,661	0 11	1,83,833	12 2	1,19,699	13 9	96,106	4 3½	70,268	3 8	1,66,374	7 11½
Deduct Julkur rent, and sale proceeds of grass of Julpai lands .. .. .	..	..	889	1 7	..	..	..	..	..	..	..	..	..
Net charges	4,01,880	4 4	4,75,771	15 4	1,83,833	12 2	1,19,699	13 9	96,106	4 3½	70,268	3 8	1,66,374	7 11½
PROVISION.														
IX. { Quantity of salt stored	5,73,038	0 0	8,13,069	0 0	} It does not appear from the Cuttack Returns whether the produce as stated below is exclusive or inclusive of losses.									
Salt lost by accident	1,32,719	0 0	30,200	0 0										
Total manufacture	7,05,752	0 0	8,43,269	0 0	3,45,489	0 0	2,14,799	0 0	1,91,777	0 0	3,27,047	0 0	5,18,824	0 0

Enclosure A.—Statement, &c.—continued.

	Hidgellee.	Tumlook.	Balasore.	Cuttack.	Pooree.		
					For Pangah.	For Kurkutch.	Total.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Average cost per 100 maunds of salt stored ..	70 2 1½	58 8 3	53 3 4½	55 11 7	50 1 9½	21 7 9½	32 1 1
Ditto ditto total manufacture ..	56 15 1	56 6 8½					
Additional charges for Cuttack salt stored at the Sulkea golahs; charges for transporting salt from the aurung golahs, &c., to the banks of the river.	..	..	2,509 10 10	3,327 12 5	9,584 3 3	..	..
Contingent charges of every description in the aurungs, including Tippu Novice allowance ..	..	..	1,221 8 11	..	..	..	..
VI. Freight to Sulkea, including Bharbojaie and Mats.	..	..	26,596 13 11	11,868 11 1	44,185 10 10	..	..
Export establishment (including in Balasore a portion of superintendent's salary) ..	..	..	18,170 2 4	1,648 14 10	1,125 10 6	..	..
Charges for removing in C. Cuttack mds. 8,113:10 of salt from the Bhowries to the aurung golahs	..	..	..	81 2 1	..	..	..
Charges for loading vessels at the export ghat (Hunsooab) ..	..	..	..	1,062 9 7	..	..	..
VII. Charges for receiving and delivering salt at Sulkea.	..	..	659 0 1	4,609 2 6	13,172 5 7	..	..
VIII. Cost of establishment at Sulkea (this item does not appear in the agency statements) ..	..	..	..	..	..	..	..
Total .. ..	..	..	49,157 4 1	22,598 4 6	68,067 14 2	..	..
Quantity of salt exported for Sulkea	Mds.	Mds.	Mds.	Mds.	Mds.	Taken from the Cuttack export account of 1850-51.	
	..	..	2,59,434 0 0	67,054 0 0	1,67,790 0 0		
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.		
Average cost per 100 maunds of transport to and store at Sulkea .. ..	..	..	18 15 2	33 11 2½	40 9 1		
Add cost of manufacture as above .. ..	..	..	53 3 4½	55 11 7	50 1 9½		
Average cost per 100 maunds of Cuttack salt at Sulkea.	..	..	72 2 6½	89 6 9½	90 10 10½		

Board of Revenue, Fort William, June 29, 1852.

C. BEADON, Jun. Secretary.

BENGAL.

709

MINUTE by the Most Noble the Governor of Bengal

Salt.

1. The letter of the Revenue Board is, to my mind, a convincing paper.

I hardly concur in their views that the Government is not the manufacturer of the salt; it is, at all events, the trader in that article, and the argument remains valid.

2. For reasons which are held to be conclusive, the Government of Bengal has long raised a portion of its revenue from salt. Instead of raising this revenue by the machinery of an excise, the Government has itself monopolised the sale of the article, and has thus obtained its return to the public treasury.

3. To warrant the Government of Bengal in continuing this system, I conceive it is essential that the operation of the system should clearly involve no injustice to the importer of salt from without, or to the producer of home salt in India.

The representations of the Revenue Board, in my humble judgment, have established that, under the existing system, no injustice is done to the importer of salt, but that great and growing injustice is inflicted on the native producer of that article.

4. The importer of salt from England or from elsewhere, has a right to expect that he should not be exposed by the determination of the Government of Bengal to retain the monopoly of salt in its own hands, to any greater competition than he would have to contend with if the monopoly were abolished, and the traffic in salt, like the traffic in any other article, were carried on by ordinary traders.

The Government of Bengal, acquiescing in that principle, have long since given effect to it by establishing that the selling price of their native salt shall consist of the amount of the import duty on Foreign salt, plus the cost of manufacture and conveyance for sale of the native article.

5. But I think the Revenue Board have conclusively shown that in "the cost of manufacture and conveyance for sale," the Government have included many items which cannot correctly be classed under either of these heads, but which belong to other operations of the Government, such as collection of revenue or charges of preventive service. The selling price of the home salt has thus been enhanced beyond what the selling price would be in the hands of an ordinary trader, by the whole amount of these extraneous items. The direct effect of this has been to enable imported salt to compete with native manufactured salt so successfully that it is thrusting the latter out of the market, while, if the selling price of native salt were what it would be in the hands of native traders it might still hold its ground.

6. Thus the Government has, unwittingly, been doing a great injustice to the native producer. For by raising the selling price of his produce unduly the Government is destroying its sale and is thus depriving him of the employment whereby he gains his livelihood, and which he would still have retained under a system of ordinary trading, where the lower prices would probably have kept the article in the market.

7. The Revenue Board have shown that this is not a partial effect, but that it is felt so widely and severely as to call for the close and immediate attention of the Government.

8. If this Government be reproached with endeavouring to unsay its former conclusion, as to the selling cost of Government salt, I reply that the conclusion of the Government has been, in my judgment, proved to be erroneous, and its calculations faulty, and that it is the duty of the Government to amend the error now that it has found it out.

The Government, in my opinion, should be far less ashamed of confessing that it has committed a blunder than of showing reluctance to remedy an injustice, lest it should, at the same time, be convicted of having previously blundered.

Necessity may unfortunately compel this Government, for the present, to continue to raise an objectionable impost upon an article of first necessity, but nothing can justify the Government in pursuing, for this purpose, a system which unduly exposes a portion of its people to disadvantages that are rapidly depriving them of their means of livelihood. It is, therefore, I think, the plain duty of the Government to endeavour to remedy this evil at once, in the mode pointed out.

9. If it be objected that to do so will involve a sacrifice of revenue I reply that, even if it should reduce the revenue, the plea cannot be admitted. This is a question of duty and justice, not one of expediency or profit. If it be admitted, as I think it must, that the people are bearing an unfair burden, it is the duty of the Government to lighten it, at whatever sacrifice.

10. It may be, too, that the imported salt, with the many advantages which it is shown to enjoy in its import over other articles of commerce, may still drive the native salt out of the market, even at its re-adjusted price. If this should prove to be the case, the Government will have to reconsider the question under that new aspect. Its present duty is obvious.

11. Lastly, if it should be objected that this revision of the selling price of native salt, in India, will create remonstrances, and raise clamour among the owners and exporters of salt from England to India, the answer is easy: the act of the Government here can be shown to be founded on justice and necessity; any clamour against it in England, therefore, will have no foundation in justice or reason, and, accordingly, it ought to be and safely may be, disregarded.

12. So great a change, however, cannot with propriety be carried into effect, until a reference shall have been made to the Court of Directors.

Let this be done by next mail; and, as the case is urgent, an early reply should be requested.

September 11, 1852.

DALHOUSIE.

Appendix P.—No. 3.

Memorandum prepared by the Accountant to Government, and approved by the Board of Revenue, explanatory of the General principles upon which the statements of 3 years' average adjusted Cost and Charges of Salt manufactured and stored in Bengal Agencies, and at Sulkea, are drawn up.

“Object of the Statement.”

To enable the Board to ascertain the rate per 100 maunds at which the salt is made and stored, with a view to a determination of prices.

Board's letter to
Officiating Ac-
countant, dated
September 14,
1848.

“Quantity Manufactured and Stored.”

2. The quantity exhibited as stored, in the annual provision statements submitted by the agents to the Board is entered in this column. Arracan salt, after purchase, is sent to Chittagong, and the quantity so sent, which is exhibited in the annual statements of receipts and deliveries of both the Arracan and of Chittagong Agencies, is taken for the 3 years' statement. The separate statements of Cuttack, Balasore, and Khoordah salt, show under this column the quantities actually imported into the Sulkea golahs, out of the gross quantity manufactured and stored at the agencies, including surruf, or surplus, salt. These are obtained from the agents' annual statements, and the accounts furnished by the superintendent of Sulkea golahs.

“Quantity lost by Dryage and Wastage.”

3. The quantity actually lost at the aurungs and golahs by dryage and wastage,* and the quantity lost in transit from the aurungs to the golahs, are taken from the annual provision statements, and the *golah clearance statements, passed by the Board*, as also from the monthly statement of receipts and deliveries of the agencies and retail golahs. Upon the quantity of salt of each season, actually in store at the close of the official year to which the statement appertains, an estimated loss for dryage at $2\frac{1}{2}$ per cent. is calculated, and written off with the actual losses for wastages, &c., as ascertained from the statements, &c., referred to.

Accountant's letter
to Board, dated
December 26,
1848, paragraph
6.

“Net quantity Stored.”

4. The quantity remaining for sale after deducting the wastages, and loss in transit and estimated loss, is exhibited in this column.

“Cost paid to Molunghees.”

5. Is purely a manufacturing charge, and must continue to be borne by the salt stored. The price at which the Arracan salt is purchased, is exhibited in the statement as cost of this salt sent to Chittagong, to which is added also the freight paid for exporting salt, and a portion of the establishment and contingent charges incurred at Arracan; and the charge for receiving and delivering salt at Chittagong, Cuttack, Balasore, and Khoordah salt at Sulkea, are respectively debited with a portion of their relative cost, as adjusted in the salt books, calculated on the quantity imported into the Sulkea golahs.

Board's letter to
Government,
dated June 29,
1852.

“Transportation Charges.”

6. The whole of the expenses of transportation (from the aurungs to the golahs) is charged to the cost price of salt. Against Cuttack, Balasore, and Khoordah salt at Sulkea, a proportionate amount of the charge, calculated on the quantities actually imported into the Sulkea golahs, is debited. Retail transportation charges, or charges incurred in transporting salt from the aurungs or golahs to the chowkeys for retail sale, are entirely excluded from the statement.

Board's letter to
Officiating Ac-
countant, dated
April 11, 1854,
paragraph 2.

“Aurung Charges.”—Agent's Salary.

7. One-third is debited to salt produced in Bengal agencies. Against Cuttack, Balasore, and Khoordah salt, a sum of rupees 5000 only is debitable each year, out of the consolidated salary of the officer in charge of the agency. A proportionate amount of this sum, calculated on the quantity of salt sent to Sulkea, is debited in the statement. Salaries

Board's letter to
Government,
dated June 29,
1852, paragraphs
54 and 55.

* The calculation of actual loss by dryage and wastage is made only upon the cleared salt belonging to the three years included in the statements, and does not include loss on the salt of previous years cleared during that period.

of assistants and deputy agents, civil assistant surgeons and native doctors, and commissioners' salary in Cuttack, are excluded.

“Sudder Establishment.”

Bard's letter to Government, dated June 29, 1852, paragraph 37. 8. This charge, or something analagous to it, would have been incurred by private individuals for the receipt, storage, and delivery of salt, and therefore the whole of it is chargeable to the cost of salt. Cuttack, Batasore, and Khoordah salt sent to Sulkea is debited with a proportionate amount of this charge. Mofussil establishment is employed exclusively for preventive purposes, and, therefore, no part of the charge incurred on this account, is debitable to salt.

“Burkundauzes' Guard Establishment.”

Board's letter to Government, dated June 29, 1852, paragraph 8. 9. Employed chiefly to guard large accumulations of salt collected together for revenue purposes, and hence two-thirds of the charge is debitable to revenue and one-third to salt. The Cuttack province salt at Sulkea is debited with a proportionate amount of the one-third portion.

“Temporary Bhangah weighment Charges.”

Board's letter to Government, dated June 29, 1852, paragraph 44. 10. There are two weighments at the Hidgellee and Tumlook Agencies. One in the Mofussil, called the “Bangah,” and one at the golahs, called the “Purtul.” The charges incurred on account of the former are wholly debitable to the cost of salt; those incurred on account of the latter weighment are excluded from the account.

“Ruftany or Ghât Establishment.”

Board's letter to Government, dated March 13, 1854. 11. Entertained for the receipt, charge, and delivery of rowannah salt. The whole is debitable to the cost of manufacture. In adjusting the Chittagong accounts, one-third portion of this item is debited to the Madras and Arracan salt, imported for retail sale.

“Cutcherry and Golah Ground Rents.”

Board's letter to Government, dated June 29, 1852, paragraph 46. 12. This is a manufacturing charge, and is debited to the cost of salt. Against Cuttack Province salt at Sulkea, a proportionate amount is debited.

“Building and repairing Golahs, Bridges, &c., and excavating Docks, Canals, &c.”

Ditto. Ditto. 13. The whole is debitable to the cost of manufacture at Hidgellee and Tumlook. Two-thirds of the charge for building and repairing golahs are debitable to the cost of pungah salt at Chittagong, and one-third to the cost of Arracan and Madras permit salt. As Arracan salt at Chittagong is required to be valued on the principles of other salt included in the 3 years' statement, one-sixth of the gross charge incurred on the above account, or one-half of the one-third portion reserved for retail salt, is debited to the cost of it. Cuttack province salt at Sulkea is debited with a proportionate amount of like charges, calculated on the quantity of salt actually sent to the Sulkea golahs.

“Contingencies.”

Board's letter to Government, dated June 29, 1852, paragraph 51. 14. One-half is debitable to salt and one-half to revenue. Cuttack province salt sent to Sulkea is debitable with a portion of the half, calculated on the principle above explained.

“Khullaree Rents.”

Board's letter to Accountant, dated April 11, 1854, paragraph 7. 15. Paid at Hidgellee and Tumlook for the use of land on which salt is manufactured and fuel grown, are properly a manufacturing charge, and altogether different from the Khullaree remissions granted in the 24 Pergunnahs, agreeably to the Government resolution, dated September 8, 1820. Similar rents paid at Chittagong should be charged in the statement to the cost of salt. Khullaree rents paid under Government resolution, dated March 30, 1836, to the zemindars of settled estates in Hidgellee are to be excluded.

“Zemindars' Moshairah.”

Board's letter to Government, dated June 29, 1852, paragraph 48. 16. This is a payment at various rates (*generally 1½ anna per maund*) to the zemindars in Cuttack province for the use of the salt and fuel lands, and is a Khullaree rent merely under another name. The whole of this charge is debited to the salt manufactured, to the salt sent to Sulkea a proportionate amount is charged in the 3 years' statement.

“Value of Salt lost by accident.”

Board's letter to Government, dated April 26, 1853. 17. When salt is lost in course of manufacture or transport (provided the latter is in the ordinary route of traffic) or even when stored in heaps in the aurungs, the value is debited to the prime cost, but when lost in its passage to a central Government depôt out of the regular course of trade, or after being stored therein, the value ought to be debited to revenue. When salt, of which the delivery has not been taken by the Government officers, is lost by gale, &c., the value should be excluded from the statement.

Board's letter to Government, dated June 29, 1852.

“Charges for exporting Salt to Sulkea.”—“Charges for receiving and delivering Salt at Sulkea.”—“Cost of establishment at Sulkea and contingent charges.”

18. These are no doubt manufacturing, or rather producing charges, and are dealt with in the following manner, viz.: the charge first mentioned, incurred by agents in the Cuttack provinces, is as usual, entered in the cash accounts of the agents after audit, and as the bills audited by the commissioner of revenue are not returned to the agents in time to admit of their amount being adjusted within the salt year to which they appertain, it generally happens that a portion of the charges incurred during the last year of the triennial period, is entered in the agents' accounts, and adjusted in the salt books of the ensuing year. This portion of the charge, therefore remains unincorporated in the statement of the year with which the return is closed. This defect, however, is supplied in the succeeding years return, after audit and adjustment of the charge omitted in the previous year's statement.* Item 2nd is debited in the statement against the particular salt on account of which the charge is incurred, and it is so adjusted in the salt books. The 3rd item likewise is debited in *proper portions* against salt of different descriptions and seasons in store at Sulkea, with the exception of Hidgellee salt, which is not debited in the statement with any portion of this charge, nor with the charge incurred in exporting that salt to Sulkea, because it has been the practice with the Board, when offering Hidgellee salt for sale at Sulkea, to add to the fixed price thereof a sum sufficient to cover all charges for export, storage, &c.†

Board's letter to Government, dated June 29, 1852, paragraph 56.

Accountant to Board, dated March 8, 1851.

Board to Accountant, dated April 24, 1854.

“Pensions.”—“Ferry Establishment.”—“Temporary Poktanee Establishment,” &c.—“Dawk Runners.”—“Value of Khorakee salt to Zemindars.”—“Purtul weighments.”

19. These are chargeable to revenue.

20. As the 3 years' statement professes to show the salt manufactured during 3 successive seasons, or salt years, the charges, as adjusted in the books according to such years (from October to September), are necessarily included in it, and not those charged in the agency cash accounts from May to April of each official year.

Board to Government, June 29, 1852, paragraphs 39, 40, 41, 45, and 49.

Enclosure No. 1.

Extract from a Letter, from the Officiating Secretary to the Board of Revenue, to the Officiating Accountant to the Government of Bengal, dated November 24, 1854.

4. Adverting to your suggestion that the Sulkea expenses “should be apportioned on all salt, exactly as the general charges of the department,” I am to state that the Board are not aware of any general charges debited to the price of salt. If it is your intention to propose that they should be made a *revenue*, instead of a production, charge, much might be said in favour of such a view; but, considering that the greater part of the Cuttack salt is exported from the aurungs and is, therefore, not subject to the item of “ruftany or ghat establishment,” charged on other salt, and also that salt imported from Madras is necessarily liable to a storage charge, the Board are in favour of retaining the Sulkea charges as an item of cost price of the salt delivered therefrom. As already observed, however, the way in which it is now calculated seems erroneous and objectionable.

5. The total capacity of the golahs at the Sulkea depôt is nearly 35,00,000 maunds, of which storage room to the extent of about 5,00,000 maunds is assigned for bonding purposes. The annual receipts and deliveries of Government salt may be taken at about 15,00,000 maunds, on a rough average; the quantity of salt bonded varies very much, but the average is not less than 4,00,000 maunds. The golah rent, for 1852-53, amounted to rs. 19,025. Setting off this against rs. 64,411:1, the total expense for that year, there remains a net expenditure of rs. 45,386:1, which is nearly at the rate of 3 rupees per 100 maunds, upon the average quantity of agency salt annually stored at Sulkea. The Board propose, therefore, that, instead of the present plan, a fixed charge of 3½ rs. be assessed on every 100 maunds of Government salt stored in those golahs. This will enable them, on bringing up salt from the agencies, for immediate sale, to know exactly what price to fix on it.

* It was determined, with respect to this first item, to exhibit as charge against the salt of each year, the actual expense, whether adjusted or unadjusted, incurred on account of the salt of that year. Board's letter, dated November 24, 1854, paragraph 2.

† With respect to this third item, it was determined that a fixed rent of 3 rupees 4 annas per 100 maunds should be charged as an item of cost price, against all Government salt stored in the Sulkea Golahs. See extracts of correspondence annexed. Enclosures 1 to 3.

* In the statement which accompanied your letter the charge is only about 2 rupees.

Enclosure No. 2.

Extract from a Letter, from the Officiating Accountant to the Government of Bengal, to the Junior Secretary to the Board of Revenue, dated December 21, 1854.

3. As the Board seem desirous of retaining the Sulkea charges as an item of cost price, on all Government salt stored at the golahs, I would suggest that, as there is considerable variation in the annual receipts of golah rent, it may be advisable to take the average of three years' receipts and charges, instead of only one. This would increase the average rate to, say 3 rs. 4 as. per 100 maunds, as noted in the margin,* and, if the Board concur, the rate can be altered accordingly, for Government salt, brought up for immediate sale from the agencies.

Enclosure No. 3.

From the Officiating Secretary to the Board of Revenue, to the Officiating Accountant to the Government of Bengal, dated Fort William, January 15, 1855.

Sir,

Adverting to the 3rd paragraph of your letter, dated the 21st ultimo, I am directed to state that the Board see no objection to the mode in which you propose to determine the rate at which the Sulkea expenses should be charged on salt stored there.

I have, &c.,

A. R. YOUNG, *Officiating Secretary.*

Salt.
E. Currie, Esq.

Appendix P.—No. 4.

Extract from a Report by the Board of Revenue, on the Administration of the Salt Department of the Revenue of Bengal, for the Year 1852-53, dated November 5, 1853.

7. The reserved stock at Sulkea, for the last five or six years, has consisted principally of a quantity of about 13 lacs of maunds of salt, the produce of Central Cuttack and the late 24 Pergunnahs Agency. This salt may be said to be unsaleable, owing to the high price fixed upon it. Even at this moment, when there is no other salt available at Sulkea, when the Tumlook golahs have been cleared, and of the depôts of Hidgellee the entire stock of one has been sold, that of another is rapidly going off, and in the third no salt remains, but what had previously been reserved for transport to Sulkea, few or no purchasers† can be found for the salt referred to, while large payments, which had been made into the treasury for other descriptions of salt in excess of the quantity available for sale, have to be refunded in cash. That the only cause of the Cuttack and 24 Pergunnahs salt not being sold is its dearness is proved by offers which have been made to take this salt at lower prices, but of course these applications could not be entertained, under the system which

Sulkea Charges.					
1850-51	..	..	..	..	61,267 8 10
1851-52	..	..	..	..	55,998 9 4
1852-53	..	..	..	..	64,411 1 0
					1,81,677 3 2
Deduct Golah Rent.					
1850-51	..	..	..	9,986 2 9	
1851-52	..	..	..	7,152 5 3	
1852-53	..	..	..	19,025 0 0	
					36,163 8 0
					1,45,513 11 2
					½ 48,504 9 0

Average for three years 3 3 9½ per 100 mds.
In this year it stood at rupees 3 : 3 : 9½ per 100 maunds.

† None whatever of the 24 Pergunnahs salt is being taken, but, very recently, there have been some sales of that from Cuttack.

prohibits the sale of any description of salt below the actual cost of that salt added to the duty. It can scarcely be doubted that, in this case, the adherence to the letter of this rule has been productive of inconvenience, both to the public and to Government.

8. Another effect of this system of pricing the salt is that it constantly happens that salt of a superior quality is offered for sale at a lower price than inferior salt stored at the same depôt. The consequence is that the cheap salt is immediately bought up, by large capitalists, and re-sold at enhanced prices, though still lower, probably, with reference to quality than the salt selling at the Government golahs, and a sub-monopoly, interrupting the regular sales from the Government stores, is thus created. The Balasore salt, for instance, is the best salt manufactured, except, perhaps, the Chilka lake salt, and it is the lowest-priced. There is no Balasore salt now in store at Sulkea, and none will arrive there for a month to come, but already applications have been made to the Board for permission to deposit treasury receipts, in order to secure this salt on its arrival.

9. It appears to the Board that this is a state of things which should, if possible, be amended, and they would suggest to the consideration of Government whether it might not be allowable, without any violation of the principle laid down for observance in the pricing of Government salt, that all descriptions of salt stored at the same depôt, should be uniformly priced, and that the fixed price should be the general average cost of the whole, added to the duty.

Appendix P.—No. 5.

Extract from the Reply of the Government of Bengal to the Board's Report for the Year 1852-53, dated December 16, 1853.

7. Adverting to the large quantity (about 13 lacs of maunds) of old salt which is in store at Sulkea, and which is quite unsaleable, owing to the high price fixed on it, the Board suggest a modification of the rule under which the Government is bound to sell each description of salt, at a price equal to its actual cost of manufacture, plus the duty levied on Foreign salt. They think that it would be no violation of the principle involved in this rule if "all descriptions of salt in store at the same depôt were uniformly priced, and this price fixed at the general average cost of the whole, added to the duty." If this were done at Sulkea, the price of the reserve salt alluded to would be reduced, and it would all be disposed of before long.

8. But it appears to his Honour that to act on the Board's recommendation might unnecessarily expose the Government to the imputation of violating, or evading, a pledge which must be adhered to no less in appearance than in reality, and observed in the letter, as well as the spirit. There is no particular object to be gained by getting rid of the salt in question, as it now answers the purposes of a reserve stock; and, if it were to be sold off, other salt must take its place. Indeed his Honour is inclined to think that there may be a material advantage in having a price fixed on the reserve store somewhat higher than that of the current supply, as the difference tends to check purchases when the stock becomes too small, and answers the purpose of the natural rise of prices, which accompanies a short supply in the ordinary operations of trade.

APPENDIX Q.

Official Papers relating to the Bonding of imported Salt.

No. 1.—Rules for Bonding Salt, imported by sea, and deposited in Private Warehouses, to take effect from September 28, 1841.

Enclosure.

A. Form of Salt Boat Note.

No. 2.—Notification, dated June 30, 1847.

No. 3.—Notification, dated October 21, 1848.

No. 4.—Revised Rules for Bonding Salt, passed by the Board of Revenue, March 29, 1853.

Appendix Q.—No. 1.

Rules for Bonding Salt imported by Sea, and deposited in Private Warehouses, to take effect from this date, September 28, 1841.

First. Parties wishing to store salt in private godowns under the Government Orders of the 11th of August, 1841, to give notice of their intentions to the Collector of Customs, in writing, pointing out the location of the godown in which the salt is to be stored, and making a deposit of the duty in Government promissory notes, or in bills accepted by Government.

Second. On receipt of this deposit, the Collector of Customs will cause the salt to be weighed and delivered from on board ship as at present, sending with each boat load of salt, for its protection in transit between the ship and the importer's godown, a boat note (as per form* annexed), signed by both the preventive officers delivering, and the salt chowkey officer superintending the weighment.

Third. On completion of weighment, the Collector to report the out-turn, together with the amount of Company's paper held in deposit. On receipt of this information and the boat notes, which must be delivered up by the importer, the Board will supply the importer with a rowannah for the full quantity weighed over the vessel's side.

Fourth. On the expiration of three months from the date of entry of the ship on which the salt may have been imported, the Collector of Customs will call upon the importer, or consignee, to pay the duty on the full quantity weighed over the vessel's side, less 3½ per cent. wastage.

Fifth. The importer to write off all salt sold by him on the back of the rowannah, giving due intimation of sale within 24 hours to the Board, to enable them to depute a salt officer to be present at the weighment and delivery; this officer will not suffer any salt to be removed, save under a separate rowannah to be granted from the Board's office. He will also attest the endorsement on the rowannah, as above provided, of the quantity delivered.

Sixth. A salt officer will attend during the landing of the salt in order to put his adul on the salt imported, and it will be expected that the stamp so applied shall not be broken save in his presence.

Seventh. Notice shall, in all cases of rowannahs granted for bonded salt, be given to the superintendent of Calcutta salt chowkeys.

By order of the Board of Customs. Salt and Opium,

H. TORRENS, Secretary.

Enclosure A.

No.	No.	Salt Boat Note	(Running No.)
Ship _____ Captain _____	Pass from the Ship _____ Captain _____	to the godown	
Salt maunds _____	of _____ situated at _____	maunds _____	
Date and hour of despatch _____	of Salt laden on one Boat of which _____		
Boat Manjee's name _____	is the Manjee.		
Signature of Preventive Officer	Date and hour of	AB	} Preventive Officers.
	Dispatch from Ship	CD	
		EF	Officer of Salt Chowkey.

* Enclosure A.

Appendix Q.—No. 2.

Notification.

In modification of the Rules for bonding salt promulgated on the 28th of September, 1841, under the authority of the Board of Customs, Salt and Opium, it is hereby notified, that parties desirous of bonding imported salt in private warehouses, may apply to the Collector of Customs for a licence in the form C. appended to Act No. XXV, of 1836.

If the Board are satisfied on the Collector's report, that the warehouses mentioned in the application are well adapted for the secure custody of the salt, a licence will be granted under section 19 of the above-mentioned Act, and salt may then be bonded therein under restrictions provided by the Act in respect of any other article of merchandize bonded in a private warehouse.

A portion of the Government golah, at Sulkea, will be set apart from the 15th proximo, as a public warehouse for the reception of salt on the same terms at a fixed rent; and will continue to be available for that purpose until required by Government.

The rate of wastage allowed upon salt so warehoused, will be at the rate of 4 per cent. per annum upon the quantity weighed over the ship's side; but the import duty will be settled on the quantity so delivered according to the provisions of section 18, Act No. XXV, of 1836.

Warehouses licensed for the reception of salt under bond will not be available for goods of any other description.

All expenses attending the receipt, storage, custody and delivery of salt at warehouses licensed as above, or in the Sulkea golahs, will be borne by the parties availing themselves of the privilege.

Parties who are unable to provide warehouses so constructed and situated, as, in the opinion of the Board, effectually to provide for the secure custody of salt while under bond, will be allowed, as before, to warehouse their salt under the Rules of the 28th of September, 1841, which otherwise remain in full force, except in so far as they are modified by this notification.

By order of the Board of Customs, Salt and Opium, the 30th of June, 1847.

C. BEADON, *Officiating Secretary.*

Appendix Q.—No. 3.

Notification.

In further modification of the Rules in force for warehousing imported salt under bond, it is hereby notified, that in settling for the import duty on clearance of the salt, a deduction will be allowed, on account of wastage, at a rate not exceeding $2\frac{1}{2}$ per cent. upon the quantity delivered over the ship's side. Provided, however, that if the Collector of Customs have reason to believe that any portion of the salt has been clandestinely or fraudulently removed, he will be at liberty to levy duty on the entire quantity so delivered.

The duty upon bonded salt will be levied at the rate in force at the time of clearance.

The Collector of Customs may, at his discretion, allow parties to whom salt stored in bond may be transferred, to enter into a new engagement for the payment of duty upon the entire quantity weighed over the ship's side, and upon execution thereof to cancel the bond of the first owner, importer, or consignee, and release him from further responsibility.

By order of the Board of Customs, Salt and Opium, October 21, 1848.

C. BEADON, *Secretary.*

Appendix Q.—No. 4.

REVISED RULES for Bonding Salt, passed by the Board of Revenue, Lower Provinces, in their Letter to the Collector of Customs, March 29, 1853, and published for general information.

I. Parties desirous of bonding imported salt in private warehouses, may apply to Collector of Customs for a licence in the form C appended to Act No. XXV, of 1836.

If the Board are satisfied on the Collector's report, that the warehouses mentioned in the application are well adapted for the secure custody of the salt, a licence will be granted under section 19 of the above-mentioned Act, and salt may then be bonded therein under the restrictions provided by the Act in respect of any other article of merchandize bonded in a private warehouse.

II. Warehouses licensed for the reception of salt under bond, will not be available for goods of any other description.

III. A portion of the Government golahs at Sulkea has been set apart as a public warehouse for the reception of salt on the same terms at a fixed rent, and will continue to be available for that purpose until required by Government.

IV. All weighing, transport, and storage charges will be borne by the bonder, as also all delivery charges on the salt being cleared out from bond.

V. The salt will be weighed over the ship's side; for which purpose weighmen will be furnished from the Custom-House on requisition from the bonder, and on his complying with the forms lately prescribed by the Board for their remuneration, at the rate of 3 rupees per 1,000 maunds.

VI. The bonders will be required to make use of covered boats, and to provide wax and tape for sealing the hatches. Each boat will be sealed by the preventive officer on board, and be furnished at the same time with the usual boat note, specifying the quantity placed under seal.

VII. Bonded salt will be stored under the supervision of an officer deputed for this purpose by the Collector of Customs, or the superintendent of the Government golahs, and it will be the duty of such officer to receive and examine the boat notes, and to see, that the seals of the hatches are entire. The salt will not be weighed into warehouses, but in other respects, the precautions in use for storing Government salt will be observed.

VIII. The superintendent of the Government golahs will report for the Board's sanction, such disbursements as may be necessary for preparing golah accommodation, or for extra establishment, on account of salt warehoused in the golahs, all of which will, after audit, be charged to the fund derivable from golah rents.

IX. Any extra establishment that may be necessary for the surveillance of salt lodged in private warehouses, both while it remains in bond and on delivery, must be paid by the bonder.

X. In settling for duty on the clearance of salt warehoused in the Government golahs, a deduction will be allowed on account of wastage, at a rate not exceeding two and a-half per cent. upon the quantity delivered over the ship's side. Provided, however, that if the Collector of Customs have reason to believe, that any portion of the salt has been clandestinely or fraudulently removed, he will be at liberty to levy duty on the entire quantity so delivered.

XI. For salt deposited in private warehouses, the duty will be settled on the quantity weighed over the ship's side, according to the provisions of section 18, Act XXV, of 1836.

XII. Parties desiring to bond salt, who may be unable to provide warehouses so constructed and situated as in the opinion of the Board effectually to provide for the secure custody of salt while under bond, will be allowed as before, to warehouse their salt under the rules of September 28, 1841.

APPENDIX R.

Papers relating to the treatment of the Molunghees.

Parliamentary Papers.

No. 1.—Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to inquire into the supply of Salt for British India, in 1836.

Extracts from a Note on the alleged sufferings and coerced labour of Molunghees, by Mr. Parker, dated September 15, 1832. Appendix No. 4, page 18.

Other Papers.

No. 2.—Extract from a Report prepared by the Chairman of the Select Committee of the House of Commons appointed to inquire into the supply of salt for British India, in 1836, but not adopted, or officially published.

Appendix R.—No. 1.

Extract from the Appendix to the Report of the Select Committee of the House of Commons appointed to Inquire into the supply of Salt for British India, in 1836.

Extracts from a Note on the alleged sufferings and coerced labour of Molunghees, by Mr. Parker, dated September 15, 1832. Appendix No. 4, page 13.

Of the various evils attributed to the salt monopoly not one has been more perseveringly insisted on, or more ostentatiously deplored, than the condition to which it was said to reduce the molunghees; the exaggeration and absurdity of much that has been urged on this subject has been long since admitted by many of the large party *here* who were most strenuous in charging the monopoly with the miseries entailed on labourers in the Soonderbunds, nor could that party very consistently do otherwise, since they had been loudest in approving a measure no doubt highly beneficial,* but which they are aware can only be carried into full effect by the employment of a greater number of labourers in those very Soonderbunds, than the Salt Department employs from Cuttack to Chittagong in all its operations. To charge the party adverted to with permitting self-interest to blind them to the miseries they have so long deplored, as indispensable adjuncts to the employment of labourers in the Soonderbunds, would be certainly uncharitable, and no doubt unjust; it is rather to be hoped that they have become enlightened with respect to a fact which only remained doubtful so long as molunghees alone were assumed to be employed by Government in the region in question—a fact which has not altered with the occupation of the Soonderbunds by the workmen of grantees, nor in all probability for centuries, viz., that those forests are not more unhealthy to persons used to the climate, and during a particular season of the year, than any other part of Bengal.

2. That season of the year is precisely the season during which the small proportion of salt produced in the Soonderbunds, is manufactured by the molunghees.

3. I repeat the "*small proportion of salt produced,*" for it is strange to see the ignorance with which this subject has been approached by persons who felt no hesitation in offering the most decided opinions on its merits, an ignorance indeed only excusable in those who are obliged to write hastily, or forego the chance of making an impression at the proper moment, and who may venture to write inaccurately under a full assurance that long before the inaccuracy is exposed it will have produced on the public mind all the effect contemplated. If this feeling does not tempt party writers to misrepresent facts, it, at all events, makes them careless with respect to the exactness of such as seem favourable to their own views, and of this carelessness the Bengal salt monopoly has had ample experience. Its own demerits may be abundant, but, unluckily for an impartial consideration even of those, every defect, real or assumed in its administration, has been cherished by the adversaries to the Company's Government as another unanswerable argument against their exclusive charter—and as such presented in hasty triumph to the people of England. The subject was a familiar one, the people of England had also suffered, or been said to suffer under a salt-tax. They were called upon to interfere for the release of "half a million" of their Indian fellow-subjects from a state of bondage, compared with which negro slavery, in its most aggravated form, was a blessing. They were assured that the relinquishment of the monopoly would send a thousand ships from the ports of Great Britain,† at all events from that at Liverpool, each laden with salt for the Indian market. The spirit of humanity and the spirit of trade were equally enlisted against the Indian salt-tax, considered by the movers of the whole scheme of assault upon the Company's exclusive privileges, as one of the most vulnerable points through which the entire system of British Indian Government could be attacked. Under these circumstances, no one accustomed to contemplate the tactics of party warfare will feel surprised that facts were, in some cases, lost sight of, in others, exaggerated, nor even that men desirous of truth only should often have been misled by their ardent humanity to adopt, without any very rigid scrutiny, certain hasty assumptions, which, had such been adverse to the views of their party, would have been received with searching inquiry and slow credence.

4. It is not to be understood that ignorance, or want of accuracy, with respect to the condition of the molunghees, has always sprung from party haste, or always been fostered by party prejudice; many honourable and unbiassed persons, even while maintaining the comparatively unobjectionable nature of the salt monopoly as an instrument of taxation, have yet been misled by the natural precipitancy of compassion, and by a humanity too warm to be sceptical, into great errors with respect to the condition of the salt manufac-

* The Soonderbund grants, or division of the forest into estates, given rent free, on condition of clearance within five years.

† Two hundred thousand tons were promised by one writer—another assured the world that the employment of three times that amount was only prevented by the salt monopoly.

turers, or which they could have no personal knowledge, and into the common error of considering that which could not by any possibility be the condition of any except the molunghees engaged in the Soonderbunds, as the condition of the whole class.

5. I shall proceed to notice in detail the errors to which I have already adverted generally, and which, however easily corrected *here*, have no doubt produced in England a feeling anything rather than favourable to a fair consideration of the merits or demerits of the salt-tax in Bengal. Mr. Rickards, in chapter the 1st, Part 3rd, of a work entitled "India; or Facts submitted to illustrate the character and condition of the Native Inhabitants, with suggestions for reforming the present system of Government;" observes*—"In this place, however, I propose to confine myself to what may be found in public records and writers of authority, whence it appears that, in Bengal, salt is only allowed to be manufactured within a limited spot (to prevent smuggling) in the Soonderbunds."† It was evidently quite necessary to show that salt is only allowed to be made in the Soonderbunds, because, before the distribution of that tract of wooded islands amongst the grantees, labouring in the Soonderbunds was held to be synonymous with lingering or sudden death in every miserable form. If men, therefore, laboured in those pestiferous regions it could, of course, be only by compulsion, that compulsion was resorted to for the benefit of the Government salt monopoly, and thus the iniquity of the tax, and the merciless nature of the Government which could raise it, was at once demonstrated. A doubt seemed to arise as to why men should be compelled to labour for the production of salt precisely in that spot where they must perish, when the salt waters of the Bay of Bengal were available along a thousand miles of coast for the manufacture of that necessary article; but this doubt was disposed of in a parenthesis, from which it is to be gathered that the atrocious system in question, viz., the manufacture of *all* salt, "within a limited spot" in the deadly Soonderbunds, was adopted ("to prevent smuggling"). Here then we have another excellent argument against the salt monopoly, and those who tolerate its cruelties, for it is thus shown not only to be maintained, as far as the production of the article is necessary to its maintenance, but to be protected for purposes of revenue by the sacrifice of human victims.

6. It is scarcely possible to reason with gravity on such a singular assumption, especially when in page 641 of the same work, Mr. Rickards states that "the system of agency was continued," and that "European agents were fixed at Hidgellee, Tumlook, 24 Pergunnahs, Roymungul, afterwards united with the 24 Pergunnahs, Chittagong and Bulwa."

7. It is not easy to reconcile this enumeration of agencies, and the previous assurance that "salt is only allowed to be manufactured within a limited spot (to prevent smuggling) in the Soonderbunds" either with the possession of a good map of Bengal, or with any "official document," or even official tradition now in existence; as both point to Hidgellee and Tumlook, Chittagong and Bulwa,‡ amongst the oldest of the Bengal Agencies.

8. But, if it is difficult to reconcile Mr. Rickards's inferences, however derived, with each other, it is still more difficult to reconcile the information he placed before his readers with the actual state of the department for many years previous to the publication of the work above quoted from. The salt agencies long prior to 1829,§ extended, nearly following the line of the coast, from the frontiers of the Madras Presidency to the frontiers of Arracan; and this line was only broken, where it could least be supposed possible from a perusal of Mr. Rickards's book that it should be broken, viz., in the Soonderbunds; for of from seventy to eighty aurungs composing the several agencies from Southern Cuttack to Chittagong, only two|| could, by any construction of the phrase, be considered as "*in* the Soonderbunds;" several aurungs of the Jessore and 24 Pergunnahs Agencies bordered, it is true, on the Soonderbunds, (close to or in one of which the city of Calcutta is situated) but it is not to be presumed that where men grow rice, or sugar canes, or indigo, in well cleared fields, and in the neighbourhood of populous villages, they will find making salt an unwholesome occupation, merely because it is made, as the other articles are grown, within sight of that great forest tract which is not much nearer to most of the aurungs last adverted to than it is to the capital of British India; the assertions of Mr. Rickards and others, therefore, concerning the unhealthy and deadly nature of the molunghee's occupation, the dangers to which it exposes him, and consequently the natural reluctance felt to engage in such an employment, can only be considered applicable, under any circumstances, to the two aurungs "*in* the Soonderbunds;" in other words—if the assertions in question are applicable to any other molunghees, excepting those actually engaged in the two Soonderbund aurungs, they are equally applicable to the vast population engaged in cultivating rice, indigo, sugar, and other produce in the neighbourhood of the Soonderbunds; that is to say, round the capital in the 24 Pergunnahs, throughout Jessore, Backergunge, &c., and, in that case, coercion would be just as necessary to secure the cultivation of a field of rice or indigo, as to secure the working of a kullaree,¶ a position which has not yet been advanced by the most determined antagonist of the Company's Government. In brief, not much more than one-twentieth part of the salt

* Section 20, page 633.

† "A district included within the Delta of the Ganges."—*Rickards*.

‡ Not one of which is near the Soonderbunds.

§ The date of Mr. Rickards's work.

|| One in the 24 Pergunnahs, and one in Jessore

¶ Salt work.

consumed under the monopoly system of taxation in Bengal, Behar, and Orissa for years past, has been made "in the Soonderbunds;" the remainder has been produced either in districts long cleared and cultivated (where cultivation, is indeed essentially necessary to the manufacture, as it supplies the straw used for fuel by the molunghees), or else in districts newly cleared and brought into cultivation, mainly through the instrumentality of those who have been well described as the pioneers "to whose industry the rapid advances of cultivation upon the great Soonder forest, are in a great measure to be attributed;"* for the present, therefore, I shall consider the following sentence quoted from Mr. Rickards's book, page 643, as applicable to the only two aurungs out of the whole number to which it could by any possibility attach for many years prior to the appearance of his work, whatever might have been the case when Calcutta was defended by the Mahratta ditch, or Bengal was ruled by Aliverdi Khan. "In the accounts given of these aurungs, or places of manufacture, we read of their being liable to drought, inundation and famine; of the manufacture being carried on in uninhabited parts destitute of fresh water, unhealthy from surrounding jungles, and in which numbers of molunghees are annually carried off by disease, alligators, and tigers; from these circumstances it may be also apprehended that there are grounds for the accusation of this manufacture being *still* carried on by means of coerced labour." Mr. Rickards, it is quite clear from my former quotation,† means by this, the entire Government manufacture of the Bengal Presidency; but I will cheerfully relieve *him* from the embarrassing state in which his argument would be placed by the discovery that neither the Cuttack agencies, or Hidgellee or Tumlook, or Bullooh or Chittagong, are more vexed by tigers or infested by Sooderbunds than any other part of Lower Bengal; I will meet it as if it were *meant* only to apply to the aurungs in those forests which are declared by the writer to contain the whole foundation of the salt monopoly. With respect to another author, who has had some local experience, who has had, at all events, a recent local opportunity to acquire accurate information,‡ and to whose works I shall hereafter advert, it may be expedient to bind him a little more closely to assertions, which he had every facility for correcting, and rendering less general.

9. The question then, with respect to the molunghees employed in the two Soonderbund aurungs, resolves itself into this, is their labour "coerced" or not? I shall hereafter detail the reasons which induce me sincerely to believe that it is not, and if they are held to be sufficient with respect to *those* aurungs, a connection with which is chiefly insisted upon as involving the molunghees in every kind of wretchedness, I trust they will be held sufficient with respect to other aurungs, where the salt manufacturer works side by side with the cultivator.

10. Assuming, however, for the argument's sake that the labour is *not* coerced, what would there be to wonder at in people encountering the same risks in the manufacture of salt, as thousands encounter in collecting wax, and honey, and shells, in cutting wood for sale, in hunting, fishing, and in clearing the Soonderbund estates? but the fact is that the molunghees do not encounter a tithe of those risks—they are preserved, as far as human foresight can preserve them, from the effects of their own imprudence and providence. Stockades and arms are provided for their defence, food and tanks of water for their subsistence and comfort; the accidents that happen from wild beasts, and I appeal to those who are acquainted with Bengal whether such accidents are confined to the Soonderbunds, are chiefly owing to the same sort of recklessness which will lead an English sailor into the jungles at Saugor when he could remain in safety on board of his ship; at all events they bear no proportion whatever, in point of frequency, to those which befall the less guarded workers in the forest who labour for no monopoly, and are not suspected to work under any coercion. As for the climate and the inundations, neither the one nor the other are very likely to affect the dwellers in the Soonderbunds during the season for making salt, that being the finest of the year. The molunghees destroyed by inundation, are those of Hidgellee and Cuttack and Bullooh; but as hundreds or thousands of their fellow-ryots, who have nothing to do with the salt manufacture, are carried off at the same time, it is not easy to perceive how the evil is to be remedied, unless the waves of the Bay of Bengal could be taught to distinguish between a grower of rice, and a maker of salt, and would spare the latter for the sake of his occupation.

11. But supposing the Soonderbund molunghees to be subject to all the evils Mr. Rickards has detailed, to all the evils and privations in short of a wood-cutter's or Soonderbund grantee labourer's, or of a wax or shell gatherer's life in those regions, still, if the labour is voluntary, with what, as far as the molunghees are concerned, is the salt monopoly to be charged? Wherein does it involve labour more open to reprobation than that in coal mines, in white lead manufactories, in manufactories of plated ware, in many descriptions of glass works, and a hundred other dangerous or unwholesome occupations?

* See Mr. Ross Donnelly Mangles's able pamphlet, entitled "A Brief Vindication of the Honourable East India Company's Government of Bengal."

† "I propose to confine myself to what may be found in public records and writers of authority, whence it appears that in Bengal salt is *only* allowed to be manufactured within a limited spot (to prevent smuggling) in the Soonderbunds."—*Rickards*.

‡ Mr. Crawford, formerly in the Company's Bengal Medical Service, and for a time a sojourner in Calcutta—Mr. Crawford does not attach his name to his two pamphlets, one on "Free Trade and Colonization," the other on "the Monopolies of the East India Company;" they are, however, well known to be his, and I think he would consider a doubt on the subject to be any thing rather than complimentary.

True, is the reply, but the labour is *not* voluntary, it is coerced. I can only answer that, to carry on such a scheme of coercion for forty years, without a legal recognition of the parties coerced being in a state of real slavery, without a legal recognition that others might be made slaves of for the same purpose to supply the consumption of molunghees, and without the power of Government being at hand to enforce such a law, appears as nearly impossible, and as little consistent with reason or experience, as can well be imagined. It is not difficult to see that such a system must fall to pieces of itself, in any country; but let it be remembered that here, in our Soonderbunds, not only is a state of coercion assumed by Mr. Rickards such as could not continue anywhere under the most favourable circumstances of climate and occupation for five years, without being supported by law and by the bayonet, but it is assumed and deplored as co-existent with the most intense physical suffering, and with loss of life from a thousand miserable causes—tigers, alligators, malaria, and inundation, drought and famine.

12. Supposing that forty years ago, under the administration of that benevolent nobleman, Lord Cornwallis, and at the period when, as Mr. Rickards explains (pages 641, 642), the adjoorah or coerced molunghees were put upon the footing of the ticka or free-labour molunghees,—supposing, I say, that a set of unfortunate beings had been persuaded to take service in a Soonderbund aurung, and that, according to a favourite theory, which is about as correct as the other assumptions, they had become inextricably involved as debtors in the cruel folds of the Salt Department; surely nothing short of a miracle could long have preserved them in existence, in such a climate and under such circumstances as Mr. Rickards describes, while it is not within the range of possibility to suppose that recruits, in sufficient numbers, would be forthcoming, in the face of all the wretchedness which those molunghees, already exposed to the horrors of a Soonderbund aurung, would naturally detail to their fellow-ryots? But, again, when the survivors of any season left the aurungs, which they must necessarily do during the rains, if both the task-master and the manufacturer were not prepared to be drowned, what power on earth, unless, as I have observed, the law recognised them for actual slaves, was ever to re-assemble them? If the felons confined in the Allipore Criminal Jail were to escape, it may be reasonably doubted whether, with the whole force of the State available for their re-apprehension, any possible exertion of the public officers could replace all, or even one-tenth of them, within its walls between June and November, that is to say, between the end of one salt season and the beginning of the next—yet what is imprisonment, in the Allipore Jail, compared with the life of a Soonderbund molunghee, as described by Mr. Rickards? the prisoners, it is true, dwell in, or close to, the Calcutta salt aurung, but then they are exposed neither to starvation or tigers.

13. But supposing these unfortunate molunghees to have been in balance, the more gentle thralldom by which virtual slavery is assumed to have been perpetuated, and supposing them not to have fled to some other part of India, the moment any particular season's manufacture had terminated, and suppose, again, that the law was enforced upon them, why the worst that could happen would be confinement in the Civil Jail, which, with its no labour and sufficient food, I think there can be no doubt would be preferred by any man in his senses, whether native or European, to the starvation, the diseases, the wild beasts, and the coerced labour described by Mr. Rickards. In short, I seek in vain for any means of coercion by which so frightful a system could be carried on, for nearly forty successive years, short of the direct sanction of Government to the purchase of slaves, and the employment of a military force to keep them in subjection.

14. But if it would be next to morally and physically impossible that such a system as the one held up, by Mr. Rickards, to the abhorrence of the British people could exist, unless maintained by the sheer force of law and of power, surely I am justified in assuming that its existence was, and is, utterly inconceivable, in opposition both to law and to power.

15. Impressment in England, and the conscription in France, have been sanctioned both by the law of the land and by the national feeling, whether right or wrong, that the safety of the commonwealth depended upon those measures,—men too, if taken from their ships and their homes, could not at least complain that they were taken for a base or ignoble purpose; but, with all this, we have seen the extraordinary efforts which are requisite, and the rigorous measures obliged to be resorted to, to make the national will, for such it has been, however inequitable or irrational, respected: but can the most distorted imagination suppose a case in which the navy of England and the army of France could have been recruited for forty years by subordinate officers, pressing seamen, and drawing conscripts, in defiance of the law and in defiance of the efforts of the executive to prevent it.

16. This is certainly comparing great things with small; but if, as one writer on the question assumes, there are half a million of people reduced to a state of "real slavery," by their connection with the salt manufacture, the subject is far from unimportant.

17. I again assert that, if it was all but impossible that the system described by Mr. Rickards could exist, without the most ruthless exertion of absolute power for its support, it is wholly and completely so when all power and all law is opposed to it.

18. Will the salt agent risk his appointment and dismissal from the service, by tolerating coerced labour?—I say nothing of the feelings of an Englishman and a gentleman on the subject.

* It is not easy to comprehend how the free-labour molunghees have since lost the character they maintained through much worse and more oppressive periods, than that which has elapsed since 1793.

19. Will the magistrates of districts,* between whom and the Salt Department there is no excessive cordiality, tolerate it; or could it by any possibility be concealed from them that thousands of persons had, for a series of years, been constrained to labour, and been driven out by force to perish, in a pestilential climate, in direct defiance of the law?

20. Has there ever been the most remote approach, on the part of the Board, to such toleration; has it not ever been open to the slightest complaint of the molunghee?

21. Where, since the period when Lord Cornwallis established the reign of law and order, has been the Government of Bengal which would have borne for a moment so complete a defiance of its authority, involving, too, so deep a stain on the British character?

22. And where, I would ask, during all this long period, have been those symptoms which can no more be separated from coerced labour, or from oppression on a great scale of any kind, than the clank of the chain can be separated from its use? Where have been the resistance, the murder, or maltreatment of taskmasters, the desertion of work, the tumultuous risings, and, above all, the force of arms, to compel subordination, without which the coerced labour of a multitude must be a dream?

23. To be sure there was a force kept up in the agencies adverted to by Mr. Rickards, but I should doubt whether a review of its strength will afford much triumph to the assertors of molunghee coercion: it consisted of twenty or thirty men of a militia corps, to guard the Public Treasury at Hidgellee;† a similar number, or thereabouts, at Tumlook; the 24 Pergunnahs possessed a corps of its own, of about the same strength, and composed of the most extraordinary-looking beings who ever assumed a red coat, and handled a musquet, the firing of which, on any occasion, appeared quite out of the question; there were similar details at Baugundee, for the Jessore Agency, and at Bulloah: the whole being employed as treasure-guards. The force, therefore, which was to keep half a million of coerced labourers in order, 125,000 of them, according to one writer on the subject, "male adults"—the force which was to prevent them from throwing the agency officers, with their badges of office, into the river and from beating the agents to death, with bamboos, amounted to about 150 rank and file of Bengal militia, and some corporals, occupying isolated posts, each separated from the other, and many of them from the nearest military station, by at least 100 miles.

24. If the coerced labour of the smallest of the West India islands, mild as it is in comparison with molunghee servitude (according to Mr. Rickards), could be made sure of with so reasonable an array, it would be a very happy thing for the colonists and the mother country.

25. But then, say the assertors of molunghee slavery, they, the "125,000 male adults," are too timid and too broken in spirit to offer any resistance to the military power above described, they would rather be coerced, eaten by tigers, die of malaria, or perish of starvation, which last, in truth, must inevitably be the end of all unremunerated labour. I have seen too many molunghees, and know the comparatively hardy character of the people in the salt manufacturing districts too well to coincide altogether in this opinion.

26. I believe I am well warranted in asserting, that no portion of Lower Bengal, with the exception perhaps of the Nuddeah district, has ever been considered so difficult to manage, I speak with reference to matters of police, as the 24 Pergunnahs, the Jessore and Backergunge Zillahs, the Churs, and islands at the mouth of Megna, and Chittagong; but, more especially, the belt of cultivated land which accompanies, or invades, the line of the Soonderbunds in the three first-mentioned districts.

27. It need scarcely be observed, that everywhere people dwelling on the frontiers of great forests, the pioneers before whose hatchets those forests recede, people who dwell in islands surrounded by broad and dangerous rivers, or on the sea-shore, are noted, as compared with their fellow-countrymen in other parts of the same land, for hardihood and roughness of character; nor am I inclined to believe that Bengal affords any exception to this nearly general rule. Now, four-fifths of the molunghees belong to the above classes, and certainly no more unfavourable selection could be made for trying the experiment of coerced labour if all Bengal had been searched for the purpose: attempts at coercion which might bewilder and intimidate the quiet weaver of Dacca or Moorshedabad, would, I apprehend, meet with a very different reception from the borderers on the Soonderbunds, the woodcutters and fishermen of the 24 Pergunnahs, Jessore, and Backergunge; the ryots of Bulloah; ever braining each other in boundary fights, and the litigious, unmanageable people of Chittagong. For my own part, had I a public measure of an unpopular nature, or which might be considered oppressive by the ryots, to carry into effect, I confess I should prefer being appointed to make the experiment in any portion of Bengal rather than in the districts I have adverted to, and I believe the magistrates and other public officers, who have had experience of them, will agree with me in this preference.

28. But admitting, for the sake of argument, that the "125,000 male adults" had not an atom of the principle of active resistance amongst them, and that they found it more tolerable to starve and perish miserably than to face the terrors of the salt agent's array, yet no one has ever denied to the natives of India generally, a species of passive

* Let it be particularly remembered that all complaints against native officers in the Salt Department are specially reserved for the investigation of the Zillah or City Judges and Magistrates, who would feel no disposition to overlook the offences of such officers against the molunghees, whatever opinions their own immediate superior might entertain on that point.

† These martial detachments have since been supplanted by burkundauz.

resolution, and a power of passive resistance, than which no qualities could be imagined better calculated to defeat any scheme for the manufacture of salt by coerced labour.

29. During the past forty years it has happened, not only occasionally but constantly, that the whole molunghees of an agency have had to receive money for salt delivered in excess of their contracts, and for which, consequently, no advance whatever had been made. Even under the advance system, it must be a most unfortunate season, as agencies are now managed,* to throw the molunghees into heavy balance, for the advances are only given in small portions at a time in proportion to the salt produced up to each period, so that, in ordinary years, there is almost always a balance due to the molunghee; but, as I have already observed, on many occasions large quantities of salt were made and delivered by the contractors of entire agencies in excess of their contracts, and by no contrivance could the molunghee have been brought in as a debtor to the department; the agency accounts, and their own hath chitties (or private accounts kept by each molunghee) rendered it a mere impossibility; this, let it be remembered, has not happened once only, but very frequently. Now, under these circumstances, if at any time previous to such a period of deliverance the molunghee had been coerced, exposed to tigers, starved, and given over to inundation and disease—if their labour had been unremunerative, by what possible process were they to be gathered together again for the ensuing season's manufacture? They had only to sit still in their houses and fields, for they are nearly all cultivators, and by that very simple and peculiarly native operation utterly baffle both the agent and his chuprassees. It is not to be conceived that any set of men exist whose predilections are to labour without remuneration, to be starved, eaten by tigers, and carried off by fevers; yet without some infatuation of this description, how, I ask, unless actual slavery be recognised by law and enforced by the State, how would the agent ever again assemble his molunghees, if really only just escaped, through the aid of one lucky season, from all the horrors deplored by Messrs. Rickards, Crawford, and others, whose hasty humanity could not wait for inquiry, and overlooked all probability? The salt officer may, to be sure, leave his treasury to take care of itself; put himself at the head of his corporal and the rest of the brigade, and make what the Turcomans denominate a "chapau," sweeping the villages for molunghees; but his devotion to the salt monopoly must indeed be desperate who makes such an experiment in the face of the law, which declares that "If a salt agent shall compel, or use any means, or cause any of his officers or other person to receive advances, or to contract for or engage in the provision, manufacture, or transportation of salt, the Judge of the Dewanny Adawlut, on proof of the charge to his satisfaction, shall adjudge the contract or engagement null and void, and direct the complainant to be discharged, and cause the advances, if any should have been made, to be returned by him, and award such costs and damages against the agent as may appear to him equitable. The agent so offending shall, moreover, be liable to be dismissed from his office by the Governor-General in Council."

30. It must be admitted, that those who would correct the errors into which the statements of Messrs. Crawford, Rickards, &c., with respect to the condition and treatment of molunghees are calculated to mislead the public of England, have a task of no ordinary difficulty to perform. While the adversaries of the salt monopoly deal in mere general assertions with respect to the alleged miserable state of the manufacturers, those who deny the truth of the assumption are called on to prove a kind of negative, viz., that the molunghees are not ill-treated, not unremunerated; they may observe that a condition of content is only to be inferred from the absence of all symptoms of discontent, although every channel for the free expression of such a feeling has been scrupulously opened by the law, by Government, and by the Superintending Board. They may refer to such arguments as those by which I have attempted in this note to demonstrate the impossibility that any system approaching to that assumed by Messrs. Rickards, Crawford, and others, could go on; and they will be told in reply that these are mere matters of opinion. Overlooking also that the *onus probandi* rests with the accuser, that an assertion on one side without even a reason urged in favour of its probable accuracy, is hardly so deserving of weight as an assertion on the other coupled with the arguments on which it is based, the accusers call for disproofs of offences against the molunghees which were never committed, and which could, consequently, no more be disproved than A could disprove B's charge that he had coerced or killed C, whom he had never either seen or heard of before that moment; it is quite evident that A could scarcely by any means disprove B's accusation, common sense, therefore, as well as law, leaves B to substantiate it: but this task of disproving imaginary wrongs is the one constantly set to the defenders of the salt monopoly by its adversaries, and after, by a very laborious process, some hasty charge made in ten words has been disposed of, the objector may still turn round and deny that the mere rebutment of his assumptions makes the *positive fact* that the molunghees are free contractors, instead of coerced labourers, a whit more clear.

31. Fortunately, for such is the nature of the question that it might have happened otherwise, fortunately, I repeat, this last important fact, the establishment of which includes in itself a reply to all objections whatever, can be demonstrated by an infinitely greater number of direct proofs than I have either time or inclination to recite, or than any one would have time or inclination to read. I shall select a few, at random, for a corroboration of which I can refer to the Board's own knowledge, and to the records of this office. So

* By *now* managed, I mean as they had been managed for many years prior to the publication of Messrs. Rickards' and Crawford's appeal to the people of England.

far, indeed, from proving that anything existed in the shape of coerced labour, Mr. Rickards has himself furnished a fact directly opposed to such an inference, though not aware, seemingly, of its tendency to overthrow his own theory. In page 643 of his work, he distinctly adverts to the price paid to the molunghees in the 24 Pergunnahs for their salt, being raised from * 55 to 77 rupees per 100 maunds, the necessity for raising the price paid to a coerced labourer for his labour, is one of those necessities which one endeavours in vain to comprehend. If the workman, indeed, begins to find that his labour at a salt kullarce is less remunerative than it would be if employed otherwise, it is easy to comprehend that he gives his employer, Government, the option of increasing the price of his salt, or losing his services, but then he ceases to be a coerced labourer, and is only an object for pity in common with labourers generally who can only earn 3 or 4 rupees per mensem, when they would gladly receive as many hundreds.

32. It is well known to Government, and to the Board, and to everybody but those who should have inquired into all these matters a little more particularly before pouring out their wrath and their pity on the molunghee question, that the price paid to the manufacturer for his salt has constantly been adjusted to the increased price of labour and of food throughout the country, nor has there been anything the least extraordinary or oriental in the process by which this has been effected; in short, it has been managed very much in the way that similar matters are managed between large bodies of uncoerced workmen and their employers all over the world, the former have simply intimated that they would not work any more without an increase of price, and the latter, when they have found that others would not do the same work for less, have been obliged to concede the increase contended for.

33. It happened that I myself was officiating agent of Bulloah at a period when a change of this kind was in progress; of all the salt agencies, this perhaps was the most favourable, if any could be called favourable, for practising the coercion system. The agent was then the only European functionary near the place, and was, consequently, looked up to as a very potent person, by no means to be quarrelled with. The agency † was the most remote of any from the seat of Government, and what was perhaps as much to the purpose, there was not at that time a covenanted magisterial or judicial officer within eighty miles of the Sudder station. The Bulloah molunghees found that the salt manufacture, owing to causes affecting the price of labour and produce throughout the country, was no longer so profitable as of old, an unfavourable season or two had also occurred, and upon the whole there was good ground for considering their arguments for an enhancement of price, if they had not cut short all consideration by proceeding to enforce them in a very summary mode, which I find fully described in the reports submitted to the Board on the occasion; the following are extracts: "I have been all but told in open cutcherry by the zilladars ‡ of the Shabazpore zillah, that they can do without the agent better than he can do without them; they declare, though I do not altogether believe them, that they must lose by their contracts, and appear more than half resolved to give up their connection with the salt business altogether."—[A coerced labourer giving up his connection with the business to which he is chained, would be a novelty]—"I can assert from personal knowledge that many molunghees are prepared to pay in the amount of their balances according to the Narraingunge price [provided for in their contracts] rather than continue a manufacture which can only be productive of loss." I had no option but to promise my intercession with the Board, that the price of last year § should be continued, or see no manufacture whatever in one of the most productive aurungs of the agency." "I can scarcely express the surprise I felt when the molunghees first submitted their determination in a very resolute way to my notice, and there will certainly appear abundant foundation for my astonishment when the matter is fairly considered."||

34. If any one can discover in the above brief references to the proceeding then in progress signs either of coerced labour or molunghees involved in inextricable balances, he must have a sharper perception than I had at the time, ¶ or have been able to acquire since.

35. I offer the preceding illustration of the real nature of the connection between the salt department and the molunghees not as at all uncommon or as very important in itself, but because of my personal acquaintance with the facts, and because, for the reasons already adduced, if any Bengal Agency could have been managed coercively, and contrary to the

* I am unable to discover the period, at which only 55 rupees per 100 maunds was paid for salt in the 24 Pergunnahs; the price there now is sicca rupees 87:8 per 100 maunds.

† Chittagong then formed a part of the Bulloah Agency.

‡ Molunghees.

§ This was mere caprice; a very curious feeling for a coerced labourer to indulge in, in this instance too it was a costly one.

|| These people refused a small advance of price because it was not to be paid in the manner they had been accustomed to; they said that receiving the price they did, in the manner they did, added very considerably to their "hoornut" [dignity, honour] in the eyes of the molunghees of other aurungs.

¶ I have since been told by a person most intimately acquainted with the agency, that the threatened "strike" was mere vapouring only, got up by the Molunghees on the old Bengal principle, that perhaps they *might* get something by it, and at all events could not lose. My informant said that I should have had a very different tale to tell if I had taken those worthy persons at their words, and said "very well you may go," this is possible enough; but I still believe the Bulloah molunghees at the time I speak of, were not overpaid, though I wish that instead of advocating their cause so urgently with the Board, I had faced the "strike" and seen the result.

law, or to the will of the molunghees, Bullooh might, from its locality, have been so managed. It is only one, however, out of the numerous occasions well known to Government, and recorded on its proceedings, in which the price paid to the contractors has followed the natural law of voluntary contract, and increased with the increasing price of labour. Here then I think one of the established adjuncts, the inseparable characteristic indeed of coerced labour, is shown not to attach to the connection between the Salt Department and the molunghee. An impressed seaman, a conscript, or a slave, may be well clothed, well fed, and even receive certain rewards for the labour he is called upon to perform, such as policy or justice or humanity may prescribe; but it does not rest with him to determine when he shall cease to consider his recompense as adequate to that labour. The molunghee may be ill clothed, ill fed, and ill paid, but still it rests entirely with himself to weigh the advantages with the disadvantages of his employment, and decide accordingly. To say that *all* molunghees in *all* seasons gain by their contracts,* would be absurd; there is no special exemption from the law of chances in their favour, and they can be no more *certain* that their engagement will turn out profitable, than the contractor for sugar, or rice, or forage, or indigo, or any article depending very much on the accidents of season; but that their contracts are made on terms abundantly favourable, under all ordinary circumstances, to their own interests, I shall offer some direct proofs.

36. Two years ago the taidad, or quantity of salt, to be manufactured in the Bengal Agencies was materially reduced, consequently a number of molunghees were thrown out of employ. I can appeal to the recollection of the Board for a testimony of the outcry this raised amongst the unfortunate manufacturers whose tenders to engage were necessarily refused: they came up from their agencies to this office in crowds: those who could not come sent mooktiars,† and the cry of the whole was "We have been wretchedly ill-treated; the agent is a bad man; we have been deprived of our bread, and our families must starve." It was in vain they were told that they ought to be delighted at escaping from their forced and unprofitable connection with the Salt Department. These infatuated people were deaf to all the unanswerable arguments of their philanthropic advocates, which I had clearly interpreted to them in the vulgar tongue, and obstinately persisted in asserting "that they lived by making salt; that if they did not make salt they must starve, that their children must starve," &c. &c. &c. Now they did not exactly live by making salt, for most of them, as I have before observed, have other occupations during that period of the year when salt cannot be made; but making salt was much too profitable an employment to be given up without a struggle.

37. Since I have been in this office some hundreds of molunghees, from all agencies, have attended with complaints of various natures (and *let it never be lost sight of that they know exactly where and how to bring such complaints, in the cheapest and shortest manner, when aggrieved*), many of them frivolous enough, others which have deserved and received inquiry and redress; but, amongst all this number, I never found but one set of petitioners‡ whom I could by any means persuade to disconnect themselves with the Salt Department, although I had the Regulations read to them in Bengallee, assured them, in the name of the Board, of full justice and protection; explained to them the power of the Board instantly to release them from existing engagements, and even from balances, if they had been in any way compelled to manufacture, and pointed out to them the absurdity of remaining attached to a calling which placed them in such disagreeable positions as they complained of: my eloquence, however, was all thrown away. I could not win them to more than an acknowledgment that "to be sure making salt was very unprofitable, and perhaps my honour would give them some money, but as to ceasing to be molunghees that was quite out of the question, how were they to live?" I assured them that, according to the most approved theories, they could not possibly live as it was, and that it was in order to keep them alive I proposed to release them from their thralldom; they again replied "Khooda janee, we know nothing about all that, but we wont leave the state of a molunghee: if we do how are we to live?" &c. &c.

38. No one can have dwelt long in Bengal without remarking a peculiar feature in the national character, such as it is, which I think affords some clue to many hasty opinions adopted by English residents, with respect to the condition of the molunghees. A native of inferior condition can scarcely ever be brought to admit that he is remunerated for his labour. I feel quite confident, from experience, that this is the general feeling amongst the class from which molunghees come forward, and no doubt there is some ingenuity in the system, for it is adopted on the judicious principle that it is just as well to make the worst of one's condition, on the chance that some humane person may busy himself about bettering it; well do they know the weak side of the English character, so full of patronising and self-complacent philanthropy. The molunghee who receives 14 annas a maund for his salt, and makes a profit knows that his declaring himself ruined by the price will certainly not induce Government to *lower* it, but *may* lead to its being raised, and so his

* I am not sure whether contract is quite an accurate term to apply to molunghee engagements: people are told the auring price allowed by Government for the salt, and may agree to produce it on those terms or not at their pleasure; if they agree, they execute engagements called "soudaputters," which specify the precise terms on which the salt is to be received; the body of the instrument states that it is a voluntary agreement given with the free-will and full consent of the party.

† Attorneys.

‡ These men repented of their hasty determination, and afterwards obtained re-admittance as molunghees in the Hidgellee Agency.

profit will be increased. The "*experimentum crucis*," on those occasions, is to entreat him to leave so unprofitable an occupation—with what result I have tried it in this office has been already explained.

39. I trust I have now shown that another inseparable adjunct of coerced labour does not attach to the connexion between the molunghee and the Salt Department; I mean the natural desire to escape from it, whenever an escape can be effected with safety; a slave can, no doubt, become reconciled, by custom and by kindness, to the shackles which a humane master renders as light as possible, but even this feeling is an exception to a general rule, and to assume, for a moment, the possibility of its existence, amongst men in such bitter bondage as the molunghees are said to groan under, would be a mere insult to common sense.

40. But it is time that I should turn to facts of even greater importance, as establishing, at once, the views of Government, with respect to the connection between the Salt Department and the manufacturers, and as demonstrating more fully the enormous difficulties which are added, by law and by practice, to those insurmountable natural ones which are everywhere opposed to the existence of coerced labour on a great scale, and for a long series of years, unless slavery, in the literal acceptation of that term, is sanctioned and enforced by the State,

41. Mr. Rickards, at page 644 of his interesting work, observes "Courts of justice, it is said, have been established, for the intended protection of the molunghees, but courts of justice, merely tantalize wretches who neither can, or else dare not, prefer a complaint, from the dread of still greater oppression"—what greater oppression men could be exposed to than unpaid labour, starvation, disease, inundation, and being eaten by tigers, is not altogether clear; but, passing that, I find it exceedingly difficult to comprehend what Mr. Rickards means by courts of justice established for the *protection* of a particular class; I believe the Star Chamber was a court of that description, but it was not very celebrated as a "court of justice." To ordinary comprehensions, a court of justice is a tribunal intended to decide, equitably and uprightly, between man and man, without reference to the suitor being prince or peasant; a protecting court of justice, therefore, whether its protecting attributes are to be exerted in favour of ploughmen or peers, is a mere contradiction in terms, which no ingenuity can reconcile. As far as the assumed condition of the molunghees is concerned a protector of molunghees, after the manner of the protectors of slaves in Crown colonies, would have been more to the purpose. I think, however, that I *do* apprehend Mr. Rickards's meaning—he has an indistinct conception of the regulations applicable to contracts between the molunghees and the Salt Department, and providing for the security of the former; but the whole sentence I have quoted shows the loose careless nature of the process by which writers on this question have satisfied themselves that they are justified in attributing to the Government of Bengal, and to the honourable and humane men who have been employed in administering the various branches of the salt monopoly, a tolerance, nay, encouragement, of the most atrocious system of coerced labour which was ever held up to public detestation.

42. I shall now advert to the protection "*said*" to have been provided for the molunghees, and which, however superfluous in the present day, may not have been altogether unnecessary, when order and disorder were still mingled and conflicting in every element of our nascent power; and which at all events exhibits a scrupulous anxiety on the part of Government to prevent the possibility of misapprehension, as to the nature of the salt contracts; to check any tendency in public officers to abuse the powers entrusted to them, and to impress the people of the salt districts with a full sense of their own rights.

Regulation X, of 1819, declares as follows: Section VII.—No persons shall be compelled, under any pretence whatever, to engage in the provision, manufacture, or transportation of salt, either as a contractor, or a labourer, or in any other capacity; and all persons who may engage in the provision, manufacture, or transportation of salt, and may not choose to re-engage, shall be at liberty to relinquish the employment, after performing the engagements into which they may have entered, and to follow any other occupation they may think proper, without hindrance or molestation.

Section VIII.—If a salt agent shall compel, or use any means, or cause any of his officers or others to compel, any molunghee, Boyparry, or other person to receive advances, or to contract for or engage in the provision, manufacture, or transportation of salt, the judge of the Dewanny Adawlut, on proof of the charge to his satisfaction, shall adjudge the contract or engagement null and void, and direct the complainant to be discharged, and cause the advances, if any should have been made, to be returned by him, and award such costs and damages against the agent as may appear to him equitable. The agent so offending shall, moreover, be liable to be dismissed from his office by the Governor-General in Council.

Section IX.—If the assistant to a salt agent, whether a convenanted serf of the Company or an European not in the Company's service, or any native officer attached to a salt agency, shall compel or use any means, or cause any inferior officer or others to compel, any molunghee, Boyparry, or other person to receive advances, or to contract for or engage in the provision, manufacture, or transportation of salt, he shall, on conviction before the Dewanny Adawlut, be made to pay to the complainant a sum equal to the amount of the whole of the advances which such complainant would have been entitled to receive, had he voluntarily entered into the contract or engagement, with any further compensation to which he may appear entitled, and the complainant shall be immediately discharged, and any advances that he may have received shall be taken back from him. In the cases above

specified the party offending shall be liable to be dismissed from office, by the Governor-General in Council, the Board of Customs, Salt and Opium, or salt agent, according as the appointment or removal of such officer may rest with the one or the other of the said authorities, and in all such cases it shall be the duty of the Court before which such charge may be proved against any agent, assistant to an agent, or officers aforesaid, to report the circumstance to the aforesaid Board.

Section X.—Covenanted and uncovenanted assistants and head officers of aurungs shall be held responsible for any compulsion that may be used for the purposes specified in the foregoing section by the goomastahs, peons, and other persons subject to their authority, unless it shall appear that it was had recourse to, without their knowledge or connivance, and that they afforded all practicable redress immediately on being apprized of the circumstance, where persons subject to the authority of such assistant, or head officer, shall be convicted of using such compulsion without his knowledge or connivance, besides dismissal from office they shall be liable to the same penalties as are prescribed in the preceding section for cases in which the native officers attached to a salt agency may be convicted of using compulsion.

Section XI.—If any contractor, molunghee, or boyparry, having received advances or entered into engagements for the provision of salt, shall be convicted before the Dewanny Adawlut of compelling, directly or indirectly, any labourer or other person to receive advances or to engage in the manufacture, he shall, on conviction before the Dewanny Adawlut, be liable to the same penalty with the exception of dismissal from office, as is directed to be inflicted in the cases specified in section IX, of this Regulation, and that no contractor, molunghee, or boyparry may plead ignorance of the above rule, a clause to the effect thereof shall be inserted in their contracts.

Rules for subjecting the Officers of Government in the Salt Department to the cognizance of the Civil Courts of Judicature.

Section XIII.—First. The salt agents and their assistants, whether covenanted servants of the Company, or Europeans not in the Company's service, and their native officers, are declared liable to be sued in the manner hereinafter described in the Dewanny Adawlut, for any breach of this Regulation, or any other Regulation that may be passed and printed in the manner directed in Regulation XLI, 1793.

Third. During the manufacturing season, if a molunghee or labourer, or any other person who may be employed in the salt manufacture, shall deem himself aggrieved by any act of the assistant to the agent, or any officer attached to a salt agency, or by any contractor, molunghee, or boyparry, he shall, in the first instance, state his complaint in person, or by vakeel, to the agent, in order that the agent may give such redress as it may be in his power to afford. But, if the agent shall refuse to afford to the complainant the required redress, or omit to grant it within a reasonable time, or if the case be such as that the agent may not have it in his power to redress the injury received, the complainant shall be at liberty to sue in the Dewanny Adawlut the party from whom he may have sustained the injury, or the agent, if the act shall have been done under his orders, and the Court shall hold the party or the agent responsible accordingly.

Seventh. During the months of Sawun, Bhadoor and Assin, molunghees, labourers, and all other persons having entered into engagements on account of the salt manufacture, or having been employed in it, who may consider themselves aggrieved by any acts done by the agent, or his assistant, or any of his officers or other persons employed by him, in breach of this Regulation, or any other Regulation printed and published in the manner directed in Regulation XLI, 1793, are declared to have the option of suing either in person or by vakeel, the party from whom they may have sustained the injury, in the Dewanny Adawlut, without preferring the previous application for redress directed in the preceding clauses of this section to be made during the manufacturing season, and further with a view to ensure the molunghees, labourers, and other persons engaged in the manufacture or transportation of salt speedy redress of injuries they may sustain, the Courts are required to bring the suits instituted by the said persons for injuries sustained by them from the officers aforesaid, to a termination as expeditiously as possible, by trying them in preference to other suits."

43. The preceding are evidently the Rules to which Mr. Rickards means to advert in that singular sentence I have already quoted; and if they are, as I cannot doubt, it is not easy to reconcile one's self to the mode in which it has been considered fit to discuss a very important question involving the humanity and justice of the British Indian Government. I am reluctant to believe that honourable and estimable men who undertook to advocate the cause of the molunghees against the intolerable oppressions they were said to have been subjected to, were wholly ignorant of the real state of the case; for then they were bound in common honesty to abstain from disseminating and proclaiming as facts those charges, with respect to the inhuman and destructive character of the manufacture necessary to support the salt monopoly, which have been so perseveringly urged; but I am still more reluctant to believe, for reasons which it is not necessary to explain, that the writers adverted to after investigating thoroughly and dispassionately in all its bearings, became voluntarily responsible for such information as they have placed before the British public. Surely it might have been expected that when an accusation was preferred against the Company and its servants, of tolerating or encouraging crimes and

cruelties to which there is scarcely a parallel in the annals of slavery, a sense of candour would have induced the accuser to make some stronger allusion to the rumoured protection *supposed* to be provided for the molunghees than a mere "it is said"—nay, it might not have been too much to expect from writers, no doubt desirous only of truth, that even if convinced in their own minds of the fact, that Bengal salt was produced by a dreadful system of coerced labour in which the East India Government was pleased to squander the lives of the people, they would still have given their readers the laws of that Government on the subject, and then have left them to draw their own conclusions; nor could there, I imagine, have existed any greater obstacles to their obtaining official information in favour of the mode in which the salt monopoly has been administered, than appears to have been experienced in collecting facts which have been assumed to tell against it.

44. Perhaps it may be said that it was a question of dates, and that very excellent laws, enacted for the protection of the molunghees in Bengal, might not have reached England at the date of Mr. Rickards's or Mr. Crawford's publications. I regret that I am obliged to disturb such an hypothesis, for, even admitting the possibility that the Salt Regulation now in force, and which was enacted in 1819, had not reached England in 1829, (a delay barely credible, notwithstanding the mismanagement asserted to attend all the affairs of this Government), yet the sections of that Regulation which I have quoted were merely re-enactments almost *verbatim* from sections 3, 4, 5, and 6 of Regulation XXIX, of 1793, which was the Salt Law in force up to the enactment of Regulation X, of 1819.

45. But to proceed from the law to the practice which prevails in the administration of our salt agencies, I think I shall be able to show sufficient reason for concluding that protected as the molunghees are both by law and by practice, they are as little likely to become coerced labourers as any peasants on earth, a thousand times less so indeed, if we are to believe the native papers, than others whose perfect freedom of choice was never questioned, and who are engaged in promoting the most favourite objects of Mr. Rickards's and Mr. Crawford's Hopes.*

46. On a day fixed for the purpose, either at Sudder cutcherry or in the Mofussil, the contractors, together with the amlah,† are in attendance. Each molunghee's hath chittee being placed according to its number on the floor of the cutcherry, the amount of advance he is to receive is counted by the potedar,‡ and put upon the hath chittee.§ Every molunghee is then called in turn, and desired in the presence of the agent, (which is particularly and expressly enjoined by the Board), to count the money, and if correct, to take it away with the hath chittee. When all have received their advances they are summoned before the agent and required to sign a receipt in a book prepared for the purpose, and those who cannot write appoint a mooktiar to sign for them. The book thus signed in the agent's presence receives his official signature, and a robakaree, detailing all that has passed, is recorded in the office.

47. This done, the contractors are questioned by the agent.

- 1st. Whether each has received the full amount of advance which is debited against him in his hath chittee?
- 2nd. Whether since receiving it he has paid any part of it to any of the amlah, or whether any of the amlah have asked for, or forcibly taken, or attempted to take, any part of it from him?
- 3rd. Whether they have complaints of any kind to prefer?

They are then informed that the amlah are positively prohibited from taking under any pretence whatever any of the advances which have been paid, or other gratuity, and that the offence is punishable by Regulation; the manufacturers are further directed at all times to submit to the agent any grievance or complaint they have to make, subsequently the agent reports to the Board that the advances have been made in his own presence with such observations as may be necessary.

48. At the end of the season, the accounts of the contractors are settled in the presence of the agent, and those entitled to receive any balance are paid in his presence in the same manner as above described, the agent again reporting his personal supervision to the Board.

49. All advances to the molunghees and all monies paid on account of the manufacture, are paid in the most public manner in open cutcherry.||

50. To assume that in a country where scarcely one moral or honest feeling on the part of the people can be enlisted for the support of good government, and where the oppressed of to day, untaught and unsoftened by suffering, is the ready and ruthless oppressor to-morrow; to assume that in such a country the management of so vast a concern as the salt monopoly could be perfectly free from abuse, would be to give credit to a degree of integrity on the part of the subordinate native officers, and of sense, firmness,

* See Appendix No. 1.

† Native officers.

‡ Treasurer.

§ This is the running account currency kept between the department and the Contractor, and retained by the latter in his own possession.

|| In the 24 Pergunnahs, the payments are made about two miles from the Calcutta residence of the Governor-General, and actually in a building, one part of which is occupied by a magistrate—a curious locality to select for coercion or oppression.

and, above all, honesty* on the part of the contractors, which it would be absurd to expect in any part of India; perhaps the same observations might be applicable to any part of the world, so long as knavery exists to take advantage of folly and weakness, or to make common cause with roguery. It appears to me indeed that the absence of all complaint would be the most suspicious circumstance which could possibly attend the administration of a concern so immense and so conducted as the salt monopoly, fortunately, however, we have not to suffer under the suspicions which such an unnatural silence could not fail to create. We have a full harvest of complaints proportionate, as might be expected, to the enormous extent of the manufacture, and the litigious habits of the people; but this is as it should be, where one molunghee comes his neighbours can, and do, follow; when one manufacturer of an aurung has sent his petition by dawk to the Board or to Government, it is no longer to be concealed from his fellow-labourers by any efforts of the native officers, that they can all do the same; the very act of remonstrance or complaint shows both a thorough understanding of his own condition on the part of the complainant, and of the mode in which he is to seek for redress if aggrieved. Some of these complaints have set forth that the petitioners have been compelled to receive advances,† and though such petitions have never been made I observe at the most natural period, viz., as near the time of compulsion as possible, but always deferred until the success of the season's manufacture hints to the petitioner the best course to be adopted for his own interests; yet the fact is conclusive as to the perfect understanding which exists amongst the molunghees of the nature of their engagements with Government, and that anything approaching to compulsion is illegal and punishable. In short, the facility for, and frequent use and abuse of, petitioning shows at once the folly of assuming general coercion under such circumstances, and that the molunghees are quite aware how, and from what quarter, to seek redress (independent of the courts of law) should it be denied by those more immediately in authority over them. Their complaints are often of the most frivolous and absurd description, but from this very circumstance it is abundantly evident that they would not submit patiently to great and real grievances.

51. After all it would not be easy to comprehend why assumptions of a system of coerced labour, which, if true, would have stamped the last disgrace on the British Indian Administration, should have been so credulously adopted by the party which employed them, and who, on all points, where it suits them to be so, are keen and searching enough, were it not that the "animus" with which the salt monopoly has been discussed by the party in question for the benefit of the British public is sufficiently clear. Of the results of this feeling, it may not be altogether unuseful, to offer a few instances, even though they are not in all cases immediately connected with the subject of this note, because they will serve to show the bias with which the whole question of the salt administration has been approached; and which would hardly be weakened when so tempting a portion as molunghee slavery presented itself.

52. Mr. Rickards observes, "their," the molunghees, "poverty, moreover, was such that this allowance‡ was required to be paid in advance." From which the English reader is to infer, not that the advance system is common to all transactions in this country, but that the wretched molunghees only are compelled to give assent to it by their extreme poverty.§ I am not called upon to discuss the advance system; I believe it to be a very bad one; but when advances are no longer made for rice, indigo, sugar, tobacco, or salt-petre—when the most respectable native tradesmen in Calcutta cease to demand an advance before they will make a dozen of silver spoons or a dining table—when a man can secure oats for his horses, or build a stable to put them in, without making an advance to the farmer or the carpenter, it will be quite time enough to hold up that system as a defect peculiar to the salt monopoly, and as a conclusive proof of the miserable poverty of the molunghees.

* * * * *

57. "These labourers," adds Mr. Crawford, "are in a *virtual* || state of slavery, every man of them being in debt to the East India Company inextricably, and for life, and not daring to engage in any other employment by express Law." This would, indeed, be *virtual* slavery of a most extraordinary kind, but I trust I have disposed of the question of coerced labour in any shape. As to the "express Law," the only law which exists respecting molunghees I have already given, though I apprehend it will not be found very confirmatory of Mr. Crawford's declaration. With respect again to the inextricable debt, I hope I have met that objection also, and I will only here offer one observation on the subject, which will, at all events, have the merit of novelty with those who deplore the wretchedness of the molunghees, and groan at the reckless hard-heartedness of their

* I am always inclined to suspect, in nine cases out of ten, that when a molunghee fees a native officer, Government is the sufferer; the salt manufacturers understand very well how to avoid parting with any thing without a consideration.

† In almost every case, the true foundation for their complaint has been discovered on investigation to be a personal quarrel with the native officer or some fellow-molunghee, always followed up, as such things are in Bengal, by an accusation to superior authority as far removed from the real ground of dispute as can be imagined.

‡ A portion of the price of the salt.

§ Some molunghees receive advances and give security to the extent of 12,000 sicca rupees per annum, signs of poverty, which to say the least of them, are very equivocal.

|| It is "*real* slavery" in the next page.

employers. Salt destroyed by any general calamity, by storm, or inundation, while yet undelivered to the department, is paid for by Government,* though bound by contract only to pay for what is actually weighed into the custody of the salt officers. I can safely say, that at various periods within the last ten years, nearly five lacs of rupees have been so paid to the manufacturers. To have relinquished the balance of advances would probably be thought sufficiently liberal in silk, or indigo, or sugar, or saltpetre concerns. It is only the Salt Department which thinks it necessary to pay for an undelivered article, and it is better so than that the shadow of a doubt should be cast on any transactions of such a nature to which Government is a party. It must be confessed, however, that if such a process is relied on for making virtual slaves by involving the molunghees "in debt to the East India Company inextricably and for life," it is a most unhappy, and costly, and clumsy invention.

68. Mr. Crawford goes on to observe, "In this case (a free trade, with moderate duties) 125,000 labourers, and a population of, probably, not less than half a million of people, will be emancipated from real slavery, and their services will be instantly available, where they are most required, in clearing and cultivating the thinly-peopled, the unhealthy, but rich and extensive, fens, which form the estuaries of the great rivers;" in other words, they will be instantly available in the "pestiferous marshes, where a considerable number, according to the official returns, are yearly devoured by tigers, and a much greater carried off by dysenteries and fevers." What the unfortunate molunghees or humanity are to gain by this exchange it is not easy to imagine, unless it is more satisfactory that a man should perish while cutting down a bush than while making salt. But it is amusing to mark the edulcoration, the softening down of terms. When the molunghees discontinue their connection with the salt monopoly they are no longer to be employed in "pestiferous marshes at the estuary of the Ganges," where the only choice of the unhappy labourer is between a tiger and a fever; but they are to labour in freedom and happiness "in the thinly-peopled, the unhealthy (gentle admission) but rich and extensive fens which form the estuaries of the great rivers." Nature herself, in short, is to change her eternal aspect the moment the salt monopoly ceases to employ the molunghees, and they transfer their energies to the cutting down of wood in the very spots where they are now said to be making salt, for truly there are no other estuaries that I am aware of. What is to become, however, of nine-tenths of the whole race of manufacturers who never chanced to see the "pestiferous marshes at the estuary of the Ganges," Mr. Crawford does not intimate; they are, of course, to starve; it is for the benefit of the majority, and no true disciple of the modern school of political economy will say a word in disapprobation of such an arrangement; but they certainly would not be particularly available for the clearance and cultivation anticipated by Mr. Crawford, inasmuch as that all the country within a hundred miles of their neighbourhood has been both cleared and cultivated, probably a century or two before the salt monopoly was thought of.

69. Mr. Crawford states that the supply for a "territory of full 150,000 square miles, and for 30 millions of people, is drawn from about 200 miles of a noisome, unhealthy, and almost inaccessible coast." This noisome, unhealthy, and almost inaccessible coast, is the tract in which Mr. Crawford proposes, as a measure of superior humanity, to render the labour of the molunghees "instantly available," a very considerate proposition no doubt. But how does the case really stand? Why, with the exception of the two Soonderbund aurungs already mentioned,† the supply adverted to by Mr. Crawford is drawn, independent of Bombay, Muscat, Bussorah, &c., from a vast tract in the midst of cultivation and fertility, from a tract of about 1,200 instead of 200 miles, a tract extending from Covelong to Arracan. It is obviously not of the slightest importance as far as the comfort of the people is concerned, whether the supply of salt distributed through the monopoly is obtained from 50 miles of country fit for the the production of the article, or from 5,000; I only notice the incorrectness of the assertion that it is drawn from "about 200 miles of a noisome, unhealthy, and almost inaccessible coast," to show the extraordinary looseness and inaccuracy with which the question has been treated. Is it to be supposed that this looseness and inaccuracy would not extend to a portion of the subject where, of all others, it might be expected to be found in full operation, viz., the coerced labour of the molunghees? It is strange enough also to find the inaccessibility of the coast adverted to, as if all other parts of the coast of India presented only a succession of capital ports; as if, in short, the salt was made for exportation, and not, as it is, for internal consumption.

71. I need not make any further additions, though I could make many, to the instances I have quoted of the singular want of correct information which has been exhibited by writers undertaking to point out the demerits of the salt monopoly to the British public, and of the unfavourable bias with which the tax, probably for its name's sake, perhaps for reasons of greater cogency, has been discussed. That this want of information, that this bias could be cast aside in the single instance of the molunghee

* The coated or estimated, quantity of salt agreed to by the molunghees and officers of the Poketaun, is the quantity paid for on such occasions.

† Included in a space of not more than twenty square miles.

grievances, and that the most stirring and popular portion of the whole subject would be treated with a dispassionate consideration which was refused to matters comparatively uninteresting and unimportant, was a sacrifice to candour which could not be expected, and which has not been made. When such errors as I have noticed crept into assertions which might have been corrected by a reference to the public accounts, or by a calculation, or by the terms of a public advertisement, it is not to be wondered at if the warmth of humanity should have fostered others, with respect to the condition of the molunghees, which could not be submitted to such easy tests. I trust, however, I have been able to show that whatever benefit may attend the supersession of the salt monopoly by any other system of taxation, calculated to produce an equal amount of revenue, the release of the molunghees from a state of either real, or virtual, slavery will not be one.

H. M. PARKER, *Secretary.*

Appendix R.—No. 2.

Extract from a Report prepared by the Chairman of the Select Committee of the House of Commons, appointed to inquire into the supply of Salt for British India in 1836, but not adopted or officially published.

Your Committee have great satisfaction in being able to report that these people are no longer in a state of slavery. Many exaggerated statements have gone forth as to their treatment; but, whatever their former condition may have been, the strictest inquiry does not warrant the conclusion that there exists among them now anything like a system of coerced labour. Still, when the unhealthiness of their present occupation is considered, when there is reason to believe that their motives for engaging in it are not entirely an advance of wages, but the opportunity which is thus afforded them of carrying on an illicit traffic, when it is shown that their labour might more profitably be absorbed in other less objectionable employments, there does not appear to be any reason on their account, to regret any change which, by encouraging a larger importation of Foreign salt, might abridge the labour, or dispense with the services, of a portion of the molunghees.

APPENDIX S.

Official Papers relating to the pressure of the Laws enacted to prevent infractions of the Salt Monopoly.

No. 1.—Petition of the British Indian Association to the Governor-General of India in Council.

No. 2.—From the Board of Revenue to the Government of Bengal, dated August 28, 1854.

Appendix S.—No. 1.

Petition of the British Indian Association to the Most Noble the Governor-General of India in Council, in the Legislative Department.

The Humble Petition of the British Indian Association.

Sheweth:

That the original Rules to prevent the manufacture of salt, except for the benefit of the East India Company, enacted in 1778, and incorporated in Regulation XXX, 1793, directed proprietors of land and others to give information to the authorities of any salt illegally made in, or imported into, their lands, on pain of certain penalties in the event of its being "proved in the Dewanny Adawlut" (the ordinary courts of justice), that the salt had been "made or imported with their knowledge or connivance." Those Rules having proved ineffectual, Regulation VI, 1801, required the proprietors of estates in which salt was manufactured or khullarees were established, to report the fact to the authorities, under a penalty of 5,000 rupees, if it were proved in the Dewanny Adawlut, that they were

acquainted with the manufacture of the salt, or the establishment of the salt-works; but the decrees were not to be carried into execution without the sanction of the Governor-General in Council. It will be perceived that, at that period, though the zemindars were declared responsible for giving information of the existence of illicit khullarees, their neglect was not left to be inferred, but was required to be proved in as sufficient and formal a manner as any other matter of judicial inquiry.

2. The Rules regarding the salt monopoly were again revised and enlarged in 1919. By Regulation X, of that year, it was declared (section 32) that landholders were "accountable for preventing, to the utmost of their power, the illicit manufacture of salt," and for "giving the earliest information" of any salt-work "established or about to be established" within their estates; and (by section 33) that those "who might wilfully and knowingly omit to give the information, should be held to have connived at the illicit manufacture," and were to be liable "on proof of such neglect," to a fine not exceeding 500 rupees for every illicit salt work on their estates. It was, at the same time, declared (by section 34), that even village watchmen (whose wages seldom amount to 3 rupees per month) should, for similar neglect, be liable to similarly heavy fines, which your petitioners merely allude to as evidence of the severity of this penal law. The officers of the Salt Department were (by section 109) authorized to inflict the fines, but no rules were laid down as to the manner in which they were to ascertain, whether the information had been "wilfully and knowingly" withheld, or merely from ignorance of the fact. In cases where the fines imposed were under 50 rupees, the orders of the salt officer were final; but, in cases where they exceeded that amount, they were subject to the confirmation of the zillah judge, before whom, of course, they would undergo a proper judicial investigation.

3. It is no small aggravation of the evil that, by section 31 of the above cited Regulation, it was enacted that "each fire or fire-place applied, used, or prepared for the manufacture of salt, should be held to constitute a separate khullaree," so that the fact of a ryot putting a pound of salt-water in an earthen pot on the fire on which he boils his rice, constitutes the offence which a zemindar is to expiate by a fine of 500 rupees. By Regulation X, of 1826, the burning of straw steeped in water, for the purpose of using the saline ashes as a condiment of food, is made an offence equal to that mentioned in sections 30 to 35 of Regulation X, of 1819; and any place prepared for the reception or evaporation of salt-water, or the collection of earth or other matter impregnated with salt, for the manufacture of salt or any saline substance, is to be held to constitute a salt-work. It is obvious, therefore, that the acts declared to be offences may daily be committed, and yet escape the utmost vigilance of the agents of the zemindars.

4. The foregoing rules not being deemed effectual, it has been since enacted (section 27, Act XXIX, 1838) that landholders "who shall knowingly omit to give" the required information, "shall be liable, on conviction before the judge of any zillah or city, to a fine of 500 rupees for every khullaree established on their lands," and that "such knowledge shall not be required to be established by direct proof, but may be inferred from circumstances, at the discretion of the judge." Further, it has been held by the Sudder Court of Calcutta that, if there happen to be several sharers in a zemindaree, every one of them "is liable to the full penalty prescribed." (Summary Cases, S. D. A., p. 52.) According to this construction, if a khullaree be discovered on the 1st of December, the proprietor of the estate shall be fined 500 rupees, but if on the 1st of January, when his four sons have succeeded to the zemindaree, and necessarily hold in joint tenancy, they are to be fined four times that amount. As the property of Hindoos and Mahometans is liable to be divided into many portions in every case of succession, and as there is great difficulty in obtaining partition of shares from the public authorities, the hardship which this construction inflicts may be easily imagined.

5. The enactment of penal provisions like the above, in opposition to the principles of criminal jurisprudence, as they are understood in all civilised countries, may perhaps be justified on the allegation that the zemindars and other proprietors of land participate in the frauds committed on the Government revenue, by cooperation with the offending ryots of their estates, or connivance at their acts. But the records of all cases of this nature, whether tried before or after the passing of the Act of 1838, will, your petitioners believe, testify that the landholders have seldom been, on good grounds, proved or suspected to have had any such criminal participation; and that in general it is the poor ryots, often without any malicious design against their landlords, and owing to their inability to pay the high price of so necessary a condiment, who have brought themselves under the operation of this rule, by preparing solely for domestic consumption a little salt upon their daily fires, in one of their ordinary cooking utensils, or by burning a little straw steeped in salt-water. The manner in which the ryots usually prepare the salt for such daily consumption precludes all possibility of discovery, except by interested informers. Moreover, in the salt districts, every ryot either manufactures salt himself or receives some from one who does so, so that none of them can inform against each other. Hence, considering the numbers of the ryots, their domestic customs and social prejudices, and the situation and formation of their dwellings, it is no easy matter for goomastahs of their landlords, who are generally in charge of the collections of several villages, to reach the works at any time unawares, for occasional inspection, or by the greatest care and vigilance to prevent, or detect, the illicit manufacture.

6. Though the monopoly of the manufacture of salt may be a large source of revenue to the Government, yet the benefit of the protective provision complained of is very small and dwindles into nothing, when compared with the fearful amount of loss it has by its

operation brought upon holders of land, and the general feeling of insecurity it has caused among the body of landholders in the salt districts.

7. The discretion vested by the law in question in judicial officers to dispense with the established rules of evidence, is, it is obvious, liable to great abuse; and your petitioners have accordingly found that the administration of the law in this respect is now attended with oppressive effects, which, they believe, could never have been in the contemplation of the Legislature. Half a dozen persons may be joint-proprietors of a small talook, (many of which kind exist, especially in the salt districts,) or of a parcel of rent-free lands, having a dozen or half a dozen ryots, hardly yielding a gross profit of 100 rupees a year, or being of a value exceeding 500 rupees; and *each* of them may be fined in the aggregate market-value of his property, if any of the ryots be too poor to pay in any week for his daily salt, and, in order to avoid the difficulty, be foolish enough to boil a little of the saline earth, or dig a few holes near the sea shore and steep straw therein to burn for its ashes, or collect together a heap of earth.

8. In the single district of the 24 Pergunnahs, from 1852 to the present time of this year, 15,500 rupees have been realized by fines under this section, and eight cases are still pending before the judge, in which, with reference to the number of khullarees, which in two cases is three, no less than 52,500 rupees are to be realized, which makes a total of 68,000.

9. Your petitioners are aware that very severe laws are in force to prevent (for instance) the unauthorized distillation of spirits in Scotland and Ireland; but those laws are intended to reach only the persons who are concerned in the manufacture. It is, they believe, impossible to discover any other country in which private gentlemen are punished for infractions of excise laws which occur on their estates. It would be considered most monstrous were a noble duke, while residing in the metropolis during the sessions of parliament, to be fined by a commissioner of excise on the ground of the discovery of unauthorized stills on his domains in a distant part of the island. But proceedings exactly parallel are carried on in India, though not, as your Lordship in Council may well believe, without creating a deep impression of their hardship and injustice.

10. So injurious is the operation of the penal provisions of the Salt Law, that your petitioners would consider it as a great point gained were the Legislative Council to bring the operation of the section before mentioned within the ordinary rules of evidence, and let the fine against landholders bear some proportion to the offence, fixing the maximum at 500 rupees. Your petitioners pray, however, that the whole subject be taken into consideration, and such modifications made as may be deemed to be just and proper. The representations herein made of the oppressive character of the law and its administration may perhaps appear to your Lordship in Council exaggerated. Your petitioners would, in that case, humbly suggest that a Commission be appointed to give them, and the landholders of the salt districts the opportunity of producing evidence to substantiate all that has been alleged above, and to prove the urgent necessity of modifying the law.

And your petitioners, as in duty bound, shall ever pray.

DEBENDERNATH TAGORE, *Honorary Secretary.*

Appendix S.—No. 2.

The Secretary to the Board of Revenue to the Secretary to the Government of Bengal.

Sir,

Fort William, August 28, 1854.

I am directed by the Board of Revenue to acknowledge the receipt of the papers forwarded by endorsements, dated the 7th of March and 24th of June last, relative to complaints by the British Indian Association and other landholders of the undue severity and injustice of the laws which have been enacted for the protection of the revenue derived from the duty on salt.

2. On receipt of the former of the above communications, the Board addressed the Controller of salt chowkeys on the subject, calling for certain information, and his reply with its enclosure is submitted in original.

3. The Act, No. XXIX, of 1838, I am to observe, which contains the particular law complained of by the Association, was passed after the whole subject of the Salt Laws had been considered by a Committee, and their inefficiency, as they then stood, for the due protection of the revenue fully demonstrated. The original draft of the Act was prepared by the late Board of Customs and they wrote as follows regarding that provision which, in an amended form, became section 27 of the Act.

“Your Honour will observe that we have added a provision in modification of sections 32 and 33, Regulation X, of 1819, for the purpose of more effectually securing the co-operation of landholders in general, and other persons in charge of estates, for the suppression of illicit manufacture and smuggling. Landholders of every denomination, and their agents, ought, we conceive, to be made strictly responsible for all illicit manu-

facture within their respective estates. It cannot be carried on to any extent without their knowledge, and that of their agents. The fact of such manufacture being established ought to be sufficient to warrant the presumption, that it has been done with the landholders privity and concurrence. If the cooperation of the landholders and their subordinate agents, on the one hand, with the police and revenue establishments on the other, could be generally secured, it would do more for the interests of the Salt Department than the whole preventive establishments, as they now exist, without imposing upon either a heavier obligation than the law was intended to prescribe, or than might have been enforced, had the provisions enacted for the purpose been less liable to misinterpretation."

4. The analogy which petitioners would draw between landed proprietors in England and in India is not, the Board think, admissible. Both by law, and by the practice of the country, the duties and responsibilities of Bengal zemindars are totally different from those of English landholders; and it is quite consistent with the obligations under which a zemindar holds his estate that he should be required to render active assistance in the suppression of offences against the excise revenue, and be held responsible for any neglect.

5. To prove by direct evidence that a zemindar had knowledge of the existence of illicit salt works, is, in the majority of cases, quite impossible; and when the circumstances are such that this knowledge may be fairly inferred, the zemindar is justly punishable, either for neglecting to communicate the knowledge if he possesses it, or if he possesses it not, for neglecting the duties of his situation in not making himself acquainted, as he might, and ought to, have done with what is passing in his estate.

6. With regard, therefore, to salt works established in the open field, which probably were the kind of works contemplated in sections 32 and 33, Regulation X, of 1819, and section 27, Act No. XXIX, of 1838, the Board consider that no objection could, reasonably, be taken to the provisions of the law last cited; but their application to manufacture in houses and enclosures, for the detection and suppression of which Act No. III, of 1851 was passed, may not be perhaps so free from question.

7. Although not expressly stated in the petition, it is the operation, *under the Act of 1851*, of the law which imputes responsibility to the zemindar in cases of illicit manufacture, that has given occasion for the complaints of the petitioners. All the cases included in the 5 years statement of prosecutions of zemindars, furnished by the Controller, are cases of manufacture in houses. It was not without reluctance that the Board, influenced by the urgent and repeated representations of the Controller and the chowkey officers, recommended to Government the enactment of the law of 1851*; and they stated at the time that it was one which would require to be cautiously administered. The Controller's report shows that the department has acted with great moderation in cases instituted against zemindars in connexion with manufacture in houses. In five years, in all the superintendencies, 74 cases were instituted of which 38 terminated in conviction and 15 in acquittal, and 21 were still pending on the 30th of April last. In the 38 cases of conviction the Civil Courts awarded fines to the extent of rupees 31,500, and of this amount rupees 14,000 had been realized, and rupees 5,500 remitted by the Board or the Controller, under the power vested in them by section 117, Regulation X, 1819. Of the balance, (rupees 12,000) a portion has since been remitted. The Controller further reports that 61 cases, in which the offence was considered proved by the superintendents, were not prosecuted before the judge, because convictions against the same zemindars had been obtained in other cases; and he says that numerous other cases ("hundreds of cases") of illicit manufacture have occurred, in which "the law has been brought to bear on the parties breaking it, and zemindars have only been called to account in glaring cases, or in cases in which their cognizance has been long suspected."

8. The cause of the large remissions above mentioned is, that the judges consider themselves bound to impose in all cases the full legal penalty of 500 rupees for each fire place; and in consequence, when manufacture is discovered in 5 or 6 houses the amount of fine is unnecessarily large, and pressed on the zemindars with undue severity. Only one instance has occurred in which, under the precedent mentioned by petitioners, the full fine was imposed on each of the joint proprietors of a village, and in that case remission was granted by the Board.

9. It is of course possible, that the discretion allowed to the judge of inferring connivance on the part of the zemindar, from circumstances without direct proof, may not have been always discreetly exercised. But this can scarcely be held to be a sufficient reason for a change in the law. The risk of erroneous judgment from such cause, is not perhaps greater than that which exists in all cases from misapprehension of the value of evidence. The law is, unquestionably, a harsh one, but the Board believe it to be necessary for the protection of the revenue. The objection taken to it by the petitioners on the score of the severity of its penalties is, or may be, in a great measure obviated by the power of mitigation reserved to the head of the department. Mr. Dunbar's objection† has reference only to the case of absentee zemindars, and is not, the Board think, tenable. For a person who chooses to perform by deputy any duty devolving on himself, must

* On the 6th June, 1849, Mr. Bidwell wrote, "The evil is on the increase; the zemindars are reported to be encouraging their ryots to engage in the manufacture; secure in the impotency of the law as regards themselves, and they are known to pay the fines of their ryots who may be convicted of illicit dealings in salt."

† Extract from his report on the district of 24 Pergunnahs, received with endorsement, dated June 24, 1854.

necessarily be held answerable for the acts of his deputy; and on this principle, section 32, Regulation X, 1819, properly in the Board's opinion, makes the proprietor responsible for the neglect of his goomastah, or agent.

10. On the whole, the Board are not disposed to recommend any change in the law; but, at the same time, they are desirous to make its operation as easy as is consistent with the security of the revenue, especially in the case of manufacture in houses. They would propose, with this object, in amendment of the Controller's suggestion, that it should be a rule of the department.

1. That on the first discovery of manufacture in houses in any village, no attempt should be made to establish cognizance on the part of the zemindar, but he should be simply warned of the fact, with a view to his exercising more care in future.

2. That in all cases of lands held in joint tenancy by more than one proprietor, the prosecution should be against the proprietary body jointly and severally, for the fine specified in section 27, and not against the individual sharers for separate fines.

3. That in all cases of a first conviction under the section quoted, the fine levied should not exceed the maximum of rs. 1000, whatever the number of houses in which manufacture may be discovered.

11. These provisions, added to the existing rule which requires that before any case is transferred to the judge, it shall be submitted to the Controller and his sanction obtained, would, it is believed, provide effectually against any undue severity in the enforcement of what appears to be a necessary law.

I have, &c.,
A. R. YOUNG, *Officiating Junior Secretary.*

APPENDIX T.

STATEMENT showing the Quantity of Salt Sold, the Total Cash Receipts, the Gross Salt Revenue or Net Profit to Government, and the Net Salt Revenue, for each Year from 1841—42 to 1854—55.

YEAR.	Quantity of Salt Sold.						Proceeds of Government Sales at various Fixed Prices,			Charges of manufacture or cost price of the Government Salt.	Net Profit, representing the duty realized on the Government Salt.	Excise Duty realized on the Salt of private manufacture.	Customs' Duty, realized on imported Salt.	Other Receipts, ordinary extraordinary, and profit and loss on account of Salt.	Gross Salt Revenue.	Charges of protecting and collecting the Revenue, as distinguished from the charges of manufacture, representing the cost price of the Government Salt, shown in Col. 11.	Net Salt Revenue.	Percentage of the charges exhibited in Col. 17 on the Gross Salt Revenue, exhibited in Col. 16.	Rate of Net Profit or Duty realized on the Government Salt, per 100 mds.	Rate of Excise and Customs Duty levied on the Salt of private manufacture and on imported Salt per 100 mds.	Dates of reduction of Duty.	REMARKS.
	Government Manufacture.			Private Manufacture.	Imported.	Grand Total.	Wholesale.	Retail.	Total.													
	Wholesale.	Retail.	Total.																			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1841—42	Ind. Mds. 89,59,836	Ind. Mds. 8,33,026	Ind. Mds. 47,92,802	...	Ind. Mds. 6,12,592	Ind. Mds. 54,04,964	C.Rs. 1,88,72,000	C.Rs. 23,79,000	C.Rs. 1,92,51,000	C.Rs. 40,34,840	C.Rs. 1,52,16,160	...	C.Rs. 18,46,000	C.Rs. 78,000	C.Rs. 1,71,39,160	C.Rs. 12,79,939	C.Rs. 1,58,59,231	C.Rs. 7 1/2	C.Rs. 817	C.Rs. 325		
1842—43	88,70,636	8,36,798	47,07,433	...	8,92,743	66,00,176	1,63,91,000	22,92,000	1,86,83,000	36,93,714	1,49,99,286	...	26,51,000	1,06,000	1,77,46,286	12,10,327	1,65,36,939	6 1/2	318	325		
1843—44	89,07,624	8,27,967	47,35,591	...	9,67,011	67,02,802	1,62,97,000	21,79,000	1,84,76,000	48,57,942	1,36,18,058	...	28,80,000	87,000	1,65,85,058	12,68,527	1,53,16,531	7 1/2	287	325		
Total...	1,17,37,595	24,97,791	1,42,35,386	...	24,72,346	1,87,07,782	4,95,60,000	68,50,000	5,64,10,000	1,26,86,496	4,38,23,504	...	78,76,000	2,71,000	5,14,70,504	37,58,793	4,77,11,711	22	922	975		
Average	39,12,531	8,32,597	47,45,128	...	8,24,115	55,69,244	1,65,20,000	22,83,333	1,88,03,333	41,95,498	1,46,07,834	...	24,58,666	90,333	1,71,56,834	12,52,931	1,59,08,903	7 1/2	307	325		
1844—45	41,50,546	8,64,391	50,14,737	...	9,70,596	59,85,333	1,66,28,000	22,35,000	1,88,63,000	44,97,426	1,43,65,574	...	27,15,000	63,000	1,71,43,574	12,60,749	1,58,82,825	7 1/2	286	325		
1845—46	33,99,275	9,15,203	43,14,477	...	15,62,187	58,96,664	1,30,45,000	22,90,000	1,53,35,000	42,42,110	1,10,92,890	...	44,31,000	63,000	1,55,86,890	12,34,935	1,43,51,905	7 1/2	257	300		
1846—47	37,11,447	9,95,713	47,07,160	...	14,66,744	61,73,904	1,40,24,000	24,42,000	1,64,66,000	32,39,690	1,32,26,310	...	39,25,000	52,000	1,72,03,310	11,70,945	1,60,32,365	6 1/2	281	300		
Total...	1,19,61,068	27,75,806	1,40,36,374	...	40,19,527	1,80,55,901	4,36,97,000	69,67,000	5,06,64,000	1,19,79,226	3,86,84,774	...	1,10,71,000	1,78,000	4,99,33,774	36,66,679	4,62,67,095	22	824	925		
Average	37,53,689	9,25,102	46,78,791	...	13,39,842	60,18,638	1,45,65,666	23,22,333	1,68,88,000	39,93,075	1,28,94,924	...	36,90,333	59,333	1,66,44,591	12,22,226	1,54,22,365	7 1/2	275	308		
1847—48	39,92,316	9,15,876	49,08,192	...	16,15,086	65,23,278	1,38,60,000	20,23,000	1,58,83,000	27,27,736	1,31,55,264	...	41,37,000	74,000	1,73,66,264	12,41,004	1,61,25,260	7 1/2	268	275		
1848—49	33,16,637	9,20,490	42,37,117	16,440	16,10,256	58,63,823	1,14,03,000	20,42,000	1,34,45,000	24,96,673	1,09,48,327	45,000	39,90,000	1,26,000	1,51,09,327	11,38,424	1,39,70,903	7 1/2	258	275		
Total...	73,08,953	18,36,366	91,45,309	16,450	32,25,342	1,23,87,101	252,63,000	40,65,000	2,93,28,000	52,24,409	2,41,03,591	45,000	81,27,000	2,00,000	3,24,75,591	23,79,423	3,00,96,163	14 1/2	528	550		
Average	36,54,476	9,18,178	45,72,654	8,225	16,12,671	61,93,550	1,26,31,500	20,32,500	1,46,64,000	26,12,204	1,20,51,795	22,500	40,63,500	1,00,000	1,62,37,795	11,89,714	1,50,49,081	7 1/2	263	275		
1849—50	33,76,367	10,75,828	44,52,195	23,630	21,03,219	65,79,034	1,08,05,000	25,72,000	1,33,77,000	19,65,919	1,14,11,081	59,000	47,88,000	72,000	1,63,30,081	11,22,332	1,52,08,749	6 1/2	256	250		
1850—51	28,25,101	8,50,602	36,75,703	85,000	26,01,034	63,11,737	91,59,000	17,42,000	1,09,01,000	21,95,833	87,05,167	88,000	59,87,000	68,000	1,48,48,167	10,47,497	1,38,00,670	7	236	250		
1851—52	22,38,702	8,77,061	31,15,763	18,600	29,20,566	60,61,219	72,32,000	18,19,000	90,51,000	25,46,107	65,04,893	47,000	68,65,000	55,000	1,34,91,893	10,12,536	1,24,79,355	7 1/2	206	250		
Total...	84,40,160	28,03,481	1,12,43,641	77,230	76,81,119	1,89,51,990	2,71,96,000	61,33,000	3,33,29,000	67,07,859	2,66,21,141	1,94,000	1,78,60,000	1,95,000	4,40,70,141	31,82,367	4,14,88,774	21 1/2	700	750		
Average	28,13,886	9,34,493	37,47,880	25,743	25,43,706	63,17,330	90,65,333	20,44,333	1,11,09,666	22,35,953	88,73,713	64,666	58,86,666	65,000	1,48,90,047	10,60,789	1,39,29,591	7 1/2	233	250		
1852—53	31,25,129	8,86,015	40,11,144	19,495	24,94,333	65,24,972	1,00,64,000	18,24,000	1,18,88,000	19,24,525	99,63,475	48,000	67,30,000	82,000	1,58,13,475	10,04,209	1,48,09,286	6 1/2	248	250		
1853—54	37,59,914	8,68,326	46,56,238	43,060	15,61,065	62,60,343	1,18,62,000	17,53,000	1,36,15,000	20,32,000	1,15,83,000	1,06,000	35,84,000	84,000	1,53,59,000	10,16,000	1,43,43,000	6 1/2	248	250		
1854—55	28,80,000	9,07,900	47,87,900	19,200	18,00,000	66,07,100	1,21,00,000	18,15,000	1,39,15,000	27,06,000	1,12,09,000	48,000	42,00,000	84,000	1,55,41,000	13,53,000	1,41,88,000	8 1/2	234	250		
Total...	1,07,95,043	26,80,239	1,34,55,292	81,745	58,55,368	1,93,92,415	3,40,26,000	53,92,000	3,94,18,000	66,62,525	3,27,55,475	2,04,000	1,35,04,000	2,50,000	4,67,13,475	33,73,209	4,33,40,286	21 1/2	730	750		
Average	35,98,347	8,86,746	44,85,094	27,248	19,51,796	64,64,138	1,13,42,000	17,97,333	1,31,39,333	22,20,841	1,09,18,401	68,000	45,01,333	83,333	1,55,71,158	11,24,403	1,44,46,755	7 1/2	243	250		

The figures in columns 2 to 10 and 12 to 15 are derived from a statement prepared in the Financial Department of the Government of India, fractions under thousands being omitted.

The figures in Columns 11 and 17 are derived from a statement prepared in the office of the Accountant to the Government of Bengal, for all except the two last years. For these two years they are derived from a statement prepared in the Financial Department of the Government of India, fractions under thousands being omitted.

In the Accountant's Statement the proportion of "Aurang charges" debitable to the cost of protecting and collecting the revenue could not be distinguished except for the years 1851—52 and 1852—53. For the previous years the whole "Aurang charges" were therefore debited to the cost of the salt. To remedy this, a proportion, equal to one-fourth of the total "Aurang charges" for those years, being about the proportion shown by the years 1851—52 and 1852—53, has here been deducted from the total shown by the Accountant as the cost of the salt, and added to the total shown as the cost of collection.

For the two last years, 1853—54 and 1854—55, two-thirds of the total charges have been debited to the cost of the salt, and one-third to the cost of collection, those being about the proportions shown for the two previous years in the Accountant's Statement.

In this way, the cost of the salt and the charges against the revenue are here distinguished with a sufficient approximation to accuracy for all purposes.

It is to be borne in mind that the Statement does not exhibit the actual sales, sale proceeds, and charges of the year, but the amounts under those heads accounted for in the year. The averages however no doubt exhibit very closely the actual average results of the years included in each series.

GEO. PLOWDEN, Commissioner.

BENGAL.

APPENDIX U.

Notification by the Lieutenant-Governor of the North-West Provinces, dated
May 9, 1855.

1. The Lieutenant-Governor, North-Western Provinces, is pleased to establish a Customs' line for the levy of a duty on salt, in the territories under the superintendence of the Commissioner of the Saugor Division, to run from the junction of the Rivers Jamna and Scinde, through the districts of Jaloun, Jhansee, Chandeyree, Saugor and Nursingpoor, to a point on the River Nerbudda, at, or near, the south-eastern frontier of the state of Bhopaul, and thence along the left bank of the Nerbudda, to the western boundary of the territories above-mentioned.

2. The following duties will be levied on salt imported into Customs' jurisdiction on the said line.

On that portion of the line lying more than ten miles north of the town of Saugor, two rupees per maund.

On that portion of the line lying between the portion abovementioned, and the Nerbudda, one rupee and eight annas per maund.

On that portion of the line lying south of the Nerbudda, one rupee per maund.

And all salt brought within Customs' jurisdiction, must be covered by a rowannah previously obtained at one of the Customs'-Houses, established for the issue of the same.

3. Customs'-House jurisdiction shall extend for a breadth of fifteen miles, or over all territory in British possession within that space, throughout the line, excepting the town of Jhansee, and such other towns or places as may be hereafter notified to have been excepted.

A list of open chowkeys for passing salt, and a specification of the limits of Customs' jurisdiction, will be exhibited in the offices of all the officers in charge of the districts through which the line will run, and likewise at each Customs'-House at each open chowkey, and at the tehseeldarees and thannahs adjacent thereto.

IV. The system, rules, and penalties, now obtaining, and which shall from time to time obtain, on the north-western frontier Customs' line are, *mutatis mutandis*, made applicable to the new line, and the officers of customs are invested with the same powers as the corresponding officers on the existing line.

The manufacture of alimentary salt in the territories under the Government of the North-Western Provinces, east and south of the Customs' line established by this notification is prohibited; and all persons importing, or manufacturing, salt, in contravention of this notification, or otherwise infringing the rules hereby made applicable, will be liable to the same penalties as persons guilty of the like acts or omissions in the Regulation Provinces.

5. Customs'-Houses are established at Jhansee, Saugor, and Hoshungabad, and the deputy superintendents and deputy commissioners of districts in which Customs' jurisdiction is established, and their establishments, are invested with the powers of Customs'-House officers to enable them to check the illicit importation of salt.

6. Notice is hereby given that so much of the present north-western frontier line as extends from the junction of the rivers Jumna and Scinde along the line of the Jumna, and thence southwards to the frontier of the Mirzapoor district, will be abolished after the expiration of 6 months from the date of publication of this order.

The Lieutenant-Governor is pleased to make the following appointments:—

Mr. G. Wright, to be Collector of Customs for the Jhansee and Saugor line.

Mr. W. Bell, to officiate as a Deputy-Collector of Customs at Hoshungabad.

Mr. R. K. Bartie, to officiate as a Deputy-Collector of Customs at Jhansee.

The superintendent at Jhansee is hereby authorized to exercise powers of the nature specified in section 9, Act XIV, 1843, within the districts under his control. The Commissioner of Saugor is vested with the like powers in the other districts of the Saugor division.

W. MUIR, Secretary to Government, N. W. P.

Vol. I

REPORT

OF THE COMMISSIONER APPOINTED TO INQUIRE INTO
AND REPORT UPON THE

MANUFACTURE AND SALE OF, AND TAX UPON

SALT

IN BRITISH INDIA;

AND MORE ESPECIALLY UPON THE PRÁCTICABILITY OF
SUBSTITUTING FOR PRESENT ARRANGEMENTS, A
SYSTEM OF EXCISE IN THE PRESIDENCIES
OF BENGAL AND MADRAS.

Presented to both Houses of Parliament by Command of Her Majesty.

1856.

LONDON:

PRINTED BY HARRISON AND SONS.

List of Maps and Plans.*

GENERAL

1. Salt Map of India.

BOMBAY.

2. Plan of the Salt Works at the Village of Jeao, Pergunnah Bullesur.
3. Plan of the Salt Works at the Village of Oomur Tulungpoor, Pergunnah Choraisee.
4. Plan of the Salt Works at Patree Zillah, Ahmedabad.
5. Plan of the Salt Works at Ooroo Zillah, Ahmedabad.

MADRAS.

6. Plan of the Attiput Salt Pans.
7. Map of the Salt Trade of Canara.

BENGAL.

8. Map of the Tumlook and Hijlee (Hidgellee) Salt Agencies and Salt Chowkey Superintendencies.
9. Map of the Salt Agency and Salt Chowkey Superintendency of Chittagong.
10. Map of the Salt Agencies and Salt Chowkey Superintendencies of Balasore, Cuttack (Kuttuk), and Pooree.
11. Map of the Salt Preventive Superintendencies.
12. Plan of the Narainpore Salt Works.

Bound separately.

CONTENTS.

PART I.—BOMBAY.

	Page
INTRODUCTION	1
SECTION I.	
Past History and Administration of the Salt Revenue	6
SECTION II.	
Mode of Manufacturing Salt, and System of Administering the Revenue now in operation	28
SECTION III.	
On the Fitness and Efficiency, or Unfitness and Inadequacy, of the existing System and Arrangements	53
SECTION IV.	
On the Rate of Duty	77
SECTION V.	
Recapitulation	81
SECTION VI.	
On the Supply of Salt for the Province of Scinde	83

PART II.—MADRAS.

SECTION I.	
On the Rise, Progress, and Present State of the Salt Revenue System	89
SECTION II.	
On the Practicability of Substituting, for the Monopoly, a System of Excise upon the Manufacture	111
CONCLUSION.	
Apology for Delay in sending the Report, and for its incompleteness	119
BENGAL	
Opinion on Salt Revenue stated	121

Index to the Paragraphs.

INTRODUCTION.

	Paragraphs
Origin of the Inquiry	2 to 5
Views and Instructions of the Court of Directors	6 to 12
Appointment of the Commissioner of Inquiry	13 and 14
Instructions to the Commissioner	15 and 16
Local visits of the Commissioner	17 to 19
Commissioner's understanding of his instructions	20
Data upon which the inquiry rests, and the Commissioner's opinions have been formed	21
General arrangement and scope of the Report	22 to 27

PART I.—BOMBAY.

SECTION I.

PAST HISTORY AND ADMINISTRATION OF THE SALT REVENUE.

The Bombay Salt Revenue originally very inconsiderable	28
The various modes of management which prevailed in the several Collectorates	29 to 36
Various shapes in which the revenue was derived	37 to 40
First inquiries on the question of realizing an improved revenue from salt	41 and 42
Extent to which the revenue was supposed to be susceptible of increase	43 to 49
Proposition of the Bombay Government to establish a salt monopoly, and to fix the price of salt at Rs. 1 : 13 : 6 per Indian maund	50 to 52
Proposition negatived by the Court of Directors, and their reasons for negativing it	53 to 55
Renewed inquiries on the question of realizing an improved revenue, without the establishment of a monopoly	56 and 57
Proposition to commute the Transit duties of the Deccan and Konkun for an additional duty on salt	58
Proposition to levy an Excise duty on salt of 6 annas 4 pies per Indian maund, in commutation of the Transit duties, leaving the manufacture free as heretofore	59 to 66
A maximum duty of 13 annas 3 pies per Indian maund, proposed by the Bombay Government	67
The Court of Directors express their approval of the proposed measure and rate of duty, viz., 6 annas 4 pies per Indian maund	68
The Court of Directors sanctions the proposed regulations of the Bombay Government (never promulgated), fixing a maximum duty of 13 annas 3 pies per Indian maund	69 and 70
Reference of the question for the consideration of the Customs' Committee for India, sitting in Calcutta	71 to 73
Views and reasonings of the Customs' Committee on the question	74 to 77
The Committee's reasons for recommending an uniform Excise and Import duty of 8 annas per Indian maund	78 to 81
The Committee recommend the immediate abolition of the Transit duties throughout the Presidency, and the simultaneous substitution of an excise of 8 annas per Indian maund on salt, and of new or increased import duties on the maritime trade of the port of Bombay	82 to 91
All inland Customs' duties in the Konkan abolished	92 to 94
Bombay Government submits the drafts of two Acts, one for the abolition of the Transit Duties, the other for the imposition of the Salt duties, and proposes to fix the rate of Salt Excise at 6 annas, instead of 8 annas, as recommended by the Committee	95
The Government of India adheres to its opinion that a lower duty than 8 annas per Indian maund, would not suffice to provide the amount of substitute for the Transit duties to be abolished	96

	Paragraphs
Enactment of the first law for imposing and enforcing an Excise duty of 8 annas per maund (Act No. XXVII of 1837)	97 and 98
Principal provisions of the first law	99 to 107
Simultaneous enactment of a law, abolishing the levy of all Transit duties, and imposing a Customs' duty equal to the Excise duty (8 annas per maund) on all salt imported from any foreign territory (Act I of 1838)	108
Salt once excised paid no further duty	109
Committee appointed by the Bombay Government to consider the expediency of lightening the Excise on salt consumed in the neighbourhood of the Pans	110
Committee considers exemption from, or a reduction of, the Excise duty unnecessary, except in the case of salt-fish curers	111
The Export and Import duty on salt fish remitted, in consideration of the fishermen using excised salt in the preparation of that article	112
Value of the foregoing exemption	113
Annual loss of revenue by the substitution of an Excise upon salt, in commutation of the Transit duties	114 to 116
Comprehensiveness of the measure abolishing the Transit duties	117
Amount of other taxes relinquished, prior to the abolition of the Transit duties	118
Determination of the Government of India to raise the Salt Excise from 8 annas to 12 annas on the Indian maund, in commutation of the Town duties, Mohturfa, and other vexatious taxes still levied	119 to 124
Subsequent resolution to raise the Salt Excise from 8 annas to 1 rupee per Indian maund	125
Departure from the original intention of abolishing the Town duties and other taxes, simultaneously with the imposition of the increased duty on salt	126
Law passed increasing the Excise and Import duties on salt to 1 rupee per Indian maund (Act No. XVI of 1844)	127
Provisions of the Law	128
The Court of Directors interdicts a higher rate of duty than 12 annas	129
Duty reduced accordingly to 12 annas	130
Law passed abolishing Town duties and other specified taxes of a vexatious kind, throughout the Presidency (Act No. XIX of 1844)	131
All consequences of the departure from the original intention of remitting the old taxes simultaneously with the imposition of the higher tax on salt	132
The reduction of the duty from 1 rupee to 12 annas per Indian maund was not a compromise yielded to the disturbances at Surat, as stated in Campbell's "Modern India"	133
Amount of the Town duties and other taxes relinquished	134
Amount of increase of revenue derived from the increased Excise on salt	13
Annual loss of revenue by the Commutation	136
Annual loss of revenue by the two Commutations	137
Amount of annual deficiency in the revenue by the abolition of obnoxious taxes, not made up by the Salt Excise	138
Proposition to enact more stringent rules against smuggling, and to empower the Bombay Government to suppress all salt works not producing annually 1,000 Indian maunds of salt	139
The Government of India reluctant to entertain the proposition at that time	140
Proposition revived	141 and 142
Further propositions for the better protection of the Salt Excise Revenue	143
Law passed for the better protection of the Salt Revenue (Act No. XXXI of 1850)	144
Provisions of the law	145 to 151
Laws passed by which the Import duty on salt was reduced from 1 rupee to 12 annas per Indian maund (Acts Nos. I and 2 of 1852)	152 and 153

SECTION II.

MODE OF MANUFACTURING SALT, AND SYSTEM OF ADMINISTERING THE REVENUE,
NOW IN OPERATION.

Process of manufacture and quantity of salt produced	154
Two classes of salt manufactured, viz., sea or coast salt, and inland salt	155
Coast salt, where manufactured	156
Inland salt, where manufactured	156
Plans of coast and inland salt works, and drawings and models of implements used in the manufacture	157
General features of the localities in which salt works occur	158 to 163
Size and cost of embankments required for the reclamation of salt lands	164
"Agurs," or sets of pans, fall naturally into groups called "stuzas"	165
Process of manufacture on the coast—the component parts of an "agur," and their uses—the "pandhurrin" or reservoir	166
The "tapownee," or brine-pits	167
The "koondees," or evaporating-beds—their preparation	168 and 169
Their use	170
Removal of the salt	170
Storage of the salt	170
Size of the heaps, and protection of the salt from rain	170
Relative size of the component parts of an "agur"	171 and 172

	Paragraphs
Number of crops per koondee, or evaporating-bed, per season, and average yield per square foot of koondee, at each crop	173
Uncertainty of the yield as compared with the area, and the influences upon which the yield is dependent	174 and 175
Relative position and importance of the several "suzas," or groups of salt works, on the coast	176
Salt works to what extent concentrated or detached, in the different localities	176
Salt works visited by the Commissioner	176
Inland Salt Works of the Runn	177
Situations of the Little and Great Runns of Cutch	178
Their general aspect	179
Situation of the Runn Salt Works	180
Brine obtained by digging pits	181
Situation of the inland salt works in Guzerat	181
Process of manufacture	182
Superior quality and value of the Runn salt, and the causes	183
Deterioration of the brine-pits	184
Relative position and importance of the Runn and Guzerat inland salt works	185
Survey of the salt works	186
Earth salt, scarcely any manufactured	187
Proprietary interests connected with the Salt Works	188
Government the Lord of the soil	189 and 190
Salt lands when reclaimed by individuals not the freehold of the reclaimers	191
Some salt works the absolute property of Government; others the property of individuals, but subject to the payment of land-rent, excepting when the right of rent has been formally alienated	192
Land-rent of the salt works altogether independent of the Excise duty	193
An endless variety of holdings under Government in different localities	194
Classes of owners	195
Proportion of salt works in the different localities, the property respectively of Government and individuals	196
Throughout Guzerat, and in some other cases, the occupation of the Government Salt Works assigned to sub-owners or middle-men, as hereditary tenants	197
In some cases the Government Salt Works are farmed out for a term of years; in others, in default of farmers, they are worked by Government	198
Private holders usually called "Fuzundars"	199
Mode of assessing the land-rent payable by such holders	200 and 201
Free holdings pay no land-rent	202
"Hucks," or dues, of district and village officers, levied on the property in salt works, generally abolished, and a compensation substituted	203
The actual manufacturers—who they are, and their circumstances	204
The rate of their remuneration in Government and private works respectively	205
The salt of each manufacturer separately stored	206
The manufacture is subject to a duty and to some other restrictions	207
The principle of the restrictive enactments	208
Restrictions	209 and 210
Rate of Excise duty	211
Excise payable before removal of salt	212
No further duty leviable, either of Customs or Excise	213
Exportation of salt which has not paid the Excise duty prohibited	214
Departure from the law on this head in some cases of exportation by sea	215
On salt exported beyond the continent of India no duty is levied	216
On salt exported to British ports under the Madras Presidency only a quarter-anna per Indian maund is charged	217
Salt exported to foreign ports under the Madras Presidency is charged only 1 anna per Indian maund	218
In all the above cases certificates of landing of port at the import required	219
Full duty leviable on all deficiencies in shipments to Madras ports, in excess of a wastage allowance of 10 per cent.	220
No landing account taken of salt exported beyond the continent of India	221
Four months' credit allowed for the payment of the Excise on salt exported to the Bengal Presidency	222
Registers kept of such salt	223
In all other cases the full Excise is levied before the removal of the salt from the works	224
All foreign salt admitted to competition with the salt of the Presidency on equal terms	225
Collection and management of the Excise, in what authorities vested originally	226
Change made in 1852	227
In what authorities vested at the time of the Salt Commissioner's visit in March 1854	228
In the Island of Bombay no separate European agency was employed in aid of the Collector	229
On the Continent a Deputy-Collector and five Assistant-Collectors were entertained under the Collector	230
Duties of the Collectors	231
Duties of the Continental Deputy-Collectors	232
Each European officer on the Continent had charge of a circle of "Talookas"	233
And held his head-quarters within the limits of his charge	234
New system resolved upon soon after the Salt Commissioner's arrival, and the reason for it	235

	Paragraphs
The charge of the whole Customs and Salt Excise placed under a single Commissioner, aided by three Deputies and ten Assistants	236
Charge of the Senior Deputy, aided by six Assistants	237
Charge of the two other Deputies	238
One, aided by two Assistants, superintends the Southern Division, each having charge of a circle of "Talooks"	239
The other, with two Assistants, superintends in like manner the Northern Division ..	240
The limits of the personal charges of the several European officers, and their duties..	241
Saving by the change in the European portion of the Agency	242
Difference in other respects between the old and new arrangements	243
Superseded system described	244
New system described	245
Advantages of the new system	246 and 247
The amalgamation and re-organization of the native establishments for the most part still in progress	248
System of management at the works, and designations and duties of the native officers employed at them	249
Over each large salt work, or several small ones, a double establishment, one for the manufacture, the other for prevention, superintended respectively in each talook or district by officers termed Inner and Outer Darogas	250 and 251
Statement in detail of the establishment entertained for the salt works of Talooks Patree and Ooroo, by way of example	252
The cost of the above establishment equal to 3 per cent. on the collection	253
Duties of the Inner Daroga	254
Duties of the Office Karkoons	255
Duties of the Agur or Suza Karkoons	256
Duties of the Shroff	257
Duties of the Tolat, or Weighman	258
Duties of the Stampers	259
Duties of the Peons	260
Duties of the Jemadars, &c.	261
Menial servants	262
Duties of the Outer Daroga and his establishment	263
The foregoing descriptions general, and overlook exceptional cases	264
Establishment and system at the Salt Works of the Island of Bombay	265
Cost of the entire establishment of the Salt Excise Department	266 and 267
Process of watching production and store, and collection of the Excise	268
Each heap of salt numbered, and the contents estimated	269
Measurement of the salt as thrown into the heaps not possible without great additional expense	270
If it were possible, the object, viz., securing a correct account of stock, would not be attained, owing to wastage and casualties	271
Such a wastage from dampness of the atmosphere	272
Loss from penetration of rain	273
Loss by bursting of embankments	274
The account of stock is therefore kept by estimate	275
The Estimate Book	276
The Day and Delivery Books	277
Periodical examinations and adjustments of stock	278 and 279
Salt not removable without a permit	280
Process of obtaining a permit	281 and 282
Sale price of salt at the pans	283
Checks upon the permits	284
Form of the permit	285
What officer receives the duty and grants the permit	286
Question as to the officer to whom this duty should be entrusted	287
The officer who will perform it under the new system	288
Delivery of the salt	289
Delivery in some cases by measure; in others by weight	290
Process of delivery	291
Process after delivery	292
Removal of the salt—process and precautions	293
Checks of the Preventive Chowkeys on salt in transit from the Pans	294 to 296
Additional check on the delivery of salt exported by sea	297
Patrols to prevent smuggling	298
Penalties strictly enforced in the case of salt removed without a permit, or found in excess of the permit	299
Salt once beyond the Chowkeys not liable to question, except upon strong suspicion ..	300
Frontier Customs' Chowkeys	301
The Customs' Chowkeys on the Portuguese frontiers, some preventive, some for the collection of duty on salt, and other goods	302
Extent and direction of the north-west frontier Customs' line	303
The Runn portion of the above line entirely preventive against salt alone, and established with the view of excluding the spontaneously-produced salt of the Runn, where it extends beyond the British limits	304
Country supplied by the above salt	305
The Kattywar portion of the north-west frontier line is partly for the collection of the duty on salt, but principally preventive against salt only	306
Particulars of the frontier lines	307

	Paragraphs
Total charge on account of establishments, for Excise and Customs on salt..	308
Arrangement with the Nawab of Cambay, by which the Bombay Government is entitled to a duty of 5 annas 11½ pies per Indian maund on all salt produced at his works ..	309
Total deliveries of salt from the works of the Bombay Presidency and those in Cambay, in the year 1852-53, with particulars of the same ..	310
Gross revenue—Charges—Net revenue ..	311
Discrepancies between the charges for establishment exhibited in the statement, and those shown at paragraphs 266 and 308, explained ..	312 to 315
Distribution as regards consumption of the Excised salt produced in the Presidency	316
Imports of foreign salt—their extent and distribution ..	317
The proportion of charge on account of frontier establishments should rather be exhibited in this statement ..	318
Total net revenue by Excise and Customs derived from salt, and per centage rate of charges ..	319

SECTION III.

ON THE FITNESS AND EFFICIENCY, OR UNFITNESS AND INADEQUACY, OF THE EXISTING SYSTEM AND ARRANGEMENTS.

Reasons for the great particularity which has been observed in the foregoing description of the Bombay system of Excise ..	320
A short review of the narrative, showing that the history of the Salt-tax in the Bombay Presidency presents no objectionable features, but on the contrary bears the impress of a beneficent policy. ..	321 to 326
Reasons which may be supposed to have led to the adoption of a system of Excise in deviation from the examples of monopoly afforded by the other Presidencies, and the propriety of the choice ..	327 and 328
The working and arrangement of the Excise considered ..	329
On this point the chief test is the extent to which the salt consumed pays or evades the duty—This test considered ..	330
Comparing the deliveries with the population of the whole tract supplied by them, the inference seems to be that a considerable portion of the consumption is supplied by salt which has evaded the payment of the duty ..	331 and 332
The imports of salt in the Island of Bombay in 1852-53 gives a low rate of consumption per head in that quarter, and indicates a lower rate elsewhere ..	333
In 1846 and 1848 the Court of Directors draw the attention of the Bombay Government to the progressive decline in the deliveries of salt from 1843-44 to 1846-47 ..	334
The inquiry, extending to 1850, made in consequence, showed the local officers to be generally of opinion that the contraband trade had increased ..	335
The members of the Government took the same view, and attributed the existence of the extensive smuggling supposed to exist chiefly to the inefficient superintendence of the Collector ..	336
The Governor's opinion ..	336
Mr. Willoughby's opinion ..	336
Mr. Blane's opinion ..	336
The Governor's rejoinder ..	336
In 1849 various frauds on the Salt revenue were detected, and severe strictures were passed on the lax supervision of the Collector ..	337
In 1851 Mr. Shaw, the Revenue Commissioner of the Northern Division, on a review of the Salt Excise returns for 1849-50, recorded an opinion that the revenue was in a very precarious position ..	338 to 340
Opinions of Mr. H. Young, Commissioner of Salt Revenue in the Bombay Presidency in 1854, as to the forms and extent of smuggling ..	341
Some illicit importation of foreign salt takes place by land, in Mr. Young's opinion, but none by sea ..	341
The chief smuggling, Mr. Young thinks, is from the salt-pans of the Presidency, not on a large scale, but by petty depredations, entailing on the whole a heavy loss on the revenue ..	341
The decline in the deliveries, as shown by an appended statement extending from 1842-43 to 1852-53, notwithstanding the increase of population in these eleven years, indicates that a considerable portion of the consumption is met by an illicit supply ..	342 to 345
Two appended statements of contraband cases, officially adjudicated in the three years ending with 1853, indicate activity of smuggling rather than efficiency of prevention ..	346 and 347
The conclusion from the foregoing analysis of facts and opinions is, that the Excise has not hitherto worked well, owing, however, to defective arrangements, and not to the unsuitableness of the system ..	348
The defects enumerated and considered ..	349
First, division and diversity of control; and, secondly, weak and ill-paid native establishments ..	350
Thirdly, inadequacy of the law until August 1850, for the protection of the revenue ..	351
Fourthly, lax and inefficient superintendence for many years previous to March 1854 ..	352
Cost of collecting the Excise positively high—the scattered position of the works a chief cause ..	353

	Paragraphs
Observations and suggestions on the remaining more prominent parts of the system and subject	354
<i>Restrictions.</i> —The manufacture, though not absolutely, is essentially, free. The existing restrictions do not admit of being relaxed	355 and 356
The power of suppressing salt works producing less than 5,000 maunds yearly should be more fully exercised	357
<i>Taking Stock.</i> —The weak point in the system is that a sufficiently correct account of the stocks of salt on hand is never secured	358
Mr. H. Young's remarks on the consequences of this defect	358
The objections to weighing or measuring the produce into store considered insufficient—The adoption of the Madras method of weighing into stock, and adjusting the stock account, recommended	359 to 362
<i>Levy of Duty.</i> —The levy of duty below the amount fixed by law, and after removal of the salt from the pans, declared by the Law Officers of the Bombay Government to be illegal	363
But their opinion questioned—A consolidation of the law in one new enactment nevertheless desirable	364
<i>Weighing and Measuring.</i> —By law the Excise on salt is leviable by weight, but measurement is also in use—Reasons for the mixed practice	365 and 366
Lieutenant de Lisle's experiments to test the relative merits of weighing and measuring salt—Balance of advantages in favour of measuring	367
Lieutenant de Lisle's reports appended	368
The Bombay Government direct that measuring be generally introduced, but revert eventually to the present mixed practice	369
Mr. H. Young anxious to devise a method of delivering all salt by weight only, but failed to mature his plan	370
The Bengal Board of Revenue, on a consideration of Lieutenant de Lisle's reports, decide that weightment is more suitable in Bengal; the Board's paper appended	371
The objections to the mixed practice not apparent, but if uniformity is of importance, measurement appears more suitable in the Bombay Presidency than weightment	372
The sole obstacle to the general introduction of measuring stated, and shown to be easily removable	373
The introduction of some uniform mode of measuring or weighing salt in the three Presidencies, a principal object of Lieutenant De Lisle's experiments	374
Amendment of the law, so as to allow of the Excise being levied optionally, by weight or measure, recommended	375
<i>Double Establishments.</i> —One within the works, to watch the manufacture; the other, a preventive force surrounding the works. The merits of the system have been much discussed; a collection of the discussions appended	376 to 379
Mr. Shaw would dispense with the Inner and Outer Darogas, and entrust the whole superintendance to the Sir Karkoon or head Customs' officer	380
Mr. Blane would dispense with the outer establishment altogether, substitute a roving preventive force, and improve and strengthen the inner establishment	381
Mr. H. Young, with whom Mr. Shaw subsequently concurred, would maintain the two establishments, quite independent of each other, and under separate heads	382
Mr. Young's proposition adopted by the Bombay Government	383
The differences in the discussions appear to present but little real distinction	384
Mr. Blane's opinions entitled to much weight, but the Bombay Government seem to have decided rightly in preferring Mr. Young's plan	385
That plan should be at once extended to the salt works in the Island of Bombay	386
Remuneration of Sir Karkoons and Darogas partly by a commission should be discontinued, and liberal fixed salaries substituted. The appointment of a higher class of officers as Suzadars and Nakadars indispensable	387
The practice of re-weighing the salt as it passes the Chowkeys should be abandoned, and the check confined to the examination indicated in paragraph 373	388
Present practice of interfering with salt beyond the Chowkeys illegal, except in illicit salt works; should be relinquished, and the permit should be taken and cancelled at the Chowkey	389 and 390
Efficient supervision on the part of the European Agency indispensable to successful management	391
<i>Government Salt Works.</i> —Their sale ordered by the Court of Directors in 1829	392
And again by the Bombay Government in 1846 and 1852	393
Their present disposition	394
No sales effected hitherto	395
The Government should no longer delay to withdraw from the manufacture. Modes of doing so, and of disposing of the works, suggested	396 and 397
Mode of selling the Government produce. Proper mode of crediting the proceeds of the Government Works, in produce and rent, pointed out	398
The supply by private manufacture has always been abundant	399
<i>Exports by Sea.</i> —The rules considered	400
Exports to Bengal, confined to Calcutta; present practice—reasons for it, objections to it. The simple rule should be to allow free export, and to levy the full import duty at Calcutta, on the quantity actually landed, to credit of the Bengal Salt Revenue	401 to 407
Exports to British ports of the Madras Presidency confined to the districts of Canara and Malabar; present practice	408
Mr. Young would assimilate the rules to those he advocates for exports to Bengal	409
This proposition was made in 1851, and rejected on the objections of the Madras Government	410

	Paragraphs
To assimilate the rules for Madras to those advocated for Bengal, as proposed, would be to extend a vicious system	411
Free export should be allowed; the monopoly rate, or the Customs' duty, being levied at the port of import	412
The checks which should be applied to guard against illicit traffic in transit described .	413 and 414
The objections to the proposed system of free export, on the score of the facilities for ● illicit traffic in transit, considered and met; and the advantages to be expected from free exports described	415 to 417
The charge of a quarter anna per maund levied on these exports considered. Mr. Young's reasons for maintaining this charge, and extending it to all free exports	418
Mr. Young's reasons considered untenable, and the discontinuance of the charge recommended	419
Exports to foreign ports, under the Madras Presidency, in Cochin and Travancore; present levy—reasons for it	420
Objections to the levy, and its discontinuance recommended	421
The rate would seldom be prepaid	422
The checks to guard against illicit traffic in transit should be generally the same as for exports to the British ports on the same coast	423
Finally, exports to foreign ports beyond India should continue free, as now	424
<i>Protective Laws.</i> —These do not operate with undue severity—The process of adjudicating cases of contravention described	425
<i>Cambay Half Duty</i> is a Customs levy, and should be exhibited as such—Frontier salt charges should be debited to Customs—The distinctive exhibition of the island and continental results should be discontinued	426

SECTION IV.

ON THE RATE OF DUTY.

The rates of duty at different times proposed	427
The expediency of working towards greater equality between the Bengal and Bombay rates of duty by lowering the former, and raising the latter to a certain point, considered	428
The lowering of the Bombay rate of duty the only question to be entertained	429
The only two points to be considered in the determination of this question, stated	430
The latest information and opinions on these points, where to be found	431
The opinions of the local officers and of the Government on the first of these points, viz., whether the tax presses with undue severity on the mass of the consumers	432
The consumption per head per annum cannot be fixed	433
If the licit consumption per head were known to be an inadequate quantity, that fact would not be conclusive evidence of the undue severity of the tax	434
The cost of an adequate supply of salt per head, and the pressure of that cost on the wages of labour, investigated	435
The cost and pressure to consumers in the neighbourhood of the salt works	436 to 439
In that neighbourhood even a liberal supply of salt is procurable by the most numerous classes, on easy terms	440
The cost and pressure to consumers at a distance from the salt works	441
The conclusion arrived at on the first point	442
Opinions of the local officers, and the tendency of the evidence, on the second point, viz., whether the revenue would be benefited by a reduction of the duty	443 and 444
The majority of the local officers and the Bombay Government decided against a return to the former lower rate of duty, without further experience	445
Commissioner's acquiescence in this decision, and the reasons for it	446

SECTION V.

RECAPITULATION.

Recapitulation of the measures recommended in the course of the Report	447
1. Detached salt works producing less than 5,000 maunds to be suppressed.	
2. Produce to be measured into store.	
3. The law relating to the Salt Excise to be consolidated in one new enactment, with certain amendments.	
4. Remuneration by commission to be discontinued, and fixed salaries substituted.	
5. Higher salaries to be assigned to the Suzadars and Nakadars.	
6. Salt covered by a permit not to be re-weighed at the Chowkeys.	
7. Salt beyond the preventive line not to be interfered with.	
8. The Government to withdraw entirely from the manufacture at once.	
9. The Government to endeavour to exchange their salt works for detached works of private owners, with the view of suppressing the latter.	
10. The rent and proceeds of Government salt works to be uniformly credited in part to land revenue, and the remainder to the Salt Department.	
11. Exports by sea beyond the Presidency to be free.	
12. Exports to Bengal to pay the full Customs' duty at the port of import.	
13. Exports to British ports of the Madras Presidency the same.	
14. The charge of a quarter of an anna per maund, now levied on these latter exports, to be discontinued.	

15. The levy of one anna per maund, now taken on exports to foreign ports under the Madras Presidency, to be discontinued.
16. The half-duty contributed by the Nawab of Cambay to be credited to Customs. The cost of frontier establishments to be debited to the same. The distinction between the results of the Island of Bombay and those of the continent, to be abolished.
17. The existing rate of duty, viz., 12 annas per Indian maund, to be maintained for the present.

SECTION VI.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF SCINDE.

Boundaries of the Province	448
Acquisition of the Province.	449
Districts	450
In all parts of Scinde salt may be produced artificially; and in the southern parts of Lower Scinde it is produced naturally	451
The existence of extensive salt beds in Lower Scinde, on the left bank of the Indus, brought to notice by Captain Baker in 1844	452
The same deposits again brought to notice by Lieutenant Burke, in 1846, as consisting of two vast fields; viz., the Kotree field and the Juggee, or Seergunda, field	453
Extent of the Kotree field	454
The Seergunda field supposed to be even more extensive	455
These fields supposed to have been formed by capillary attraction	456
The country in which they are situated is a dreary waste	457
The quantity of salt collected is, in consequence, limited	458
A further reason for its limited use is the impression that it induces cutaneous eruptions	459
Moreover it is scarcely cheaper than the manufactured salt	460
Notwithstanding the prejudice against the natural salt, it has been proved by analysis to be of good and marketable quality	461
Salt may also be procured almost as easily in one of the delta districts on the right bank of the Indus, but the same prejudice is entertained against it as exists against the natural salt of the left bank	462
Salt is produced naturally along the whole coast, from Lukput to Mouze	463
The production of natural salt confined to Lower Scinde; but salt is manufactured in both divisions of the Province	464
Mode of manufacture	465
Cost of production and profit	466 to 468
Season of manufacture	469
No data exist for even an approximate estimate of the total quantities manufactured and consumed in the Province	470
In Lower Scinde the consumption is supposed to exceed the quantity manufactured	471
The deficiency is probably supplied chiefly from the neighbouring State of Khyrpoor	472
In Upper Scinde, also, the manufacture does not appear to exceed the demand	473
No duty upon salt in Scinde	474
If it were desired to raise a revenue from salt in Scinde, some form of Excise would be the best mode	475
Question as to how far Scinde salt is capable of competing in India with foreign salt, or with the manufactured salt of the three Presidencies in their own markets, considered	476 and 477
Lieutenant Burke's opinion that Scinde might supply all India with salt cheaper than Cheshire can, and might compete with Calcutta and Bombay in their own markets	478
Lieutenant Burke's opinion as to the capability of Scinde salt competing with Bombay salt in its own market, controverted	479 to 485
Much less could Scinde salt compete with Madras salt in its own market	486
It might no doubt compete with Bengal salt in the Calcutta market, but not with Madras salt, certainly, and probably not with Bombay, and some foreign, salt in that market	487
On the whole Scinde salt not likely to find a considerable market in any other part of India	488
Nevertheless a Salt Company has been started at Kurrachee	489
Object of the Company	490
Export by this Company to Bombay, or even to the markets of the Malabar coast, at a profit, seems impossible	491
Profitable export to Calcutta, in competition with Bombay salt, doubtful	492
The circumstances upon which an export trade in salt depends	493
Under the influence of those circumstances some shipments have been made by the Kurrachee Company to Calcutta	494
But it seems certain that, from the same causes, the exports to Calcutta of Bombay and Madras salt, and of English, and other foreign, salt, must, for a long time, greatly exceed the exports from Scinde	495
No duty being levied on the natural or manufactured salt of Scinde, the export and import of the article should also be rendered wholly free and unrestrictive	496
The Government ought not to be concerned in any project for supplying the rest of India with salt from Scinde	497

PART II.—MADRAS.

SECTION I.

ON THE RISE, PROGRESS, AND PRESENT STATE OF THE SALT REVENUE SYSTEM.

	Paragraphs.
Appendix B contains full particulars on the subject of this Section	498 and 499
The question of introducing a Monopoly first mooted, and advocated by the Board of Revenue in 1799	500
In permanently assessing the Land-tax in 1802, the exclusive right of manufacturing Salt reserved to the Government	501
The system, gross revenue, charges, and sale price previous to the Monopoly	502
The Board of Revenue declared the introduction of a Monopoly impracticable, and advocated a system of Excise, which was also preferred by the Collectors in general	503
Mr. Falconar, one of the Members of the Board of Revenue, dissented, and advocated a close Monopoly, as in Bengal	504
The Madras Government, without examining the question, rejected the Excise proposition in favour of a Monopoly	505
Establishment of the Monopoly	506
Subsequent Laws relating to, and present rules for the management of the Salt Revenue	507
Peculiarity of the system	508
Laws relating to the Salt Revenue.—Section 3, Regulation I of 1805. Sections 2 and 4, Regulation II of 1807	509
Sections 8 and 13, Regulation I of 1805. Section 3, Regulation II of 1807. Sections 2, 3, and 4, Regulation V of 1831	510
Section 12, Regulation I of 1805	511
Section 18, Regulation I of 1805	512
Punishments for embezzlement, breach of trust, &c.	513
Original and present administrative system and agency	514 and 515
Native Establishments—their duties and cost	516
Monopoly prices of Salt. Sale price originally 70 rupees per garce of 120 maunds; raised in 1809 to 105 rupees	517
Reduced in 1820 to the original rate of 70 rupees	518
Proposition by the Board of Revenue, in 1822, to raise the price again to the former rate of 105 rupees, negatived by the Government	519
The Board of Revenue again advocated the increase in 1824 and 1825	520
And again in 1828	521 to 523
On this occasion the Government acquiesced, and the sale price was raised to 105 rupees per garce, at which rate it remained for 16 years	524 and 525
Transit Duties abolished throughout the Presidency by Act VI of 1844, and the price of Salt raised to 1 rupee 8 annas the maund, or 180 rupees the garce	526
But reduced in the same year, by order of the Court of Directors, to 1 rupee the maund, or 120 rupees the garce, which has ever since been, and still is, the rate	527
Amount of Revenue relinquished by the abolition of the Transit Duties	528
Manufacture of Salt. Process.—Appendix B, paragraphs 56 to 78, and Inclosure No. 4	529
Seasons and places of manufacture	530
Quantity to be made.—Advances	531
Rules for the management of the Salt Revenue, Appendix F. Manufacturers to leave the pans about sunset, Rule 2	532
Receipt and storage of the Salt; and payment of the manufacturers, Rules 1, 3, 4, 8, 11	533
Periodical inspection of the stores, Rule 8	534
Situation of the depôts	535
Storage platforms, Rules 5, 6, 7	536
Registry and sale of the heaps, Rule 13	537
Sales of entire heaps, Rule 14	538
The whole of each heap to be sold by the same servants, Rule 15	539
Account sale of each heap, Rule 16	540
Minimum quantity which may be sold. Delivery by weight or measurement optional, Rules 17 and 18	541
No sales allowed between sunset and sunrise, Rule 19	542
Mode of conducting the sale transactions at the depôts	543
Remaining chief local precautions	544
Cost price of the Salt to Government investigated	545
Cost of manufacture and Revenue charges per garce in each district of the Coromandel coast	545
Average cost of manufacture and Revenue charges per garce	546
Highest and lowest total cost per maund	547
Total charges, excluding Malabar and Canara, and average total cost per garce	548
Average cost to Government (including all charges whatever) per garce, per 100 maunds, and per maund	549

	Paragraphs
Average cost of manufacture, or cost price to Government per garce, and cost of production	550
Meerassidars, or manufacturers having a private right of property in the pans. Coodeewarum, or fixed prices paid to the manufacturers	551
Compensation for the limitation or abolition of the manufacture at any place	552
Roossooms or perquisites	553
Manufacturers, their rights and condition	554
General size, and value in salt, of the holdings. What may be considered to constitute a salt work and a group of salt works	555 and 556
Quality of the salt	557
Total produce and sales of home manufactured salt	558
Supply of salt for the district of Malabar	559
Supply of salt for the district of Canara	560 to 562
Swamp or spontaneous salt	563
Earth salt, process of manufacture	564
Quality	565
Produce in Bellary and Kurnool	566
In Cuddapah	567
Average cost of manufacture; sale price; profit	568
Mode of taxation	569
Schemes for placing the manufacture under a more defined system of regulation, and for taxing the produce moderately, in place of levying Mohturpha on the manufacturers	570 to 572
Correspondence and papers relative to earth salt	573
Exportation of salt by sea. Supply for the service of the monopoly in the Bengal Presidency	574
Bengal indents. Supply for Calcutta	575
Charge made for salt supplied to Calcutta	576
Supply for Chittagong	577
Supply for private exportation	578
Mode of providing salt for exportation, whether on indent from Bengal or on private account	579
All vessels at present privileged to carry salt, without restriction in regard to tonnage. Average charge per maund made for salt put on board export vessels. Rates of shipping charges	580
Quantity of salt exported by sea	581
Importation of Salt. Import Duties formerly levied	582
Measures for the admission of all Foreign Salt to equal competition with the manufactured Salt of the Presidency	583
At present all Foreign Salt is admitted on payment of an Import Customs' Duty, equal to the average net profit accruing on the Monopoly sales, viz., 12 annas per maund	584 to 586
No Foreign Salt has ever been imported into the Madras Presidency, on private account, except a small quantity across the Goa frontier. Total importations on private and public account	587
Conventions between Great Britain and France. First Convention, by which the French Government engaged to farm to the British Government in India, for the annual sum of 4,00,000 Sicca rupees, the exclusive right of purchasing all the Salt manufactured in the French Settlements, except the quantity required for home consumption	588
Second Convention, for the total suppression of the manufacture of Salt in the French Settlements, in consideration of an annual payment by the British Government of 14,000 Sicca rupees	589
Third Convention, in renewal of the second Convention	590
Quantity of Salt supplied to the French Settlements under the second and third Conventions, at prime cost	591
Salt used in the French Settlements for curing fish subject to the monopoly price	592
The payment under the first Convention charged entirely against the Bengal Salt Revenue. The payment under the second and third Conventions charged against the Madras Salt Revenue	593
Salt account for the latest year, 1852-53. Receipts into store, and total stock	594
Deliveries and their distribution	595
Remarks on the distribution	596
Balance of Stock	597
Gross cash receipts	598
Charges and their distribution	599
Remarks on the same	600
Net profits to the Government, or gross Salt revenue	601
Average net profit per maund of Salt	602
Average cost to Government (including all charges) per 100 maunds of Salt	603
Average cost of manufacture alone, or cost price to Government, per garce and maund, of Salt	604
Per-centage cost of management	605
The charges reviewed in the foregoing paragraphs do not necessarily represent the actual expenses of the year	606
But they probably approximate with sufficient closeness to the amounts actually payable under each head	607 and 608
	609

SECTION II.

ON THE PRACTICABILITY OF SUBSTITUTING FOR THE MONOPOLY A SYSTEM OF EXCISE
UPON THE MANUFACTURE.

	Paragraphs.
The Salt Monopoly in the Madras Presidency not open to much practical objection. Its precise value to the Government. The question to be determined in considering the practicability of substituting an Excise	610
The evidence and opinions afforded by the official documents relating to the subject examined	611
When the question of introducing a Monopoly was first considered, a majority of the collectors and of the Board of Revenue pronounced against it, and in favour of excising the manufacture	612
The Board of Revenue submitted the Draft of an Excise Law to the Government, and recommended its adoption, on the ground that an Excise would, equally with a Monopoly, be productive of Revenue, while it would remove many objections ..	613
Dissent of Mr. Falconar, a member of the Board of Revenue, and his reasons for preferring a Monopoly to an Excise	614
The Madras Government blindly adopted the plan of a Monopoly, without examining, or bringing under consideration, the Excise proposition of the Board of Revenue..	615
The Draft Excise Law of the Board of Revenue appears to have been framed on correct principles	616
The present Board of Revenue admit the practicability of substituting an Excise ..	617
The Collectors generally object to the substitution of an Excise	618
Their objections stated	619
The Board of Revenue do not consider the objections of the Collectors insuperable ..	620
The Collector of Chingleput is altogether in favour of an Excise	621
The Collector of Canara is also in favour of an Excise, and first raised the question with reference to that district in 1851	622
The evidence given before Parliament examined	623
Mr. David Hill's evidence and opinions	624
Mr. Lewin's evidence	625
Mr. Dalzell's opinion	626
Absolute freedom of manufacture impracticable, but a modified form of excise, similar to that which prevails in Bombay quite feasible	627
In fact the substitution of the Bombay system of excise involves no material change in the details of local management, or in the general administrative system ..	628
This is shown by the Board of Revenue, Mr. Goldingham, Mr. Cochrane, Mr. E. Maltby, and Mr. F. N. Maltby	629
Mr. Goldingham's observations	629
Mr. Cochrane's observations	629
Mr. E. Maltby's observations	629
Mr. F. N. Maltby's observations	629
On the other hand, the Collectors who object do not show how an Excise would be attended with any new or increased risk, inquisition, or expense	630
Comparative cost of managing the Excise in Bombay, and the Monopoly in Madras ..	631
Certain items are included in the Bombay, but not in the Madras charges	632
Cost in Bombay greatly enhanced by the dispersion of the works.. .. .	633
The comparative efficiency of the Excise in Bombay, and the Monopoly in Madras, will be considered in the sequel	634
The alleged probability of a deficient and uncertain supply from the want of capital considered	635
There seems no ground for apprehending that the application of capital to the manufacture of salt, under a free system, will not be ample, or that the manufacturers will not be able to effect quick returns	636
Under the Excise system the Government ought not to be at liberty, even at first, to purchase salt for re-sale, or to supply funds on the security of the salt; and the present system of advances ought to be discontinued wholly and at once ..	637 to 639
Madras—Excise	640
Earth salt	641
Swamp or spontaneous salt	642
Drawbacks and depôts	643
Exportation of salt by sea	644
Importation of foreign salt	645
Rate of duty	646
Bengal—Excise	647 to 650
Rate of duty	651

Report by G. Plowden, Esq., Commissioner of
Inquiry on Salt.

SIR,

Nagpore, [*] November 1, 1855.

WITH reference to the letters addressed to me from the Home Office, bearing the dates noted on the margin,† I have now the honour to lay before the Most Noble the Governor-General of India in Council a Report of the result of my Inquiries into various questions connected with the manufacture of, and tax upon, Salt in British India, and more especially upon the feasibility of substituting, for present arrangements, a system of Excise upon the manufacture of Salt in the Presidencies of Bengal and Madras.

† Dated 16th December, 1853.

Dated 16th February, 1854.

2. It will be convenient to state at the commencement the particulars of the origin of the Inquiry.

Origin of the Inquiry.

3. In the passage through the House of Commons of the Bill which, at the close of the Session of the year 1853, became Law, entitled "An Act to provide for the Government of India," a Clause was inserted consisting of the following words, viz. :—

" XLV. And whereas by the said Act of the 3rd and 4th years of King William the Fourth, it was enacted, that the said Company shall with all convenient speed after the twenty-second day of April, one thousand eight hundred and thirty-four, close their Commercial business, and make Sales of all their Merchandize, Stores, and Effects, at home and abroad, distinguished in their Account Books as Commercial Assets, and all their Warehouses, Lands, Tenements and Hereditaments and property whatsoever, which may not be retained for the purposes of Government of the said Territories, and get in all debts due to them on account of the Commercial Branch of their affairs, and reduce their Commercial Establishment as the same shall become unnecessary, and discontinue and abstain from all Commercial business which shall not be incident to the closing of their actual concerns, and to the conversion into money of the property hereinbefore directed to be sold, or which shall not be carried on for the purposes of the said Government; And whereas the said East India Company have continued to carry on the manufacture and sale of

1834

To the Secretary to the Government of India,
Home Department.

* [Finished January 30, 1856.]

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Salt from the date of the said Act to the present time, notwithstanding the aforesaid provision; And whereas it is expedient that the said Salt Monopoly should absolutely cease and determine. Be it enacted that, from and after the first day of May, one thousand eight hundred and fifty-six, it shall be unlawful for the said East India Company to continue the manufacture of Salt, as at present carried on by them, in the Province of Bengal; and that such manufacture shall absolutely cease, whether carried on by the East India Company, or on the account and under the control of the said Company, and that the manufacture and sale of Salt in India shall be absolutely free, subject only to such Excise or other duties as may from time to time be levied upon such Salt so manufactured."

4. This clause was expunged by the House of Lords, and its omission was subsequently agreed to by the House of Commons.

5. The clause, if enacted, would not have affected the rate of duty to be levied in future on Salt manufactured in India, but only the mode in which the duty thereon should be realized in the Presidencies of Bengal and Madras, requiring, in fact, in those two Presidencies, the substitution of a system of free manufacture and excise for the existing system of manufacture and sale by, or on account of, the Government, and rendering the manufacture in the Presidency of Bombay, which is at present liable to be restricted, absolutely free.

Views and instructions
of the Court of Directors.

6. The Court of Directors, adverting to the probability of the re-agitation of this question in Parliament, considered it desirable that they should be furnished with the opinion of the Government of India upon it.

7. For this purpose, they desired the Government of India in their dispatch No. 3, dated the 5th of October, 1853, to cause an inquiry to be instituted by the Board of Revenue, or by a Committee of competent officers, as to the practicability of carrying into effect any system, under which, in the words of the clause, "the manufacture and sale of Salt in India, shall be absolutely free, subject only to such Excise, or other duties, as may now, or from time to time, be levied upon such salt, so manufactured."

8. If it should be found impracticable to render the manufacture of salt absolutely free to all persons, under Excise Regulations, the Court desired that it might be considered whether a system of modified Excise, such as that of granting licences to private persons to manufacture Salt at stated localities, might not be substituted in the Presidencies of Bengal and Madras, for the present mode of realizing the Revenue by means of contracts, entered into with the Molunthees, and the sale of Salt at fixed prices, on account of Government.

9. The Court stated that they were aware that the present system was of long standing, and had been maintained, after frequent consideration, as the safest mode of ensuring the collection of the Revenue, but that they were, nevertheless, very desirous that the Government should, if possible, cease to be connected with the manufacture of Salt, and that its functions should be confined to the collection of the duty, with the necessary precautions for the protection of the Revenue, and they directed that the Inquiry ordered might be made without delay, and the result fully reported to them.

10. The Court then went on to remark that a question of far greater importance than the mode of collecting the duty was its amount, and that, although the rate would not have been directly affected by the clause before referred to, there could be no doubt

that a reduction in the rate was the object chiefly sought by many who supported it.

11. They stated that they were sensible that it had been the constant view of the Government of India to reduce the rate of duty in Bengal, as rapidly as the state of the finances would allow; that they were glad to find that, notwithstanding the successive reductions which had been made of late years to the extent of nearly 25 per cent, the Revenue had nearly, if not entirely, been restored to its former amount by the increased consumption; that they entertained a confident expectation that the same result would attend further reductions judiciously made; and that they should rejoice in the addition of comfort which would thus be afforded to the population of Bengal.

12. The Court remarked, in conclusion, that the Government must be the best judge of the extent to which a reduction might be properly and safely carried, and of the precise time for making it; and that, looking to the manner in which the Salt Revenue of Bengal had been, of late years, administered by the Government, they felt that they might well rely on its disposition to carry out their views as above expressed.

13. In order to obviate, as far as practicable, the possibility of an objection being raised that the Inquiry, ordered by the Court, had been made, and the Report drawn by officers whose prejudices might naturally be supposed to have been already enlisted on the side of the present system, the Government of India thought it advisable that the duty should not be committed to the Board of Revenue which had itself the immediate management of the existing system, and was further of opinion that in this instance the duty would be performed equally well, and more speedily, by a single officer than by a Committee.

Appointment of the
Commissioner of Inquiry.

14. With these views the Government of India were pleased, under date the 16th of December, 1853, to appoint me Commissioner for the Inquiry, and I was directed, under date the 16th of February following, to enter upon it at once.

15. There being no satisfactory knowledge of the system in operation at Madras and Bombay, I was desired to proceed without delay to those Presidencies, so as to make the necessary local inquiries at the favourable season of the year, taking up the investigations in Bengal on my return.

Instructions to the Com-
missioner.

16. It was not deemed necessary to furnish me with detailed instructions, or expedient to fetter me by laying down any precise course of proceeding: the Court's dispatch, it was observed, stated clearly its general views, and I was referred to my experience in the Revenue Department as my best guide in the Inquiry entrusted to me.

17. In obedience to the orders of Government I proceeded at once to Bombay and Madras, travelling by the Peninsula and Oriental Company's Steamers. Leaving Calcutta on the 19th of February, I arrived at Bombay on the 4th of March, I remained at Bombay until the 16th of April, on which date I embarked for Madras, where I arrived on the 28th of April. I left Madras to return to Calcutta on the 31st of May and arrived there on 3rd of June. I then proceeded to the Tumlook and Hidgellee* Salt Agencies in Bengal, and returned finally to the Presidency on the 1st of July, with exception to visits subsequently paid to two private Salt Works, both situated in the Soonderbuns, one at Narainpore, the other at Goordah, where the manufacture is conducted upon the European principle, and is subject to a system of Excise.

Local visits of the Com-
missioner.

[Spelt Hijlee in the Maps.]

18. Having been employed in the District of Chittagong, in Bengal, in the years 1833 to 1836, and again in 1851 to 1853, I am well acquainted with the Salt Agency and the manufacturing localities in that district. It was, therefore, not necessary that I should visit it for the purposes of this Inquiry.

19. The only remaining Agencies in Bengal are the three in the three divisions of the Province of Cuttack, viz. : Balasore, Cuttack and Pooree. It was not possible to visit these by the sea route during the south-west monsoon, which had set in before my return to Calcutta from Madras; and though a land journey might have been practicable, with difficulty, it would have occupied a long time, the distance from Calcutta to the southernmost limits of the Pooree Agency being about 350 miles. But, even if the facilities for the journey had been greater, I should scarcely have thought it advisable to expend any time in a visit to the Cuttack Agencies, the system in operation there being generally the same as in the Bengal Agencies, and the distribution of the Salt Works, the nature of the country in, or adjoining to, which they are situated, and the process of manufacture, being either the same as in the Bengal Agencies, or as in the Madras and Bombay Presidencies, so that no new, or peculiar, information was to be gained by a local inquiry, of sufficient importance to compensate for the time the inquiry would have occupied.

Commissioner's understanding of his instructions.

20. Construing the instructions issued to me by the guidance of the Court's dispatch upon which they were based, I understood my primary, if not my sole, duty to be, to ascertain whether it was practicable, without injury to the Revenue, to carry into effect any system under which the manufacture and sale of Salt in India should be absolutely free, subject only to the payment of duty, or under which, at all events, the Government should cease to be connected with the manufacture and sale of Salt, and should confine its functions to the collection of the duty with the necessary precautions for the protection of the Revenue. But the solution of this question necessarily involved more or less examination, either directly or indirectly, of other branches of the general subject of Salt in India; and I concluded that it would be proper, in the second place, not to lose the opportunity of collecting and recording as much information upon the general subject as might come within my reach in the course of my researches into the particular part of it which I had been commissioned to investigate.

Data upon which the Inquiry rests, and the Commissioner's opinions have been formed.

21. In prosecuting the Inquiry committed to me, I conceived it to be quite unnecessary to take formal evidence. Although it may not be generally known, there are, probably, few subjects which have been so extensively explored, or on which so much has been written and said, as the subject of the Supply of Salt for British India. It has been a constantly recurring theme of parliamentary debate and inquiry, from the earliest days of the British Empire in the East down to the present time. Before each renewal of the Company's Charter, it was more or less inquired into, in common with other matters of Indian Government, by Select Committees of the Lords and Commons; and in 1836 the particular subject was fully investigated by a Select Committee of the House of Commons appointed expressly for that purpose. The official records of the Indian Governments of course teem with correspondence on the subject, and it has been repeatedly examined and discussed, at more or less length, in books, periodicals and pamphlets, published both in India and in England, as well as by the public press of both countries. In short, it may safely be asserted that, at some time or other, and in one form or another, the subject, in all its branches, and on all its sides, has been completely exhausted. Such being the case, it would have been a mere waste of time to have set about adding to the bulk

of the existing evidence, with no prospect of being able to add to it in point of novelty or trustworthiness. The obvious course seemed to be to collect together the scattered evidence and information, official and unofficial, which already existed, and to ground my own observations upon a careful collation and consideration of these materials, aided by such local examinations as might be necessary, and by personal discussions with public officers and private individuals, conversant with the subject, whose opinions might be of value in correcting and assisting my own judgment. This, accordingly, is the course I have pursued. Upon data derived from the sources above described my opinions have been formed, and by them they will be supported.

22. I propose to report separately, to such extent as may be necessary for greater distinctness, upon each of the Presidencies of Bombay, Madras, and Bengal, in the order here stated. The Province of Scinde will be noticed under Bombay, and the North-western Provinces of the Bengal Presidency, the Punjab, Arracan, the Tenasserim Provinces and Pegu, under Bengal. General arrangement and scope of the Report.

23. The general arrangement I propose to follow is:—

First. In the case of each Presidency, to take a brief retrospect of the past history and administration of the Salt Revenue.

Second. To describe, in each case, the system of administration now in operation.

Third. In the case of the Bombay Presidency, where the system is already one of Excise, to consider in what respects the existing arrangements might be improved; and in the case of the Presidencies of Madras and Bengal, to consider the practicability of substituting a system of Excise for present arrangements.

Fourth. To consider, in the case of each Presidency, any separate matters peculiar to each, or which can be most conveniently treated of in connection with each.

Finally. To consider any separate questions common to all the Presidencies, or which can be more conveniently treated as imperial questions.

24. And, as the change to a system of Excise in the Presidencies of Madras and Bengal, even if resolved upon, must be gradual, it will be necessary to notice, by the way, the reforms which may appear to be called for in existing arrangements in those Presidencies while they remain to any extent in force.

25. Bearing in mind that the subject is one upon which much interest is felt, and not a little mischievous ignorance or error prevails in England, I shall endeavour to frame the Report so that it shall not merely suffice for the information of those who are more or less acquainted with the subject, but so that it shall present a clear, and essentially a complete, view of the whole subject to the general reader; and this will account to the former class for the appearance of much, which, without this explanation, might appear redundant.

26. With these introductory remarks I proceed to report the result of my inquiries and researches, premising that, for the sake of greater accuracy, I propose to give the narrative portions of the Report as much as possible in the words of the official, or otherwise authentic, documents from which they are derived.

27. I may also premise that among the maps which have been compiled for the purposes of this Report, and which accompany it, there is a map* of India, illustrating all features relating to Salt.

* Map No. 1.

PART I.

ON THE SUPPLY OF SALT FOR THE PRESIDENCY OF BOMBAY.

SECTION I.

PAST HISTORY AND ADMINISTRATION OF THE SALT REVENUE.

The Bombay Salt Revenue, originally very inconsiderable.

28. It was not until the 15th of December, 1837, that Salt was erected, by Act, No. XXVII of that year, into a source of considerable Revenue in the Presidency of Bombay; prior to that date, it was but one of many small miscellaneous items, as under the Native Governments.

The various modes of management which prevailed in the several Collectorates.

29. The manufacture of Salt was carried on in the Island of Bombay, Ahmedabad, Kaira, Broach, Surat, and the Northern and Southern Konkan. A very great diversity prevailed in these several Collectorates, both in the system of management and in the mode of realizing the Revenue. With the exception of the Districts of Surat and Broach, a broad line of distinction was everywhere drawn, not only between the Salt pans of Government, and those which belonged to private individuals, but even between the Pans belonging to private individuals in the same district, and it was remarked by Mr. Bruce, who was appointed at a subsequent period, to revise the system, that the inconvenience produced by such a diversity of practice, "fell little short of a strict monopoly of the worst description." The various methods which were in force, will appear from the following brief description in the case of each Collectorate:—

Island of Bombay.

30. The manufacture of Salt in the Bombay Collectorate, was carried on both by Government and by private individuals, chiefly however by the latter. In the former case the produce was divided with the Coorumbies or people employed in its manufacture, Government receiving a moiety as Revenue, and the Coorumbies the remainder as the wages of their labour, burdened, however, with the payment of a large proportion of the expense of portage incurred in conveying the Company's share on board the boats; no direct Revenue was derived from the private Salt pans, unless the payment of a small annual sum of the nature of a quit rent, can be so called; certain restrictions only were imposed on the produce, namely, that no portion of it should be exported, until Government had disposed of one hundred rass,* and then only in the proportion of one-third to the Company's two-thirds. Government further retained the exclusive privilege of retailing all Salt required for local consumption.

Ahmedabad.

31. In the Ahmedabad Collectorate, the principal Salt Works belonged to the Chiefs of Putree and Jhoonjoowarra, and were worked by private individuals, the produce being subject to the payment of a duty to Government and to the Chiefs in question, besides a certain tribute to the Guicowar. The other Salt Works were conducted on account of Government, the workmen receiving, as in Bombay, half the produce.

* A rass is equal to 1120 Indian maunds of 82 lbs. avoirdupois per maund.

Kaira.

32. The Kaira Salt was manufactured at Cambay, and therefore was not under the control of Government. The Pans were altogether private property and the produce was divided into two parts, of which the manufacturers received one, and the Nawab the other; On the sale of His Excellency's share a proportion of the proceeds went to the Company. The Salt manufacturers were frequently obliged to keep large quantities of Salt unsold in warehouses, as they were not allowed to bring it into the market until the Nawab's share had been disposed of.

Broach.

33. The Salt Works in the Broach District were exclusively Government property, leased out yearly, the farmer and the manufacturers dividing the produce equally between them; it does not appear how the Government Revenue was realized; but it would seem to have been received in the shape of transit duties only.

Surat.

34. In the Surat Pergunnahs the manufacture of Salt was, like that of Broach, wholly in the hands of Government; the Pans were all Government property, and the Salt manufacture was carried on under the superintendence of a Government Karkoon. The workpeople's share as wages, was about one-third of the produce. The expense of repairing the Pans was charged upon the other two-thirds, or proportion of the produce which remained to Government.

Northern Konkan.

35. There was even less uniformity of system in the Salt Department in the Northern Konkan than in any of the other Collectorships which have been adverted to. In some Talookas the Salt pans paid land Revenue, independently of the duties to which the article was subject on exportation whether by sea or land.* In others, Panwell for instance, where there were very extensive Salt Colonies, although Government made advances, and bore half the expense of covering in the Salt during the Monsoon, no Land Revenue whatever was charged, and no advantage accrued to Government beyond the Land and Sea Customs' collections. Generally speaking, indeed, these two impositions constituted the only source of Revenue from Salt in this part of the Bombay Territories. It was even a not unfrequent practice in the Northern Konkan to encourage the manufacture of Salt by a species of bounty—viz., by the remission of Transit Duties, which it was usual to grant to the erectors of new pans in Caranjah, a practice which originated in certain general instructions in force for encouraging the cultivation of waste land, and gave rise to numerous applications for permission to erect new pans.

Southern Konkan.

36. The great place of manufacture and sale of Salt in the Southern Konkan was Penn, situated at the northern extremity of the Collectorship. There were indeed other Salt Marts, or what were called Meet Bunders, along the whole line of coast; but the whole, or nearly the whole, of the Salt procured there was imported by sea. The works at Penn were principally private property, the salt being manufactured by private individuals, and disposed of by them on their own account at the rate of 2 annas per bullock load.† The quantity of salt produced there far exceeded the produce of any of the other Salt Works under

* This Collectorship and Bombay seem to have been the only two from which Salt was exported by sea.

† A bullock load was equal to 6 Surat maunds, or about $2\frac{2}{3}$ Indian maunds.

the Bombay Presidency, not less than one-third of the Salt imported into the Deccan being from Penn; as in the Province of Guzerat, no part of it was exported by Sea. The importers of Salt at the different Meet Bunders were left quite uncontrolled in the disposal of it, on paying to Government the value of one-third of their importations, at a fixed average price, together with certain duties. This system however was one of more recent introduction; previously a very vexatious and restrictive system prevailed, under which the importers of Salt, besides being subjected to the exaction of one-third of their importations and numberless other duties which fell to the share of Government, were not allowed to sell their Salt as long as any part of that which had been previously imported was left, and were obliged to dispose of it to one person, to whom the Meet Bunders were annually farmed, and who enjoyed the exclusive privilege of selling it again to the inland dealers and others who came there in quest of the article. The Government Revenue from the manufactured Salt was chiefly levied in the shape of Land Customs.

Various shapes in which the Revenue was derived.

37. A Revenue from Salt thus appears to have been derived in the following various shapes.

First. By the sale of the Government share of the Salt produced at works the property of Government.

Second. By the rent of Salt Works the property of Government farmed out.

Third. By a duty paid on the produce of some private Salt Works.

Fourth. By a proportion of the sale proceeds of the produce of some private Salt Works.

Fifth. By a Land Revenue assessed on the Saltpans in some places, and by a quit rent taken in others.

Sixth. By Customs duties levied on the export and import by sea and the inland transit of the article.

38. Speaking generally it may be said, that Salt was subjected to Sea Customs at varying rates when exported or imported by sea, and to Land Transit Duties when taken inland, but that Salt consumed near the place of manufacture was in most cases subject to no duty whatsoever.

39. I have endeavoured in vain to ascertain, in any degree satisfactorily, the total Revenue derived from Salt, in the different ways above mentioned, for a series of years, or for any one year anterior to the passing of Act XXVII of 1837, much less the amount realized under each head, and was obliged to abandon the attempt after expending much time in fruitless efforts to reconcile, upon any considerations, or combination of considerations, the very conflicting figures extant on this subject.

40. In a statement of the total Revenue derived from Salt at each Presidency in each year, from 1834 to 1851, prepared in the India House, and appended to the First Report of the Select Committee of the House of Commons on Indian Territories of the Session of 1853, the gross Revenue derived at the Presidency of Bombay, from what is there called the Excise on Salt, for the year 1836-37, being the last full year prior to the levy of the Excise Duty of 8 annas per maund, imposed by Act XXVII of 1837, is set down at 2,35,242 rupees; the charges are set down at 26,710 rupees; the net Revenue, therefore was, 2,08,532 rupees; and this amount, I am led to conclude, from a consideration of the various documents which have come under my examination, represents only the proceeds of the tax, levied in kind or money, on the produce of private Salt Works, exclusive of all Sea Customs and Inland Transit Duties on the article; exclusive also of all land

and quit rents, and of the income from Salt Works, the property of Government.*

41. The first inquiries in connection with the realization of an improved Revenue from Salt in the Bombay Presidency, commenced apparently so early as about the year 1816. In a dispatch to the Secret Committee of the Court of Directors, dated the 11th of December of that year, the Government of that Presidency stated the grounds on which the enactment of a Regulation imposing a prohibitory duty on the trade in Salt should be postponed until they should have ascertained how far such a measure might be advisable for the protection of the Revenue derived from that article.

First inquiries on the question of realizing an improved Revenue from Salt.

42. Writing again on the 18th of June, 1823, with reference to the abovementioned dispatch, they represented that, as no Salt monopoly existed at the Presidency, and as the duties were of too trifling a nature to encourage a clandestine traffic in the article, no protective measures were called for in this branch of the Company's concerns; but that the result of their inquiries had led to an ascertainment of the practicability of improving the resources of the Presidency by enhancing the duty on Salt, in a degree that should not operate oppressively on the population.

43. Every Collector, it appeared, with the exception of those in the Konkan, had recommended an increase of the duty on Salt. The Revenue it was stated, was susceptible of an increase—

Extent to which the Revenue was supposed to be susceptible of increase.

	Rupees.	Rupees.
At Ahmedabad from	13,500	to 1,00,000
At Kaira from	2,650	to 43,750
At Broach from	7,700	to 13,100
At Surat from	46,368	to 1,60,000
Southern Konkan	34,656	no increase
Northern Konkan	30,000	"
Bombay from	12,000	to 24,000
Deccan	....	.... 2,59,037
Total	1,46,874	5,99,887
Deduct existing Revenue	....	1,46,874
Expected increase	....	4,53,013

44. But the Bombay Government entertained no doubt of being able to realize a Revenue from Salt, at least to the extent of three times the value above shown, which had been estimated on very defective data; in proof of which, they gave the result of the investigations in the Southern Konkan, which had been carried on with greater accuracy than in any other part of the Presidency.

45. The Collector of the Southern Konkan, it appeared, had ascertained that Salt could be manufactured to any extent at Penn, which was centrally situated for the supply of Poona, at the very trifling cost to the Company of two annas, or fifty reas, for twelve and a half Bombay maunds of 28 lbs. to the maund, equal to a little more than four maunds and one quarter of a maund of the present Indian standard of 82 $\frac{2}{7}$ lbs. avoirdupois. From Poona the Salt, it was assumed, might be carried to every other station in the Deccan, and even to meet the foreign demand.

* This view has since been confirmed. I find that Mr. Hugh Stark, in his evidence before the Select Committee of 1836 (answers 1256 and 1259) stated, that the Revenue derived from Salt, at the various places of manufacture, both on the Island of Bombay, and in the British Territory on the continent, amounted to about two lacs of rupees, and that the receipts derived from the Transit Duties on Salt were estimated at about two lacs more.

46. The quantity required for the consumption of the Deccan was computed at 4,47,37,720 lbs.

	Rupees.	Rupees.
The value of that quantity at 45 lbs. for 1 rupee, which was considered a good experimental rate to begin with, would be	....	9,94,172
The deduction for prime cost was set down at	20,000	
And for carriage, wastage, and expenses of management, at	2,00,000	
		<u>2,20,000</u>
Leaving a net Revenue of Rupees	....	7,74,172

without taking into the calculation the increase of Revenue to be derived from an augmentation in the rate of supply to foreign territories.

47. It was further calculated that, on the terms on which Salt was procurable at Penn, the Island of Bombay could be advantageously supplied from the pans there, and the Revenue from Salt increased from 12,000 rupees to two lacs per annum, assuming the price of the annual supply to each individual at 91 reas, or a little more than 3 annas $7\frac{3}{4}$ pies, only.

48. And it was argued that, if a profit of upwards of 7 lacs of rupees were derivable from the consumption of Salt in the British Territories in the Deccan, at the moderate rate of 45 lbs. for the rupee, and of much more including the territories of the Raja of Sattara and the Southern Jagheerdars, it was not unreasonable to calculate on a similar Revenue from Guzerat, and the supply of the foreign demand in the extensive tract of country in the interior, which derives its supplies of Salt from the line of coast dependent on the Bombay Presidency.

49. The Government of Bombay further urged that, having applied to the Government of Fort St. George for information as to the effects of the Salt monopoly at that Presidency, as far as respected the Revenue, the hardship on the people, and the internal commerce of the country, they had on each of these points been represented as favourable, and that it was not unreasonable, therefore, to anticipate an equally advantageous result in the improvement of the resources of the Bombay Government, without detriment to the prosperity of the territories dependent on it.

Proposition of the Bombay Government to establish a Salt Monopoly and to fix the price of Salt at rupees 1 : 13 : 6 per Indian maund.

50. Upon these considerations, the Bombay Government recommended the establishment of a Salt monopoly under that Presidency, and submitted for the sanction of the Court of Directors, the Draft of a Regulation imposing a prohibitory duty on the import of Salt into any of the ports or places subject to the authority of the Bombay Government, and on the transit of all Salt through the British Territories annexed to that Presidency, except on such Salt as should be purchased at the Company's sales or depôts, and might be accompanied by a Rowannah from a Government officer, and fixing the maximum of the duty on Salt beyond which the Government was restricted from raising it, at 45lbs. per rupee, equal to a little more than 1 rupee 13 annas 6 pies per Indian maund.

51. By duty it may be presumed price was intended; assuming, therefore, the cost of manufacture at a trifle less than half an anna per maund, according to the calculations at paragraph 45, the profit on each maund, at the price above proposed, would be a trifle more than 1 rupee 13 annas per Indian maund.

52. The mode in which the internal management was to be conducted had not been settled—that part of the question, it was stated, was still under the consideration of the Bombay Government, with a view to the adoption of whatever system might prove most convenient to the community at large.

53. The Court, however, in their reply of the 11th of February, 1824, declined to sanction the measure, on the ground that, in the then circumstances of the larger portion of the territories under the Bombay Presidency, the proposal was at least premature.

Proposition negatived by the Court of Directors, and their reasons for negating it.

54. The immediate and prospective advantages from the establishment of a monopoly of Salt did not, in the judgment of the Court, counterbalance the evils that might be apprehended from the measure at that time.

55. In districts recently acquired, and still in great measure unsettled, the taxation of an article necessary to subsistence must, the Court apprehended, be considered as grievous and oppressive; and they were of opinion that it would require a more perfect organization, than could, under the circumstances then existing, be expected, of the machinery of manufacture and distribution, to prevent the disproportionate enhancement of price beyond the actual addition of the Government Duty; and the deficiency of supply, even at the price so enhanced, especially among the poorest and most remote consumers.

56. Here the question of improving the Salt Revenue seems to have rested until early in 1825, when in the 3rd paragraph of Mr. Secretary More's letter of the 25th of February of that year, the Bombay Customs' Committee, then recently appointed, were directed, among other instructions, "to peruse the proceedings that had passed connected with the Salt Department, and, without the slightest intention of forming a monopoly of the article, to suggest the best system for the future conduct of that branch of the internal trade, and the highest rate of increased duty which might be imposed on the article;" it being set down as admitting of no question that it would unobjectionably bear an increased rate of duty.

Renewed inquiries on the question of realizing an improved Revenue without the establishment of a monopoly.

57. The subject was very fully investigated by Mr. Bruce, a Member of the Committee, in two Minutes, one dated the 15th of May, 1825, the other dated the 6th of May, 1826.

58. In an intermediate Minute dated the 5th of August, 1825, relative to the high rates of Customs levied upon the Deccan and Konkun trade as compared with that of Guzerat, and giving an outline of the modifications which it was in his opinion most advisable to adopt in consequence, Mr. Bruce recommended the imposition of an additional duty on Salt in part commutation of the Transit Duties levied in the Deccan and Konkun; the remaining part he suggested should be made good by means of Town Duties and a Frontier Duty on Grain. He had previously recommended a different substitute for the Transit Duties levied in the Island of Bombay and the Collectorships in Guzerat, having proposed to commute them for an additional duty on their maritime trade.

Proposition to commute the Transit Duties of the Deccan and Konkun for an additional duty on Salt.

59. In his final Minute of the 6th of May, 1826, Mr. Bruce observed, on the question of an improved system for the future conduct of the Salt Department, that that system appeared to him the best which would cause the fewest innovations, provided it levelled all improper distinctions, and was compatible with an efficient, mild, and economical realization of the Public Revenue. He therefore advised that no radical change should be made in the existing mode of management of the Salt Works in the different Collectorates; but that they should be allowed to continue as they were, in the hands of

Proposition to levy an Excise duty on Salt, of 6 annas & pies per Indian maund, in commutation of the Transit Duties, leaving the manufacture free as heretofore.

Government and of private individuals, subject to the following modifications.

First. That the Government Revenue from Salt should be levied in the shape of a money payment, instead of in kind, or partly in kind and partly by money payments, as was then most frequently the case.

Second. That whatever duty it might be thought expedient to impose on Salt should be levied once, and at one place only; the article being allowed a free passage afterwards throughout the Company's Territories.

Third. That in all cases where the Saltpans were Government property and conducted by Government Officers, or where they were Government or private property, but worked or farmed by private individuals, and the produce supplied to Government at a stipulated price, the duty should be blended with the prime cost of the article, when it was sold and carried away from the pans.

Fourth. That where the Saltpans were private property, under private management, and the produce was disposed of on account of the proprietors, a duty should be payable on the spot by the exporters or purchasers of the Salt.

Fifth. That the duty on Salt, whether manufactured by Government or by private individuals, should be the same, except where it could be clearly shown that the latter was capable of being produced at so much less cost as to be able to bear a higher rate than the other; in which case the difference should only be such as to place the price of both on a par to the consumer.

Sixth. That no Salt should be exempted from paying the established duty, and that the work-people employed on the Government pans should receive money-wages instead of being paid in kind or by a share of the produce, as then.

Seventh. That the labour of the people employed in the manufacture of Salt, whether on Government or private pans, should be perfectly voluntary—all compulsion being strictly prohibited.

Eighth. That all Salt pans should either be equally subject to the payment of Land Revenue or equally exempted.

Ninth. That no new Saltpans should be anywhere hastily established, and that the opinions of the Collectors should be taken as to how far it might be practicable or expedient, with reference to the additional establishments required for the collection of the Government dues, to suppress any of the number then existing.

Tenth. That the attention of the Collector in the Northern Konkan should be particularly directed to these points, as the erection of new Salt Works in his district seemed to have been encouraged by artificial means, rather than to have originated in any increase of demand for the commodity.

Eleventh. That no right of priority of sale should be allowed to Government Salt, and that neither Government nor private Salt should be subject to any other restriction or interference than what might be absolutely requisite to a collection of the Public Revenue.

60. On the question of duty, basing his calculations on the proportion of the Transit Duties of the Deccan and Konkan, (assumed at 3,00,000 rupees),* to be made good by an increased rate of duty on Salt,

	Rupees
* Gross annual collections under the head of Transit Duties in the Deccan and Konkan on an average of 3 years ending with 1824-25	6,68,299
Deduct proportion estimated as derived from Salt alone	2,00,000
Remains	4,68,299

Of which 3,00,000 rupees to be made good by an increased duty on Salt, and the remainder (1,68,299 rupees) by means of Town Duties, and a Frontier Duty on Grain.

and on the quantity of Salt (taken at 6,10,666 bullock loads)* consumed in the two Collectorships of the Konkan and in the Surat Districts, and imported from thence into the Deccan, which would come under the operation of the measure, Mr. Bruce proposed, for those portions of the Bombay Presidency, a consolidated duty of 1 rupee and 30 reas per bullock load of six Surat maunds, equivalent to 6 annas 4 pies per Indian maund, being an increase of nearly five-sixths on the rate of duty then levied in various shapes, which was 2 quarters and 34 reas per bullock load of six Surat maunds, or about 3 annas 4 pies per Indian maund.

61. And this increased and consolidated duty Mr. Bruce was strongly tempted to recommend for universal adoption under the Bombay Presidency, notwithstanding that for the Transit Duties of the Island of Bombay and of the Collectorships in Guzerat (including Surat) a different substitute had been recommended, viz.: an additional duty on their maritime trade. The reasons given in explanation of the apparent anomaly of bringing Surat, at all events, under the operation, as has been seen, of both measures, it is not necessary to narrate.

62. As Mr. Bruce estimated that the Transit Duty, collected from Salt alone, amounted to nearly one-third of the whole amount of Transit Duties, he did not suppose that the additional tax upon Salt would materially increase the selling price of the article in the interior. He observed that, as the new impost would be accompanied with the abolition of Transit Duties, the collection of which, independently of undue exactions and other vexations to which the traders were exposed, could not fail to be attended with serious inconvenience, the measure would, in fact, be scarcely felt as a new burthen by the distant consumers.

63. The Government of Bombay approved generally of the principles laid down and the rate of duty proposed by Mr. Bruce, and requested him to draft a Regulation without delay for giving them effect.

64. In compliance with this call, Mr. Bruce, under date the 21st of August, 1826, submitted to the Bombay Government the draft of "a Regulation for realizing a Revenue from Salt manufactured in the Island of Bombay, and within the territories subject to the Presidency of Bombay, and for regulating the importation of foreign Salt into any port or place within the said island and territories."

65. The Bombay Government having taken the opinions of the several Collectors on this Draft-law, and Mr. Bruce's opinion on their reports, transmitted it, under date the 4th of June, 1828, together with the subsequent proceedings thereon, to the Court of Directors, leaving the whole question open to their examination and decision, with advertence to the scope of the reasoning contained in their dispatch of the 11th of February, 1824, before mentioned at paragraph 53, and on the ground that the majority of the members were of opinion that no measure should be taken which would indirectly produce an enhancement of the Transit Duty on Salt. The remarks of the Collectors related entirely to details connected with local circumstances, and did not affect the principles on which the law was founded.

66. A copy of the same papers was also, on the 16th of September,

* Number of bullock loads of Salt consumed in the Konkan and Surat	91,666
Number imported into the Deccan from the Salt pans in the Konkan and Surat	5,19,000
Total bullock loads to produce an additional Revenue of 3,00,000 rupees	6,10,666

1828, forwarded to the Government of India, who, in their reply dated the 16th of the following month, pointed out that any new or additional duty which it might be proposed to levy on the import, export, or transit of any article, must be imposed by the Local Government, the approval and confirmation of the same resting with the Home Authorities. Also, that the Home Authorities would naturally expect to receive from the Bombay Government a distinct decision in regard to the rate of duty to be imposed, the matter being one that must depend greatly on local circumstances. The Government of India therefore suggested that the Bombay Government should transmit to England, for the approval and confirmation of the Home Authorities, the Draft of a short Regulation, fixing the rate of duty to be levied, and the mode of its realization; subsidiary details being left for distinct consideration.

A maximum duty of 13 annas, 2 pies per Indian maund, proposed by the Bombay Government.

67. Accordingly, on the 1st of April, 1829, the Bombay Government transmitted to the Court of Directors another Draft of a Regulation, in which it was provided that the duty should be regulated by the orders of Government for each place respectively; but should, on no account, exceed ten annas on that measure of capacity termed the phurra, capable of containing ten and a-half pubeelees of Salt, or for any smaller quantity in the said proportion. The pubeelee* is a measure capable of containing a little more than $5\frac{6}{7}$ pounds avoirdupois; consequently the maximum rate of duty proposed by the Bombay Government was equivalent to a little more than 13 annas and 3 pies per Indian maund.

The Court of Directors express their approval of the proposed measure and rate of duty, viz., 6 annas 4 pies per Indian maund.

68. In their dispatch of the 10th of June, 1829, the Court pointed out to the Bombay Government, that as the draft which that Government had forwarded with its letter of the 4th of June, 1828, was not complete, the duty not being specified in it, but a blank left to be filled up by the Court, it was not in a state in which it could receive their sanction. They expressed however their approval of the proposed measure, and considered the rate of duty recommended by Mr. Bruce, viz., 1 rupee and 30 reas per six Surat maunds, reasonable and moderate. The Court's approval was conveyed in the following observations:—

“ We understand that, as far as an increase of the Revenue derived from this source is contemplated, it is meant as a commutation merely for the Duties of Transit, which it is your purpose to abolish. In this light we regard the project with favour, as we have a strong conviction of the inconveniences which are attached to Transit Duties; and should, before this time, have ordered the abolition of them, if the state of your finances had appeared to admit a reduction of Revenue: we can have no doubt that the Revenue proposed to be raised upon Salt will be paid with much less inconvenience by the people than an equal amount in the shape of Transit Duties, provided the securities, sufficient to prevent smuggling, can be as easily applied as you seem to suppose.

“ Had this been a measure, not of this nature, but a proposal for adding to the burthens of the people, we should have entertained very serious doubts of its propriety, for when we take into account the general depression to which the mis-government and revolution of former times have reduced the greater part of the country subject to your Government, our desire must be to afford relief by every means in our power rather than, in their present circumstances, to increase the demands upon the people.

“ The mode of raising the Revenue from Salt at your Presidency has hitherto been very complicated, differing greatly in different places. It is now intended to put an end to these varying methods, and to realize the Revenue according to one simple principle, that of a fixed duty upon the manufactured article.

“ In itself this method has great advantages, and it is only where

* [Spelt Pylee in the Glossary.]

local circumstances interfere with the means of protection against the smuggler, that any other plan ought ever to be preferred. If the view which you take of your resources for the attainment of this object is correct, there can be no doubt as to the propriety of the choice which you have made.

“ One advantage of this mode of realizing the Revenue is, that it relieves Government from the business of the manufacturer, to which it is ill adapted.

“ As the manufacture of Salt has, to a considerable extent, been heretofore carried on by your Government, there are Salt works at several places belonging to Government, which, upon the present plan, you will have to dispose of; and we see that you have, with great propriety, required answers to the question, in what manner it would be best to dispose of them, from the local officers.

“ The choice seems to be between the sale of them, and letting them on lease.

“ In either case a caution, which we see has not escaped the attention of the Customs' Committee, is necessary to be strictly observed. It is your declared purpose to raise the whole of the Revenue from the duty; care must therefore be taken, in disposing of the Salt works belonging to Government, to exact nothing in the way of Revenue, that is to take the real value of the property of the buildings, the pans, and other implements, such as they may be estimated at, or could be replaced for, and nothing beyond this; otherwise the parties who may purchase those works, or take them on lease, will be doubly taxed, once in this extra charge, and again in the duties which they will have to pay equally with all other manufacturers.

“ All the Collectors we see give their opinion in favour of leasing the Salt works belonging to Government in preference to selling them. But in general they give their opinions nakedly, and unsupported by any reasons. Such reasons as they give, do not appear to us to have much weight in them.

“ It may happen that a party desirous to engage for any of the Salt works belonging to Government, may, if his capital is limited, find it more convenient to pay an annual sum as a rent for the use of the works, than to part with the capital necessary to purchase them. We see not why Government should not, if such a party is preferable in other respects, engage with him on those terms, taking from him such a rent as is proportional to the value of the implements hired, and allowing him such a term as may seem mutually eligible.

“ When the party, on the other hand, is disposed to make the purchase, we think it clear that it is desirable for Government to dispose of the works belonging to it, in this manner, and thus to have but one simple object in regard to this branch of Revenue to attend to, that of collecting the duty and preventing its evasion.

“ We should imagine that with respect to a due supply of the market, you would have sufficient security in the freedom of competition, and, besides, we do not see that by disposing of the Salt Works of Government on lease, you would reserve to yourselves much power to remedy at any time the evil (if it should occur,) of a deficient supply; you are better judges than we can be of the degree of capital which is likely to be applied under the system of freedom to the manufacture of Salt at your Presidency. We see no reason to apprehend that it will not be ample. It seems to us also highly probable, that under the proposed equality of duty on Salt imported by sea, a considerable importation of Salt from the Coromandel Coast, will take place into the Bombay Territory, with great advantage to both Presidencies.

“ Towards determining the rate of duty the only consideration which needs to be weighed, since it is to be regarded as a commutation for other taxes, is that of convenience, both as respects the Government and the people. If it is more convenient that the produce of the taxes which are to be remitted should be applied in this way than in any other, the policy of adopting this method is clear. We presume

that the rate of duty recommended by Mr. Bruce, a member of the Customs' Committee (who appears to have examined the subject carefully in all its bearings), in his letter dated the 5th of March, 1828, corresponds with the amount specified in his remarks on Section 14 of the proposed Regulation, namely, 1 rupee and 30 reas per 6 Surat maunds. This rate appears to be reasonable. It is not so high as to add materially to the cost of the article even to those, who, from their locality, have been the least subject heretofore to the burthen of the Transit Duty; and will be compensated for to those at a distance from the place of supply, by the discontinuance of the Transit Duty. It is at the same time computed, that the return from it will be so considerable, as to make up to Government the greater part of the defalcation which will arise from the abolition of the Transit Duties. The moderation of the tax is recommended by another consideration, that it will of course render it much less difficult to provide security against the evils of smuggling."

The Court of Directors sanction the proposed Regulation of the Bombay Government (never promulgated), fixing a maximum duty of 13 annas 3 pies per Indian maund.

69. In a subsequent dispatch, dated the 11th of August, 1830, the Court, with the approbation of the Commissioners for the Affairs of India, sanctioned the second Draft which the Bombay Government had forwarded on the 1st of April, 1829. They observed that, there was nothing in the Regulation which was not in conformity with the instructions contained in their former letter of the 10th of June, 1829, with the exception of the first clause of Section 4, in which provision had been made to admit of Salt being manufactured on account of Government, a mode of supply of which the Court did not recognise either the necessity or utility.

70. This Regulation, however, was never promulgated. Upon receipt of the approval of the Home Authorities, the local Officers were called upon to submit the information necessary to enable the Government to frame subsidiary rules for the management of the Salt Department, and to fix the actual amount of Duty to be levied in each Collectorate.

Reference of the question for the consideration of the Customs' Committee for India, sitting in Calcutta.

71. In 1835, full information was laid before the Bombay Government in a letter from the Revenue Commissioner dated the 24th of December of that year.

72. But as the modifications in the Salt Department were evidently intended to follow, and be dependent on, the general revision of the Bombay Customs, then under the consideration of the Customs' Committee for India, sitting in Calcutta, the Bombay Government in forwarding a copy of the abovementioned Report of the Revenue Commissioner and other papers to the Government of India, on the 11th of April, 1836, intimated that that Government would take no further steps in the matter until instructed by the Supreme Government.

73. Irrespective of the above communication, the Government of India, in a letter dated the 31st of August, 1836, intimated to the Bombay Government that, having had under their consideration the Reports of the Committee for revising the Customs' Laws of India, with a view to its being determined whether or not to extend to the other Presidencies the tariff of duties on sea-borne commerce recently enacted for Bengal; and also whether it would be possible to extend to those Presidencies (Madras and Bombay) the benefit of an abolition of the Inland Transit and Town Duties, they had come to the decision that both these measures would be attended with too great a sacrifice of present Revenue to be hazarded in the present state of the finances of India; that they had accordingly determined to refer the question to the Authorities in England, and in the mean time had directed the Customs' Committee to make such "an examination and classification of existing imposts as would enable the

Supreme Government to determine which of them most required modification, and how far, through a partial assimilation of the Sea Tariffs of the other Presidencies to that of Bengal (that is so far as the change might be found productive of increased Revenue) or through the discovery of new, or the improvement of existing, resources (as the Salt Revenue of Bombay) the means might be found of relieving either Presidency from those parts of their system of taxation which might be deemed most injurious to Commerce and production."

74. Acting upon these instructions the Customs' Committee sitting in Calcutta lost no time in first submitting for the consideration of the Bombay Government, in a letter dated the 2nd of November, 1836, their views on the question of the New Salt Duties, as the source whence the greater portion of the equivalent for the Transit Duties under Bombay might be most readily found, reserving their plan for the alleviation of the Transit Duties of the Bombay Presidency for a separate communication.

Views and reasonings of the Customs' Committee on the question.

75. The Committee observed that an enhanced duty upon Salt had long been contemplated by the Government of Bombay as the means of supplying the loss of Revenue arising from the abolition of the Inland Duties, and that the propriety of this expectation had been distinctly admitted by the Government of India.

76. After the long investigation which the subject had undergone, the Committee deemed it unnecessary to enter into much detail of the measures proposed to be pursued for this object. They at once, therefore, addressed themselves to the principal question to be determined, viz.: the rate of duty which it might be practicable to lay on the Article with due regard to the means of evading the duty.

77. The size of the standard measure upon which the duty should be calculated formed a part of this question. Upon this point the Committee recommended that the new Indian maund of 82 $\frac{2}{7}$ lbs. avoirdupois, which had become the standard weight for all Government transactions throughout Bengal and Agra, and which it was in contemplation to introduce universally throughout India in Government transactions, at no distant period, should be declared the standard measure of the Bombay Presidency in the new Salt enactment.

78. With respect to the rate of duty that should hereafter be levied upon this quantity, the Committee would, under ordinary circumstances, have suggested the rate recommended by Mr. Bruce and sanctioned by the Court, viz.:—1 rupee 30 reas per bullock-load of 6 Surat maunds, or 6 annas 4 pies per Indian maund; but under the altered view taken by the Government of India of the question of the Inland Duties, and the impossibility of abolishing them, unless an equivalent was found from some other source, there appeared to be no other alternative than that of fixing the Duty on Salt at that rate which the Committee were of opinion would be likely to ensure an equivalent for the greater portion of those duties. In this view, they strongly recommended the adoption of the rate of 8 annas a maund, as the lowest that could be expected to yield a surplus sufficiently large to induce the Government of India to abolish the Transit Duties throughout the Bombay Presidency, a measure which the Committee conceived ought to be effected at the earliest possible period.

The Committee's reasons for recommending an uniform Excise and Import Duty of 8 annas per Indian maund.

79. According to a Statement prepared by the Committee, the rate of 8 annas per maund, supposing the quantity of Salt on which duty would be levied under the new law to be equal to that on which duty was then collected, would yield a gross surplus over the existing Revenue of a little more than 10 lakhs of rupees, exclusive of the Revenue which might be derived from Salt made on the Island of Bombay; but they conceived that a large sum must be deducted for the probable cost of a preventive establishment at the different Salt Works, and that allowance must be made also for that portion of the Bombay Duty which might be levied on Salt exported to the Madras Presidency and Calcutta, where the Revenue raised from the Salt Monopoly was too high to admit of the increased cost to Importers

which the new Bombay duty would entail on them, whilst the admission of Bombay certificates would necessarily operate as a diminution of the existing Salt Revenue of both Presidencies, for which they would be entitled to credit from the Bombay Government.

80. A further reason for fixing the Duty under the Bombay Presidency at 8 annas per maund was, that the rate under the Bengal Presidency was, with a few trifling exceptions, nowhere less than 1 rupee per maund. In the districts subject to the Bengal monopoly, 3 rupees per maund; in the Central Provinces, 2 rupees per maund; and in the Western Provinces, 1 rupee per maund were the rates received by Government; whilst in the several Provinces of the Madras Presidency the Revenue realized varied from about 12 annas to 1 rupee per maund.

81. The Committee recommended that the same duty (8 annas per Indian maund) should be levied on Salt imported by sea; and on that which was brought by land from any of the Foreign States bordering on the west, without reference to bottom, or place of manufacture, considering it to be more desirable that the people at large should be supplied with Salt at the cheapest possible rate, than that any particular shipping or manufacture should be encouraged, a principle which had been already recognised in Bengal, in regard to the Importation of Salt, by Act XIV, of 1836.

The Committee recommended the immediate abolition of the Transit Duties throughout the Presidency, and the simultaneous substitution of an excise of 8 annas per Indian maund on Salt, and of new or increased Import Duties on the maritime trade of the Port of Bombay.

82. In their letter of the 15th of November, 1836, submitting to the Bombay Government their plan for the alleviation of the Transit Duties, the Committee reverted to the subject of the proposed Salt Duty.

83. Gathering from the instructions issued to them by the Government of India, that the Town Duties of the Presidency, particularly those in Guzerat, were to be retained till the last, they proceeded in the first instance to ascertain the Revenue of the Land Customs after deducting Town Duties, and found them to amount in the Deccan and Southern* portion of the Presidency, to about 10½ lakhs gross, and in Guzerat to less than 3½ lakhs gross.

84. The Committee exhibited the amount of Town Duties to be reserved in Guzerat, but considered it impracticable to ascertain with any correctness, the amount which ought, in the spirit of the orders of the Government of India, to be deducted from the Land Customs of the Deccan, as partaking of the nature of Town or Consumption Duties or Municipal Taxes, and to be retained till the last.

85. The Thul-mor, or Import, and Thul-bhureet, or Export, Dues, and a few items in the Southern Mahoratta Country, evidently partook of the nature of the items to be reserved, but the Committee were satisfied that they were so completely identified with the machinery of the Transit Duties, and moreover so trifling in amount, as well as vexatious in their nature, that they could not be retained on their existing footing without manifest injury to the towns and larger villages. They therefore included them in their estimate of Inland Duties in the Deccan to be abolished.

86. The Committee could not satisfactorily ascertain the amount of charges to be deducted from the gross Inland Customs' receipts, as shown in paragraph 83; but as a certain portion was composed of compensation and pensions, they apprehend that the whole of the

* SOUTHERN DIVISION.

	Rupees.
Deccan	7,90,916
Konkans.. .. .	2,57,226
	<hr/>
	10,48,142

NORTHERN DIVISION

Guzerat	7,14,354
Less Town Duties	3,84,573
	<hr/>
	3,29,781
	<hr/>
	Rupees 13,77,923

existing charges would not be got rid of by mere abolition of the Inland Duties.

87. Assuming, however, that the Land Customs of the whole Presidency, except Guzerat, amounted to 9 lakhs net Revenue, they were of opinion, with reference to their former letter of the 2nd of the same month above mentioned, that the new Salt Duties, if the rate were fixed at 8 annas per Indian maund, would yield a sum nearly equivalent to the above sum.

88. Under that impression they recommended the immediate fixing of the duty on Salt, at the rate above named (8 annas per Indian maund), and also the immediate passing of an Act, to give effect to the new system in all its bearings; but with the express understanding that the abolition of the Transit Duties would be simultaneous with, if it did not precede, the imposition of the new duties on Salt.

89. There would then remain, the Land Customs in Guzerat to be provided for by some other equivalent.

90. This, the Committee thought, should be supplied by the imposition of the duties levied by Act No. XIV of 1836, upon imports into Bengal from the United Kingdom, and generally those fixed for import of enumerated articles in Schedule A of that Act, and they showed that if the duties therein specified were laid on the commerce of Bombay, and the drawbacks at the Port of Bombay continued for the present on their existing footing, there would be a gross increase on the Sea Customs' Revenue of Bombay, as it then stood, of about rupees 2,43,212, to meet the gross Land Customs of Guzerat of about rupees 3,25,000.

91. In these ways, the Committee pointed out equivalents of the Transit Duties of the whole Presidency, viz., by an increased and consolidated tax of 8 annas per Indian maund upon all the Salt manufactured within, or imported into, the Presidency, and by new or increased Import Duties on the maritime trade of the Port of Bombay.

92. The Government of Bombay having reported that they had come to the resolution of abolishing provisionally all Inland Customs' Duties in the Konkan, and had issued orders to carry the measure into effect, the Supreme Government replied, in a letter dated November 16, 1836, that they would not interfere with the arrangements already made for that purpose, feeling equal confidence to that expressed by the Bombay Government that the loss of the Revenue yielded by those oppressive taxes, if not immediately replaced by means of an improved external trade, must ultimately be made good through the extension of every means of production, and that thus at no distant period the measure would probably contribute even to augment the resources of the State.

93. In the meantime, however, the urgent necessity for similar measures of relief in other parts of the Bombay Presidency, and yet more under the Presidency of Madras, obliged the Supreme Government to recur to the principle before laid down, and to require that some immediate compensation should be sought for a portion at least of the assumed loss.

94. The Bombay Government were therefore informed that the Supreme Government looked favourably on the proposition that the desired compensation should be sought in an improved Salt Duty, as recommended by the Committee for revising the Customs' Laws, and thought that 8 annas per maund would be a less onerous tax than any other that could be devised for the purpose; and they were invited, if they approved of the measure, to prepare the Draft of an Act providing for its details.

95. In compliance with this invitation the Bombay Government forwarded to the Government of India, with a letter dated the 24th of April, 1837, the Drafts of two Acts, one for the abolition of the existing Transit Duties, the other for the imposition of the new Salt Duties; but conceiving the rate of 8 annas per maund, recommended by the Customs' Committee, to be unnecessarily high, they proposed

All Inland Customs' Duties in the Konkan abolished.

Bombay Government submit the Drafts of two Acts, one for the abolition of the Transit Duties, the other for the imposition of the Salt Duties, and propose to fix the rate of

Salt Excise at 6 annas instead of 8 annas, as recommended by the Committee.

The Government of India adhere to its opinion that a lower duty than 8 annas per Indian maund would not suffice to provide the amount of substitute for the Transit Duties to be abolished.

Enactment of the first law, for imposing and enforcing an Excise Duty of 8 annas per maund. Act, No. XXVII, of 1837.

Principle provisions of the first law.

Section I.

Section II.

Section III.

Section IV.

Section VII.

Sections VIII and IX.

to reduce it to 6 annas, to be levied in the form of an Excise on the manufacture. At the same time, they stated, that, if the Government of India should continue to think differently, they were prepared to acquiesce in the imposition of the higher rate, which would still be a considerable boon to the Presidency, if accompanied by a removal of the obnoxious exactions before mentioned.

96. The Supreme Government in their reply of the 24th of May, 1837, adhered to their opinion that a less duty than 8 annas per Indian maund would not suffice to provide the amount of substitute for the Transit Duties to be abolished, with a view as well to general finance, as to the means which it was necessary to reserve for affording relief to the Presidency of Madras. But the Draft Act submitted from Bombay being very insufficient for imposing and enforcing such a tax, the Customs' Committee were requested to prepare the Draft of a Law, containing the necessary provisions in detail for imposing and enforcing an Excise Duty of 8 annas per maund on salt produced in Bombay, framed on the principle of licensing the manufacture, and watching production and store, and of not allowing removal from the manufacturer's store, except upon production of certificate of payment of the required duty.

97. With a subsequent communication dated the 31st of May, 1837, the Supreme Government forwarded a copy of a sketch Draft Act for levying an excise on Salt manufactured or stored within the Bombay Presidency, which had been sent to the Customs' Committee for their opinion and suggestions, and requested to know whether, in the opinion of the Bombay Government, an Act so framed would suit the purposes desired.

98. The Bombay Government and Mr. Bruce, who was consulted by the Bombay Government, submitted their opinions at great length on the provisions of the Draft Act; and the suggestions of both having been carefully considered by the Supreme Government, and adopted to such extent as appeared advisable, the Draft Act was at length finally passed into law on the 8th of November, 1837, as Act No. XXVII of that year, nearly thirteen years after the subject was first brought under the formal consideration of the Bombay Customs' Committee, and more than eleven years after the preparation of the first Draft Law by Mr. Bruce.

99. The principal provisions of this first law for deriving a special Revenue from Salt in the Bombay Presidency, were shortly as follows:—

100. A duty of 8 annas was imposed on every maund of 3,200 tolas of Salt delivered from any Salt Work in the territories subject to the Government of the Presidency of Bombay, unless remitted by the Government.

101. The manufacture of Salt was prohibited until notice had been given to the Collector of the District of the intention to manufacture; such notice to describe the situation of the works, the names by which they were known, and, if the manufacture was carried on at more places than one, the distance of the places from one another.

102. The Collector upon receiving such notice was required to depute one or more officers to be stationed at the place of manufacture.

103. Every officer stationed at any Salt Works was entitled to have free passage over all parts of the works at all times, to take account of Salt manufactured and stored, and to mark the Salt, and prevent the removal of it until the duty had been paid.

104. The Governor in Council might establish chowkeys near Salt Works, and authorize officers stationed thereat, to stop Salt irregularly removed; to search any suspected load passing any such chowkey, and to take and cancel any Salt Pass.

105. The Collector might direct Salt Works to be destroyed, of which notice had not been given, and order the confiscation of any

Salt removed otherwise than according to rule, or stored clandestinely to evade duty.

106. Persons manufacturing Salt at any works whereof notice had not been given, or removing Salt otherwise than according to regulation, or counterfeiting the Collector's mark, or obstructing any officer in the exercise of his powers, were rendered liable to imprisonment, or fine, or both.

Sections X and XI.

107. Officers guilty of misfeasance or malversation, were in like manner subjected to imprisonment, or fine, or both.

Sections XII and XIII.

108. Immediately afterwards, on the 3rd of January following, was passed Act I, of 1838, establishing a revised system of Sea and Land Customs, and so carrying into effect the remainder of the scheme connected with the new Excise Duty on Salt. By that Act the levy of Transit or Inland Customs' Duties in the territories^a subject to the Bombay Presidency which had been suspended in September, 1837, was finally abolished, and under its provisions a Customs' Duty of 8 annas per maund of 80 tolahs per seer, being the same as the Excise Duty, was laid on all Salt not covered by a Pass, imported by sea into any port of the Presidency, whether in a British or Foreign bottom, and also on all Salt imported by land, from any Foreign European settlement, or any Native territory declared to be Foreign.

Simultaneous enactment of a law, abolishing the levy of all Transit Duties, and imposing a Customs' Duty equal to the Excise Duty (8 annas per maund), on all Salt imported from any foreign territory.—Act I of 1838.

^a Section II.

Section IV and Schedule A.

Sections VII, VIII, and Schedule A.

109. Salt that had paid the Excise of 8 annas a maund was allowed to be exported by land free of Customs' Duty, and also by sea from any port or place in the Presidency of Bombay, whether in a British or Foreign bottom, and to be landed at any other port of the Presidency, and passed from such port into the interior, without the levy of any further duty, either of Excise or of Customs.

Salt, once excised, paid no further duty.

Section VII and Schedule B.

Section V and Schedule B.

Section XLIII.

110. As soon as the new Salt Law was passed, the Bombay Government being of opinion that the measure would be oppressive, unless remissions of duty were granted in the case of Salt purchased for consumption within certain prescribed distances of the Salt pans, appointed a Committee to consider and devise some mode by which the expense of Salt consumed in the neighbourhood of the pans could be lightened from the full weight of the Excise Duty.

Committee appointed by the Bombay Government to consider the expediency of lightening the Excise on Salt consumed in the neighbourhood of the pans.

111. The Committee so appointed, after making the fullest inquiries, reported their opinion that no necessity existed for the exemption from, or reduction of, the Excise Duty in favour of any other class than that engaged in preparing and curing salt-fish.

Committee consider exemption from, or a reduction of, the Excise Duty unnecessary, except in the case of salt-fish curers.

112. It was not considered expedient to allow that class any special exemption from the Excise upon Salt, but it was ultimately decided, with the view of extending relief to fishermen engaged in the trade of salting fish, that, in consideration of their using Excised Salt, their fish should be allowed free export, in remission of the general Export Duty on that article, and also free import, in remission of the general Import Duty, when the fish was brought from any Port of the Bombay Presidency.

The Export and Import Duty on salt-fish remitted, in consideration of the fishermen using excised Salt in the preparation of that article.

113. By Act No. VI of 1848, no duty is now chargeable on any goods lawfully carried from any port in the territories subject to the Government of the East India Company to any other port in the said territories, with exception to certain free ports.* But the above-mentioned exemption from duty in favour of salted fish is still in force, and of value, in the case of exportations to all ports beyond India, and to the free Indian ports, and amounts to the remission of a duty of 3 per cent. on the value of such exportations, that being the present rate of Customs to which the article would otherwise be liable† on export to the ports in question.

Value of the foregoing exemption.

114. In a financial view, the measure of substituting an Eight-anna Excise upon Salt, in commutation of the Transit Duties, appears

Annual loss of Revenue by the substitution of an Excise upon Salt, in commutation of the Transit Duties.

* Act VII of 1848.

† Act I of 1852, Schedule B, item No. 13.

to have resulted in an annual loss of Revenue to the amount of rupees 2,51,607, as follows :—

	Rupees.
Annual amount of Revenue relinquished by the abolition of Transit Duties under Act I of 1838	11,55,976
Ditto by the abolition of British Transit Duties levied in places not included in British territorial jurisdiction	20,565
Annual compensations for the abolition of Transit Duties to hereditary proprietors and officers, &c.	2,48,404
Net Revenue annually derived from Salt prior to the Eight-anna Excise, see paragraph 40	2,08,532
Annual compensations to hereditary officers, and other claimants, on account of their dues on the Salt Revenue, which they were prohibited from levying under the new measure	17,402
	<hr/>
	16,60,879
Gross Revenue annually derived from the Eight-anna Excise upon Salt, on an average of six years, from 1833-39, the first full year of that rate, to 1843-44, the last full year of the same	15,48,469
Deduct the average annual charges for the same period	1,39,197
	<hr/>
	14,09,272
Annual deficiency by the commutation	2,51,607

115. The items of Revenue relinquished have been taken from a statement and copies of correspondence received with a letter from Mr. Secretary Townsend to the Government of India, dated the 27th of August, 1845, and are the latest, and most authentic, procurable. The amount of Revenue per contra, realized from Salt under the Eight-anna Excise, has been derived from the Parliamentary return mentioned at paragraph 40.

116. The financial results of the revised system of Sea Customs established by Act I of 1838 have been excluded from consideration, because although the measure was projected in connection with the abolition of the Transit Duties, it was one of improvement in its own department which would have been adopted at any rate.

Comprehensiveness of the measure abolishing the Transit Duties.

117. The abolition of the Transit Duties throughout the Presidency, it should be observed, was so complete and comprehensive as to include all those levied in Jagheer States not subject to British territorial jurisdiction, rupees 61,142 of the total annual compensations, amounting, as shown by the foregoing figures, to rupees, 2,48,404 being payable to Jagheerdars, on whom it was not imperative to abolish the Transit Duties, and to Huckdars, or claimants of certain dues thereon, in their Jagheers.

Amount of other taxes relinquished prior to the abolition of the Transit Duties.*

118. And it should not be overlooked, that prior to the abolition of the Transit Duties, a number of petty and very objectionable taxes amounting in the aggregate to rupees, 6,78,312 had at different periods, in the course of the previous twenty years, been relinquished in the Bombay Presidency.

Determination of the Government of India to raise the Salt Excise from 8 annas to 12 annas on the Indian maund, in commutation of the Town Duties, Mohturpha, and other vexatious taxes still levied.

119. By Section III, Act I of 1838, the Town Duties of the Presidency, were specially reserved, when the Transit or Inland Customs' Duties were abolished.

120. Very soon after, however, the Town Duties, Mohturpha, or taxes on trades and professions, and other irregular local cesses of the same class, were taken into consideration, and the Reports of Messrs. Borrodale and Langford, who were successively commissioned to

	Rupees.
* Kaira	16,194
Surat	14,689
Tannah	3,09,892
Khandeish	1,71,930
Ahmednuggur	42,063
Poona, including Sholapoor	1,00,860
Belgaum	2,323
Dharwar	3,615
Rutnagherry	16,746
	<hr/>
Total	Rupees 6,78,312

investigate the subject, were communicated to the Government of India, by the Bombay Government in letters dated, respectively, the 22nd of June, 1840, and the 22nd of October, 1841.

121. The whole net Revenue realized throughout the Presidency, from the above sources was estimated at the time at 9,10,119 rupèes, realized in about equal proportions from Town Duties, and from the Mohturpha and other taxes classed with those local assessments.

122. It is not necessary to enter into a detail of these taxes, and the system of administering them; suffice it to say, that they were so full of inequalities, anomalies and complications, that it would be almost vain to inquire from what objections and abuses they were even free.

123. Entertaining this impression, the Government of India informed the Bombay Government, in a letter dated the 8th of March, 1843, that the extraordinary and multifarious exactions brought under review by their several Reports on the subject, must be at once abolished, as completely and as generally as the Transit or Inland Customs had been, for in no modified shape could such imposts be established without leaving a permanent load on industry and production, such as extreme financial pressure alone could justify. It was, at the same time, determined to abolish, as a source of taxation, the imposts laid in various ways on fishermen, fishing boats, fixing stakes, &c., these being, in fact, only another form of Mohturpha.

124. In order to compensate for the loss of Revenue which this measure would occasion, the most expedient course, it was thought, would be, to raise the Salt Excise from 8 to 12 annas on the Indian maund. It was expected that this addition of 4 annas to the rate would give, without the least additional charge, the amount that might be required, while the burthen of the tax would be distributed so as scarcely to touch the consumption price at which Salt was then retailed; and it was presumed, that, if the additional levy of 4 annas were specifically imposed as the equivalent for the abolition of Town Duties, and of so many other vexatious levies which then bore on the population, the justice and expediency of the measure would be everywhere evident, and that the substitution would be accepted with gratitude as a boon, and be popular throughout the Presidency.

125. Subsequently, the Government of India resolved to raise the Salt Excise from 8 annas to 1 rupee per maund, instead of raising it to only 12 annas, as originally proposed, partly on financial considerations, but principally because, having determined to raise the average price of Salt in the Madras Presidency from 15 annas to 1 rupee 8 annas per maund, in compensation for the amount of Revenue to be sacrificed by the abolition of the Inland, Transit, and Town Duties of that Presidency, it was necessary, in order to equalise prices; and prevent the Salt of one Presidency from underselling that of the other, to raise the duty in the Bombay Presidency, and that simultaneously, to 1 rupee per maund.

Subsequent resolution to raise the Salt Excise from 8 annas to 1 rupee per Indian maund.

126. The original intention of the Government of India was, to abolish the Town Duties and other vexatious taxes which were still levied in the Bombay Presidency, simultaneously with the imposition of the increased duty on Salt; but, as the Act for increasing the Salt Tax and abolishing the Inland, Transit, and Town Duties in the Madras Presidency, was ready for immediate enactment, and as it was necessary that the increase of the Salt Tax should be simultaneous at both Presidencies, it was not thought expedient to delay these two measures any longer pending the receipt of the information required from the Bombay Government, and which had been repeatedly called for, to enable the Government of India to legislate with respect to the Town Duties, and other cesses which it was determined to abolish within that Presidency. It was therefore resolved to carry them into effect at once, leaving the question of the Bombay Duties above mentioned open to further consideration after its details should have been finally inquired into.

Departure from the original intention of abolishing the Town Duties, and other taxes, simultaneously with the imposition of the increased duty on Salt.

Law passed increasing the Excise and Import Duties on Salt to 1 rupee per Indian maund.—Act, No. XVI, of 1844.

127. Accordingly, the Madras Act (No. VI of 1844) abolishing the levy of Inland, Transit, and Town Duties, and fixing the price to be paid for Salt purchased for Home Consumption at 1 rupee 8 annas per Indian maund, having been passed on the 16th of March, to have effect from the 1st of April, the Bombay Act (No. XVI of 1844), for increasing the Excise and Import Duties previously payable to the Government on Salt manufactured within, or imported into, that Presidency, was passed on the 27th of July, to have effect from the 1st of September.

Provisions of the Law.

128. By this Bombay Act, the Excise and Import Duty on Salt was raised from 8 annas per maund of 3,200 tolahs, as fixed by Section I, Act XXVII of 1837, to 1 rupee per maund, of the same weight, and certain provisions of Act I of 1838 relating to the import and export of Salt by sea were repealed and reenacted, so as to provide for this increase in the Excise and Import Duty, the law, excepting as to this increase, thus remaining the same as before.

The Court of Directors interdict a higher rate of duty than 12 annas.

129. Shortly after the Act was passed, and before the date on which it was to take effect, a dispatch, dated the 3rd of July, 1844, was received from the Court of Directors, directing that the rate of duty on Salt, if raised at all, should on no account be fixed at a higher amount than 12 annas per maund. In the same dispatch the Court directed the immediate reduction of the price of Salt in the Madras Presidency from 1 rupee, 8 annas per maund, as fixed by Act No. VI of 1844, to 1 rupee per maund, under the power reserved to the Government by Section XLIV of that Act, thereby removing the principal reason for the continuance of the higher rate of 1 rupee per maund under the Bombay Presidency.

Duty reduced accordingly to 12 annas.

130. In compliance with these orders, the Government of India informed the Bombay Government in a letter dated and dispatched on the 31st of August, 1844, that the Excise and Import Duties payable on Salt from the 1st proximo, were to be reduced from 1 rupee, as fixed by Act XVI of 1844, to 12 annas per maund.

Law passed abolishing Town Duties, and other specified taxes of a vexatious kind, throughout the Presidency.—Act, No. XIX, of 1844.

131. And on the 14th of September, the long expected information from Bombay having been received in a letter dated the 6th of the previous month, the Government of India transmitted to the Government of Bombay, a copy of an Act, No. XIX of 1844, which had been that day passed, for abolishing from the 1st of October, 1844, all Town Duties, Kussub Veeras,* Mohturphas,† Bullootee‡ taxes, and cesses of every kind on trades or professions, under whatsoever name levied within the Presidency of Bombay, and not forming a part of the Land Revenue.

Ill consequences of the departure from the original intention of remitting the old taxes simultaneously with the imposition of the higher tax on Salt.

132. It is to be regretted that the introduction of the increased Excise on Salt was not accompanied by that measure of relief which the Government of India had originally regarded as its necessary concomitant, so that both measures, viz., the imposition of the higher tax on Salt, and the remission of the old taxes might have borne their true character of different parts of one great measure of relief to the Presidency generally. If this had been done, or if the precaution had been taken to assure the people that only a financial adjustment of taxation on equitable principles was intended, and that the imposition of the increased Excise on Salt was to be compensated by immediate relief from other imposts, the disturbances which occurred at Surat, on the intelligence of the increase of the Salt Tax becoming known there, would not, according to the representations of the principal inhabitants of that city, as reported by the Local Officers, have taken place, and it may be presumed that, on the contrary, the measure would everywhere have been hailed as an act of enlightened and beneficial policy.

* Taxes on shops, trades, and professions, chiefly levied in Guzerat and Khandeish.

† Taxes of a similar nature usually thus designated in the Deccan, Konkan, and Southern Mahratta country.

‡ Taxes on the hereditary village officers and artisans.

133. In Campbell's "Modern India" (page 386,) it is stated that, in consequence of the serious riot at Surat, the Government compromised the matter by reducing the duty from 1 rupee to 12 annas. This, however, is an incorrect statement, which it may be as well to rectify. Act XVI. of 1844, raising the tax to 1 rupee was only promulgated in Surat on the 28th of August, and the riot did not commence till the next day; consequently the orders of the Government of India of the 3rd of August, founded on the Court's dispatch, dated the 3rd of July preceding, directing the reduction of the tax to 12 annas, must have been issued before it was possible for the Supreme Government to have received intimation of the insurrectionary spirit which had manifested itself at Surat, and could not possibly have been influenced or expedited by that manifestation.

The reduction of the duty from 1 rupee to 12 annas per Indian maund, was not a compromise yielded to the disturbances at Surat, as stated in Campbell's "Modern India."

134. According to a paper furnished to me from the Chief Secretary's Office at Bombay, the actual amount of Annual Revenue relinquished by the abolition of Town Duties and other Taxes under Act XIX of 1844, including compensation to huckdars, and the various imposts on fishermen, as shown by the latest and most authentic Returns, was rupees 10,88,501, as follows:—

Amount of the Town Duties, and other taxes relinquished.

	Rupees.
Town Duties	5,16,995
Mohturpha and Kussub Veeras	3,16,411
Ballootee	92,705
Taxes on Fishermen	47,559
Sundry Irregular Cesses	9,440
Other Taxes partaking of the nature of the four preceding, but indiscriminately accounted for	1,07,274
	<u>10,90,384</u>
Add Annual Compensations to Huckdars..	54,903
	<u>11,45,287*</u>
Deduct charges of collection saved ..	56,786
	<u>10,88,501</u>

135. On the other hand, the net increase of Revenue realized from the increased Excise on Salt, on an average of eight years, from 1845-46, the first full year of the Twelve-annas Rate, to 1852-53, the latest year for which I have received a complete account, was rupees 7,31,720, as follows:—the figures being derived, up to the year 1850-51, from the Parliamentary Return before mentioned, and for the two subsequent years from official papers furnished to me at Bombay.

Amount increase of Revenue derived from the increased Excise on Salt.

	Rupees.
Gross Revenue Annually derived from the 12 annas rate, on an average of 8 years from 1845-46, to 1852-53	23,17,859
Deduct the average Annual charges for the same period	1,76,867
	<u>21,40,992</u>
Deduct net average Revenue Annually realized, previously under the Eight-annas Rate—(See paragraph 114)	14,09,272
	<u>7,31,720</u>

Annual loss of Revenue by the commutation.

136. It thus appears, that the measure of increasing the Excise upon Salt to the extent of 4 annas per maund, in commutation of the Town Duties and other taxes abolished by Act XIX of 1844, has been attended, so far, with an annual loss of Revenue on an average, to the amount of rupees 3,56,781, making, with the previous loss of rupees 2,51,607 under the Eight-annas Rate, a total annual deficiency of rupees 6,08,388.*

Annual loss of Revenue by the two commutations.

137. In a financial view, therefore, the measure of substituting an Excise upon Salt, in commutation for other taxes relinquished, has resulted, so far, in an annual loss of Revenue to the amount of rupees 2,51,607 under the Eight-annas Rate, and of rupees 6,08,388 under the Twelve-annas Rate, while the present annual loss, taking the latest year, 1852-53, is rupees 4,91,114.†

Amount annual deficiency in the Revenue by the abolition of obnoxious taxes, not made up by the Salt Excise.

138. And if to these figures were added the petty taxes, amounting to rupees 6,78,312 per annum, mentioned at paragraph 118, relinquished without compensation, prior to the introduction of the Salt Excise, the deficiency under the Eight-annas Rate would be increased to rupees 9,29,919, under the Twelve-annas Rate to rupees 12,86,700, and the present deficiency to rupees 11,69,426.

Proposition to enact more stringent rules against smuggling, and to empower the Bombay Government to suppress all Salt Works not producing annually 1,000 Indian maunds of Salt.

139. In their letter of the 6th of August, 1844, before mentioned, received after Act XVI of 1844 had been passed, the Government of Bombay had expressed an opinion that it would be necessary to adopt more stringent rules to guard against smuggling if the Excise Duty on Salt were enhanced; and that, in order to exercise the necessary control over the Salt manufacture, the right of that Government to regulate the construction of new Salt Works, and to suppress all which did not produce sufficient to cover the cost of watching them, and managing the Excise, should be recognised by law. It was proposed, in consequence, to introduce a clause in Act XIX of 1844 (then before the Legislative Council in draft) authorizing the Government of Bombay to suppress all Salt Works not producing annually 1,000 Indian maunds of Salt, if it should deem such a measure expedient.

The Government of India reluctant to entertain the proposition at that time.

140. But, ultimately, the Government of India, in their letter dated the 14th of September, 1844, expressed their reluctance to mix up with the question of abolition of Town Duties and Taxes any stringent provisions for better providing for the protection of the Salt Excise Revenue, remarking, at the same time, that, in the event of such measures being considered indispensable, they would be prepared to pass such an enactment as circumstances might demand.

	Rupees.
Amount of Taxes abolished	10,88,501
Deduct increase in the Salt Revenue	7,31,720
Deficiency	3,56,781
Add previous loss under the 8 annas rate—(See paragraph 114)	2,51,607
Total Annual deficiency	6,08,388

	Rupees.
† Amount of Taxes relinquished on the introduction of the Eight-annas Excise—(See paragraph 114)	16,60,879
Ditto; on the introduction of the 12 annas rate—(See paragraph 134)	10,88,501
Total Taxes relinquished	27,49,380
Gross Revenue of the Salt Excise for 1852-53	24,62,261
Deduct charges	2,03,995
Net Revenue	22,58,266
Present Annual deficiency	4,91,114

141. With reference to the above communication, the Bombay Government revived the consideration of the question in a letter dated the 28th of April, 1846, with which they submitted a correspondence with Mr. Pringle, the Revenue Commissioner of the Northern Division, on the subject of the suppression of Salt Works in the Southern Konkan, of which the produce was inconsiderable, and the Draft of a Law for the better protection of the Salt Excise Revenue, the necessity for which, they were of opinion, had been clearly established.

Proposition revived.

142. It had been admitted, in former discussions on the question, that Government had not the power, under the existing law, of preventing or suppressing Salt Works in opposition to an unconditional usufructuary right; but it was considered very desirable for the interests of the Revenue, that the Government should possess this power, by law, over all Salt Works, by whatever tenure held; the suppression of Works being made dependent on their not having produced, during three seasons, an annual average of 1,000 Indian maunds of Salt.

143. In continuation of their letter above mentioned, the Bombay Government submitted, with a letter dated the 25th of September, 1848, the Draft of another Act, with a request that the different Sections of which it was composed might be blended with the Draft Act submitted in 1846, and the whole passed into Law as early as possible. This Act was for rendering the conveyances in which smuggled Salt might be seized, liable to confiscation, and making the penal provisions relative to the illicit removal of Salt within the Company's Territories applicable also to smuggling from beyond the frontier. It was stated that the vehicles in which it was attempted to smuggle Salt across our frontier, and the animals which drew them, were not considered liable to confiscation with the Salt itself; and that, such being the state of the Law, the Officers of Government were clearly not empowered to exact any sufficient penalties from the smugglers of foreign Salt into our Territories; consequently, that further legislation for the due protection of the Salt Excise Revenue was required.

Further propositions for the better protection of the Salt Excise Revenue.

144. The Bombay Government continuing to represent that there was very urgent necessity for the enactment, the Draft of an Act "for protecting the Salt Revenue in Bombay," and intended to provide both for the control by the Local Government of all Salt Works under the Presidency, and for the better prevention of smuggling carried on in that article, was read in Council for the first time on the 11th of April 1850, in accordance with the views first propounded in 1844, when the question of enhancing the rate of Excise Duty was under consideration, and, after some alterations, made at the suggestion of the Bombay authorities, was finally passed into Law on the 9th of August 1850, as Act No. XXXI.

Law passed for the better protection of the Salt Revenue.—Act, No. XXXI, of 1850.

145. By this Act it was enacted, that a duty of Customs should be levied on Salt passing by land into, or out of, Foreign European Settlements, or Territories declared to be Foreign, at the same rate as the Excise Duty.

Provisions of the Law.

146. That any person concerned in passing Salt by land or sea, contrary to the provisions of the Act in question, or any other Act, should be punishable with imprisonment for a term not exceeding 3 months, or fine not exceeding 500 rupees, or both, and that all Salt so passed, or attempted to be passed, and all vessels, carriages and animals, used in so passing it, and the contents of any package in which such Salt might be concealed, should be liable to confiscation at the discretion of the Government, but might be redeemed on payment of such fine as might be thought reasonable.

147. That informers, or other persons, through whose means any seizure of Salt was made, might be rewarded.

148. That no new Salt Works should be established, and no old works not in use at the time of passing the Act, or which should thereafter be abandoned during three consecutive seasons, should be re-opened without the permission of the Government, and that any person infringing these prohibitions should be punishable with imprisonment or fine as above, or both.

149. That the Government might, at its discretion, suppress any Salt Work which, on an average of any three years, did not produce yearly at least 5,000 Indian maunds of Salt.

150. And finally, that Section 7 Act 27 of 1837, which provides for the establishment of Chowkeys in the vicinity of Salt Works, should be applicable to any tracts of country where Salt is found.

151. The fine in lieu of confiscation was intended to meet cases in which the latter would be an unduly severe punishment, and cases in which it might be more convenient to impose a fine than to confiscate property; and the suppression of Salt Works was made dependent on their not producing yearly, on an average of any three years, 5,000 Indian maunds, in lieu, as originally proposed, of 1,000 maunds, which was considered too small a quantity.

Laws passed by which the Import Duty on Salt was reduced from one rupee to 12 annas per Indian maund.—Acts, Nos. I and II, of 1852.

152. The next laws affecting the Salt Revenue were Acts I and II of 1852, both passed on the same day, the one entitled "An Act for the Consolidation and Amendment of the Laws relating to the Customs under the Presidency of Bombay," the other, "An Act for the collection of Land Customs on certain foreign frontiers of that Presidency," Act No. 1 of 1852 repealed specifically Act No. 1 of 1838, except in so far as it repealed any other Regulation or Act, and generally, all other Acts of the Bombay Code (so including Acts XVI of 1844 and XXXI of 1850) in so far as they prescribed the levy of any Customs' Duties on Salt, as well on transit by land as on import or export by sea, or in any way related to such duties; but the repealed provisions of these three Laws were re-enacted in the two Acts of 1852, with little or no alteration, beyond fixing the Customs' Duty on Salt not covered by a pass, imported by sea or land, at 12 annas per Indian maund, in place of one rupee.

153. Having thus traced the past history of the Salt Revenue, and the course of Legislation relating to it, from the earliest to the latest enactment, I proceed to describe in full detail the mode of manufacturing Salt, and the system of administering the Revenue as they now exist.

SECTION II.

MODE OF MANUFACTURING SALT, AND SYSTEM OF ADMINISTERING THE REVENUE NOW IN OPERATION.

Process of manufacture and quantity of Salt produced.

154. The Salt of the Bombay Presidency is obtained entirely by solar evaporation; and the total quantity thus produced, according to the actual annual average of the last three years, 1850-51 to 1852-53 is Indian maunds 46,29,946.

Two classes of Salt manufactured, viz., Sea or Coast Salt, and Inland Salt.

155. It may be classified under two heads, Sea or Coast Salt, and Salt manufactured in the Inland Districts. The former is by far the most extensively produced, constituting about nine-tenths of the entire Salt of the Presidency.

Coast Salt where manufactured.

156. The manufacture of Sea Salt is carried on in the Island of Bombay, and more or less in every district on the sea board of the

Presidency, from Rairee on the Goa Frontier, southward, to the shores of the Gulf of Cambay, in a northerly direction. The Inland Salt manufacture is met with almost exclusively on the eastern border of the Saline Desert, known as the Little Runn of Cutch; but small quantities of very impure Salt are also produced in the Deccan, by washing saline earths.

Inland Salt where manufactured.

157. Accompanying are four Plans,* laid down according to actual survey, two of Salt Works on the Coast, situated respectively in the villages of Jeao and Oomurtulungpore, in the Surat Collectorate, and two of Inland Salt Works situated at Patree and Ooroo, on the borders of the Little Runn of Cutch, in the Ahmedabad Collectorate. A reference to these plans and to the appended drawings and descriptions of the several implements used in the manufacture and issue of Salt, of which models also accompany, will render the following description of the process of manufacture, and system of management more readily intelligible.

Plans of Coast and Inland Salt Works, and drawings and models of implements used in the manufacture.

Appendix A.

158. Before entering upon a detailed account of the process of manufacture it may be useful to describe, in general terms, the most prominent and characteristic features of the localities in which Salt Works occur, giving precedence to those on the coast.

General features of the localities in which Salt Works occur.

159. At the heads of the estuaries, and on the banks of the tidal creeks, which are numerous on this coast, it is common to find tracts of flat alluvial land, varying in area from a few acres to several square miles, which are subject to inundation by the sea at high spring tides. These mud banks would appear to have been formed, in the course of ages, by the gradual silting-up of shallow bays, and by the formation of alluvial deposits on the banks of rivers and streams, more especially at points near their out-fall into the sea.

160. The nature of these alluvial deposits necessarily varies, corresponding with the geological formation of the surrounding country. In some places they are entirely unfit for the construction of Salt Works, in others they are, more or less, suited to that purpose, according as the muddy alluvium of which they consist may be more or less impermeable by water, free from pebbles, shells, sand, and all granular substances, plastic when in a wet condition, hard and unyielding when dry, and not readily pulverizable, so as to be raised by the wind in the form of dust.

161. But one of the most essential local conditions requisite for the formation of Salt Works on the coast is that of ground level. This should be from one to three feet below the level of the high spring tides. Upon the maintenance of a level approaching these limits depends, on the one hand, the possibility of admitting at proper intervals the necessary supplies of sea water, without resorting to artificial means for raising it; and, on the other, the practicability of reclaiming the ground from the sea without extensive and costly embankments.

162. In a state of nature, the ground on which the Coast Salt Works are established, being liable to inundation by high tides, is of course sterile and waste. On the edges of the small though deep Nullas, excavated by the advancing and receding tides through the yielding material in all directions, is found usually a growth of mangrove, and here and there a few marine shrubs and herbs. When reclaimed from the sea, however, the surface in the Konkan and the Island of Bombay gradually assumes a somewhat improved aspect. In some instances, coarse tufts of a reedy grass spring up, and portions of the reclaimed area are, after a few years, cultivated with a peculiar variety of rice which thrives in saline soils. In Guzerat, the Salt plains are generally perfectly barren.

* Plans 2 to 5.

REPORT ON SALT.

163. The line of demarcation between these reclaimed lands and the neighbouring country is generally abrupt but open; a fertile soil, groves, fields, and even gardens, are not unfrequently found within a few yards of the verge of the saline flats.

Size and cost of embankments required for the reclamation of Salt lands.

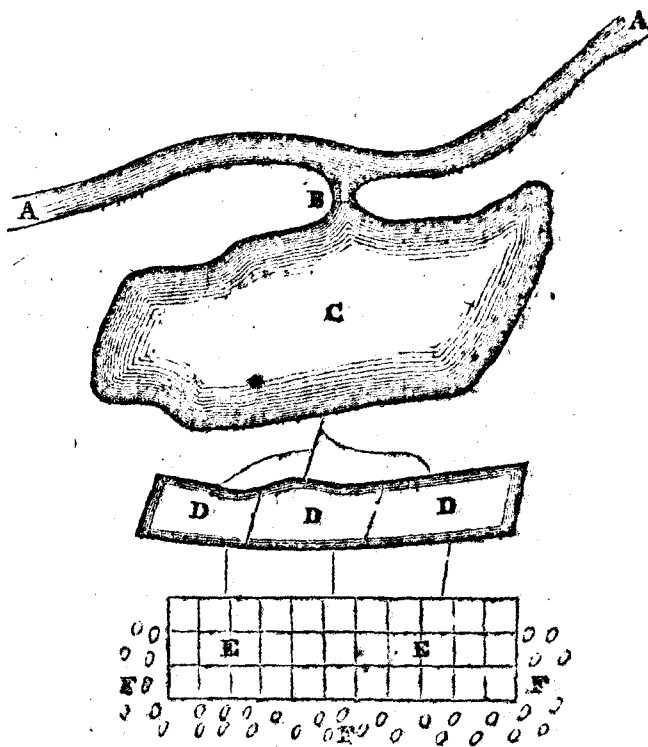
164. The size and cost of the embankments by which the sea is excluded from these tracts, are of course dependent on the circumstances of varying level, and exposure to the force of the ocean waves. Occasionally, the embankments and sluices are of masonry; but, generally speaking, being erected in sheltered situations, they consist of earth-work of a very slight and inexpensive construction. It usually happens that the area reclaimed by a set of embankments, is sufficient to accommodate two or three sets of Salt pans, in some cases many more, which are necessarily in close proximity to each other, and usually derive their supplies of sea water through a series of embanked channels, which, as well as the external embankment, are common to all, and are kept in repair at the common cost, under rules and regulations varying at every locality. It is an important part of the duty of the Government Officers to see that these rules are strictly enforced, as any neglect in this respect would be productive of serious consequences.

"Agurs" or sets of pans fall naturally into groups called "Suzas."

165. The various Salt pans thus naturally fall into groups, consisting of an indefinite number of "Agurs," as the sets of pans are locally designated. Such groups are called "Suzas," and usually constitute the separate charge of a defined Establishment of Government Officers, as will be hereafter explained.

Process of manufacture on the coast. The component parts of an Agur, and their uses. The pandhurrin or reservoir.

166. The several parts of which an "Agur," or set of pans consists, are very simple, and may be readily comprehended by a reference to the diagram below:—



A represents the channel by which the waters of the high spring tides are admitted, and allowed to flow through the passage at B into the reservoir C, called "pandhurrin" or "khuzeenah." This reservoir is usually of irregular form, adapting itself to the irregularities of the ground. It is surrounded, like every part of the works, by an embankment, and the water it contains is usually from two to three feet in depth. The sea water is admitted at high spring tides into this reservoir, where the

earthy and other impurities subside, and evaporation to a certain extent takes place; a portion of the contents is then, as required, drawn off into the series of smaller reservoirs, marked D, called "tapownee."

167. The depth of water admitted into the tapownee or brinepits, is from about 9 to 18 inches, and it is allowed to remain exposed to the sun and air for a period of 10 or 14 days, or until it has become a highly concentrated saline solution. It is ready for admission into the crystallizing beds, or pans, when it shows a disposition to form crystals round any twig or foreign body that may afford a nucleus. The brine is then of a slightly brown colour, and all the marine animalculæ, which abound in the water when first admitted, have perished and disappeared.

The tapownee or brine pits.

168. The brine is now admitted into the evaporating beds, or pans, marked E in the diagram, which have been previously prepared with much labour and care. These are termed "koondies," and consist of a series of rectangular compartments of varying sizes up to 400 feet by 100 feet, but usually from 20 to 80 feet in length, and from 10 to 30 feet in breadth. They are separated from each other by ridges of earth about 6 or 8 inches in height. The floor of each compartment must be perfectly level and smooth, and is laboriously consolidated by first being trodden down with the naked feet, and subsequently beaten with flat mallets and boards. The object of this is to render the pan impervious to water, so that no salt shall be lost by the sinking of the brine into the soil, and that no water shall percolate from the neighbouring reservoirs into the evaporating pans, and thus retard crystallization.

The koondies or evaporating beds—their preparation.

169. The preparation of the pans is commenced soon after the close of the rainy season, while the clay is still damp, that is, in September or October. The floors of the koondies have thus time to get dry and indurated before the manufacturing season, which commences in March, and lasts until the first fall of rain in the end of May, or beginning of June.

170. The koondies being properly prepared, the brine from the tapownee is admitted to the depth of from 3 to 5 inches, and is allowed to remain until evaporation has so far progressed that the Salt commences to show itself in the form of crystals covering the surface of the liquid. This commonly takes place in about a week or ten days, but the first crop of crystals so formed, is usually small and imperfect. The manufacturer, therefore, breaks up the crust of Salt, and without removing it, admits an additional supply of brine; and again allows it to stand until the crystallization has sufficiently advanced. This probably occupies from 14 to 20 days, according to the heat of the weather, and the force and direction of the wind. The Salt is then removed by an instrument called a "newla,"* or wooden scraper, consisting of a thin board 2 feet long by 8 inches broad attached to a long bamboo, and being drawn from the pans on to the slightly elevated ridges which separate them from each other, is there allowed to drain for two or three days, previous to being removed in baskets to the nearest convenient spot, when it is stored in conical heaps. The place of storage is usually within a few yards of the pans in which the Salt is produced, in the situation indicated in the diagram at paragraph 166 by the letter F, but the manufacturers are allowed to select their own ground, and the Officers of Government cannot object so long as the Salt is stored within the line of Chowkeys around the works. The stored heaps may contain from 200 to 3,000 Indian maunds of Salt, and are in some parts of the country, on the approach of the rainy season, protected by a thatch of rice, straw, or coarse grass, and in other parts by a coating of mud, of from four to six inches in thickness. But at the Cambay Works in Guzerat, and at the works on the Runn, they are left quite exposed, and without any sort of covering, so that

Their use.

Removal of the Salt.

Storage of the Salt.

Size of the heaps, and protection of the Salt from rain.

the loss from wastage, is very considerable; not so great, however, as might be supposed, as after the first fall of rain a hard crust of some inches thick crystallizes over the heap, and in a great measure protects the Salt beneath it from further damage. It is usual, as a guard against clandestine removal of Salt, to mark the surface of the heaps with a large wooden stamp coloured with red ochre.

Relative size of the component parts of an "Agur."

171. The principal several parts which constitute an Agur are these:—

First.—Pandhurrun, or khuzeena, (the large reservoir.)

Second.—The tapownee, (heating place,) or smaller reservoirs.

Third.—The koondies or evaporating pans.

172. The ordinarily accepted rule for the relative size of these different parts is, that the smaller reservoirs should, in superficial extent, equal the area occupied by the evaporating pans, and that the larger reservoir should be equal in extent to the aggregate area of the smaller reservoirs and evaporating pans.

Number of crops per koondie, or evaporating bed, per season, and average yield per square foot of koondie at each crop.

173. In the course of the season, there are generally from four to six crops of Salt taken from each Saltpan, or koondie. The quantity of the produce of a given area of Saltpans is variable in different localities, being ruled very much by the quality of the soil. An average return for the whole season in the neighbourhood of Bombay, is estimated at about 1 maund of Salt to every 10 square feet of koondie or evaporating pans. Supposing then, that 6 crops are secured each season, this will give about 1½lbs. avoirdupois, as the amount yielded at each crop by 1 square foot of koondie.

Uncertainty of the yield as compared with the area, and the influences upon which the yield is dependent.

174. But nothing can be more uncertain than the relation between the extent of the area of the pans and the annual produce—much depends upon the condition of the atmosphere—the direction of the wind—the height to which the tides rise—and especially upon the period at which the first fall of rain occurs.

175. If the south-west monsoon sets in early, and rain falls in the month of May, it greatly interferes with the Salt crop, as it puts a stop to the manufacture at the most favorable season, when the soil of the Salt Works is completely saturated with Salt, and the brine, not only in the brine-pits, but also in the larger reservoirs, has by continued exposure, gradually become a highly concentrated solution of Salt, which deposits its crystals very soon after its admission into the pans.

Relative position and importance of the several "Suzas" or groups of Salt Works on the coast.

176. In order to give an accurate idea of the relative position and importance of the several "Suzas" or groups of Salt Works on the Coast of this Presidency, a Table* is appended, showing at one view the distance of each Talooka or Territorial Division from Bombay (selected from its central position on the coast as the point of departure), the names and number of Suzas in each Talooka, with their distances from the Stations of Head Native Officers,—the number of agurs, or sets of pans, in each Suza, and the average annual number of Indian maunds of Salt which each Suza produces. In the Island of Bombay, the Saltpans, with the exception of one set at Dadlaee, are contiguous to each other, and confined within an area of 3 miles. In the Konkan, the works are, in many instances, detached in small groups over a district, at distances of from 1 to 5 miles from each other. In Guzerat, all the works are situated on the shores of the Gulf of Cambay and are better arranged, the pans forming each set being close to each other in great numbers. The distances of the Works from each other, as a general rule, being according to the nature of the country and the demand for Salt. Half the whole quantity made in Guzerat and the Konkan is the produce of works on the Coast and Islands within 35 miles of Bombay. The Salt

Salt Works to what extent concentrated or detached in the different localities.

Works of the Island of Bombay, and those at the village of Coorla, in the Island of Salsette, were inspected by me.

Salt Works visited by the Commissioner.

177. Having given this general view of the Coast Salt Works, it remains to give a brief description of the Inland Salt Works of the Runn.

Inland Salt Works of the Runn.

178. Few words are necessary to describe the aspect of a vast and perfectly saline desert, which extends from the head of the Gulf of Cutch in a north-easterly direction, gradually expanding in width, until, at 60 miles from the sea, it reaches from south-east to north-west, a distance of 50 miles. This is the Little Runn of Cutch, so called to distinguish it from a similar, but much more extensive, desert situated further to the north and west.

Situations of the Little and Great Runns of Cutch.

179. On these Runns there is not a particle of vegetation. They present no object to the eye except one uniform plain of blackish soil, encrusted with an efflorescence of Salt, and bearing, it is said, obvious marks of having, at no very distant period, constituted the bed of some gulf, or estuary of the sea.

Their general aspect.

180. On the eastern verge of this desert and north-west of Ahmedabad, are situated the towns of Patree, Ooroo, Jhoonjoowarra, Futtehpoor, and Anwaurpoora; and in the immediate neighbourhood of these towns, are five distinct sets of Salt Works.

Situation of the Runn Salt Works.

181. The manufacture of Salt at these five works, as also at the works of Gogo in the Ahmedabad Collectorate, and at those of Dolia in the Broach District, both in the Province of Guzerat, differs from that of Coast Salt, chiefly in the source from which the Salt-water is derived. Instead of storing up in reservoirs the occasional supplies afforded by high spring tides, the Salt manufacturers on the Runn find a never-failing supply by digging pits or wells, of an average depth of from 10 to 12 feet. There appear to be Salt pits also at Dhundocka in the Ahmedabad Collectorate. The only Salt Works on the western side of the Gulf of Cambay are at this place and Gogo; the former lying about 25 miles inland, due west from the head of the gulf; the latter on the coast, about the centre of the gulf. Dolia lies on the east coast near the head of the gulf.

Brine obtained by digging pits.

Situation of the Inland Salt Works in Guzerat.

182. The water is raised from these brine pits by manual labour, aided by a simply contrived machine, common in many parts of the East, called in the Bombay Presidency a "Chanch," and consisting of a long transverse pole or beam working on a perpendicular shaft inserted in the earth. The shorter arm of the transverse beam is loaded with a heavy weight of stone, or a lump of clay, and to the other is attached, at the end of a short line, a vessel which the labourer lowers into the well by depressing the arm of the transverse beam to which it is attached. When the vessel is full, it is elevated by allowing the weight on the other arm of the beam, which is heavier than the filled bucket, to act as a counterpoise, and as soon as the vessel reaches the mouth of the well, the labourer, by a slight movement, causes it to empty its contents into a trough, from which it is led into a small reservoir. It remains in this reservoir only a few hours, during which any earth it may have held in suspension is deposited, and it is then at once admitted into the koondies, or evaporating pans, which are prepared in exactly the same manner as on the coast.

Process of manufacture.

183. The Salt of the Runn takes a longer time to form, from the water not having been exposed to partial evaporation in reservoirs, but it is of a much better and harder quality than the Coast Salt, owing chiefly, no doubt, to the better quality of the brine, but in some measure also to a peculiarity in the process of manufacture. Instead of removing the Salt formed after ten or twelve days' exposure in the pans, the labourers detach the Salt from the edges, and, leaving it in the pans, admit a fresh supply of water; this process is repeated every fortnight, for a period of three or four months; the result of this treatment is the formation of large and hard crystals of salt in the shape of perfect cubes, measuring from $\frac{1}{2}$ to $\frac{1}{4}$ of an inch on each face. Some of the crystals greatly exceed that measurement; many fall short of it: but there is an entire absence of any flaky or imperfectly formed

Superior quality and value of the Runn Salt, and the causes.

crystals, which constitute a large portion of the bulk of ordinary Sea Salt. The Salt of the Runn is in consequence highly prized, and more especially because, from the hardness and size of its crystals, it bears transport on bullocks, without waste, better than any other Salt.

Deterioration of the brine pits.

184. It is said that the brine pits of the Runn, after having been used for several successive years, deteriorate as regards the strength of the brine afforded, and that it is necessary, in consequence, from time to time, to sink new pits. It is also confidently affirmed that the water in these pits falls and rises with the ebb and flow of the ocean, although more than sixty miles inland.

Relative position and importance of the Runn and Guzerat inland Salt Works.

185. The Table * mentioned at paragraph 176, which exhibits particulars respecting the Salt Works on the sea coast, also embraces the same information in detail concerning the Salt Pits at Dhundooka and the several Salt Works on the Runn. From this Table it will be seen that, altogether, Salt is produced in 35 Talookas of the Bombay Presidency, comprising 531 distinct Salt Works grouped into 126 sets of Works.

Survey of the Salt Works.

186. The Survey of the Salt Works in Guzerat, including those of the Runn, was completed in 1852. The total space occupied by the works in that province, including reservoirs, wells, and ground for storing Salt, is 3,530 beegahs, which is equal to 2,075 acres; and as the average annual produce of these Works is 12,71,499 Indian maunds, it follows that the annual produce per acre is nearly 613 maunds. Considerable progress has also been made in the survey of the Salt Works in the Konkan, but the operations there are much more extensive and more difficult than in Guzerat, and it may still take some two years to complete them.

Earth Salt, scarcely any manufactured.

187. As regards the Salt produced in the Deccan by washing different saline earths, it need only be remarked that this manufacture never seems to have extended beyond what was required partially to supply the consumption of the lower classes in the few villages in which it was carried on. Until within the last five years, it seems to have escaped the attention of the local officers. Recently it has been subjected to the same Excise duty as other Salt, and the manufacture has, in consequence, been almost entirely discontinued.

Proprietary interests connected with the Salt Works.

188. It would be impossible, within any moderate limits, to give a complete exposition of all the different proprietary interests connected with the Salt Works of the Bombay Presidency. No more will be attempted, therefore, than to convey a general idea of the origin of existing rights in the land, and of the principal classes of owners to whom these rights appertain.

Government, the lord of the soil.

189. In that part of India, the whole surface of the country is held to be originally subject to a claim on the part of the State, which, though not amounting to absolute property, certainly exceeds greatly the interest usually enjoyed by the Lord of the Manor.

190. It is not necessary for the purpose in hand more closely to define the precise nature of this property in the soil. It exists everywhere, except where it has been foregone or transferred to others by the act of Government; and there can be no question that it extended to those submerged flats, on which, subsequent to their reclamation from the sea, Salt Works have been constructed.

Salt lands when reclaimed by individuals, not the freehold of the reclaimers.

191. To effect this reclamation, it was, in all cases, necessary to form a system of embankments. These works, when not undertaken by the State itself, were effected by others, with the consent and approval of the Government. The land, when reclaimed, was not the freehold of the reclaimers, but held by them, subject to such terms and conditions as may have been agreed upon with Government as the Lord of the soil.

Some Salt Works the absolute property of Government. Others, the property of individuals, but subject to the payment of land rent, except-

192. It results that there are certain Salt Works in which Government is the sole proprietor, that is, in addition to its original proprietary claim as Lord of the Manor, it has a further interest as having at its own cost reclaimed the land from the sea; and that there is also another class consisting of Salt Works which have been reclaimed

by individuals, or by village communities. The original right of Government in these lands has not been suffered to lapse; but in every case some arrangement or other has been agreed upon, by which the State receives payment, or rent, as Lord of the soil, except when its rights have been formally alienated.

193. Thus there is an item of Revenue connected with Salt, which is altogether independent of the Excise Duty on that article. It is the Land Revenue assessed on the ground which produces the Salt. This Revenue depends entirely upon the tenure upon which the land is held, and would be realizable whether Salt was subject to an Excise Duty or not. It is collected in the Salt Department but is credited to the Land Revenue of the district in which the works yielding it may be situated.

Land rent of the Salt Works altogether independent of the Excise Duty.

194. It will be readily understood that, when the work of reclamation was difficult and costly, the State was not able to make so good a bargain as when the works required were slight and inexpensive, so that there is an endless variety of holdings under Government in different localities.

An endless variety of holdings under Government in different localities.

195. Under the view above taken of the subject, owners of Salt Works may be divided into three classes:—

Classes of owners.

First. The Government itself.

Second. Holders of land not reclaimed by Government.

Third. Holders of freclands, the Government claim on which has been foregone or alienated.

196. With the exception of the works at Cambay in which the Nuwab of that place has an equal share, all the Salt Works in Guzerat are the property of Government. On the other hand, in the Konkan very few of the works belong to Government, seven-eighths of the whole being the property of private individuals. In the Island of Bombay three-fourths of the works are private property, but the few works belonging to Government, constituting the remaining one-fourth, produce half the Salt made on the island.

Proportion of Salt Works, in the different localities, the property respectively of Government and individuals.

197. In Government Salt Works, the whole produce, subject only to the payment of the labourer or manufacturer, theoretically belongs to Government; but in many cases, the occupation of such works has been permanently assigned to a class of sub-owners or middlemen, on certain conditions which are too variable to admit of being here recapitulated. These are hereditary tenants of Government, and cannot be displaced so long as they fulfil the terms of their respective leases. This seems the case throughout Guzerat.

Throughout Guzerat, and in some other cases, the occupation of the Government Salt Works assigned to sub-owners or middlemen, as hereditary tenants.

198. In Government Salt Works that have not been thus permanently assigned, it is usual to farm out the Government interest for a term of years, reserving a fixed share (generally one-half) of the produce as recompense to the labourer or manufacturer. But in some instances, in the Konkan, the Government are unable to lease out their works. In these cases manufacturers are employed, who, on the sale of the produce by Government, receive from one-third to one-half of the proceeds as the price of their labour, the remaining proceeds constituting the Government Land Revenue.

In some cases, the Government Salt Works are farmed out for a term of years; in others, in default of farmers, they are worked by Government.

199. The holders of Salt Works not reclaimed by Government are, in the Konkan Districts usually called Fuzundars. These proprietors may, or may not, be residents of the neighbouring village, they manufacture and sell their own Salt, being frequently the labourers themselves, and pay the Government a ground-rent for the land occupied by their works.

Private holders usually called Fuzundars.

200. The following are some of the more common modes of assessing the quit rent payable by such holders:—

Modes of assessing the land rent payable by such holders.

First. A fixed annual sum on the whole works.

Second. A fixed Bigowfee or rate per Beega.

Third. A fixed rate per maund of the produce of the Salt Works, leviable on sale of the Salt.

201. Further particulars of the rates of ground-rent, and the modes of assessing it, prevailing in different localities, will be found

in a statement * annexed. The rates exacted fall usually short of what is demanded by Government from ordinary lands, in consideration, doubtless, of the original heavy outlay incurred by the holders.

Freeholdings pay no land rent.

202. The Freeholdings call for little notice. These are, in all respects, analogous to what are found in the Land Revenue Department, and pay no Land-rent.

Hucks, or dues, of district and village officers, levied on the property in Salt Works, generally abolished, and a compensation substituted.

203. Before quitting the subject of Land-rent, it remains to be noticed that most of the property in Salt Works was subject, under the Mahratta rule, to certain payments on account of the Hucks of district and village Officers, such as Deshmooks, Deshpandyas, Canoongoes, Patells, &c. These Hucks have now been generally abolished, their recipients being awarded compensation as in the Land Revenue Department.

The actual manufacturers, who they are, and their circumstances.

204. The actual labourers or manufacturers belong to the various agricultural classes of all castes, principally Coolies, Fishermen, Coonbies, Bhundarees, Mahomedans, and Christians, who are all to be found following this occupation. As regards their circumstances and means, they are much on a par with ordinary agriculturists. The occupation is not considered an unhealthy one, though the labour at certain seasons is severe, and entails much exposure to the heat of arid plains.

The rate of their remuneration in Government and private works, respectively.

205. In Government Salt Works, the usual rate of remuneration received by the labourer is from one-third to one-half of the produce, as has been already stated. In Fuzundaree or private works, the proprietors make any arrangements they please as regards remunerating their labourers; but even these proprietors commonly arrange for a certain share of the produce.

The Salt of each manufacturer separately stored.

206. The evaporating pans which constitute an Agur or Salt Work, are distributed among the several labourers, and each labourer is interested exclusively in the produce of the particular pans or koondies in which he labours. Hence it becomes necessary to store the salt of each koondie, or of each labourer separately,† for the Salt varies much in quality, according to the labour bestowed on its preparation; and the individual labourers would by no means consent to have a community of interest in the Stock.

The manufacture is subject to a duty, and to some other restrictions.

207. The manufacture of Salt under the Bombay Presidency is free, subject only to a duty of the nature of an Excise, levied at the pans, and except in so far as it may be restricted by the provisions of Act XXVII of 1837, and Act XXXI of 1850.

The principle of the restrictive enactments.

208. The principle of these enactments, as has been seen, is to require that the manufacture shall, in every case, be licensed, that production and store shall be watched, and that removal from the manufacturer's store shall not be allowed until the Excise Duty has been paid.

Restrictions.

209. Thus, under Act XXVII of 1837, no Salt may be manufactured until notice has been given to the Collector of the District in writing. Government Officers are to be stationed at all Salt Works, and are empowered to take an account of all Salt manufactured and stored at such Works, and to prevent its removal until the duty thereon has been paid. And under Act XXXI of 1850, no new Salt Works may be established, and no old Works not then in use, or that have been since abandoned for three consecutive seasons, may be re-opened without the permission of Government; and further, the Government may, at its discretion, suppress any Salt Work which, on an average of any three years, does not produce yearly at least 5,000 Indian maunds of Salt.

210. As regards licensing, if the Salt produced in Salt Works near to the spot where a new Agur or set of pans is desired to be established, is in excess of the demand there existing, as shown by the accumulation of the Stock at such neighbouring Salt Works,

• Appendix C.

† For the mode of keeping the separate account of each labourer, see Appendix F, No. 14.

permission to open new Works is refused; but if otherwise, it is granted, provided that the ground is considered well adapted for the purpose, and the Land Revenue Department has no objection to its being so applied, provided also, that it is so situated to admit of being guarded at a moderate expense. The party desiring to open the new works must also sign an agreement to the effect that he will erect suitable Chowkeys for the Government Establishment, and pay ground rent at a stipulated rate, and that he will contribute to the keeping the general embankments of the locality in repair.

211. The Excise Duty, payable by law, is one rupee on every Indian maund weight of Salt that may be delivered from any Salt Work; but the rate actually levied is twelve annas on every Indian maund delivered, whether by weight or measure. The duty was reduced to this lower rate by a notification of the Bombay Government, dated the 14th of September 1844, issued in conformity to the directions of the Court of Directors before mentioned, at paragraph 129, and as the law fixing the higher rate had only come into operation on the 1st of the same month, it is probable that that rate was never received.

Rate of Excise Duty.

212. As the Law now stands the Excise duty is leviable before any Salt can be removed from any Salt Work.

Excise payable before removal of the salt.

213. This duty having been paid, the Salt may be carried by sea or land to any part of the Presidency, and may also be exported out of the Presidency by sea or land, without the levy of any further duty, either of Customs or Excise.

No further duty leviable, either of Customs or Excise.

214. The exportation by sea or land of Salt not covered by a Pass, or Certificate of having paid Excise Duty, is prohibited.

Exportation of Salt which has not paid the Excise Duty prohibited.

215. But, in practice, under various Orders and Notifications of the Bombay Government, the Law, in respect of the levy of the Excise Duty, is widely departed from, in the case of Salt exported by sea, in the following instances:—

Departure from the Law on this head in some cases of exportation by sea.

216. On Salt exported to any port or place in the Straits of Malacca, and generally to any place beyond the Continent of India, no Excise Duty is levied.

On Salt exported beyond the Continent of India no duty is levied.

217. On Salt exported to British Ports under the Madras Presidency a charge is made of only 3 pies, or a quarter of an anna per Indian maund, on its removal from the Salt Works. The object of fixing this low duty, or, as it may more properly be termed, charge, on these exports, has been explained by the Bombay Government* to be "merely to cover the cost of establishments at our Saltpans. The Salt thus exported, coming under the Madras monopoly, contributes as much to the general Indian Revenues as it would do were the whole Excise levied here, while the Government, by the imposition of the low duty, is relieved from a dead charge."

On Salt exported to British Ports, under the Madras Presidency, only a $\frac{1}{4}$ anna per Indian maund is charged.

218. Salt exported to Foreign Ports under the Madras Presidency, is charged only 1 anna per Indian maund, on its removal from the Salt Works, on the consideration that it would not bear a higher tax without prejudice to the demand. Originally, this same rate was also charged on exports of Salt to all ports beyond the Continent of India, but in these cases the export trade was subsequently made free on the consideration that it could not bear any tax.

Salt exported to foreign ports, under the Madras Presidency, is charged only 1 anna per Indian maund.

219. In all the cases above mentioned, the Exporters, at the time of my inquiry, were required to enter into a bond, with sureties, for the payment of the full amount of the Excise Duty, unless they produced, within six months, a certificate, from the authorities at the port of destination, of the Salt having been duly landed there; but lately, under a Resolution of the Bombay Government, dated the 30th of August last, this bond has been dispensed with, save in exceptional cases. Certificates of landing, under the signature of the authorities at the ports of Import, are, however, still required to be produced on the part of the merchants, with a view to check the illicit disposal of the Salt in its transit. What constitutes an exceptional case, or in

In all the above cases certificates of landing at the Port of Import required.

* Letter to Collector of Customs, Bombay, dated 6th of July, 1839.

what way the production of the certificates of landing is enforced in the other cases, does not appear.

Full duty leviable on all deficiencies, in shipments to Madras Ports, in excess of a wastage allowance of 10 per cent.

220. An allowance up to 10 per cent. is made for wastage on Exports of Salt to British or foreign ports under the Madras Presidency, and each wastage is adjusted on each shipment; that is, on the quantity shipped on every vessel. If the deficiency exceeds 10 per cent, then the payment of the full Excise Duty on such excess is demanded at the Bombay Presidency, unless it can be satisfactorily accounted for by the Exporters; but how the demand is enforced, in the absence of bonds, does not appear.

No landing account taken of Salt exported beyond the Continent of India.

221. It has not been deemed advisable to make any rule concerning wastage in the case of Salt exported to places beyond the Continent of India, there being no means of ascertaining the extent or fact of wastage, as the certificates produced, simply set forth that such a vessel said to contain so much Salt has arrived, and landed her cargo.

Four months' credit allowed for the payment of the Excise on Salt exported to the Bengal Presidency.

222. Finally, Salt exported to any port in the Bengal Presidency, is subject to the full Excise Duty of 12 annas per Indian maund; but this duty is not levied at the pans before the removal of the Salt, if the Exporter enters into a bond, with sureties, for the payment of the full amount, without allowance of any kind for wastage, or sea risks, or the like, in four months. This credit is given as being a great accommodation to Exporters.

Registers kept of such Salt.

223. Registers are kept in the Custom Houses of Salt exported to ports under the Bengal Presidency, but landing certificates are not demanded, as the full Excise Duty is secured by bond.

In all other cases, the full Excise is levied before the removal of the Salt from the Works.

224. In all other cases, except those above specified, the full Excise Duty is levied before a permit is given for the removal of the Salt from the works, whether for Home or foreign consumption. Under this rule, Salt exported to the subordinate ports in the Bombay Presidency pays the full Excise Duty on its removal from the Salt Works. No credit is allowed for the payment of the duty, nor is any allowance made for wastage or sea risks; but in very exceptional cases, when a vessel is lost at sea with a cargo of Salt, and strong and satisfactory evidence is produced to the effect that the loss did not occur through the neglect of the persons in charge of the vessel, the Exporter is allowed, with the permission of Government, to remove, free of duty, a similar quantity to that lost.

All foreign Salt admitted to competition with the Salt of the Presidency on equal terms.

225. All foreign Salt, including Salt produced in any other part of India, is admitted to competition with the Salt produced in the Presidency on equal terms. All such Salt imported into the Presidency by sea or land, if not covered by a Pass, is chargeable with a Customs' Duty at the same rate only as the Excise Duty; and having paid this duty, it may, equally with the indigenous Salt, be carried, by sea or land, to any part of the Presidency, or be exported out of the Presidency, by sea or land, without the levy of any further duty, either of Customs or Excise.

Collection and management of the Excise in what authorities vested originally.

226. When the Salt Excise Duty was first established in 1837, the collection and management of the new tax was, so far as the Provincial Salt Works were concerned, made over to the Collector of Continental Customs (then styled the Collector of Customs in Guzerat and Konkan). The Salt Works in the Island of Bombay were at the same time intrusted to the Collector of Land Revenue at the Presidency, who had, previous to the introduction of the new tax, managed the Government interests in those Salt Works. The Heads, therefore, of the Departments of Collector of Customs in Guzerat and Konkan, and of Land Revenue in Bombay, were, respectively, the responsible Agents for collecting and managing the Excise, and, in consequence, the designation of the former Officer was altered to Collector of Continental Customs and Excise.

Change made in 1852.

227. In the year 1852, the charge of the Salt Works in the Island of Bombay was transferred to the Collector of Customs at the Presidency.

228. This was the state of the case at the time of my arrival at Bombay on the 4th of March last. The Salt Excise of the Island of Bombay was a distinct department under the Collector of Sea Customs, and the Salt Excise of the remainder of the Presidency was in like manner a distinct department under the Collector of Continental Customs and Excise: both were Collectors of Customs as well as of Excise Duty; the former for the Port and Island of Bombay, the latter for the ports and districts of the continental portion of the Presidency.

229. In the Island of Bombay, no separate European Agency was employed in aid of the Collector, in the Salt Department. It had been discharged in 1850-51, and the management assimilated in other respects to that in force in the Department of Continental Customs and Excise. The immediate superintendence of all the Salt Works on the island, in subordination to the Collector, was entrusted to one of his assistants, who received a small addition to his salary as a Customs' Officer for his further services in the Salt Department.

230. Under the Collector of Continental Customs and Excise an European Establishment was entertained, consisting of a Deputy Collector and five Assistant Collectors. The Deputy Collector, until the previous year, had always been a Covenanted Officer. The Assistants, with occasional exceptions, have always been Uncovenanted Servants. All these officers were vested with powers in both Departments, and their salaries were debited in the proportion of two-thirds to Customs and one-third to Salt.

231. The duties of the two Collectors consisted in the general superintendence and management of the whole of the Salt Department within their respective jurisdictions, in subordination to the Revenue Commissioner.

232. In the Continental Salt Department, the functions of the Collector were to a certain extent fulfilled by his Deputy, so far as related to the Province of Guzerat; but the accounts of the Department were entirely prepared in the office of the Collector, who alone was responsible as accounting Officer.

233. The control and management of the details of the administration of the whole Department of Continental Excise, from north to south, were divided between the Collector, his Deputy, and Assistants, each undertaking the executive duties of a circle of Talookas.

234. Each European Officer held his head-quarters within the limits of his charge. The Collector at Tannah, the Deputy-Collector at Surat, and the five Assistants respectively at Ahmedabad, Gogo, Bassein, Caranja and Vingorla.

235. But, soon after my arrival at Bombay, it was determined to introduce, as soon as convenient, a new and uniform system under which the Customs and Salt Departments should be completely amalgamated and placed under one controlling head. This change was projected with a view of meeting, by reductions in the Customs' Department, the increase of expenditure absolutely necessary for the efficient management of the Salt Revenue; the Native Establishments at the Salt Works having long been admitted to be numerically weak and underpaid, and the necessity of strengthening and improving their condition having been for some time under consideration; and further, because the abolition of Port to Port Duties by Act No. VI of 1848 had so greatly affected the Revenues of the Customs' Department at the Continental Ports, that a separate establishment was no longer deemed necessary.

236. Accordingly, in pursuance of the change, and of that part of Act I of 1852 which provides for the appointment, of "one or more persons to be Commissioners of Customs for the collection and management of the Customs, throughout the whole of the Presidency of Bombay," the Offices of Collectors of Continental Customs and Excise, and Collector of Sea Customs of Bombay have since been abolished, and the charge of the whole Sea and Land Customs, and Salt Excise of the Presidency has now been placed under a single Commissioner,

In what authorities vested at the time of the Salt Commissioner's visit in March, 1854.

In the Island of Bombay, no separate European Agency was employed in aid of the Collector.

On the Continent, a Deputy Collector and five Assistant Collectors were entertained under the Collector.

Duties of the Collectors.

Duties of the continental Deputy Collectors.

Each European officer on the Continent had charge of a circle of Talookas.

And held his head-quarters within the limits of his charge.

New system resolved upon soon after the Salt Commissioner's arrival, and the reasons for it.

The charge of the whole Customs and Salt Excise placed under a single Commissioner, aided by three deputies and ten assistants.

aided by a European Establishment consisting of three Deputy-Commissioners, of whom two are Covenanted and one is Uncovenanted, and 10 Uncovenanted Assistants. Among these, all acting in subordination to the Commissioner, the whole Department is distributed as follows:—

Charge of the senior Deputy, aided by six Assistants.

237. The Senior Deputy, aided by six Uncovenanted Assistants, has the charge of the Customs of the Port of Bombay. As these are engaged in no Salt Duties, it is unnecessary to notice them further.

Charge of the two other Deputies.

238. The two other Deputies divide between them the immediate executive charge of the whole Customs and Excise of the Presidency, exclusive of the Customs of the Port of Bombay.

One, aided by two assistants, superintends the Southern Division, each having charge of a circle of Talooks.

239. The entire range of the Deputy who superintends the Southern Division extends from the Portuguese boundary of Goa, on the south to the Portuguese limits of Damaun on the north. The Excise Duty of the Island of Bombay forms a part of the charge of this Deputy. He holds his head-quarters in the Island of Caranja, which is opposite the Island of Bombay, and in the very centre of his principal Salt-producing districts. He has under him two Uncovenanted Assistants, each in charge of a circle of Talooks; the head quarters of one being at Bassein, of the other at Vingorla. He has also himself the direct charge of a circle of Talooks, which he manages without the intervention of an Assistant.

The other, with two assistants, superintends in like manner the Northern Division.

240. The remainder of the coast northwards from the Portuguese limits of Damaun, forms, together with the Salt Works on the Runn of Cutch, the charge of the other Deputy Commissioner, whose head quarters are at Surat. He also has under him two Uncovenanted Assistants, each in charge of a circle of Talooks; one stationed at Gogo, the other at Surat; and himself manages a circle of Talooks without the intervention of an Assistant.

The limits of the personal charges of the several European officers and their duties.

241. The limits of the personal charges of the several Officers composing the European Agency are described in a Statement* annexed. Their business is, as it was under the old arrangements, to visit periodically each Talook or District of their respective circles; to examine the books and accounts kept at the several works; and to inspect the several Salt pans, compare the stock at each with the books, and see that all the heaps are numbered and entered.

Saving by the change in the European portion of the Agency.

242. In a financial view, the change in the European portion of the Agency has been attended with a saving of rupees 1,533 per mensem, equal to rupees 18,396 per annum, as shown in a Statement† annexed.

Difference in other respects between the old and new arrangements.

243. In other respects, the difference between the old and the new arrangements may be generally described as follows:—

Superseded system described.

244. Under the superseded system, there existed, in some localities, an Establishment for the collection of Sea Customs, and another for the Salt Excise, though, not unfrequently, the local head of the Customs was also local head of the Salt Department, or he was, in some instances, entrusted with the management of the Preventive Department of the Salt Establishment. But, in whatever way the duties of the head Officers might be distributed, the Establishments, as regarded all subordinate Officers, were in all cases entirely distinct. In the Continental Customs and Excise Department, the Covenanted and Uncovenanted European Agency, of both Salt and Customs, was vested in the same individuals, but their salaries were debited in fixed proportions to both Departments. The proportion was arbitrarily fixed at one-third to the Salt Department, and two-thirds to the Customs; but as, of late years, the realizations in the Customs' Department have not exceeded one-seventh of the realizations in the Salt Department, and by far the greater part of the time of the Covenanted and Uncovenanted Officers has been occupied by the affairs of the Salt Department, the charge was not by any means fairly divided.

New system described.

245. Under the new system, the Establishment for the Salt Duties is not distinct from the Customs' Establishment. In localities where Customs only are leviable, the duties of the Establishments

* Appendix D.

† Appendix E.

now retained are, from circumstances, necessarily connected solely with Customs. Where at a distance from any seaport, the Establishment retained at the Salt Works performs no Customs' duties; and lastly, where Salt pans are in the near neighbourhood of a seaport, the Establishment performs indiscriminately both Customs and Salt duties. Generally, throughout the Konkan Provinces, the duties of Customs and Salt are, more or less, intermixed. In Guzerat, most of the Salt Works are situated at a distance from seaports, and there of course the Establishments have no Customs' duties to perform.

246. The advantages of the new system are described to be numerous. In the first place, there is only one preventive Establishment which protects both the Customs and Salt Revenues. There is only one Accountant's Establishment: one local head officer in many cases fulfils duties formerly divided between two, and the Sea Customs' and Salt Departments of the Island of Bombay, which formerly existed as two distinct Departments, now only form, with the Customs' and Salt of the late Continental Department, parts of one centralized system.

Advantages of the new system.

247. This centralization of authority, accompanied by a re-distribution of the Establishments, will also, it is expected, lead to great efficiency in both Departments without any increase of expenditure. As an instance, it may be stated, that in 1850 the Collector of Continental Customs and Excise estimated that an increase of 1,15,491 rupees per annum was necessary to place his Establishment on an efficient footing. But with a consolidated Establishment under the new system, equal efficiency, it is expected, will be secured without any, or with only a very trifling, increase to the existing aggregate cost.

248. The amalgamation and re-organization of the subordinate Native Establishments is a work which can only be carried out by degrees. The Commissioner has been authorized, in forming the new Establishments, to dispose of the whole expenditure sanctioned under the old system for the Native Establishments of the two Departments in whatever way may appear to him most conducive to the public interests. In some localities, the change has been already introduced, but for the most part it is still in progress.

The amalgamation and re-organization of the Native Establishments for the most part still in progress.

249. The scheme, however, does not involve any material alteration in the system of management at the works, or in the designations and duties of the several native officers employed at them; these may, therefore, be described as I found them, as follows:—

System of management at the Works, and designations and duties of the native officers employed at them.

250. Over each large Salt Work, or over several small detached works, a double Establishment, suited in strength to the extent of the works, is maintained, superintended in each Talooka or District by officers, termed Inner and Outer Darogas. The Establishment of the Inner Daroga is charged with watching production and store, with the care and custody of the Salt produced and stored, and with the delivery of the same upon written orders from the officers by whom the Duty is collected. The Establishment under the Outer Daroga is the Preventive Establishment, stationed at Chowkeys, established, under the provisions of Section 7, Act XXVII of 1837, in the immediate neighbourhood of each Salt Work (Agur) or group of Salt Works (Suza), the distance in each case being regulated by local circumstances, for the purpose of preventing any Salt from being removed from the pans, except the quantities passed by the orders of the Inner Establishment.

Over each large Salt Work, or several small ones, a double establishment, one for the manufacture, the other for prevention, superintended respectively, in each Talooka or district, by officers termed Inner and Outer Darogas.

251. Both branches keep separate accounts and records of their proceedings.

252. I annex a statement in detail of one of the Talook Establishments, the one entertained for the Salt Works of Talooks Patree and Ooroo, in the Collectorate of Ahmedabad, in the Province of Guzerat, distant four miles from each other, with a description of the duties of the several officers which compose it, from which, and

Statement in detail of the Establishment entertained for the Salt Works of Talooks Patree and Ooroo, by way of example.

by a reference to the plans* of those works, mentioned at paragraph 157, on which are shown the position of the Chowkeys, and the roads by which alone Salt is permitted to leave the works, the system of management pursued at the Salt Works in general will be more easily apprehended,

The cost of the above Establishment equal to 3 per cent. on the Collections.

253. The works in these two Talooks yield an annual Revenue of rupees 2,42,223. They are managed, it will be seen, with one Inner Daroga for both Talooks, and an Outer Daroga for each, with their respective Establishments, at a cost of rupees 613,4 per mensem, or rupees 7,359 per annum, being at the rate of 3 per cent. on the Collections.

Establishment entertained for the management of the several Salt Works in Talooks Patree and Ooroo, in the Collectorate of Ahmedabad, in the Province of Guzerat.

INNER ESTABLISHMENT.								
1	Daroga	..	..	117	0	0		
1	First Cutcherry or Office Karkoon	..	..	22	8	0		
1	Ditto ditto	..	..	18	0	0		
2	Subordinate ditto at 12 rupees each	..	..	24	0	0		
1	Ditto ditto	..	..	10	0	0		
1	Shroff	..	..	15	0	0		
1	Agur or Suza Karkoon	..	..	13	0	0		
2	Ditto ditto at 12 rupees each	..	..	24	0	0		
1	Ditto ditto	..	..	10	0	0		
Total—none—Vide paragraph 258, showing the duties performed by the Tolat.								
2	Stampers at 4 rupees each	..	..	8	0	0		
25	Peons at rupees 4 : 8 each	..	..	112	8	0		
1	Jemadar	..	..	12	12	0		
1	Havilda	..	..	6	8	0		
1	Ditto	..	..	6	0	0		
1	Naique †	..	..	5	0	0		
1	Hulkara	..	..	4	8	0		
1	Water Supplier	..	..	12	0	0		
1	Ditto	..	..	10	0	0		
1	Fursh	..	..	4	0	0		
1	Sweeper	..	..	1	0	0		
	Petty supply	..	..	15	0	0		
							450	12
OUTER ESTABLISHMENT FOR THE PATREE WORKS.								
1	Daroga	..	..	43	0	0		
1	Tolat or Weighman	..	..	8	0	0		
3	Nakadars at 6 rupees each	..	..	18	0	0		
4	Peons at rupees 4 : 8 each	..	..	18	0	0		
	Petty supply	..	..	0	8	0		
							87	8
FOR THE OOROO WORKS.								
1	Daroga	..	..	41	0	0		
1	Tolat or Weighman	..	..	8	0	0		
2	Nakadars at 6 rupees each	..	..	12	0	0		
3	Peons at rupees 4 : 8 each	..	..	13	8	0		
	Petty supply	..	..	0	8	0		
							75	0
Total rupees							613	4

NOTE. The Inner and Outer Darogas are partly paid by a commission of eight annas per cent. on the Excise recovered. The commission is included in their salaries above shown; their fixed salaries being as follows:—

Inner Darogas 40 rupees per month.
Outer Darogas 30 rupees each.

Inner Establishment.—Daroga.

Duties of the Inner Daroga.

254. This Officer is at the head of the Establishment entertained for watching the production, store, and delivery of Salt at the several works comprised in his Talook; for collecting the Excise Duty, Land Rent, and all other monies, and for keeping an account of the same. He pays his collections from time to time into the nearest Government

* Nos. 4 and 5.

† [Spelt also Naick.]

Treasury. If such Treasury be close at hand, the payments are made daily; if at a distance, they are made whenever the collections exceed a given amount.* He submits his accounts and makes all his reports to the European Officer of the District or Circle, and is expected to exercise a vigilant personal supervision over the Salt Works, and to see that all the Officers of his Establishment strictly perform their several duties. His salary varies from rupees 25 to 200 per mensem, according to the extent and responsibility of his charge.

First and Subordinate Cutcherry or Office Karkoons.

255. These are the Office Clerks and Accountants, who perform the Book-keeping, make up the periodical statements, and conduct the correspondence of the Daroga, all in the vernacular language, whether Mahratta or Guzerati. The first or head Karkoon, in the absence of the Daroga on other duties, is empowered to receive money, and perform other necessary routine duties. These functionaries receive from 8 to 30 rupees a month.

Duties of the office Karkoons.

Agur or Suza Karkoons.

256. These reside in the Salt Works or in their immediate vicinity. They take an account of the Salt as it is produced at the Agur (Salt Works), or Suza (group of works), under the particular charge of each. They have to see to the weighment and delivery of Salt from their Agurs or Suzas to parties who bring Permits and orders to them from the Inner Daroga, and they have also to keep an account of all Salt delivered, so as to be able to show the stock on hand at the close of the month. They also keep a register of the pans under their charge. Their pay is from rupees 8 to rupees 20 per month.

Duties of the Agur or Suza Karkoons.

The Shroff.

257. After the written applications for Salt, which are presented by the traders, have been numbered and registered in a book kept for the purpose, and the amount of duty to be paid for the quantity of Salt required has been calculated and noted on the back of the application by one of the Daroga's Karkoons, the application is taken to the Shroff, who having examined the correctness of the calculations receives the amount, which he credits in the cash-book, certifying the same on the back of the application, which is then sent to the Daroga, who, having examined it, grants the usual Permit in the form appended to Act XXVII of 1837, which, with an order for the delivery of the Salt, is sent to the Suzadar or Karkoon in charge of the Works. The pay of a Shroff is from rupees 6 to rupees 15 per mensem.

Duties of the Shroff.

Tolat or Weighman.

258. The duty of a Tolat, whose pay varies from rupees 6 to rupees 8, is to weigh or measure Salt with a steel-yard or in a measure, but at the works on the Runn the Brinjaries insist on having their Salt weighed with the hand-scale, and as this is done by parties who contract to do it at the rate of 8 annas per 100 maunds, the Government do not keep up a fixed establishment of weighing-men on the Inner Daroga's Establishment at the Works of Patree and Ooroo.

Duties of the Tolat or Weighman.

Stampers.

259. It is the duty of the Stampers to write on each pack the weight of the Salt contained in it before it is allowed to be moved from the Works.

Duties of the Stampers.

* In some localities the Sir Karkoons of Customs, having Treasuries under them, are entrusted with the duty of receiving payments on account of the Salt Excise, and in those localities the Daroga is prohibited from delivering Salt until the receipt of the Sir Karkoon of Customs has been produced.

Peons.

Duties of the Peons.

260. These are posted as guards at the Chowkeys within the Works, and one, two, or three of them are stationed in each Chowkey, as circumstances may require. Their duty is to watch the manufacture and stock of Salt. They have also to guard the Daroga's kutcherry and treasury, and to escort treasure when there is no Military Guard available, and some of them have to be in attendance when Salt is being weighed at the Works. The pay of a Peon is from rupees 4 to rupees 6 per mensem.

Jemadars, Havildars, and Naiques.

Duties of the Jemadars, &c.

261. These have to look after the Peons, to go the rounds at night, and see that the men under them at the Chowkeys are on the alert. The pay of a Jemadar is from rupees 8 to rupees 12, 12 annas; of a Havildar rupees 6 to rupees 9, and of a Naicue rupees 5 to rupees 7, 8 annas per mensem.

Menial Servants.

262. The remainder are Menial Servants, whose duties need not be explained.

Outer Establishment. Daroga and his Subordinates.

Duties of the Outer Daroga and his Establishment.

263. The Outer Establishment, stationed outside the Works, is quite independent of, and intended to act as a check upon, the Inner Establishment employed within the Works. The Daroga is the head of the Preventive Establishment entertained for the Salt Works of the Talook. His Chowkeys or Preventive Stations are situated at commanding spots, generally within half a mile or a mile of the Works. These Chowkeys are under the charge of the Nakadars (sometimes called Karkoons) and Peons. The duty of this Establishment is to see that no Salt leaves the Works unprotected by a Permit, or by other than the prescribed routes. If Salt be removed on bullocks, the Chowkey Officer counts the number of packs, which, with the weight marked on each, he enters in a book kept for the purpose, and if the aggregate weight agrees with the quantity covered by the Permit, he proceeds to test the correctness of the weights marked on the packs by weighing 10 per cent. of the whole, when, if the result is satisfactory, he allows the Salt to pass, noting the date on the back of the Permit, which is then returned to the trader. When Salt is removed in carts or in boats, the quantity contained in them is ascertained by cubic measurement, and the result entered in the Chowkey books. The Daroga patrols the Chowkeys under his charge at all times, and sees that his subordinates are at their stations and on the alert. The salary of the Darogas varies from rupees 15 to rupees 102 per mensem, according to the extent and responsibility of their charge. The salary of the Nakadars or Karkoons varies from rupees 6 to rupees 15 per mensem.

The foregoing descriptions general, and overlook exceptional cases.

264. The above description of the duties of the Native Establishments is general, and overlooks exceptional cases in which the duties are differently apportioned. The system of management at the works is essentially the same throughout the Province of Guzerat and in the Konkan; but, in the latter, where circumstances conveniently admit of it, the Sir Karkoons or Head Customs' Officers at the seaports do the duty of a Daroga in conjunction with their duties in the Customs' Department.

Establishment and system at the Salt Works of the Island of Bombay.

265. The Establishment entertained for the Salt Works of the Island of Bombay, which lie, as already stated, within a circle of 3 miles, is upon a somewhat different system. There are no Darogas. The works used to be under the immediate charge of a European Assistant Collector of Customs, and the whole Native Establishment, manufacturing and preventive, is superintended by a single Karkoon, receiving a salary of rupees 200 per mensem.

Cost of the entire Establishment of the Salt Excise Department.

266. The cost of the entire Establishment, European and Native, entertained in the Salt Excise Department, as it stood on the 1st of

May 1853, was rupees 13,944 per mensem, or rupees 1,67,328 per annum, as shown below:—

	Rupees.
Cost of Establishment for the Island of Bombay	1,141
Ditto for Guzerat and the Konkan	11,939
Average of Commission, at 8 annas per cent, on the gross collections of Salt Excise, paid to the heads of the several Native Establishments, viz., the Sir Karkoons and Darogas, in addition to their fixed salaries	864
	<hr/>
Total per mensem	13,944
	12
	<hr/>
Total per annum	1,67,328

267. This was the cost, under the old system, now in course of supersession, of the Native Establishments separately entertained in all cases at the Salt Works, and of one-third of the Covenanted and Uncovenanted European Agency, and their Ministerial Establishments, employed, in the Continental Customs and Excise Department, in the performance of both Salt and Customs' duties.

268. The process of watching, production, and store, and collecting the Excise remains to be described. Various accounts and books require to be kept in vernacular languages, at the several Salt Works, in connection with these duties; a list of which, together with forms of the same translated into English, is appended.*

269. While the newly produced Salt is lying in the pans, and on the ridges which separate them, it is under the care of the Government Establishment, and none is permitted to be moved except to be stored in the heaps (called rass) described in paragraph 170. Each of these heaps, as soon as commenced, is numbered, and the contents estimated, previous to the Salt being brought to account in the Government Books.

270. It has frequently been attempted to measure the Salt as it is thrown into the heaps, but this, it is stated, has been found to be impracticable without a great increase of expenditure, because in the manufacturing season, the Salt is ready to be removed throughout the whole Agur, or set of pans, at one and the same time, and is carried from the small ridges by troops of men, women and children, in baskets of various dimensions adapted to the strength of the individuals. The existing Establishments are considered to be quite incompetent to take any measurement of it, as they are usually employed at the same time in the delivery of Salt to purchasers.

271. But even if it were possible, which, with greatly increased expenditure, it is admitted it might be, to measure the Salt, as heaped, the desideratum of securing a correct account of the stock would, it is objected, be as remote as ever; first, because the Salt, when first gathered, is saturated with moisture, which continues to drain in the form of brine from the heap for weeks after it has been formed; and so causes a diminution of the original quantity stored; and again, because the heaps, or rass, are subject to constantly occurring casualties:

272. For instance, in the rainy season, notwithstanding that the rass may be efficiently protected from direct contact with water, still, Salt being of a deliquescent nature, it absorbs moisture from the air; and this moisture, it is stated, drains from the rass in the form of a strong brine, causing a considerable waste of substance:

273. If, accidentally, the rain penetrates into the rass, which, it appears, is far from being efficiently protected in all cases, of course the loss of substance is much greater.

274. But the greatest source of inaccuracy is alleged to be the occasional occurrence of an extraordinarily high tide, which, breaking the embankment, washes the foundation of the rass; and causes, in the course of half an hour, the loss of thousands of maunds of Salt.

275. From these causes it has been found, it is stated, quite impossible to keep an account of the stock of Salt sufficiently accurate

- Process of watching production and store, and collection of the Excise.

Each heap of Salt numbered, and the contents estimated.

Measurement of the Salt as thrown into the heaps not possible without great additional expense.

If it were possible, the object, viz., securing a correct account of stock, would not be attained, owing to wastage and casualties.

Such as wastage from dampness of the atmosphere.

Loss from penetration of rain.

Loss by bursting embankments.

The account of stock is, therefore, kept by estimate.

to serve as a perfect check on the deliveries; hence the alleged necessity of keeping instead an account of estimated stock.

The Estimate Book.

276. The estimate is taken monthly, and entered in a book called the "Azmaesh Kurda," or "Estimate Book."*

The Day and Delivery Books.

277. From this book the entries are transferred into the "Roz-khird," or "Day Book,"† and there balanced against the entries transferred from a third book, called "Map Kurda," or "Delivery Book."‡

Periodical examinations and adjustments of Stock.

278. At the close of the manufacturing season, in May, the balance of stock is examined by a Committee consisting of 3 or 4 Karkoons, and 1 or 2 manufacturers, who report in detail the number of heaps, and the quantity in each. The stock of Salt is again examined by a similar Committee on the 31st of August, and a third examination takes place on the cessation of the south-west monsoon, when the wastage from floods, deliquescence, or other causes is ascertained; and, after investigation by the Assistant Collector, reported to the Collector, who authorizes the writing off of the amount which he may be satisfied has been so lost.

279. In like manner, if, when the whole of a rass has been delivered, there be an excess or deficiency in the estimated quantity, it is adjusted in the Roz-khird,§ or Day Book, after the sanction of the European Officer in charge of the district, to whom each case of excess or deficiency is separately reported, has been obtained.

Salt not removeable without a Permit.

280. No salt is permitted to be removed from the rass or heap without the production of a Permit from the Officer authorized to grant it.

Process of obtaining a Permit.

281. Parties desiring to purchase Salt at the pans must, in the first instance, address to the Inner Daroga, or Head Native Officer of the manufacturing department, a written application,|| stating the quantity of Salt they require, the Agurs or Works from which they propose to take it, and its destination. Upon this, the necessary preliminaries (whether payment of excise, or execution of a bond or other document) having been fulfilled, the Permit¶ for delivery of Salt is granted, and the amount of duty brought to account in the "Khird," or "Cash Journal."**

282. When the Salt required is the produce of a Government Agur or Salt Work, the price of the same is paid in addition to the Excise Duty, and at the same time. If the Salt is the produce of a private Agur, the endorsement of the proprietor is required on the application of the purchaser.

Sale price of Salt at the pans.

283. The sale price of Salt at the different Salt Works may be stated as ranging from 9 pies to 2 annas per Indian maund.

Checks upon the Permits.

284. Act XXVII of 1837, under Section V, provides that no Salt shall be delivered from the Salt Works without an order from the Collector. This provision is so far complied with, that the Permits are all pre-signed by the Collector,†† or his Assistant; but the actual filling-up of these Permits is necessarily entrusted to native officers in the different districts. The blank Permits, bearing the seal and signature of the Collector or his Assistant, are bound up in convenient books, containing each from 50 to 200 printed Permits. A strict account of these blank Permits is exacted from the native officers entrusted with the duty of receiving the Excise and filling-up the blank documents. The counterfoil of each Permit is filed by the issuing officer, and periodically compared with the account of blanks kept at the office of his European superior.

Form of the Permit.

285. The Permit ¶ itself consists of two distinct orders, one of which is addressed to the officer in charge of the Suza, whence the Salt is to be delivered; and a third part with blanks, to be filled up by that officer.

What officer receives the duty, and grants the Permit.

286. The particular officer to whom the duty of receiving the Excise Duty, and granting the Permit is entrusted, varies at different

* Appendix F, No. 1.

† Appendix F, No. 2.

‡ Appendix F, Nos. 3, 4, and 5.

§ Appendix F, No. 2.

|| Appendix F, No. 6.

¶ Appendix F, No. 7.

** Appendix F, No. 8.

†† Now Commissioner or Deputy Commissioner.

localities. In some cases he is the Sir Karkoon or Head Native Officer of Sea Customs; in others, he is the Inner Daroga of the Salt Establishment, who is the district officer, having the general control of the manufacture and delivery of Salt from the pans.

287. The subject of the officer to whom the duty in question should be assigned, has been much discussed. It was argued, on the one hand, that the multiplication of checks secured by employing an officer not otherwise connected with the executive duties of the Salt Department, was advantageous; and, on the other, that simplicity and economy required that the duty should be performed by the district officer in charge of the Salt pans. Both plans have been acted on at different places.

Question as to the officer to whom this duty should be entrusted.

288. In future, under the new system, the receipt of Excise Duty, and the filling-up of the blank Permits must be entrusted to the Head Native Officer of the station in the manufacturing branch of the Establishment.

The officer who will perform it under the new system.

289. An Exporter of Salt, after paying the Excise, or executing, in the excepted cases, a bond or other prescribed document, proceeds with the Permit and Application to the Suza, and produces these documents to the Suza Officer, or Karkoon, who registers * their receipt, and proceeds to the Agur from whence the Salt is to be delivered. He carefully superintends the delivery, whether the same may take place by weight or measure.

Delivery of the Salt.

290. Here it is necessary to explain that Salt is delivered from the pans in some cases by *measure*, in others by *weight*. Salt delivered for removal by sea or by carts in the Konkan, is measured; that removed by pack-bullocks is weighed. The only reason for this diversity of practice is, that it has been found impossible to weigh large quantities of loose Salt from heaps widely distant from each other, no weighing machine, sufficiently simple or portable, having been as yet designed adapted for the work. On the other hand, it has been found much more easy to weigh salt transported by bullocks than to measure it. The tare of the empty packs being ascertained, they are, when filled, each weighed by a sort of steel yard easily moved from place to place.

Delivery in some cases by measure, in others by weight.

291. The Karkoon who superintends the delivery of the Salt, assisted by the Tolat (weighing man) and Peons, enters the weight or measure in a book called the "Map Khurda," or "Delivery Book." † When delivered by measure, the tally is taken for each ten measures. When delivered by weight, the weight of each pair of bullock-packs is separately entered, and the number and gross weight of each pair is marked on the pack in distinct figures.

Process of delivery.

292. When the delivery of the Salt is complete, the Suza Karkoon fills up the blanks in the third part of the Permit, ‡ and after tearing off the portion addressed to himself, which he files on the records, he gives the remaining portions to the Exporter, to serve for the protection of his Salt, and at the same time, returns the original Application to the Head Native Officer of the District, in the manufacturing branch, with an endorsement to the effect that the Salt to which the Application refers has been delivered. He then transfers the entry from his "Map Kurda," or "Delivery Book," § into the "Rozkhard," or "Day Book," || and there terminates his concern with the Salt.

Process after delivery.

293. The Salt, protected by the Permit, is now removed from the Agur. When the removal takes place in boats for trans-shipment into larger vessels in the neighbouring roadstead, the separate boat loads are protected by a "Purwanna," or "Warrant," ¶ under the signature of the Suza Karkoon, who is supplied, for the purpose, with a certain number of blank forms of the Purwanna bearing the Collector's seal, of which he is obliged to keep a strict account. The number of these purwannas, and the quantity of Salt covered by each, are endorsed on

Removal of the Salt—
process etc.

* Appendix F, Nos. 9 and 10.

† Appendix F, Nos. 3, 4, and 5.

‡ Appendix F, No. 7.

§ Appendix F, Nos. 3, 4, and 5.

|| Appendix F, No. 2.

¶ Appendix F, No. 11.

the third portion of the Permit,* which is not given to the Exporter until the whole quantity has been removed from the pans. When the Salt is intended for exportation direct in the same bottom, the whole quantity covered by one Permit must be laden in one boat.

Checks of the Preventive Chowkeys on Salt in transit from the pans.

294. The Salt now comes under the check of the Preventive Chowkeys. These Chowkeys are so placed as to command all access to the Salt pans, either by land or by water, and the Officers there stationed challenge all Salt which leaves the Salt Works, and examine the Permits by which it is covered. When the Salt is conveyed on bullocks, the number and weight marked on each pack are taken down, and entered in a book called "Teep Kurda" or "Check Book,"† and about 10 per cent. of the whole is re-weighed. If found correct, the Permit is endorsed by the Karkoon of the Outer or Preventive Daroga's Establishment, and the quantity covered by it is allowed to pass.

295. When the Salt is loose and conveyed in carts, or in boats, it is the duty of the Officers at the Preventive Chowkeys to measure the cubical contents of each cart or boat load, by thrusting an iron spit or rod into the Salt to ascertain its depth, which, being multiplied by the length and breadth of the whole, is reduced into Indian maunds, at the rate of $2,924\frac{1}{16}$ cubic inches per maund.

296. This mode of ascertaining the quantity of loose Salt is far from accurate; it gives, however, an approximation, and the Preventive Officers have the power, whenever their suspicions are at all excited, of ordering the re-measurement of the whole quantity.

Additional check on the delivery of Salt exported by sea. *

297. It may be here proper to notice another check which is held over the correct delivery of Salt exported by sea. The Exporter is furnished with a certificate specifying the quantity of Salt, and amount of Excise Duty paid. On arrival at the Port of Import, it is universally re-measured, and any excess is detained and reported.

Patrols to prevent Smuggling.

298. Besides the guard kept at the several Chowkeys, nightly patrols are made by the Preventive Daroga, accompanied by some of the Havildars and Peons, and guard boats attached to the Preventive Department also ply in the creeks, which in many cases are found close to the Salt Works, in order to prevent smuggling by the sea-board.

Penalties strictly enforced in the case of Salt removed without a Permit, or found in excess of the Permit.

299. When Salt is removed without a Permit, or is found in possession of any party in excess of the Permit, either by the Preventive Officers at the Chowkeys, or at the port of import, confiscation and the other penalties provided by Act XXVII of 1837, and Act XXXI of 1850 are strictly enforced.

Salt once beyond the Chowkeys not liable to question, except upon strong suspicion.

300. The Preventive Chowkeys, as has been seen, are placed close around the Salt Works, and Salt once beyond the Chowkeys, whether in transit or in store, is not liable to examination or question, except upon strong suspicion of its having been smuggled from the works, or across the frontier; nevertheless, the Permit provides for a protection of such reasonable time as may be necessary to allow of the Salt reaching its destination. When examination is resorted to, the course of proceeding prescribed by Section 9, Act No. XXVII of 1837 is followed; but such cases seldom arise.

Frontier Customs' Chowkeys. •

301. With the view of preventing the importation by land of unexcised Salt from foreign territories across the frontier, as well as for securing the realization of the general Customs' Revenue, lines of Chowkeys are maintained on the frontiers of the Portuguese territories subject to Goa and Damaun, and on the north-western frontier of the Presidency.

The Customs' Chowkeys on the Portuguese Frontiers, some preventive, some for the collection of duty on Salt and other goods.

302. The Chowkeys, or Posts, on the Portuguese frontiers are some of them preventive, and some for the collection of the duty on Salt and other goods. The Salt imported from these territories is the produce of regular Salt Works established on the coast within them. The Revenue collected on the Damaun frontier, is trifling, less than a thousand rupees per annum, as, in consequence of the Salt being inferior to that which is produced at the works in the British Terri-

* Appendix F, No. 7.

† Appendix F, No. 15.

teries, little or no Salt is brought to the Customs' Stations in Guzerat for the payment of duty. But, on the Goa frontier, a Revenue of rupees, 89,874 is realized as Customs on Salt brought from the Portuguese Territory.

303. The north-west frontier line extends along the eastern border of the Great and Little Runn of Cutch, from Mhonsury on the Marwar frontier to Unwarpoora, and from Patree along the Kattywar frontier, southward as far as Talaja on the coast below Gogo.

Extent and direction of the N.W. Frontier Customs' line.

304. The Establishment on the Runn frontier is entirely preventive against Salt only. It is entertained with the view of excluding from consumption, within the Bombay Presidency, the Salt which is spontaneously produced in immense quantities on the surface of the Runn, where it extends beyond the British limits. This peculiar produce is known as "Ghussialoon," being obtained partly by scraping the soil, but the name is also applied to Salt of a superior description, spontaneously produced in the beds of Salt streams which flow into the desert.

The Runn portion of the above line entirely preventive against Salt only, and established with the view of excluding the spontaneously produced Salt of the Runn where it extends beyond the British limits.

305. Before means were adopted for the exclusion of this Salt from the Bombay Districts, it interfered somewhat with the legitimate trade of Salt in the Runn, and its consumption in the Bombay Territories; and it still finds its way to a very considerable extent into, and through, the Joudpoor and Marwar Territories beyond the British control. It is principally produced in the bed and immediate neighbourhood of the river "Lonee," which falls into the Runn at its extreme north-western point, and supplies the country to the north, until it is met by the Salt of the Great Sambhur Lake to the north of Ajmere near Jeypoor.

Country supplied by the above Salt.

306. The Establishment on the Kattywar frontier is partly for the collection of the Duty on Salt, but principally to prevent untaxed Salt from Scinde, Cutch, and Kattywar, from crossing over, and entering Guzerat. The Revenue realized as Customs is very trifling, less than 1,200 rupees, on Salt alone, no other goods being subject to duty on this frontier.

The Kattywar portion of the N.W. frontier line is partly for the collection of the duty on Salt, but principally preventive against Salt only.

307. Particulars of the frontier lines will be found in a Table* in the Appendix.

Particulars of the Frontier lines.

308. The cost, in the Salt Department, of the Native Establishments entertained for the collection of the frontier duties, is rupees, 3,311 per mensem, or rupees, 39,732 per annum, which being added to the cost of the Establishments entertained in the Salt Excise Department, as shown at paragraph 266, gives a total charge, on account of Establishments in the Salt Department of rupees, 17,255 per mensem, or rupees, 2,07,060 per annum.†

Total charge on account of Establishments for Excise and Customs on Salt.

309. It should here be noticed that all the Salt used in the Kaira Collectorate, or carried through it, is manufactured at works in Cambay; and that, on the Salt produced at those works, the Bombay Government receives an Excise of only 5 annas, 11¼ pies, per Indian maund. To account for this, it is necessary to explain that the city and port of Cambay, with the adjacent district is foreign territory, in the Revenues of which the British Government is interested, as having succeeded to the Mahratta chouth, or tribute. His Excellency the Nawaub of Cambay, on the introduction of the Salt Excise, refused

Arrangement with the Nawaub of Cambay, by which the Bombay Government is entitled to a duty of 5 annas 11¼ pie per Indiau maund, on all Salt produced at his works.

* Appendix G.

	Rupees.
† Cost of Establishments for the collection of the Salt Excise	13,944
Ditto for the collection of Frontier Duties	* 3,311
	<hr/>
Total per mensem	17,255
	12
	<hr/>
Total per annum	2,07,060

* It has since been ascertained that the proportion of this charge debited to Salt is only rupees 2,171 per mensem, which reduces the total monthly and annual charges here shown to rupees 16,115, and rupees 1,93,380 respectively.

to make any alteration in the rates levied at his Salt pans. The Bombay Government thereupon placed a line of frontier Chowkeys, which prevented the ingress of Cambay Salt into the British Territories; but a considerable quantity continued to be carried into the Territories of the Guicowar; and, after some negotiation, the Nawaub agreed to levy the Bombay rate of Excise, if he might appropriate one-half. This was acceded to, as, on the whole, an advantageous compromise. Under this arrangement, the Bombay Government is entitled to an Excise Duty of 6 annas per Indian maund on all the Salt produced at works in Cambay; but the Nawaub established a claim to an additional huck, or due, amounting to $\frac{3}{4}$ of a pie per maund, by which the share of the Bombay Government, in the Excise Duty of 12 annas, was reduced from 6 annas to 5 annas, $11\frac{1}{4}$ pie, the rate now received. Thus it happens that this portion of the Bombay Salt Revenue comes neither under the Salt Excise levied on the manufacture of the Presidency, nor under the Customs' Duty levied on foreign Salt crossing certain frontiers, but is in the nature of a Revenue derived from foreign Salt, in a particular instance, without the intervention of Customs' Posts, upon an amicable arrangement considered to be mutually beneficial.

Total deliveries of Salt from the Works of the Bombay Presidency, and those in Cambay, in the year 1852-53, with particulars of the same.

310. According to a statement* appended, the total deliveries of Salt from the Works of the Bombay Presidency, and those in Cambay, in the year 1852-53, being the latest year for which I have been able to obtain an account, amounted to 41,50,553 Indian maunds, of which 7,09,059 maunds were delivered from the pans in the Island of Bombay, and 34,41,494 maunds from the continental works. Of the total deliveries, 28,56,801 maunds were taken by sea and land for consumption in the Interior, which includes the whole home consumption of the Presidency, on payment of the full Excise of 12 annas per maund, excepting the portion produced at works in Cambay, on which an Excise of only 5 annas, $11\frac{1}{4}$ pies, was received—viz., from the pans of the Island of Bombay, 15,976 maunds; and from the works on the continent, 28,40,825 maunds. The exports by sea to Calcutta, paying the full Excise of 12 annas per maund, amounted to 4,00,018 maunds, of which 2,67,433 maunds were exported from the Island of Bombay, and 1,32,585 maunds from the continent. The exports by sea to British ports under the Madras Presidency, paying only a charge of 3 pies or a $\frac{1}{4}$ anna per maund, to cover expenses, amounted to 4,34,576 maunds—viz., from the Island of Bombay, 3,20,790 maunds; and from the continent, 1,13,786 maunds. The exports to foreign ports under the Madras Presidency, paying a duty of only 1 anna per maund, amounted to 4,53,698 maunds, of which 99,400 maunds were exported from the Island of Bombay, and 3,54,298 maunds from the continent. The deliveries for free export to ports in the Straits of Malacca, and to other places beyond the Continent of India, amounted to only 5,460 maunds, the whole from works in the Island of Bombay. The total deliveries for export by sea beyond the Presidency thus amounted to 12,93,752 maunds—viz., 6,93,083 maunds from the Island of Bombay, and 6,00,669 maunds from the continent.

Gross Revenue—
Charges—Net Revenue.

311. The total gross Revenue for the year amounted to rupees 24,62,262, the charges to rupees 2,03,995,† and the Net Revenue to rupees 22,58,267. The gross Revenue gives an average Excise rate of nearly $9\frac{1}{2}$ ‡ annas per Indian maund on the total deliveries, and the charges are equal to about $8\frac{1}{4}$ § per cent. on the gross collections. The gross Revenue of the Island of Bombay was rupees 2,23,781; the

* Appendix H.

			Rupees.
† Establishments	..	..	1,90,322
Other charges	..	..	13,673
Total charges			Rupees 2,03,995

‡ Obtained by dividing rupees 24,62,262, the gross revenue, by Maunds 41,50,553, the total deliveries.

§ Obtained by charging rupees 2,03,995 on rupees 24,62,262.

charges rupees 20,496, or $9\frac{1}{2}$ per cent. on the collections, and the Net Revenue; rupees 2,03,285. The gross Revenue of the continent was rupees 22,38,481; the charges 1,83,499, or $8\frac{1}{2}$ per cent. on the collections; and the Net Revenue, rupees 20,54,982.

312. The charges for Establishment, as exhibited in the Statement* under consideration, are not however reconcilable with the cost of Establishments, as shown at paragraphs 266 and 308, which is taken from a Statement furnished to me, purporting to exhibit in detail all the Establishments entertained in the Salt Department. According to this latter Statement, the total cost of the Salt Establishments, as they stood on the 1st of May 1853, was rupees 2,07,060. According to the present Statement, the total charges against the Salt Revenue on all accounts, incurred in the year 1852-53, were rupees 2,03,995, of which only rupees 1,90,322 were for Establishments, and the remainder, rupees 13,672, were on other accounts. Possibly, the cost of the Frontier Establishments, amounting to rupees 39,732 per annum, though exhibited in full in the Establishment Statement, is charged only in part against the Salt Revenue, and in some proportion against the Customs' Revenue, as they are essentially Customs' Establishments, entertained for the collection of the duty on other goods besides Salt. If the whole cost on this account were deducted from the Establishment Statement, the cost for Establishments, as exhibited in that Statement, would be reduced considerably below the amount charged to the same head in the present Statement.†

Discrepancies between the charges for establishment exhibited in the statement, and those shown at paragraphs 266 and 308 explained.

* 313. A part of the discrepancy may also, perhaps, be accounted for by the consideration that that portion of the remuneration of the Head Native Officers which is paid in the shape of Commission, is not always of the same amount, but fluctuates with the amount of the collections. In a Statement furnished to me, purporting to show the actual charges of collection of the Salt Revenue of the Presidency, for the years 1841-42 to 1848-49, the amounts vary from rupees 1,63,368 in the lowest year, to rupees 2,10,216 in the highest, and the fluctuations apparent in each year are stated to be principally owing to the cause above mentioned.

314. The cost of the Establishment entertained for the Salt Works of the Island of Bombay, according to the Establishment Statement, corroborated by other papers furnished to me, was only rupees 13,692 per annum; but, according to the present Statement, the charge actually incurred for the Salt Establishment of the island, in the years in question, was rupees 18,556. Possibly, this great proportional difference is also reconcilable by allowing for one or both of the causes of discrepancy above surmised; but it seems improbable.‡

315. The same discrepancies occur taking the similar Salt Revenue Statements for previous years. I presume that the present Statement must be accepted as exhibiting the charges actually incurred against the Salt Revenue in the year 1852-53, for Establishments, and on all other accounts.§

316. As might have been expected, nearly the whole produce of the works in the Island of Bombay is exported by sea for foreign consumption, that is, for consumption beyond the limits of the Presidency—only 15,976 maunds, out of the total deliveries from those works, amounting to 7,09,059 maunds, being taken for consumption in the Interior. On the other hand, out of the total deliveries from the continental works, amounting to 34,41,494 maunds, only 6,00,669 were exported by sea for consumption beyond the limits of the Presidency, the remaining 28,40,825 maunds having been taken for

Distribution as regards consumption of the Excised Salt produced in the Presidency.

* Appendix H, column 23.

† It has since been ascertained that the cause here supposed, affords the true solution of the discrepancy.

‡ It has since been ascertained that the present statement contains the charges actually incurred in 1852-53, while the Establishment Statement exhibits the reduced charge after that year.

§ It has since been ascertained that this assumption is correct.

consumption in the Interior. A portion of this latter quantity, it may be presumed, was consumed in the Interior beyond the limits of the Presidency, both in British and Foreign territory; but what proportion of the Excised Salt of Bombay manufacture is so consumed there are no accounts to show. Thus, of the total deliveries, amounting to 41,50,553 maunds, the deliveries for Home, or Interior, consumption amounted to 28,56,801 maunds, and for Foreign, or Exterior, consumption to 12,93,752 maunds.

Imports of Foreign Salt—their extent and distribution.

317. In the same year, according to another Statement appended,* the imports of foreign Salt by sea amounted to 12,635 maunds, viz. to the Port of Bombay 11,056 maunds, and to the continental ports 1,579 maunds. By land, the imports amounted to 1,20,981 maunds, to the continent only, making a total of foreign imports amounting to 1,33,616 maunds. The total Customs' Revenue realized from these imports of the Excise rate of Duty, viz. 12 annas per Indian maund was rupees 1,00,212, of which rupees 9,476 was realized on Salt imported by sea, and rupees 90,736 on Salt brought by land. The imports by sea to the Port of Bombay were almost entirely from the Persian and Arabian Gulfs; those to the continental ports were entirely from Cutch and Scinde, Goa and Damaun, The total quantity imported by sea was small, and nearly the whole came from the Persian and Arabian Gulfs. The importations by land were across the Goa, Damaun, and Kattywar, frontiers; but nearly the whole quantity was imported across the Goa frontier, the importations across the other two frontiers having been trifling in the extreme.

The proportion of charge on account of frontier Establishments, should rather be exhibited in this Statement.

318. No charges are exhibited in this Statement, but it appears to me, that, if a proportion of the cost of the Frontier Establishments is charged against the Salt Revenue, it should be exhibited in this, rather than in the other, Statement, as being a charge against the Customs on Salt, and not against the Excise on that article.

Total net Revenue by Excise and Customs derived from Salt, and percentage rate of charges.

319. The imports of Foreign Salt being added to the deliveries of Home Salt, the total deliveries are raised to maunds 42,84,168.† The Customs' Revenue being added to the Excise Revenue, the gross collections are raised to rupees 25,62,474,‡ and the Net Receipts to rupees 23,58,478.§ The rate of the charges on the gross collections is at the same time reduced from about 8¼ to nearly 8|| per cent., and the average rate of duty realized is raised from a little under to a little over 9½¶ annas per maund.

* Appendix J.

				Maunds.
Home deliveries	..	..	..	41,50,553
Foreign Imports ..	..	..	..	1,33,615
Total	..	..	..	42,84,168
				Rupees.
Excise	..	..	..	24,62,262
Customs	..	..	..	1,00,112
Total	..	..	..	25,62,474
Excise	..	..	..	22,58,266
Customs	..	..	..	1,00,112
Total	..	..	..	23,58,478

|| Obtained by charging rupees 2,03,995 on rupees 25,62,474.

¶ Obtained by dividing rupees 25,62,474, gross collections, as above, by maunds 42,84,168, total deliveries, as above.

SECTION III.

ON THE FITNESS AND EFFICIENCY, OR UNFITNESS AND INADEQUACY, OF
THE EXISTING SYSTEM AND ARRANGEMENTS.

320. I HAVE been thus particular in describing the system in the Bombay Presidency, and tracing its history and progress, because the existence of a system of Excise upon the manufacture of Salt in that Presidency is relied upon as affording the best proof of the feasibility of substituting a similar system of private manufacture, for the manufacture on account of the Government, in the Presidencies of Bengal and Madras; and because, if a system of Excise is to be substituted in those Presidencies, the arrangements in force in the Bombay Presidency will serve as a guide for the measures proper to be taken in order to effect the change.

Reasons for the great particularity which has been observed in the foregoing description of the Bombay system of Excise.

321. Whatever may be the case in the other Presidencies, the history of the Salt tax in the Bombay Presidency presents, no forbidding features; on the contrary, it bears the impress, throughout its course, of an enlightened and beneficent policy, except in the aspect that the taxation of an article necessary to subsistence is not justifiable upon any degree of fiscal necessity.

A short review of the narrative, showing that the history of the Salt tax in the Bombay Presidency presents no objectionable features, but, on the contrary, bears the impress of a beneficent policy.

322. In the year 1823, when the Bombay Government first submitted to the Court of Directors a proposal to introduce a Salt monopoly into that Presidency, on the Madras system, with a prohibitory duty on all foreign Salt, and a high rate of tax on the home-made article, the Court positively refused to sanction the measure, on the ground that, in the infant state of the newly acquired territories, constituting the larger portion of the Presidency, any such taxation of Salt was premature, and would be felt as grievous and oppressive.

323. When, subsequently, it was again proposed to enhance the duty on Salt, and to alter the mode of raising the Revenue, the objects of the measure expressly were, merely to provide a commutation for the more vexatious and oppressive exactions levied on the inland trade of the Presidency, and, in effecting this commutation, to put an end to the varying, unequal, and complicated methods of collection which then prevailed, and to realize the Revenue according to one simple principle, that of a fixed duty upon the manufactured article.

324. Accordingly, in introducing the measure, the monopoly system, though it existed in the Bengal and Madras Presidencies, was rejected, and the freer system of an excise upon the manufacture was preferred; a moderate consolidated duty, based solely upon a careful calculation of the rate which would suffice to provide the amount of substitute for the Inland Customs, was imposed on home-made Salt; the same rate of Customs was laid on all foreign Salt, a free trade in the article being thus established; and, simultaneously, the Transit Duties heretofore levied were completely and comprehensively abolished, throughout the Presidency, and all its native dependencies. The result of the commutation, it has been seen, was not an increase of Revenue but an annual sacrifice of income to the amount of rupees 2,51,607, without taking into the account various very objectionable taxes, to the annual amount of rupees 6,78,312, previously relinquished without an equivalent. Provision was also made for preventing the tax from pressing with undue severity on fishermen engaged in the trade of salting fish.

325. Again, when the rate of Excise and Customs was raised from 8 annas to 12 annas per Indian maund, which is still the rate,

the object of the measure, expressly, was to provide a commutation for the Town Duties, Mohturpha or taxes on trades and professions, and other multifarious exactions, as full of inequalities, anomalies and complications, and as liable to abuses, as the Transit Duties had been. The law had raised the duty to 1 rupee; but, before that rate came into operation, orders were received from the Court of Directors positively interdicting a higher rate than 12 annas. This commutation has also been attended, so far, with an annual sacrifice of Revenue to the amount of rupees 3,56,781, and on the whole, the annual deficiency in the Revenue of the Presidency, at the present time, by the abolition of various imposts of a far more objectionable character than the Excise upon Salt, amounts, after allowing for the compensatory income derived from that source, to rupees 11,69,426, or £116,942. The only extraordinary impost which remains in the Bombay Presidency is the special duty levied on Tobacco imported by sea, or across any of the causeways, into the Island of Bombay for internal consumption. This tax yields a net annual Revenue of about rupees 90,000, and a proposition from the Bombay Government to abolish it is now under the consideration of the Government of India.

326. On the whole, then, the only grounds of animadversion and regret, in connection with the establishment of the Salt Excise, in the Bombay Presidency, seem to be that the measure was not introduced, and carried out to its full extent at an earlier date, and that the period of its gestation and delivery, and progress to maturity, should have been so long protracted as to retard for many years the relief it brought to the population of the Presidency; for it cannot be denied (to quote from a public journal of the day) that the re-distribution of the burden of taxation, involved in the original measure, and in the subsequent enhancement of the duty, was both judicious and equitable, and that the incubus on the prosperity of the Presidency which was taken off was far more heavy and crushing than the load which was laid on.

Reasons which may be supposed to have led to the adoption of a system of Excise in deviation from the examples of monopoly afforded by the other Presidencies, and the propriety of the choice.

327. It was of course very desirable to ascertain upon what precise grounds a system of Excise was preferred in deviation from the examples of monopoly afforded by the other Presidencies; but upon this point all that is to be gathered from the records is, that the Government of Bombay appear to have been led by the Court's refusal to sanction a monopoly, to consider the system of duties collected at the places of manufacture, and that the conclusion arrived at was that such a system was not incompatible (to use Mr. Bruce's words) "with an efficient, mild, and economical realization of the public Revenue," while in itself it had great advantages over any other plan. Indeed, in comparing the two modes of Monopoly and Excise, the only question to be solved was, in which of the two the difficulties of preventing smuggling would be the greater, and the Bombay Government seem to have decided that the difficulties would not be greater under a system of Excise than under a monopoly.

328. I have not been able to discover that any reasons were assigned for this decision, and, in their absence, the question arises, whether the decision was a correct one. I see no cause to doubt that it was, or that the Excise system, under proper restrictions, is calculated to work as beneficially for the Revenue as a monopoly. After a practical investigation of the mode of manufacture, and of the Excise and monopoly arrangements applied to that mode in the Bombay and Madras Presidencies, respectively, I have been unable to perceive why a larger or more expensive force should be required to watch production, and protect and collect the Revenue, when individuals manufacture freely for themselves, than when they manufacture exclusively for the Government, or what facilities for illicit practices exist in the one case which do not equally exist in the other; or why, the agency being necessarily of the same character in both cases, it should be less trustworthy, or less efficient in the one case than in the other; and I have no doubt that it was on these obvious grounds that Mr. Bruce and the Bombay Government in concurrence with Mr. Bruce, came to the conclusion that,

(Professions) in the latter, the produce is now a free salt as soon as manufactured, in the latter, he will have to

BOMBAY.

551

on the one hand, nothing was to be gained financially by the establishment of a monopoly, to compensate for the disadvantages of an exclusive system; while, on the other, an Excise upon the manufacture, besides being equally productive as a fiscal measure, would obviate the necessity of a vexatious, troublesome, and expensive disturbance of existing private rights, and be attended with the other advantages incidental to a free system. The propriety of the choice made seems to me to admit of no question.

329. How far the Excise works well in fact, and is well arranged, has next to be considered.

The working and arrangement of the Excise considered.

330. On this point the chief test should be the extent to which the Salt consumed pays, or evades, the duty; but this, unfortunately, is a test which cannot be applied with any confidence, for it is not possible to reduce the extent of smuggling to the proof of figures. From the comparative moderation of the price, the consumption of Excised Salt in the Bombay Presidency is supposed to be comparatively large, and has been estimated at 16 lbs per head, but I am at a loss to discover how any approach to an estimate has been arrived at, since both the elements necessary to the calculation are wanting. In the first place, of the deliveries for consumption in the interior, the proportions consumed, respectively, within and beyond the limits of the Presidency cannot be discriminated, as is repeatedly admitted in the records; and in the next place, the number of the population of the Presidency is by no means accurately known. To pretend to fix the Excised consumption per head when the data are so utterly defective, or rather, when there are in fact no data, seems to me to be purely mischievous.

On this point, the chief test is the extent to which the Salt consumed pays, or evades, the duty. This test considered.

331. According to a statement * appended, the average deliveries for consumption in the interior, taking the latest three years, viz., from 1850-51 to 1852-53, amounted for one year to 27,35,866 Indian maunds, equal, at 82 $\frac{2}{3}$ lbs. to a maund, to 225,122,688 lbs. The population of the Presidency, according to a census taken by the several Collectors on the 1st of January 1846, and by the Police of the Island of Bombay on the 1st of May 1849, was found to be 8,204,502;† but this number does not appear to have included the population of Sattara and Sinde, and is probably in other respects not so accurate as the number adopted in Campbell's "Modern India," viz., 9,210,272, excluding Sinde,‡ where Bombay Excised Salt is not consumed. If, therefore, the whole Salt delivered were consumed by the inhabitants of the Presidency, the consumption per head would be about 24 $\frac{1}{2}$ lbs. This, however, is by no means the case, for a portion of it supplies the consumption both of British and Foreign territory beyond the limits of the Presidency.

Comparing the deliveries with the population of the whole tract supplied by them, the inference seems to be that a considerable portion of the consumption is supplied by Salt which has evaded the payment of the duty.

Page 229.

332. It has been deduced from information derived from reliable sources,§ that the Salt of the western coast is carried to great distances, in various directions, before it is met by that from Bengal, from the Sambhur Lake, and from Madras. The points to which the supply extends have been ascertained approximately to be Oujein in Malwa; Khyraghur to the eastward of Nagpore; and Kurnool in the Madras Territories, on the southern border of the Nizam's country. Direct lines connecting these points with each other, and with the coast would

* Appendix K, column 8.

† Collectorates	7,638,383
Island of Bombay	566,119
Total	8,204,502
<hr/>	
‡ Regulation Provinces	8,151,048
Non-regulation Provinces, excluding Sinde .. .	1,059,224
Total	9,210,272

§ See Chapman's "Cotton and Commerce of India," Pages 316 and 317.

include the greater part of the Nizam's Territories, of the Province of Nagpore and of Malwa, as coming within the market of the western coast, and supplied chiefly from the British Salt Works on that coast. A very considerable portion of the deliveries, it may therefore be concluded, finds its way beyond the limits of the Presidency,* and comparing the deliveries with the population of the whole tract, within and without the Presidency, supplied by them, the inference would rather seem to be that the excised consumption per head cannot be very large, and that a considerable portion of the actual consumption must be supplied by the illicit introduction of Salt which has evaded the payment of the Duty.

The Imports of Salt into the Island of Bombay in 1852-53, give a low rate of consumption per head in that quarter, and indicate a lower rate elsewhere.

333. It appears that the total quantity of Salt imported for consumption into the Island of Bombay, in the year 1852-53, amounted to 58,720 Indian maunds, equal to 4,831,817 lbs. Taking the population at 566,119, which includes children as well as adults, this gives a consumption of scarcely more than $8\frac{1}{2}$ lbs. per head, which is a low rate; and if this is the excised consumption per head in the Island of Bombay, where, as in other populous places, a large quantity of Salt is used in curing meat and fish; making pickles, and for other miscellaneous purposes, it may be supposed that in other parts of the Presidency, where the article is only used as a condiment, the rate is even lower.

*28. Where 7/20
as the jail prison
not used, let it be*

In 1846 and 1848, the Court of Directors draw the attention of the Bombay Government to the progressive decline in the deliveries of Salt from 1843-44 to 1846-47.

334. In a dispatch dated the 18th of November, 1846, reviewing the administration of the Salt Revenue for the years 1843-44 and 1844-45, the Court of Directors pointed out to the Bombay Government that the large falling off in the deliveries of Salt demanded their instant and serious attention, and directed a searching inquiry to be immediately instituted for the purpose of ascertaining the causes; and in a subsequent dispatch, dated the 19th of July, 1848, continuing the subject, they stated that they considered it of the utmost importance that the causes which had led to the progressive decline in the deliveries of Salt, from the year 1843-44 to the year 1846-47, should be clearly ascertained, so as to show whether the decrease had to any extent been occasioned by the illicit introduction of Salt which had evaded payment of the Excise, in which case proper measures of prevention should at once be adopted, or whether the enhancement of the duty from 8 annas to 12 annas per maund in the first of the above-mentioned years had in reality led to a reduced consumption among the people.

100 in the 8 1/2

The inquiry, extending to 1850, made in consequence, showed the local officers to be generally of opinion that the contraband trade had increased.

335. From the inquiry made in pursuance of the Court's orders, it appeared that the local officers differed much in their opinions on the subject, all professing to have little, or no, data upon which to form an accurate decision; but, generally, they came to the conclusion that the increase in the Excise must have had a tendency both to diminish consumption, and increase the contraband trade.

The Members of the Government took the same view, and attributed the existence of the extensive smuggling, supposed to exist, chiefly to the inefficient superintendence of the Collector.

336. The Members of the Government took the same view, and recorded the following, among other, observations on the general subject, in their respective Minutes, dated in July and August, 1850—

The Governor's opinion.

The Governor wrote—"I may observe, however, that the effect of the Salt Excise on consumption cannot be ascertained till the extensive smuggling which is supposed to exist shall have been put an end to."

Mr. Willoughby's opinion.

Mr. Willoughby observed—"Act XXXI of 1850, passed on the 9th of this month, embodies most of the provisions we have sought for, for the protection of the Salt Revenue, and I am hopeful that we shall soon be satisfied of the beneficial effects of that Act, in an

* In 1826, Mr. Bruce computed that not less than one-half of the whole quantity of Salt produced in the Bombay Presidency was consumed in Foreign territories, dependent upon that Presidency for their supply. This estimate seems to rest upon no authoritative data; but whatever was the proportion then, it may safely be concluded that it is much higher now.

increase of Salt Excise, proportionate to the diminution of the contraband trade, which may be expected to accrue.

“But we must also rely on the zeal, vigilance, and activity of the chief officers of Excise for the protection of the Public Revenue, without which all laws will be inoperative.”

“From the reports we have received, I am by no means satisfied that this Department is efficiently conducted, and I must add that, as far as our records show, the advantages which were anticipated from the appointment of several Uncovenanted Assistants to the Collector of Continental Customs and Excise have not been realized. These officers should be directed to be constantly on the move, supervising the conduct of their subordinates, and adopting all practicable measures for the suppression of the illicit trade, which is believed to be very great, especially on the Goa and Demaun frontiers.”

Mr. Blane wrote—“Adverting to Mr. Willoughby’s remarks on the management of the Continental Customs and Excise Department, it is much to be regretted that the present Collector has not afforded us that satisfaction to be wished for in so important a charge. Particular instructions will, I think, be found to have been issued regarding the duties to be performed by the Uncovenanted Assistants, but it is to the efficiency of the superintendence of the Head of the Department to which we must look for activity and diligence on the part of the subordinates; and whether to be attributed to the absence of this or other causes, I regret to participate in the impression entertained by Mr. Willoughby, that the advantages anticipated from the appointment of that class of functionaries have not been fully realized.”

Mr. Blane’s opinion.

And the Governor rejoined—“I agree in the opinions expressed by my Honourable Colleagues. I think, however, a good Collector would make good Uncovenanted Assistants; or, if the materials were bad, satisfy us as to the fact, and as to the propriety of exchanging them for others of the same or a different class.”

The Governor’s re-

“I hope the last injunctions we gave Mr. — may have some effect in inducing him to exert himself.”

337. In the year 1849, various frauds and irregularities, carried on by the Native Establishment of the Salt Works at Penn, were discovered and investigated, and measures were proposed for the correction of abuses. The Court of Directors, in reviewing these proceedings, in a dispatch dated the 2nd of June, 1852, wrote as follows:—

In 1849, various frauds on the Salt Revenue were detected, and severe strictures were passed on the lax supervision of the Collector.

“In the investigation of this matter, Mr. Shaw, late Commissioner of the Northern Division, displayed a degree of care and judgment highly creditable to him. The various members of your Government also appear to have given the case a large share of their attention.”

“The measures that have been adopted for preventing the recurrence of similar irregularities by a thorough revision of establishment, and amendment of detail arrangements, appear well calculated to ensure success.” * * *

“The Collector of Continental Customs and Excise, Mr. — has exhibited a great want of vigilance and attention to his duties; and you have found it necessary to convey to him strong expressions of your displeasure and disapprobation in consequence. * * * In the justice of your strictures we entirely concur.”

338. In a letter dated the 29th of January, 1851, reviewing the Salt Excise returns for the year 1849-50, Mr. Shaw, the Revenue Commissioner of the Northern Division, showed that the utmost consumption of excised Salt in the Island of Bombay in that year amounted to 49,217 maunds, giving a consumption for each individual, on a population of 5,66,000, of only 7 lbs. 2 oz. 1 dr.

In 1851, Mr. Shaw, the Revenue Commissioner of the Northern Division, on a review of the Salt Excise returns for 1849-50, recorded an opinion that the Revenue was in a very precarious position.

339. The consumption at 20 lbs. per head, he showed, would have been 1,38,048 maunds, at 11½ lbs., 78,728 maunds, and at 15 lbs.,

1,03,536 maunds, the actual excised consumption of 49,217 maunds being, as compared with those quantities, less than the

1st., by 88,832 maunds ;
2nd, ,, 29,511 ditto ; and,
3rd, ,, 54,319 ditto.

He stated that $11\frac{1}{2}$ lbs. per annum, being at the rate of $\frac{1}{2}$ an ounce per diem, was, as far as he could ascertain, the lowest rate of individual consumption, and he thought 15 lbs. per head a low estimate, considering the wealth of the place, the extent of the shipping population, and the quantity of Salt required for use in staple articles of trade, viz., in pickling mangoes and curing bumbaloes and other fish.

340. Upon these calculations and other considerations, he recorded the following opinion :—

“It is clear to my apprehension, that the Revenue derived from our Salt Excise is in a very precarious position, and that Government has in vain sacrificed Transit Duties, House and Trade Taxes, Town Duties, and all Customs, &c., at intermediate ports, thus relieving the commerce of the country from many pressing and objectionable taxations, in the hope of still realizing a compensating income by the light Excise on Salt of 12 annas on $82\frac{7}{8}$ lbs. weight of the condiment.”

Opinions of Mr. H. Young, Commissioner of Salt Revenue in the Bombay Presidency in 1854, as to the forms and extent of smuggling.

341. The following are Mr. Young's opinions on the forms and extent of smuggling, conveyed, in reply to my inquiries, in a letter dated the 27th of March, 1854—Mr. Young, at the time of my visit to Bombay, was Commissioner of Salt for the entire Presidency, a new office, then just created :—

“There can be no doubt that the illicit removal of Salt from the pans is by far the most extensive form in which smuggling takes place. There is little or no illicit manufacture, and illicit importation of Foreign Salt is almost entirely confined to the clandestine introduction of Salt by land, across our frontiers.

“It is, for obvious reasons, impossible to state with anything like confidence, to what extent smuggling may exist. Opinions on this point vary greatly ; before expressing my own, I would beg to draw your attention to a Statement which I append, which exhibits a statement of all cases of smuggling which have been officially inquired into, during the three years ending 1851-52, and which affords the only positive clue I can give you to the actual extent of smuggling.”

Some illicit importation of Foreign Salt takes place by land, in Mr. Young's opinion, but none by sea.

“As regards illicit importation of Salt, the produce of other countries, I can find no ground for believing that any such importation takes place by sea ; that it does occur by land cannot be doubted. A reference to the Statement of smuggling cases adjudicated, shows that attempts to import Salt from Demaun and Goa are not unfrequently made, and they are of course not altogether unsuccessful ; but I can express no opinion as to the quantity thus introduced into our territories, further than to state that I do not believe it to be so great as materially to injure the Salt Revenue.”

“The danger is most serious in the neighbourhood of the Runn, the spontaneous production of Salt in the independent territories on the north of that desert, has been long a subject of uneasiness, and may eventually call for the adoption of additional precautions.”

The chief smuggling, Mr. Young thinks, is from the Salt pans of the Presidency, not on a large scale, but by petty depredations, entailing on the whole a heavy loss on the Revenue.

“The illicit removal of Salt from the Salt pans within our own territories, is an evil which meets us everywhere, and one which will probably be never altogether got rid of. Smuggling on a large scale is not, in my opinion, often attempted : the passing of Act XXXI of 1850 has tended powerfully to check systematic and wholesale frauds ; but the Government is, on the whole, a heavy loser by petty smuggling and pilfering, and, above all, by the dishonesty and collusion of its Native Establishments. Indeed, without such connivance, no loss of any consequence could be incurred under present arrangements.”

342. The following figures, taken from a Statement * appended, show the deliveries of Salt for each year from 1842-43 to 1852-53 :—

YEAR.	Deliveries for Interior Consumption	Deliveries for Exterior Consumption	Total Deliveries.
1842-43 ..	29,18,406	13,25,646	42,44,052
1843-44 ..	30,14,025	11,73,107	41,87,132
Average ..	29,66,215	12,49,376	42,15,592
1844-45 ..	24,15,016	13,58,108	37,73,124
1845-46 ..	24,94,170	14,04,349	38,98,519
1846-47 ..	21,57,177	12,91,922	34,49,099
Average ..	23,55,454	13,51,459	37,06,914
1847-48 ..	29,99,063	15,02,361	45,01,424
1848-49 ..	25,86,984	12,20,536	38,07,520
1849-50 ..	26,43,564	15,34,609	41,78,173
Average ..	27,43,203	14,19,168	41,62,372
1850-51 ..	25,87,262	14,87,415	40,74,677
1851-52 ..	27,63,463	11,71,511	39,34,974
1852-53 ..	28,56,873	13,09,036	41,65,909
Average ..	27,35,866	13,22,654	40,58,520

The decline in the deliveries, as shown by an appended Statement extending from 1842-43 to 1852-53, notwithstanding the increase of population in these 11 years, indicates that a considerable portion of the consumption is met by an illicit supply.

343. Confining the examination to the deliveries for consumption in the interior, it will be seen that they were higher in the year 1843-44, the last full year of the eight-annas rate of Excise than they have been in any subsequent year at the higher rate of twelve annas, and that the average of the two years to 1843-44 exceeded the average of the next three years, from 1844-45 to 1846-47, by 6,10,761 maunds; of the following three years, from 1847-48 to 1849-50, by 2,23,012 maunds; and of the latest three years, from 1850-51 to 1852-53, by 2,30,349 maunds, the average being somewhat less in these last three years than in the previous three years.

344. As the population must have increased progressively, and; on the whole, considerably; in the 11 years in question, the decline in the deliveries indicates either a very considerable progressive diminution in the actual consumption, or a very considerable progressive increase in the illicit consumption. There has, possibly, been some diminution in the individual rate of consumption, but it can hardly be doubted that, on the whole, there must have been a progressive, and a great, increase of consumption, proportioned to the progressive increase of population, which has been met by an illicit supply.

345. The series of averages would have been more complete if the Statement had commenced with the year 1841-42 (a year earlier); and it would have been better, I may here observe, to have compiled a Statement of financial results in a corresponding form, and for the same period; but the materials furnished to me did not admit of this, and I was compelled to prepare the financial statement† in a different form, and for a shorter period.

346. The appended Statements of all contraband cases officially inquired into, during the 3 years ending with 1853, appear also rather to indicate the activity of smuggling than the efficiency of prevention.

Two appended statements of contraband cases officially adjudicated in the three years ending with 1853, indicate activity of smuggling, rather than efficiency of prevention.

* Appendix K.

† Appendix H.

347. It will be seen that 1498* attempts to introduce Foreign Salt clandestinely, by land, across the several frontiers,† and 856‡ attempts to remove Salt illicitly from the Salt Works of the Presidency,§ were brought to notice, and adjudicated, in the 3 years in question, involving seizures, the former to the extent of 3,621 maunds, the latter to the extent of 10,075 maunds. As might have been expected, the introduction of Foreign Salt prevails chiefly in Guzerat, and the smuggling of home-made Salt principally in the Konkan.

The conclusion from the foregoing analysis of facts and opinions is, that the Excise has not hitherto worked well, owing, however, to defective arrangements, and not to the unsuitableness of the system.

348. From the foregoing analysis of facts and opinions, it is clear, that, according to the actual results, and the concurrent testimony of successive high functionaries, as well as of the local Officers, the administration of the Salt Excise in the Bombay Presidency has not hitherto been successfully conducted, and admits at present of much improvement. This want of success is not, however, to be attributed to the unsuitableness of the system, under proper restrictions, but to defective arrangements, such as, under a monopoly or any other mode of raising the Revenue, would have equally conducted to the same insufficient results.

The defects enumerated and considered.

349. These defects have consisted in the division and diversity of control, in weak and ill-paid Native Establishments, in the inadequacy of the law for the protection of the Salt Revenue, more especially in leaving the manufacture absolutely free, and in inefficiency of superintendence.

First, division and diversity of control; and, second, weak and ill-paid native Establishments.

350. The first of these defects has lately been cured by placing the whole sea and land Customs, and Salt Excise of the Presidency under the control of a single Commissioner,|| a measure which is well calculated to promote the efficiency of both Departments, as it concentrates the management under one high functionary, and widens the range of selection for the post, enabling the Government to command the services of their best and most experienced officers for it. The improvement of the Native Salt Establishments is in progress in connection with this change, the additional expense being met by reductions on the Customs' side, so as, on the whole, to involve little, or no, increase on the present charge. This is a measure, which has long been imperatively called for, and should now be carried out without stint, as the protection of the Revenue must always mainly depend upon securing the efficient and honest service of the Native Establishments employed at the Salt Works.

Third, inadequacy of the Law, until August 1850, for the protection of the Revenue.

351. With respect to the inadequacy of the law for the protection of the Revenue, it has been seen from paragraphs 139 to 144 of this Report, that the Bombay authorities pointed out in August 1844, on the occasion of the duty being enhanced from 8 annas to 12 annas per Indian maund, that it would be necessary, in consequence, to enact more stringent rules against smuggling, and to place some restrictions upon the manufacture. This necessity was repeatedly felt, and pressed upon the legislature, afterwards, but it was not until August 1850, when six years had elapsed, that the provisions sought for were embodied in Act No. XXXI of that year. The effect of these provisions on the deliveries could scarcely have begun to develop itself in the two years succeeding the enactment of the law to which the Statement extends.¶

			No. of Cases.	Quantity Seized.
* Guzerat	..	..	1,083	2,000
Konkan	..	..	415	821
Total	..	..	1,498	3,621

† Appendix L.

			No. of Cases.	Quantity Seized.
‡ Guzerat	..	..	162	418
Konkan	..	..	694	9,656
Total	..	..	856	10,075

§ Appendix M.

¶ See Paragraphs 235 to 248.

¶ Appendix K.

352. On the remaining point, it is clear, from the inquiries and opinions which appear on the records of the Bombay Government, that the Salt Excise of, at least, the continental portion of the Presidency has laboured during a long period under the disadvantage of being very inefficiently superintended. This impairing element had been in operation, apparently, for some years in 1850, and was not obviated until the Customs' and Salt Departments were completely amalgamated, and placed under one controlling head, in the person of Mr. Henry Young, in March 1854. This gentleman possessed every qualification for the office in a very high degree; and I feel sure that under his management the administration of the Salt Excise would soon have been placed on a very improved footing; but Mr. Young was in a few months translated to the office of Chief Secretary to Government. The best system will not succeed under lax and incapable superintendence, and it cannot be expected that the Salt Excise of the Bombay Presidency will become properly productive until its administration is more vigilantly and efficiently controlled than it has hitherto been. The importance of the Customs and Excise Commissioner's charge, and the necessity for placing it in able hands, may be estimated, when it is stated that it extends over an annual Revenue of between 50 and 60 lacs of rupees, and Establishments numbering nearly 4000 individuals; these Establishments being scattered throughout the whole extent of country from Goa towards the south to the northern extremity of the Runn of Cutch, a distance of more than 500 miles, in which space there are no fewer than 35 sea ports, and 126 groups of Salt Works.

353. It has been shown, at paragraph 319, that the expense of realizing the Salt Revenue in the latest year, 1852-53, amounted to nearly 8 per cent. on the gross collections. This is considered a high rate of charge. In what proportion it is high as compared with the cost of monopoly management in Bengal and Madras will appear hereafter. In England, according to the evidence given by Sir Francis Doyle, the Chairman of the Board of Excise, before the Parliamentary Committee which sat in 1836, the cost of collecting the Salt Excise, when it existed, was under three per cent. The additional expenditure about to be applied to the improvement of the Native Establishments will increase the cost of management, except in so far as it may be met by the diminished expense* of the European agency; but the increase of Revenue which may be expected from the greater efficiency and honesty of the Establishments should conduce to a reduction in the percentage rate. The present high cost of management is chiefly chargeable to the scattered position of the works. They were found, when the Excise was introduced, dispersed all over the country, and very little has since been accomplished in the way of concentrating them in the best localities, owing to the difficulty of satisfying existing interests and claims in detached works, and to there having been no law, prior to 1850, empowering the parties in any way to control, or regulate, the manufacture.

354. I proceed to record, as briefly as possible, some observations and suggestions on the remaining more prominent parts of the system and subject.

355. Although in the Bombay Presidency the Salt Revenue is realized in the shape of an Excise on the produce, levied when it is removed for consumption, the manufacture, it has been seen, is not absolutely free. Under the Regulations first enacted, any person might manufacture and store Salt at any place, and in any quantity however small, simply upon giving notice of his intention to the Collector of the district. Notice having been given, the Collector had no power to prohibit the manufacture, or to place any restrictions upon it.† But at present, no new work can be established, and no old works which were not in use when the existing law was passed, or which may have been abandoned since for three consecutive years,

Fourth, lax and inefficient superintendence for many years previous to March 1854.

Cost of collecting the Excise positively high. The scattered position of the works a chief cause.

Observations and suggestions on the remaining more prominent parts of the system and subject.

Restrictions. The manufacture, though not absolutely, is essentially free. The existing restrictions do not admit of being relaxed.

* See Paragraph 242.

† Sections 2 and 3, Act XXVII of 1837.

can be re-opened, without the permission of the Government, and the Government may, at its discretion, suppress any Salt Work which does not, on an average of any three years, produce yearly at least 5,000 maunds of Salt.*

356. These restrictions do not admit of being relaxed in the least; they are, as experience has proved, indispensably necessary as a security against smuggling, and in order to keep the expense of Establishments within due bounds. At the same time, they leave the manufacture *essentially* free. I do not find that even the most uncompromising assailants of the Indian Salt monopolies have ever contemplated the possibility of substituting a system of Excise which should leave the manufacture *absolutely* free.

The power of suppressing Salt Works producing less than 5,000 maunds yearly, should be more fully exercised.

357. The power of suppressing Salt Works producing less than 5,000 maunds yearly, first granted to the Bombay Government in August, 1850, has scarcely been resorted to at all. The first measure of the Commissioner of the Salt Revenue should be to suppress at once all works conducted upon a lower scale of extent than the above, which are not so grouped with larger works as to allow of their being supervised without any additional expense. There are numerous detached works which admit of being closed under this rule, and their suppression would conduce to concentration, and to a considerable reduction in the cost of management.

Taking Stock. The weak point in the system is, that a sufficiently correct account of the Stock of Salt on hand is never secured.

358. The weak point in the Bombay system of Excise is, that a sufficiently correct account is not secured of the Stock of Salt on hand at a given time, at any given place. On this subject Mr. Young writes as follows:—

Mr. H. Young's remarks on the consequences of this defect.

“ * * * * *. Wanting this, we have no means of bringing our officers to book, and we are obliged therefore, in some measure, to place ourselves in their hands. European Agency in carrying out the details of the storing and delivery of Salt is out of the question; and all that we can do is to create as many checks and counter-checks as the means at our disposal allow.

“ Constant attention has been turned to this point ever since the introduction of the Salt Excise system. A strict system of book-keeping, involving independent entries by many hands, made at divers times and places, a preventive Establishment independent of the ordinary executive officers at the pans, constant changes of appointments from place to place, and many other devices have been, and are resorted to; but all such means are evidently insufficient, so long as opportunities which must occur are availed of, to permit traders to remove a percentage more than they are entitled to; intentional errors in the tally, or overweight in the scales, are frauds against which we cannot secure Government, so long as the stock account continues, as it must continue, imperfect.”

The objections to weighing or measuring the produce into store considered insufficient. The adoption of the Madras method of weighing into stock, and adjusting the stock account, recommended.

359. The causes which operate to prevent a sufficiently accurate account being kept of the Stock of Salt are described in paragraphs 270 to 275 of this Report. The produce is not weighed or measured into store, but is booked up by estimate. It is objected that it could not be measured as stored into heaps without a great increase of expenditure, and that even if it were measured into store, the loss from wastage and other casualties would constantly vitiate the stock account.

360. I am not satisfied of the sufficiency of these objections. In the Madras Presidency, where the process of manufacture and storage is precisely similar, the produce is measured into heaps of 10 garce or 1200 maunds. The heaps in the Bombay Presidency vary from 200 to 3,000 maunds, and there seems to be no reason, therefore, why, on the whole, the produce should not be measured into store at the Bombay Works with as much facility, and at as small a cost, as at the Madras Works. Nor should there be any greater difficulty than at Madras in keeping up the subsequent account.

* Sections 6 and 7, Act XXXI of 1850.

361. The mode in which stock is periodically taken and adjusted has been described in paragraphs 278 and 279. The adjustments are based upon mere estimates, and the quantities written off exhibit great variations, fluctuating, in the eleven years from 1842-43 to 1852-53, from 66,654 maunds in the lowest year (1844-45) to 5,10,275 maunds in the highest year (1849-50), as shown in a statement* in the Appendix.

362. It is obviously of the greatest importance to the protection of the Revenue, that the Salt produced should, in the first instance, be weighed or measured into store, if it can possibly be accomplished, and I would suggest that the Bombay Government be instructed, in communication with the Madras Government, to adopt the method of measuring into store, and adjusting the stock account, which prevails in the latter Presidency, or to report why that method, the system of manufacture and storage being the same in both Presidencies, is inapplicable or impracticable.

363. It has been seen that the rate of Excise Duty fixed by Law is one rupee per Indian maund, and that this rate has been reduced by a notification of the Bombay Government to 12 annas a maund. It has also been seen that the Law requires that the Excise shall be levied before the Salt is removed, and that in cases of Salt taken for export to Bengal this rule is not observed, 4 months' credit being allowed, under a bond, for the payment of the Duty. In some cases also of export by sea beyond the Presidency, a much less duty than 12 annas is levied, and in other such cases, free export is allowed. In 1852, the Advocate-General at Bombay being called upon to advise to what extent the practice in these respects was legal, and whether it, or any part of it, required to be legalized by enactment, gave it as his opinion that the reduction, by Government Notification, of the tax from the amount fixed by legislative enactment was illegal, and that any practice in the mode or time of payment of the tax, varying from that directed by the Act, was illegal also, and that to legalize it a fresh enactment was necessary. The Draft of a new Law was accordingly prepared to meet these difficulties. This Draft-law, which is still under the consideration of the Bombay Government, and the papers † connected with it, are appended.

364. With very great diffidence, I venture to differ from the opinion of the Law Officers of the Bombay Government, as to the necessity of the proposed Law. It appears to me that if the Government chooses to relinquish any portion of a tax, or to grant any indulgences in the time or mode of its payment, it is at liberty to do so. In other words, the Government may, I conceive, take less, though it cannot exact more than the Law prescribes. At all events, it is not a question which is likely to be ever raised. Moreover, I am about to propose in the sequel, that no Excise Duty be levied on Salt taken for export by sea beyond the limits of the Presidency. The Law relating to the Salt Excise, might however, be consolidated with advantage in one new enactment, and the opportunity might be taken of substituting any necessary alterations as to the rate of duty, and the free removal of Salt in certain cases. The present Draft might be taken as the nucleus of the new enactment.

365. By law, † the Excise on Salt, is leviable by weight and not by measure; but the latter process is in partial use to facilitate and expedite its removal in large quantities. The practice is, to deliver all Salt taken for exportation by sea by measure, all other Salt being delivered by weight. The reason for this diversity of practice, is explained to be the impossibility of weighing large quantities of loose Salt, for export, from heaps widely distant from each other; while, on the other hand, it has been found much more easy to weigh Salt, transported by bullocks, than to measure it, the filled packs being weighed by a sort of steel-yard, and the tare of the packs being deducted.

Levy of Duty.—The levy of duty below the amount fixed by Law, and after removal of the Salt from the pans, declared by the Law Officers of the Bombay Government to be illegal.

But their opinion questioned. A consolidation of the Law in one new enactment nevertheless desirable.

Weighing and Measuring.—By Law, the Excise on Salt is leviable by weight, but measurement is also in use. Reason for the mixed practice.

* Appendix K, Column 15.

† Appendix N.

‡ Section 2, Act XVI of 1849.

366. This explanation would not be intelligible without the further explanation that, for preventive purposes, the number and weight are marked on each pack or parcel of Salt conveyed on bullocks, or otherwise, by land. Except for the purpose of facilitating checks as the deliveries pass the preventive posts, it would not be necessary to weigh the packs, empty or filled. All that would be necessary would be, to weigh over the Salt to the purchaser, leaving him to fill his packs and remove them. What I suppose is meant, then, is not that the mode of conveyance alters the relative facilities of weighing and measuring, which would apparently be an absurd supposition, but that weighing, which is in the abstract the more tedious method, facilitates in certain cases certain other purposes. But this does not get rid of the other plain inference which the explanation suggests, viz., that if Salt can be weighed for carriage by land, it can be in no greater degree difficult, or, as is objected, impossible, to weigh it also for exportation by sea.

Lieutenant De Lisle's experiments to test the relative merits of weighing and measuring Salt. Balance of advantages in favour of measuring.

367. In 1851, two series of very complete and exact experiments were carried out by Lieutenant De Lisle of the corps of Engineers, under the orders of the Bombay Government, for the purpose of ascertaining the relative merits of weighing and measuring Salt. The conclusions he arrived at he stated, on the first occasion, in the following words:—

“On the whole, it appears that while weighing is superior in point of accuracy, measurement has the advantage in economy, in dispatch, in portability, in the first cost, and in the durability of the apparatus required; and may be depended upon within 3 per cent. of the original measurement either way.”

And on the second occasion as follows:—

“The advantage on the score of accuracy would therefore be still in favour of weighing, were it not for the concomitant disadvantage of a heavy outlay in the first instance, and the subsequent increase of expense on account of the longer time required for weighing, than for measuring, Salt.”

Lieutenant De Lisle's Reports appended.

368. Lieutenant De Lisle's Reports* are given in the Appendix, as containing, I believe, the only complete illustration, founded on a series of trials, of the difficulty experienced in India in checking the receipt and delivery of Salt, from the compressibility of the article, and from the variations in bulk and in weight, to which it is liable from atmospheric influence.

The Bombay Government direct that measuring be generally introduced, but revert eventually to the present mixed practice.

369. In December 1853, the Bombay Government, deeming it objectionable that the mixed practice of weighing and measuring which existed should be continued, directed that the system of measurement should be introduced as far as possible, two measures in every hundred being also weighed, in all cases of delivery by measure, to test the measurement. It being represented that this plan would be very inconvenient in some cases, the Government again decided, in February 1854, that two systems were not to be followed; that all Salt was to be delivered by measure; and that if, for the purpose of facilitating test by the preventive Establishment, it was necessary to weigh the packs when filled, they could be weighed, and the weight noted on them, including the weight of the packs. These orders, which in fact subjected a large proportion of the total deliveries to both the processes of measurement and weighing, being followed by numerous urgent complaints on the part of the trade, the Government were induced, in the following month, on the representation of the Commissioner of the Salt Revenue, to revert to the present mixed practice.

Mr. H. Young anxious to devise a method of delivering all Salt by weight only, but failed to mature his plan.

370. The Commissioner, Mr. H. Young, at the same time informed the Government that he was engaged in maturing a plan for the delivery of all Salt by weight only. The great difficulty he felt in the way of this reform was the inconvenience of weighing large quantities of Salt for shipment; but he thought this difficulty might

* Appendix O, Nos. 1 and 2.

be overcome by using sheet iron punts, or small lighters, so constructed as to indicate, by the depth of their submersion in the water, the exact weight of Salt with which they were freighted. If this could be accomplished, the object, he conceived, would be attained; as it would occasion no additional expense to the shippers, and the quantity taken away would be ascertained with the greatest possible facility. I understand, however, that Mr. Young has failed in maturing a practicable plan.

371. Lieutenant De Lisle's reports having been referred for the consideration of the Bengal Board of Revenue, that Board, in a very clear and concise review of the question, came to the conclusion that weighment, with all its disadvantages of slowness and expense, was more suitable to the state of things in Bengal than measurement. The Board's Paper* will be found in the Appendix.

The Bengal Board of Revenue, on a consideration of Lieutenant De Lisle's reports, decide that weighment is more suitable in Bengal; the Board's Paper appended.

372. I do not clearly perceive the object of the great anxiety for uniformity of process, for mere uniformity's sake. If one process is best adapted for a certain class of deliveries, and the other is best suited for another class of deliveries, it does not occur to me what possible objection there can be to each process being applied to the class for which it is best fitted. But, if uniformity is of importance, it appears clear to me that, following the whole results of Lieutenant De Lisle's experiments, all Salt in the Bombay Presidency should rather be delivered by measure than by weight, as is done in the Madras Presidency, where the circumstances are similar. In Bengal, weighment is more suitable; but for reasons which do not apply to the state of things in Bombay, as shown in the Paper† of the Bengal Board of Revenue already mentioned.

The objections to the mixed practice not apparent, but, if uniformity is of importance, measurement appears more suitable in the Bombay Presidency than weighment.

373. The sole obstacle in the way of introducing a uniform system of measurement seems to be the check of re-weighing at the preventive posts about 10 per cent. of the deliveries of packed Salt carried by land.‡ This obstacle appears to me so far from insuperable, that I am of opinion, and am about to propose in the sequel, that the practice be abandoned, as imposing an unnecessary vexation on the trade. Loose Salt conveyed in boats, for trans-shipment into larger vessels, for export by sea, is not subjected to any degree of re-measurement after its removal from the pans. Nor is loose Salt conveyed inland in carts or boats, in any degree re-weighed. At the best, therefore, very little must be gained by a partial re-weighment of the remaining deliveries carried in packs or head-loads. It seems to me that it would be a sufficient check to note on each pack its number, and the quantity of Salt contained in it, and to pass the packs at the preventive posts, without further detention, if their number and the quantities noted on them corresponded with the entries in the Permit. If the check at the Chowkeys were confined to this, there would be no necessity, in delivering the Salt, to weigh the packs, empty or filled; a certain quantity of Salt might be measured out for each pack, and noted on it.

The sole obstacle to the general introduction of measuring stated, and shown, to be easily removable.

374. With a view to the prevention of frauds on the Revenue, and to the protection, at the same time, of the trade from loss, a principal object of Lieutenant De Lisle's experiments was, to devise some uniform mode of measuring or weighing Salt in the Bombay Presidency, and at the Madras and Bengal Ports, which should ensure the delivery at the ports of import of the same quantity of Salt that was shipped for export, at least within narrow limits. The Bengal Authorities, it has been seen, came to the conclusion that the system of weighing which prevails in that Presidency could not be changed, more especially in the case of imported Salt. On exports to Calcutta, the full excise is levied at Bombay, without allowance for wastage, and the Bengal duty is levied on the quantity actually landed, after deducting the Bombay excise already received on that quantity. The

The introduction of some uniform mode of measuring or weighing Salt in the three Presidencies, a principal object of Lieutenant De Lisle's experiments.

* Appendix O, No. 3.

† Appendix O, No. 3.

‡ See Paragraphs 263 and 294.

exports to the Madras Presidency are confined to the British ports in Malabar and Canara, and to the foreign ports in Cochin and Travancore, all on the west, or Malabar, coast. With respect to the former, it was agreed between the Madras and Bombay Governments, that the Salt received from Bombay by the authorities in Canara and Malabar, for the service of the Madras monopoly, should be taken by the Bombay measure, with an allowance to the importers of 10 per cent. on the quantity exported, for loss by dryage and wastage. This rule, which seems to provide a sufficiently simple and equitable mode of adjustment, is applicable also to exports to those districts by private enterprise, and to Salt taken to the foreign ports on the Malabar coast.

Amendment of the Law, so as to allow of the Excise being levied optionally by weight or measure, recommended.

375. It is to be observed finally, on this subject, that, as by the present Law, Salt owners might insist on the Excise being levied by weight, it seems desirable that the Law should be amended on this point, so as to allow of the Excise being levied optionally by weight or measure, as is already the case with respect to the Customs* Duty levied on foreign Salt, whether imported by sea or land. It is true that owners, generally, prefer to have their Salt excised by measurement, which is supposed to give them an advantage over weighment of about 10 per cent.; but it might be productive of inconvenience to leave them at liberty to insist upon a particular process of ascertaining the quantity excisable.

Double Establishments. —One, within the works, to watch the manufacture; the other, a preventive force, surrounding the works. The merits of the system have been much discussed; a Collection of the discussions appended.

376. The merits of the double system of Inner and Outer Darogas is a question which has been discussed at much length in connection with the scheme† of re-modelling the entire Salt and Customs' Establishments of the Presidency. A collection‡ of some of the discussions will be found in the Appendix.

377. It has been seen that Salt is produced in 35 Talooks, or districts, of the Bombay Presidency, Talook being a minor territorial division of a Collectorate, and that these districts comprise 126 groups of Salt Works, each group consisting of one or more distinct sets of Saltpans, and the whole number of distinct sets of pans being 531.

378. These works are under the immediate executive charge of two Covenanted Deputy Commissioners, and four Uncovenanted European Assistants. The charge of each European Officer extends, therefore, on the average, over six districts, comprising 21 groups of works, composed of 88 distinct sets of pans, which gives an average of four sets of pans to a group of works.

379. Two distinct Establishments are attached to each group of Salt Works, of which one is employed within the works to watch the manufacture, and the other is a preventive force, located immediately outside, and around, the works, to act as a further check upon the illicit removal of the produce. Over the former of these Establishments, in each Salt-producing Talook or district, is placed a superintending officer called the Inner Daroga, and over the latter a similar officer called the Outer Daroga.

Mr. Shaw would dispense with the Inner and Outer Darogas, and intrust the whole superintendence to the Sir Karkoon or Head Customs' Officer.

380. Mr. Shaw, the Revenue Commissioner of the Northern Division, was at first of opinion, that both the Inner and the Outer Darogas might be dispensed with, and the immediate superintendence of the whole Native Establishment of each Talook or district entrusted to the Sir Karkoon or Head Customs' Officer of the same district.

Mr. Blane would dispense with the outer Establishment altogether, substitute a roving preventive force, and improve and strengthen the inner Establishment.

381. Mr. Blane, a Member of the Council, proposed to dispense with the Outer, or Preventive Establishment, surrounding each group of works, altogether, and to substitute a roving preventive force, applying the saving which might thus be effected to improving and strengthening the Inner Establishment. He considered the vital objection to the system to be the inadequate remuneration of the Establishments in charge of the works, and contended that double Establishments were wrong in principle, and delusive in operation. A second inspection of the Salt by the Outer, or Preventive, Establishment, he con-

* Act II of 1852.

† See Paragraphs 235 to 248.

‡ Appendix P.

sidered to be at once useless and vexatious, and maintained that the Government must collect its Excise while the Salt was in its hands, or be content to lose it, save in special cases, where evidence to justify a seizure of the Salt after it had been passed out of the works could be procured. His opinion, in short, was, that a stronger and better organized Native Establishment over the works, under a single superintendent, with greater activity on the part of the European Agency, would be more efficacious than two weak and ill-paid Establishments, each acting independently of the other under a separate Head.

382. Mr. H. Young, with whom Mr. Shaw subsequently concurred, contended, on the other hand, that the maintenance of the various cordons of preventive Chowkeys which surrounded the several groups of Salt Works, and which had been everywhere established after minute and laborious investigations into the peculiar circumstances of each group, as regards facility of access from the surrounding country, was essential to the safety of the Revenue; and he considered it equally essential that the Chowkey force should be separately supervised, and otherwise entirely independent of the Establishment employed within the works in watching the manufacture and superintending the delivery of the Salt. His proposition, in short, was to appoint in each Talook, or district, two independent superintending officers; one to control the Establishments employed at the Salt Works, and in the collection of the Revenue, whether of Customs or Excise; the other, to control the entire Chowkey force entertained to prevent all irregular removal of goods, whether in the Customs' or Salt Department.

Mr. H. Young, with whom Mr. Shaw subsequently concurred, would maintain the two Establishments, quite independent of each other, and under separate heads.

383. This proposition, which involved the combination of the duties of the Sir Karkoon, or Head Officer of Customs, and those of the Inner Daroga, or Supervisor of the Salt Excise, in one individual in every Salt-producing Talook, or district, in which they were then separately conducted, was approved and adopted by the Government.

Mr. Young's proposition adopted by the Bombay Government.

384. The differences in these discussions appear to me to present but little real distinction. A certain strength of Establishment is required at the Salt Works for the collection and protection of the Revenue, and in any organization of an Establishment under a single head it would be necessary to make adequate provision for the duties of prevention. The question, it would therefore seem, resolved itself at the most into this, whether the same duties could be performed, with equal efficiency, by the same aggregate strength of Establishment, under single, as under divided, superintendence; in other words, whether one of the two controlling officers could be dispensed with.

The differences in the discussions appear to present but little real distinction.

385. Mr. Blane's opinions are entitled to great weight; the official records attest both his practical acquaintance with the working of the Salt Excise system, and the interest he took in promoting its efficiency. His observations on the present question possess much force; but the Bombay Government appear to me to have decided correctly in adopting Mr. Young's plan. The preventive cordons surrounding the groups of works could not be relinquished with safety to the Revenue; nor could a single officer properly control the entire Salt Establishments of a district. Moreover, the complete separation of the preventive force from the Establishment employed in supervising the manufacture is an essential principle which should never be lost sight of, inasmuch as the disunion undoubtedly tends to promote the independent action of the former, and to diminish the opportunities of collusion and smuggling. At the same time, the combination of the duties of the Head Superintending Officers of Customs with those of the Head Superintending Officers of Excise, was quite a practicable and proper measure of economy. Mr. Blane seems to have overlooked that a second examination of Salt leaving the works, under Permits, is not the sole, nor the chief, business of the Chowkey force, but that its more especial duty is to prevent the clandestine removal of Salt not protected by a Pass.

Mr. Blane's opinions entitled to much weight; but the Bombay Government seem to have decided rightly in preferring Mr. Young's plan.

That plan should be at once extended to the Salt Works in the Island of Bombay.

Remuneration of Sir Karkoons and Darogas partly by a Commission should be discontinued, and liberal fixed salaries substituted. The appointment of a higher class of officers as Suzadars and Nakadars indispensable.

The practice of re-weighing the Salt as it passes the Chowkeys should be abandoned, and the check confined to the examination indicated in Paragraph 373.

Present practice of interfering with Salt beyond the Chowkeys illegal, except in illicit Salt Works, and should be relinquished, and the Permit should be taken and cancelled at the Chowkey.

386. The whole Native Establishment, manufacturing and preventive, employed at the Salt Works in the Island of Bombay, is superintended by a single Officer, styled a Sir Karkoon; but the entire separation of the preventive force, under an independent head, seems as essential there as elsewhere, and is a measure which ought certainly to be introduced at once.

387. In reorganizing the Establishments, the opportunity should be taken of discontinuing the practice of remunerating the Native Superintending Officers—viz., the Sir Karkoons and Darogas—partly by a commission of 8 annas, or a-half per cent., on the gross Excise collections, distributed rateably among them. Fixed salaries should be substituted, on a graduated scale, proportioned to the extent of the several charges, and of liberal amount, to secure honest and efficient service. The salaries of the Suza Karkoons and Naka Karkoons should also be raised to such a scale as would command the services of a more respectable class of men for these appointments. These Officers are, respectively, in immediate charge of a group of Salt Works, and of the preventive posts surrounding them. The system places, perhaps, the chief trust in their hands; but their pay is very small, varying from 8 to 20 rupees per mensem for a Suzadar, and from 6 to 15 rupees for a Nakadar—a scale of salaries in very low proportion to the amount of trust reposed in them. The appointment of a higher class of Officers as Suzadars and Nakadars is a point of paramount importance. Mr. Blane was quite right in regarding the inadequate remuneration at present assigned to these situations as a vital objection.

388. Mr. Blane was right also, as it seems to me, in his objections to a second inspection and partial re-weighment of the Salt in passing the Chowkeys or Nakas. The Salt has scarcely been weighed and passed by one set of Officers when 10 per cent. of the delivery is subjected to a second weighment by another set. This practice ought, in my opinion, to be discontinued, and the check confined to the examination indicated in paragraph 373. The Chowkey Officers should rather be employed in preventing the clandestine removal of unprotected Salt, than in harassing the fair trader with interference much more vexatious than profitable.

389. It has been seen that the Permit covering a dispatch of Salt provides for a protection of such reasonable time as may be necessary to allow of the Salt reaching its destination: that the Permit is indorsed in passing the Chowkeys by the Nakadar; and that Salt may be detained beyond the Chowkeys on strong suspicion of its having been smuggled from the works, or across the frontier.* These practices appear to me to be opposed to the Law. As I understand the provisions of Act XXVII of 1837, the Permit should be taken and cancelled at the Chowkey, being only required to clear the Salt of the works, where it is manufactured and pays the Excise; and Salt is not liable to question beyond the preventive limits, the rules relating to detention and confiscation being applicable, as it appears to me, only to Salt which has not passed the Chowkeys.

390. If I am correct in this view, the practice in force is illegal and should be amended. The Permit should provide for a protection only to the Chowkeys, where it should be taken and cancelled; and beyond the Chowkeys, Salt in transit, as well as Salt in store, anywhere, except in illicit Salt Works, should not, under any circumstances, be interfered with. It seldom happens, it is said, that Salt in transit, or in store beyond the Chowkeys, is detained; but any seizure of Salt beyond the Chowkeys, except in illicit Salt Works, appears to me illegal; and this I am of opinion is a very proper provision of the Law; there must be some limit to the inquisition; the Establishment within, and immediately surrounding, the works should be made strong enough to detect the first attempts at evasion of the Duty, and beyond the limits of the Establishment no interference whatever should be allowed.

* See Paragraph 300.

391. It only remains to be noticed under this head, that efficient supervision on the part of the European Agency is indispensable to successful management. Hitherto, under the old organization, adequate benefit, it has been seen, has not been derived from the employment of European Uncovenanted Assistants;* but under the new organization it may be expected that full advantage will be taken of the services of this class of functionaries.

Efficient supervision on the part of the European agency indispensable to successful management.

392. In 1829, in planning the Salt Excise, it was considered to be an essential part of the scheme that the Government should altogether withdraw from the manufacture of Salt, and the Court of Directors ordered that the works belonging to Government should be sold outright if possible, or, in failure of purchasers, that they should be let on lease;† but, in introducing the measure in 1837, it was determined not to sell the Government Works, but to lease them, in order that, if the measure did not succeed, the Government might be prepared for a reversion to the former system, or any other change that might be projected.

Government Salt Works. — Their sale ordered by the Court of Directors in 1829.

393. In 1846, a certain farmer having entered into a ruinous contract for some Salt Works in the Island of Bombay, offered to purchase the works for the sum of rupees 1,25,000. His offer was declined, on the ground that if the works were put up to public competition, they would produce a much larger sum; but he was allowed to throw up his farm. On that occasion, the Bombay Government observed that the Collector had assigned sufficient reasons, in connection with the state of the trade in Salt, for not at that time disposing of the works; but that, as it was at the same time very desirable that Government should withdraw from all connection with the Salt-manufacture, the sale of the pans should be deferred only until the state of the market might enable the Government to get rid of the property on reasonable terms. In 1852, this injunction was repeated.

And again by the Bombay Government in 1846 and 1852.

394. At the present time, some of the Salt Works belonging to the Government have been permanently assigned to a class of sub-owners or middle men; some are farmed out, and the remainder are managed by the officers of Government, in failure of offers to farm them.‡

Their present disposition.

395. No systematic attempts appear to have been made to dispose of the Salt Works belonging to Government as a general measure, until lately, in 1853, when tenders were invited for the purchase of the Government Salt Pans in the Island of Bombay; but no offers were made. In June of last year, the Bombay Government agreed to a proposal made by Mr. Young, the Commissioner of the Salt Revenue, to dispose of their Works gradually, one set being put up at a time for sale by public auction, at an upset price equal to ten years' purchase of the annual net profits of the proprietary right, and a quit rent being reserved to Government. No sales, however, had been effected up to the latest accounts.

No sales effected hitherto.

396. It appears to me that the Government should no longer delay to withdraw entirely from the manufacture. Such of their Salt Works as they may not be able to let in lease in any year, should be made over, from year to year, to the Coorumbees or manufacturers, to whom should be assigned the Government share of the produce, with its liabilities, on the conditions, first, that the pans shall be subject to the payment of ground rent at the same rate as private pans; and second, that they should be kept in good repair, and delivered back in as good order as when the Coorumbees received them. These were the terms on which Mr. Bruce proposed, in 1837, on the introduction of the Salt Excise, to assign the Government interests in the Salt pans in the Island of Bombay to the Coorumbees, and they were sanctioned by the Government of that day. If the Coorumbees should be unwilling to take over the whole produce of the pans, instead of receiving only the labourer's share, on these terms, I am of opinion that the works should rather be closed than that the Government

The Government should no longer delay to withdraw from the manufacture. Modes of doing so, and of disposing of the works, suggested.

* See Paragraph 336.

† See Paragraphs 68 and 69.

‡ See Paragraphs 192 to 198.

should continue to manufacture any longer. At the same time, renewed measures should be taken for the sale, if possible, of all the Salt Works belonging to the Government, even at some sacrifice. It appears to me that ten years' purchase of the profits is too high an upset price to fix on such property, and that, in preference to being retained, it should be parted with at five years' purchase.

397. Another mode which has occurred to me of disposing of the Government Salt Works is to exchange them for detached works of Private Owners producing a larger quantity of Salt than 5,000 maunds yearly. In this way the Government might obtain a better value for their property. Private Owners might possibly be induced to exchange, giving or receiving the difference in value, and the Government would find their profit, partly, in the reduced expenses of management, and the diminished smuggling, which would accrue from the suppression of such of these detached works, as offer, at present, as indicated in paragraph 353, a great obstacle to concentration.

Mode of selling the Government produce. Proper mode of crediting the proceeds of the Government Works, in produce and rent, pointed out.

398. Government Salt is sold at the market price of the day in quantities of not less than one rass of 1,120 Indian maunds. The rent derived from Government Works let on lease, and the sale proceeds of the Government share of the produce of Salt Works belonging to Government, managed by its own officers, are not credited to the Excise Revenue. Except in the Island of Bombay, these items are credited entirely to Land Revenue, partly as ground-rent and partly as a miscellaneous receipt (Sayer Bab). In the Island of Bombay the whole is credited to the Salt Department, under a distinct head. This diversity of practice should be rectified; both items should everywhere be credited in part to Land Revenue, as ground-rent, and the remainder as a profit of the Salt Department, distinct from the Excise Revenue. I have not the respective amounts of these items at hand; but they are inconsiderable.

The supply by private manufacture has always been abundant.

399. In 1829, when the Excise scheme was under consideration, all the Collectors were in favour of leasing the Salt Works belonging to Government in preference to selling them, giving as one reason that the Government ought to reserve to itself the power to remedy at any time the evil of a deficient supply; but the Court of Directors were of opinion that the freedom of competition would be a sufficient security against this evil, and saw no reason to apprehend that the application of capital to the manufacture of Salt under a free system would not be ample. The result has proved that the Court judged correctly. The supply has always been abundant, and it has seldom happened that the stock left in hand has not considerably exceeded the year's consumption, as may be seen by a reference to the Statement* of Stock and Deliveries in the Appendix.

Exports by Sea.—The rules considered.

400. The law and the practice in respect of the levy of the Excise Duty have been defined in paragraphs 212 to 224. In connection with this head, the rules in force regarding Salt exported by sea appear to me to present many points for consideration and amendment.

Exports to Bengal; confined to Calcutta; present practice; reasons for it; objections to it. The simple rule should be to allow free Export, and to levy the full Import Duty at Calcutta, on the quantity actually landed, to credit of the Bengal Salt Revenue.

401. First, as regards Salt exported to any port in the Bengal Presidency.† These exports are, in fact, confined to Calcutta. They are subject to the full Excise Duty of 12 annas per Indian maund; but in place of the duty being levied at the pans before the removal of the Salt, the exporter is accommodated with four months' credit, if desired, on entering into a bond with sureties for the full amount.‡ At Calcutta, in levying the Import Duty of rupees 2:8 per Indian maund, a drawback is allowed of the Bombay Excise Duty of 12 annas per Indian maund on the quantity that may be actually landed, up to, but not in excess of, the declared shipment in Bombay, all wastage and sea risks being thus thrown upon the exporter; however much of his Salt may waste on the voyage, or if it should all be lost, he has still to pay the Excise Duty on the full quantity shipped, receiving drawback, in Import Duty, only on the quantity he may actually land.

* Appendix K, Columns 14 and 17.

† Paragraphs 220 and 221.

‡ See Paragraphs 222 and 223.

402. This practice appears to me to be altogether objectionable. The simple rule should be to allow free export, without bonds or restrictions of any kind, and to levy the full Import Duty at Calcutta, on the quantity actually landed, to credit of the Bengal Salt Revenue. Mr. Young is opposed to allowing any Salt to be removed from the works without the payment of the full Excise Duty, except when it is taken for export to Foreign Ports in, or beyond, India, because of the facilities afforded to smuggling; and he would discontinue the practice of giving four months' credit for the duty on exports to Bengal, there being no sufficient reason for the indulgence, while it increases the risk to Government. If the rule of levying the Excise Duty in Bombay on Salt exported to Calcutta is to remain in force, I concur in the opinion that the credit system should be abolished, as creating an unnecessary complication of accounts and business; but I entertain no doubt that the correct course is to allow free export.

403. Under the present practice, the Salt export trade from Bombay to Calcutta labours under great disadvantages, as compared with the same trade from Great Britain, whence Salt is exported free, and pays duty only on the quantity actually landed; so also, all other Foreign Salt, European or Asiatic, exported to Calcutta, pays duty only on as much as reaches its destination. The prepayment of a portion of the duty at Bombay, long in advance of the sale of the Salt, is a disadvantage; or, if credit is taken, a bond cannot be executed without trouble, nor can sureties be procured without a consideration; and a further disadvantage is, that, in case of wastage, or accident at sea, the exporter loses, not only the Salt and freight, but his Excise payment of 1,000 per cent. on the value of the article. It is true that wastage seldom occurs, for a Statement* appended shows that in a great majority of cases an excess is landed, but there is no reason why the exporter from Bombay should be liable to the risk more than the exporter from any other place; on the contrary, it seems very anomalous that the home article should be made specially subject to disadvantages from which all Foreign Salt is free.

404. It is, of course, a matter of no real moment, as regards the accounts, whether the whole duty is levied as Customs at Calcutta, or whether a portion of it is taken as Excise at Bombay. In the former case, if Bombay were entitled to credit for a proportion of the amount equal to the Excise Duty, a transfer in account would be easy; but Bombay has properly no claim to receive credit for any duty paid on Salt which, though produced there, is consumed in Bengal. The consumers pay the tax, and the produce of the duty ought therefore to appear in the Bengal, and not, as it now does, in the Bombay accounts.

405. The only ground upon which the levy of the Excise Duty on Salt taken for export by sea beyond the Presidency can be defended is, that otherwise the Salt might be clandestinely re-landed and disposed of on the coast; but Mr. Young admits that this risk is very small in the present case, as the article is invariably conveyed to Calcutta in large-decked ships that rarely, if ever, touch on the coast; and it not being worth while, when they do touch, to break bulk in order to get at the Salt. If, however, the risk were greater, the proper mode of meeting it is to resort to sufficient preventive measures on the coast, and not to place restrictions on the export trade.

406. My inquiries at Bombay among persons connected with the trade, lead me to believe that the effect of the existing restrictions and risks has been, as might have been expected, to confine the trade in a few hands, and prevent its expansion; and that, if they were removed, the exports would increase very considerably, to the great advantage of both Presidencies. The annual exports of Salt from Bombay to Calcutta, in the 11 years from 1842-43 to 1852-53, have averaged about 4,50,000 maunds,† which must be considered a very

* Appendix Q.

† Appendix K, Column 9.

inadequate quantity, looking at the facilities which exist in the Bombay Presidency, as regards both production and freight. This limited trade is traceable only to the countervailing impediments under notice, which appear to me to be quite sufficient to account for it.

407. In the way of precautions, Registers should be kept of the Salt exported, for comparison with the quantities landed, additional preventive measures being adopted on the coast whenever the comparison indicated smuggling; but landing certificates should not be required, and at the port of import, only such precautions should be used, as might be in force with respect to all other imported Salt.

Exports to British Ports of the Madras Presidency; confined to the Districts of Canara and Malabar; present practice.

408. Next, as regards Salt exported to British Ports under the Madras Presidency. These exports are, in fact, confined to the Districts of Canara and Malabar, on the west, or Malabar, coast, and consist of cargoes exported on contracts, for the service of the Madras monopoly, as well as of private ventures. In the former case, the Salt is retailed at the Government depôts at the monopoly rate of 1 rupee per maund, and so contributes to the Madras Salt Revenue; in the latter case, it pays the import Customs' Duty of 12 annas per maund, and is left to find its own way into the Interior for consumption. The Excise Duty of 12 annas per maund is consequently not realized at Bombay on these exports before the removal of the Salt from the pans; but a charge of 3 pies, or a-quarter of an anna per maund is levied, to cover a proportion of the expenses incurred for the Establishments entertained at the works.* To check the illicit disposal of the Salt in its transit, the exporters are required to produce certificates of landing, under the signature of the authorities at the ports of import, within six months from the date of export.† An allowance up to 10 per cent is made on each shipment for wastage; and the full Excise Duty of 12 annas per maund is leviable at Bombay on any deficiency in the quantity landed, in excess of that per centage, unless it can be satisfactorily accounted for.‡

Mr. Young would assimilate the rules to those he advocates for Exports to Bengal.

409. Mr. Young, as has been seen,§ would realize the full Excise Duty on these exports also before the removal of the Salt from the pans, in place of levying only the quarter anna charge above mentioned. Setting aside the facilities of smuggling, the present practice, he observes, gives rise to perpetual disputes with traders, as to differences between the quantity of Salt exported and the quantity landed at the port of import. He would therefore assimilate the practice, in respect to these exports to the Madras Presidency, to the practice he advocates in respect to exports to Bengal; that is, he would levy the full Excise at the pans, giving no credit, and throwing all wastage and sea-risks on the exporters, by allowing a drawback of the Excise Duty, at the port of import, only on the quantity (not in excess of the shipment) actually landed.

This proposition was made in 1851, and rejected on the objections of the Madras Government.

410. It was proposed in 1851 to introduce this very system, and a very long correspondence ensued on the subject between the Bombay and Madras Governments, which terminated in a resolution to leave the practice as it now stands, the Madras Government being very averse to the proposed change. They objected that it would complicate the accounts, and impede the supply by shutting out every small trader, without in any degree securing the objects in view, viz., the suppression of smuggling, and of troublesome cases of dispute regarding the quantities shipped and landed respectively; inasmuch as it would not be possible altogether to ignore sea-risks beyond the wastage allowance of 10 per cent.

To assimilate the rules for Madras to those advocated for Bengal, as proposed, would be to extend a vicious system.

411. The Madras Government, it appears to me, took quite the sound view of the question. From the opinions I have already expressed, it will have been seen, that, to assimilate the practice in force in respect to these exports to the Madras Presidency, to the practice which Mr. Young advocates for exports to Bengal, would be, in my judgment, to extend a vicious and not to introduce an improved system. The two cases are precisely parallel, excepting that the risk

* See Paragraph 217.

† See Paragraph 220.

‡ See Paragraph 219.

§ See Paragraph 402.

of smuggling is much greater in the case of Salt exported to the Madras Presidency, because it is carried in open coasting-craft, which keep much nearer to, and more frequently communicate with, the shore. The same principles should, therefore, govern the practice in both cases, with only so much deviation in the rules as would suffice to meet the greater risks of smuggling in the one case than in the other.

412. Entertaining these views, my opinion is, that Salt taken for export to British Ports under the Madras Presidency should be allowed to go free, the monopoly rate, or the Customs' Duty, as the case may be, being levied at the port of import, to credit of the Madras Salt Revenue.

Free Export should be allowed, the monopoly rate, or the Customs' Duty, being levied at the Port of Import.

413. As checks upon illicit traffic by the way, the production of landing certificates, within six months from the date of export, should be exacted as at present, and in every case in which the quantity landed exhibited a deficiency in excess of 10 per cent. on each shipment, the exporter should be required to account for the excess deficiency to the satisfaction of the Collector at the port of import, or pay the full Bombay Excise Duty thereon. The decision of the Madras authority should be final. The connection of the Bombay authority with the Salt should cease with its export. The present practice of inquiring into the deficiencies at Bombay, of course complicates and delays the decision, besides creating disputatious correspondence between the authorities of the two Presidencies. In short, these inquiries, which might be simple and summary enough if conducted and concluded at the time and place of import, become complex and tedious if delayed and carried back to the place of export, the traders being harassed, and the time of the authorities being wasted, in profitless litigation, for, practically, the demands of full Excise on Salt, deficient in excess of the prescribed percentage, and said to have been lost at sea, have invariably been resisted, and seldom, or never, substantiated. At the same time, it would seem that there can hardly be, in fact, much smuggling or many disputes, since it appears from a Statement* appended, taken from papers received from Madras, that out of 95 cargoes shipped to Canara in the year 1851-52, 9 only had a deficiency, on delivery, exceeding 10 per cent.

The checks which should be applied to guard against illicit traffic in Transit described.

414. The landing certificates should be compared with the Register of Exports, and additional preventive measures should be resorted to on the coast, whenever the comparison created a suspicion of the Salt having been landed. It matters very little which Presidency receives credit for the duty levied on deficiencies in excess of the authorized percentage. Strictly speaking, Bombay is entitled to the credit, and the levies might be transferred in account, but the amount would be so trifling as not to be worth the trouble of the transfer, for any practical purpose, and the Madras Government might much more conveniently be allowed to retain the credit. In some exceptional cases, it seems that bonds with sureties are still taken at Bombay for the payment of the full amount of the Excise Duty, unless the landing certificate is produced within six months. These exceptional cases are not defined, but I am of opinion that the practice should wholly cease.

415. As the facilities afforded for smuggling, under the system I propose to maintain, and render more free, are much insisted on, I may observe further, with reference to that objection, that the risk of Salt being relanded on the coast, in transit, is no greater in the case of exports to British ports under the Madras Presidency than in the case of exports to foreign ports on the Malabar coast, and to the Straits of Malacca, and other places beyond the Continent of India, to which ports the Salt is also carried, for the most part, if not altogether, in country craft. In the first of these last-mentioned cases, the exports are subject to a levy of only one anna a maund, and in the other case they are wholly free and unrestricted; but if the necessity of levying

The objections to the proposed system of free Export, on the score of the facilities for illicit traffic in Transit, considered and met; and the advantages to be expected from free Exports described.

* Appendix R.

the full Excise Duty at the pans on exports to the Madras Presidency is, as is argued, imperative, in order to suppress smuggling, then, to be consistent, either the full Excise should also be levied on exports to the foreign ports in question, or such exports should be altogether disallowed, since Salt may as easily be thrown on to the coast from both these exports, as from those to the British Ports. There seems to be no escape from this dilemma; but neither of the above alternatives would be admissible, nor is either of them proposed; on the contrary, Mr. Young, in conceding that the exportations to the foreign ports in question are open, in some degree, to the same objection, as regards affording facilities to smuggling, says he is not prepared to advocate any change in these instances. In short, in the case of such exportations, the authorities have no choice but to trust to the ordinary safeguard of preventive precautions on the coast.

416. Again, Foreign Salt is admitted to British Ports on the Malabar coast, on payment of a Customs' Duty of 12 annas per maund, that being the computed rate of profit realized on the monopoly Salt of the Madras Presidency. Encouraged by this free-trade rule, Salt is brought to those ports from Goa, Arabia, and Ceylon, either in country craft, or in a class of vessels from which it would be as easy to carry on illicit traffic with the coast; but, in these cases, no precautions are available, except the ordinary measures of prevention on the coast.

417. On the other hand, it is clearly objectionable, that the home trade should be hampered with disadvantages from which the foreign trade is free. The system I have proposed appears to me to comprise every legitimate precaution against smuggling, without unduly shackling the export trade, and its effect, I am satisfied, will be so to expand the private ventures from Bombay, especially if bonding were permitted, as it should be, that, in a very short time, they will not only supersede the contracts now necessary for the service of the Madras monopoly in Canara and Malabar, but will drive out the remnants of the more expensive monopoly manufacture in the former district, to the great advantage of all parties, viz., the two Governments, the traders and the consumers. The monopoly manufacture died off in Malabar in 1823, the whole supply for the service of the monopoly in that district being now obtained from Bombay under contracts. The monopoly manufacture in both these districts being unable, by reason of its high cost, to compete with foreign Salt, and having, in consequence, been closed wholly in one of them, and partially in the other, free manufacture upon a system of Excise ought, long since, to have been permitted in them, as will more fully appear in the Madras part of the Report.

The charge of a quarter anna per maund levied on these Exports considered. Mr. Young's reasons for maintaining this charge, and extending it to all free Exports.

418. There remains to be considered the charge of a quarter anna per maund levied on the exports under notice, viz:—on Salt exported to British Ports of the Madras Presidency. The principle on which this demand is made is stated to be, that, in order to relieve the Government of a dead charge, Salt exported free of Excise Duty should contribute its proportion towards the expenses necessarily incurred in watching and superintending the whole manufacture, and Mr. Young is of opinion that, if the exportation of Salt beyond the Presidency, free of Excise Duty, were generally allowed, it would be proper to levy this charge on all such exportations, to cover a proportion of the expenses of Establishment, because Salt can, under the existing law, be made in the Bombay Districts only on the condition that it is watched and kept account of by Government, and the charges incurred for these objects ought, therefore, he thinks, to be held to form a component part of the cost of production. The rate of a quarter anna per maund would, it is believed, be a near approximation to the cost of supervision and watching, which it is intended to cover.

Mr. Young's reasons considered untenable, and the discontinuance of the charge recommended.

419. I am unable to acquiesce in this view of the question. It appears to me that hitherto this charge has been an unauthorized cess, in these particular cases, in excess of the Excise Duty, inasmuch as Salt exported to British Ports of the Madras Presidency, has contributed, either in the monopoly price of the article, or in Customs'

Duty to the Revenue of that Presidency, the equivalent of the Bombay Excise; and as, in future, Salt, exported to Madras and Bengal, free of Excise Duty, would pay the Customs' Duty at the port of import, I can perceive no ground for subjecting such exportations to a special additional charge at Bombay of a quarter of an anna per maund. Although these exportations would contribute nothing to the Bombay Excise Revenue, they would contribute to the general Salt Revenue, in the case of Madras no less, and in the case of Bengal much more, than the amount of the Bombay Excise. The charge, in my opinion, ought certainly to be discontinued. Its proceeds have been trifling, having amounted, on an average of four years, from 1849-50 to 1852-53, to the annual sum of only 8,726 rupees.*

420. I proceed, in the third place, to consider the charge of 1 anna per maund levied on Salt exported to Foreign Ports under the Madras Presidency, that is, to the ports in Cochin and Travancore, on the Malabar coast. The practice of levying this charge was at one time, it is said, about to be abolished, when a minute inquiry was instituted as to whether it had been found to operate prejudicially on the trade with the Foreign Ports in question, and as this was distinctly reported not to have been the case, the Government thought it unadvisable to give up the tax, while, on the other hand, it was considered inexpedient to levy the full Excise, as such a measure would have at once put a stop to the trade. To check the illicit disposal of the Salt in its transit, precisely the same precautions are in force, under arrangements made with the foreign Governments, as have been described at paragraph 408 in the case of Exports to British ports of the Madras Presidency.

Exports to Foreign Ports, under the Madras Presidency, in Cochin and Travancore; present levy; reasons for it.

421. It appears to me that this levy is at variance with correct principle, as falling on the producer and not on the consumer. The Excise Duty is essentially a duty on consumption in India, and was imposed with the view of compensating for other local taxes abolished. It was no part of the object of the tax to prevent India in any degree from supplying the demands of foreign markets. On this principle, all Exports to foreign markets ought to be free from all duty, no less to foreign markets in India than to such markets beyond India. The principle now acted upon of levying as much of the Excise Duty as the trade will bear, or none, if the smallest levy would close the trade, ought not, as I think, to regulate the question. It follows that, in my opinion, this charge should also be discontinued; its proceeds are not considerable; in the four years from 1849-50 to 1852-53, they have amounted to the annual average sum of rupees 21,075.†

Objections to the levy and its discontinuance recommended.

422. It may be observed, also, that if this rate were continued, it is to be apprehended that, practically, it would seldom be prepaid. Exporters to the Malabar Coast frequently go from one port to another in search of the most favourable market. Upon this plea, they would generally, if not always, in order that the Salt might go free, take delivery for export to the British ports, and so evade payment of the rate until they produced, long afterwards, their landing certificates from the foreign ports.

The rate would seldom be prepaid.

423. The checks upon illicit traffic by the way should be precisely those recommended at paragraph 413, for exports to British Ports of the Madras Presidency, excepting that in the case of these Foreign Ports, the inquiries into deficiencies, in the quantity landed, in excess of the prescribed percentage, must, necessarily, be made by the Bombay authorities, or it might be better to relinquish them altogether; and as it seems to be supposed that false landing certificates are sometimes produced, some check should be established to secure their authenticity. This might be effected by requiring a monthly, or quarterly, return of the imports from the British Residents at the Courts in question.

The checks to guard against illicit traffic in transit, should be generally the same as for exports to the British Ports on the same coast.

424. Finally, on this subject, exports to Foreign Ports beyond the Continent of India are now free, and should continue to be so, in

Finally.—Exports to Foreign Ports beyond India should continue free, as now.

common with exports to all foreign ports, but in these cases no preventive precautions are practicable beyond the exaction of a landing certificate, as now required.

Protective Laws.—
These do not operate with undue severity. The process of adjudicating cases of contravention described.

425. The laws which have been enacted for the protection of the Salt Revenue, viz:—Acts I of 1838 and XXXI of 1850, have been noticed in paragraphs 99 to 107 and 145 to 151. The more stringent provisions, which are contained in the last mentioned Act, were passed after much consideration and a long experience of their absolute necessity, as shown in paragraphs 139 to 144. My inquiries do not lead me to conclude that they operate with objectionable severity, or that, in cases of contravention of the law, undue inconvenience is felt from the paucity or distance of the adjudicating authorities. The course usually followed in such cases is this:—The Head Local Native Officer examines the offenders and witnesses, and forwards the papers, with a report on the case, to the Assistant-Commissioner in charge of the circle, whose head-quarters are seldom more than 30 or 40 miles distant. If the Assistant-Commissioner thinks the charge is not substantiated, he can in all cases quash it. If, on the other hand, he considers the charge proved, he proceeds, without calling on the parties to attend, to make his award, provided the case is not so important as to require its transmission to the Deputy Commissioner of the Division. Cases referred to this functionary are usually adjudicated on the written evidence taken by the Local Officer, and, if necessary, the case is returned to that officer for further evidence. In very rare instances, when difficulties arise, the parties themselves are made to attend on the Assistant or Deputy Commissioner, as the case may be, and in those instances in which the offence falls under the jurisdiction of a Magistrate, the Salt Officer forwards the parties to the local police or authority.

Cambay Half Duty.—
Is a Customs' levy, and should be exhibited as such. Frontier Salt charges should be debited to Customs. The distinctive exhibition of the Island and Continental results should be discontinued.

426. From the description given at paragraph 309, it seems clear that the half Duty contributed by the Nawab of Cambay, on account of Salt manufactured in his territory, is in fact a Customs', and not an Excise levy. The British Government compounds with the Nawab for half Duty on all Salt produced at his pans, in place of establishing a frontier line of Chowkeys, and levying full duty on all Salt that passes it, considering that to be a more convenient, and, on the whole, an equally profitable, arrangement. In this view, the Cambay Salt, and the Revenue derived from it, should appear, not in the Excise but in the Customs' Statement, under the head of Imports by Land, the Salt being in fact foreign Salt, passed by land into the British Territories on payment of a Duty settled by composition. The proportion of the cost of frontier Establishments charged against the Salt Revenue should also be exhibited in the Customs' and not in the Excise Statement. The distinction in the Bombay Salt Returns between the results belonging to the Island of Bombay, and those belonging to the remainder of the Presidency, called the Continental portion, is useless, and should be abolished.

SECTION IV.

ON THE RATE OF DUTY.

427. It has been seen that the rate of duty originally proposed by Mr. Bruce in 1826, in planning the Salt Excise, was equivalent to 6 annas 4 pies per Indian maund.* It was computed, however, that the return from this rate would make up only the greater part, and not the whole, of the deficiency in the Revenue which would arise from the abolition of the Transit Duties, different substitutes having been proposed for the remaining portion. The Bombay Government of the day, and the Court of Directors in 1829, approved of this rate.† The Customs' Committee in 1836 would also have suggested it under ordinary circumstances; but, as the state of the Indian finances was then such that the Transit Duties could not be relinquished unless an equivalent was found from some other source, they recommended the adoption of the rate of 8 annas a maund, as the lowest that could be expected to yield the required amount of commutation.‡ The Bombay Government objected to this rate as unnecessarily high, and strongly advocated its reduction to six annas,§ but the Government of India disallowed the objection, on the ground that a lower rate than 8 annas would not suffice to provide an equivalent for the Transit Duties,|| and that rate was accordingly adopted in Act XXVII of 1837 introducing the Excise upon Salt. It did not, it has been seen, yield a Revenue equal to the receipts from the Transit Duties.¶ In 1844 more obnoxious taxes were abolished, and the Excise Duty on Salt was raised to the present rate of 12 annas per maund. This commutation has also been a losing one so far.** The law raised the rate to one rupee per maund, and that is still the rate by enactment, but the levy has always been confined, by notification, to 12 annas per maund.

The rates of Duty at different times proposed.

428. The high rates of duty prevailing in the Bengal Presidency, as compared with the rates in Madras and Bombay, have sometimes suggested the expediency of working towards greater equality, by lowering the former, and raising the latter, to a certain point. The soundness of this view may be doubted. A lower rate of duty must of necessity be fixed for Madras and Bombay, because of the greater natural cheapness of the article in those Presidencies, otherwise so high a bonus would be afforded to smuggling as to render its suppression impossible. The Bengal rate of tax, it is true, is, in itself, more than three times higher than the Bombay rate, but, proportionately to the cost of production, the latter rate is very much higher than the former. Taking the present average cost of production in Bengal at 8 annas a maund, the duty of rupees 2 : 8 a maund is equal to 500 per cent. on the value of the article. Taking the average cost of producing Salt in the Bombay Presidency, at 1½ anna per maund, which is, perhaps, a higher average,†† the duty of 12 annas a maund is equal to 1,000 per cent. on the value of the article. If the Bengal tax were reduced to rupees, 2 per maund, the Bombay rate would still bear reducing to 5 annas, or less than half its present amount, in order to place both rates in equal ratio to the cost of production. It may be admitted that the disparity in the tax ought not to be regulated wholly by the relative cost of production, though in a considerable degree it must of necessity be so, but, as the case stands at present, though the Bengal rate might of course be worked down, there seems to be no room for working the Bombay rate up, 1,000 per cent. on the value of

The expediency of working towards greater equality between the Bengal and Bombay rates of Duty, by lowering the former, and raising the latter, to a certain point, considered.

* See Paragraph 60.

† See Paragraphs 63 and 68.

‡ See Paragraph 78. § See Paragraph 95. ¶ See Paragraph 96.

¶ See Paragraph 114.

** See Paragraph 136.

†† The average probably does not exceed one anna per maund. Salt can be manufactured at Penn, South Konkan, for a trifle less than half an anna per Indian maund.— See Paragraphs 45 and 51.

The lowering of the Bombay rate of Duty, the only question to be entertained.

The only two points to be considered in the determination of this question, stated.

The latest information and opinions on these points, where to be found.

The opinions of the local officers and of the Government on the first of these points, viz., whether the tax presses with undue severity on the mass of the consumers.

The consumption per head per annum cannot be fixed.

If the licit consumption per head were known to be an inadequate quantity, that fact would not be conclusive evidence of the undue severity of the tax.

The cost of an adequate supply of Salt per head, and the pressure of that cost on the wages of labour, investigated.

The cost and pressure to consumers in the neighbourhood of the Salt Works.

the article, being probably, as high a rate of tax as it would be possible to exact without offering too high a bonus to smuggling.

429. Indeed, the evidence collected in paragraphs 330 to 347, in illustration of the working of the Excise hitherto, sufficiently indicates that the only question to be entertained at present, in regard to the Bombay rate of duty, is, not whether it admits of being raised, but whether it ought not to be lowered.

430. For the determination of this question, the only two points to be considered are, first, whether the tax presses with undue severity on the mass of the consumers, and second, whether the Revenue would benefit by a reduction in the rate; since any sacrifice of Revenue, as a matter of relief, beyond any amount which may be required to alleviate oppressive privation, seems scarcely to be called for, in the face of the pressing wants of the Indian Treasury, until the tax yields a Revenue equal to the amount of the abolished duties for which it was commuted.

431. The latest information and opinions on these points are contained in the papers of the inquiry alluded to in paragraph 335, undertaken, throughout the Presidency, expressly to elucidate them, in pursuance of orders of the Court of Directors. A concise summary* of these papers, comprising all that is essential, will be found in the Appendix.

432. As regards the first point, viz., whether the tax presses with undue severity on the mass of the consumers, it will be seen from the papers in question, that, generally, the local officers were of opinion that the increase of the tax from 8 annas to 12 annas per maund had tended to diminish the consumption among the poorer classes. Some thought that the rate of consumption had not been sensibly, or at all, affected. One or two believed the tax to press so lightly as not to be felt, but all agreed that the increase had not had the effect of placing the article beyond the reach of any class of the population, in any injurious degree, except the Collector of Broach, and, perhaps, also the Collector of Belgaum, who stated that "its attainment by the poorer classes of Natives for their own consumption is a matter of no slight difficulty."

433. To pass from opinions to facts and figures. It has already been shown that the quantity of licit Salt actually consumed per head cannot be fixed.† Both the elements necessary to the calculation are wanting, viz., first, the total quantity consumed within the limits of the Presidency, and, second, the accurate number of the population. If the total deliveries of Salt consumed in the interior, within and beyond, the limits of the Presidency, be divided by the supposed number of the population of the Presidency, a consumption of 24½ lbs. per head is obtained, and if it be assumed, according to Mr. Bruce's‡ computation, in 1826, that one-half the deliveries go to supply a foreign population, a consumption of 12¼ lbs. per head is deducted for the population of the Presidency. But all this is mere conjecture, and may not be even an approximation to the truth.

434. Again, supposing that the licit consumption per head were known, and that it exhibited an inadequate quantity, that fact would not be conclusive evidence of the undue severity of the tax, for the licit consumption might not be the actual consumption; the illicit consumption superadded might exhibit a sufficient rate; and it might be that the illicit consumption was induced by the laxity of prevention rather than by the excessive pressure of the Duty.

435. But leaving this maze of uncertainties, as to the actual consumption per head, its sources, and the influences affecting them, it is easy to fix the cost of an adequate supply of the article per head, and a sufficient estimate may also be formed of the pressure of that cost on the wages of labour.

436. The price of Salt to consumers in the neighbourhood of the Salt pans, that is, on, or near, the coast, or in the vicinity of the inland

* Appendix S.

† See Paragraph 330.

‡ See Note to Paragraph, 332.

Salt Works of the Runn and Guzerat, is scarcely more than the aggregate of the sale price at the works, and the Excise Duty. The sale price of Salt at the different works ranges from 9 pies, or $\frac{3}{4}$ ths of an anna, to 2 annas per Indian maund.* It is probable, therefore, that the highest of these rates (2 annas) sufficiently represents the *average* price to consumers, and this price being added to the Excise Duty of 12 annas gives 14 annas as the average cost of a maund of Salt to the consumer. A maund being 82 $\frac{2}{7}$ lbs, and 1 anna, at the exchange of 2 shillings for the rupee, being equal to 1 $\frac{1}{2}$ d., it follows that the price per lb. is as nearly as possible one farthing, their being 84 farthings in 14 annas. At this rate, and allowing 12 lbs. for the consumption per head per annum, each consumer's annual supply of Salt would cost him 3d. or 1 $\frac{1}{2}$ anna: and this cost, assuming the average wages of agricultural labour at 3 rupees per mensem, which is equal to 36 rupees or 72 shillings per annum, would amount to the 288th part of his yearly earnings, or a tax upon his income of between $\frac{1}{4}$ and $\frac{1}{2}$ per cent. supposing he had only himself to provide for.

437. Again, raising the price to the consumer to 1 rupee per maund, which is allowing 4 annas for the cost of the Salt, exclusive of the duty, or double the highest selling price at the works, and reducing the labourer's wages to rupees 2 : 8 per mensem, his annual supply of 12 lbs. of Salt would cost him about 3 $\frac{1}{2}$ d., or the 216th part of his yearly income, on which it would thus be a tax of something more than $\frac{1}{2}$ per cent.

438. But 12 lbs., there is no doubt, is much beyond the quantity of Salt absolutely necessary for the annual consumption of a full-grown man. In the Bombay Jails the allowance of Salt per head is only 7 lbs. per annum, and that is found sufficient.† Eight lbs. per head per annum could scarcely therefore be considered an inadequate, though it might be thought a stinted, supply, and the cost of this quantity would amount to a tax of about $\frac{1}{2}$ per cent. on an income of only 2 rupees per mensem.

439. Finally, supposing a family of five persons, adults and children, to consume, at the rate of 8 lbs. each all round, 40 lbs. of Salt per annum, and to earn between them only 3 rupees per mensem, and to pay the highest of the prices above assumed for their Salt, viz., 1 rupee per maund of 82 $\frac{2}{7}$ lbs., the cost of the whole supply, even in this extreme case, would amount to only the seventy-second part of the yearly earnings, or an income tax of scarcely more than 1 $\frac{1}{3}$ per cent.

440. These calculations prove that on the coast, and in the neighbourhood of the Salt Works, even a liberal supply of Salt is procurable by the most numerous classes, on easy terms, and I am not aware that there is any element in the calculations which can be accounted fallacious.

In that neighbourhood, even a liberal supply of Salt is procurable, by the most numerous classes, on easy terms.

441. In the Inland Districts, the distance from the Salt Works chiefly rules the price of Salt to the consumer. A table ‡ is appended showing the wholesale and retail prices current in different cities, and the distance of those cities from the place of supply. Excluding Indore, which is not in the Bombay Presidency, the prices vary from a small excess over the highest assumed price on the coast, viz., 1 rupee per maund, to double that rate; but the tax is in no wise accountable for this additional cost, which arises from the natural consequences of situation, and is due to transit expenses, interest on capital, wastage and the other ordinary charges of trade, which unavoidably fall upon the more remote consumers. The Salt that costs 2 rupees per maund at Sholapore, for instance, the price on the coast being 1 rupee per maund, would still cost 1 rupee per maund, even if it were obtained *free* at the place of supply. In considering the burden of the tax, therefore, regard should be had only to the wholesale price in the neighbourhood of the Salt Works. At the same time, as the retail price seems nowhere to exceed 2 rupees, indeed, is in every instance, save one, con-

The cost and pressure to consumers at a distance from the Salt Works.

* See Paragraph 283.

† Suddur Adawlut to the Government of Bombay, dated the 1st March, 1852.

‡ Appendix T.

siderably below that amount, the cost, for a family of 5 persons, each consuming, on an average, 8 lbs., cannot, according to the calculation given in paragraph 439, press more heavily anywhere than as an income tax of less than 3 per cent; and it is to be borne in mind, that the additional cost to the inland consumers is compensated for by the discontinuance of the Transit Duties, that is, it is probable that the Transit Duties used to add as much to the price of the Salt, in the case of these consumers, as the Excise Duty now does.

The conclusion arrived at on the first point.

442. The conclusion I arrive at upon this point, then, is the conclusion to which the Bombay Government came, viz., that the rate of duty does not require to be lowered on the score of its pressing with undue severity on the mass of the consumers.

Opinions of the local officers, and the tendency of the evidence, on the second point, viz., whether the Revenue would be benefited by a reduction of the Duty.

443. With respect to the other point, viz., whether the Revenue would be benefited by a reduction of the duty, some of the local officers, it will be seen, advocated a return to the old rate of 8 annas per maund, being of opinion that, since the increase to 12 annas, the use of Salt had been so much economized, and illicit Salt had been introduced to such an extent, that the measure would be attended with increased consumption, and an improvement in the Revenue, and certainly, the evidence in paragraphs 330 to 347 already referred to, tends to show, that, while individual consumption may have been economized since the increase in the rate of duty, on the whole extensive smuggling must be supposed, the deliveries having declined in the succeeding 10 years, notwithstanding that the population must have progressively increased, so that while the tax had been raised 50 per cent., the increase in the Revenue had amounted to less than 33 per cent.*

444. On the other hand, the same evidence shows that, until lately, the law has been so insufficient, the establishments so weak and ill-paid, and the control so lax, that it is not possible to judge whether the decreased consumption of licit Salt and the extensive smuggling are due to these causes, or to the enhancement of the duty.

The majority of the local officers, and the Bombay Government, decided against a return to the former lower rate of Duty, without further experience.

445. It will be seen from the Summary † appended that, upon the above considerations, the Bombay Government, and the majority of the local officers, came to the conclusion that it was not advisable, in a financial view, to revert to the Eight-annas rate of Excise without further experience; and that the Government informed the Court of Directors, that they would carefully watch the future effects of the present higher rate of duty, with a view to reducing it to the former rate, as authorized by the Court of Directors, if that measure should at any time appear to be necessary or expedient.

Commissioner's acquiescence in this decision, and the reasons for it.

446. In this decision I am disposed to acquiesce. Until August 1850, the Law for the protection of the Salt Revenue was, as had been repeatedly objected during the six preceding years, inadequate, and the defective arrangements of the system have only now begun to be amended. The weakness of the local Establishments, and the insufficiency of the system of control, had been frequently represented and admitted, and a complete revision of the existing arrangements had been contemplated for years, but no measure of reform was entered upon until March last year; up to that period, the Establishments, and all the other parts of the scheme, had remained almost precisely as they stood when they were first organized, on the introduction of the Excise, without the aid of experience, or of any practical knowledge of the subject. If, after a reasonable trial of the new arrangements in progress, and of the other measures of reform which have now been recommended, the Revenue should not exhibit a marked improvement, no further time should be lost in reducing the duty to its former amount of 8 annas per maund.

* GROSS REVENUE.

			Rupees.
1852-53	--	--	2,462,262
1843-44	--	--	1,860,563
Increase	--	Rupees	6,01,699

† Appendix 'S.

SECTION V.

RECAPITULATION.

447. It will be convenient to recapitulate, in conclusion, the measures which have been recommended in the course of the foregoing observations; they are as follows:—

Recapitulation of the measures recommended in the course of the Report.

First. The full enforcement of the provisions of Section 7 Act XXXI of 1850, by the immediate suppression of all Salt Works producing a less quantity of Salt than 5,000 maunds yearly, which are not so grouped with larger works as to allow of their being supervised without any additional expense.

Detached Salt Works producing less than 5,000 maunds to be suppressed.

Second. The adoption of the method of measuring the produce into store, and adjusting the stock account, which prevails in the Madras Presidency, in substitution of the present practice of booking up the produce, and taking stock, by estimate only.

Produce to be measured into store.

Third. The consolidation of the Law relating to the Salt Excise in one new enactment, on the basis of the draft appended, prepared by the Law Officers of the Bombay Government; the opportunity being taken, first, to alter the rate of Excise Duty from one rupee per maund, as fixed by Section 2 Act XVI of 1844, to 12 annas per maund, as fixed, and now levied, by a Notification of the Bombay Government; second, to authorize the removal of Salt taken for export by sea beyond the Presidency, without the levy of the Excise Duty, in modification of the present provisions of Act XXVII of 1837; and, third, to provide for the levy of the Excise Duty optionally by weight or measure, in place of by weight only, as now required by Section 2 Act XVI of 1844.

The Law relating to the Salt Excise to be consolidated in one new enactment, with certain amendments.

Fourth. The practice of remunerating the Native Superintending Officers—viz., the Sir Karkoons and Darogas—partly by a commission on the gross Excise collections, to be discontinued; and fixed salaries, on a graduated scale, proportioned to the extent of the several charges, and of liberal amount, to be substituted.

Remuneration by commission to be discontinued, and fixed salaries substituted.

Fifth. A higher scale of salaries to be assigned to the Suzadars and Nakadars, being the Officers in immediate charge, respectively, of a group of Salt Works, and of the preventive posts surrounding them.

Higher salaries to be assigned to the Suzadars and Nakadars.

Sixth. The practice of partially unloading and re-weighing Salt covered by a Permit; as it passes the preventive Chowkeys, to be discontinued, and the check confined to comparing the number of packs, and the quantity of Salt noted on each, with the entries in the Permit.

Salt, covered by a Permit, not to be re-weighed at the Chowkeys.

Seventh. The present practice of interfering with Salt in transit or in store, beyond the preventive line, to be relinquished as illegal, except in illicit Salt Works. The Permit to provide for a protection only to the Chowkeys, and to be there taken and cancelled.

Salt beyond the preventive line not to be interfered with.

Eighth. The Government to withdraw entirely from the manufacture at once, closing their works if they cannot sell them at 5 years' purchase of the profits, or let them on lease; or if the Coorumbees, or manufacturers, should be unwilling to take over the Government share of the produce, with its liabilities, on the conditions, first, of paying the usual rate of ground rent for the works; and, second, of keeping them in repair, and restoring them in as good condition as when they received them.

The Government to withdraw entirely from the manufacture at once.

Ninth. The Government to endeavour also to exchange their works for detached works of private owners, producing a larger quantity of Salt than 5,000 maunds yearly, with the view of suppressing such of

The Government to endeavour to exchange their Salt Works for detached works of private

owners, with the view of suppressing the latter.

The rent and proceeds of Government Salt Works to be uniformly credited in part to land revenue, and the remainder to the Salt Department.

Exports by sea beyond the Presidency to be free

Exports to Bengal to pay the full Customs' Duty at the Port of Import.

Exports to British Ports of the Madras Presidency the same.

The charge of a quarter of an anna per maund, now levied on these latter Exports, to be discontinued.

The levy of one anna per maund, now taken on Exports to Foreign Ports under the Madras Presidency, to be discontinued.

The Half Duty contributed by the Nawab of Cambay to be credited to Customs. The cost of frontier Establishments to be debited to the same. The distinction between the results of the Island of Bombay and those of the Continent to be abolished.

The existing rate of Duty, viz., twelve annas per Indian maund, to be maintained for the present.

these detached works as offer, at present, an obstacle to concentration of the manufacture.

Tenth. The rent derived from Government Salt Works let on lease, and the sale proceeds of the Government share of the produce of Salt Works belonging to Government, managed by its own Officers, to be credited uniformly, in part to land Revenue, as ground rent, and the remainder as a profit of the Salt Department, distinct from the Excise Revenue.

Eleventh. All exports of Salt by sea beyond the Presidency, to ports or places in India, or beyond India, to be free from the payment of the Excise Duty, and from the execution of bonds for payment of the same.

Twelfth. On exports to Bengal, the full Customs' Duty to be levied at the port of import, to credit of the Bengal Revenue, on the quantity actually landed, subject to whatever rules may be in force at the port.

Thirteenth. On exports to British ports of the Madras Presidency the full Customs' Duty to be levied at the port of import, to credit of the Madras Revenue; the production of landing certificates within six months from the date of export being exacted as at present, and the exporter being required in every case in which the quantity landed exhibits a deficiency in excess of 10 per cent. on each shipment, to account for the excess deficiency to the satisfaction of the Collector at the port of import, or pay the full Bombay Excise Duty thereon. The decision of the Madras authority to be final, and the connection of the Bombay authority with the Salt to cease from its export. Any duty levied on deficiencies in excess of the authorized percentage to be credited to the Madras Revenue.

Fourteenth. The charge of a quarter of an anna per maund, now levied on Salt exported to British ports of the Madras Presidency, to cover a proportion of the expenses of the Establishments entertained at the several Salt Works, to watch the manufacture, and keep an account of the produce, to be discontinued as an illegal and unauthorized cess, and no such charge to be levied on any Salt manufactured in the Bombay Presidency.

Fifteenth. The levy of one anna per maund, now taken as a reduced duty on Salt exported to foreign ports, under the Madras Presidency to be discontinued, and no such levy to be made on Salt exported to any foreign port in, or beyond, India. The production of landing certificates within six months from the date of export to be exacted, as at present, in the case of exports to all foreign ports. The inquiries into deficiencies, in the quantity landed, in excess of the authorized percentage, to be made, in the case of exports to Foreign Ports in India, by the Bombay authorities, or relinquished altogether. A monthly, or quarterly, return of imports to be required from the British residents at such ports, as a check to secure the authenticity of the landing certificates.

Sixteenth. The half duty contributed by the Nawab of Cambay, on account of Salt manufactured at works in his territory, to be exhibited not as excise but as Customs' Revenue. The proportion of the cost of frontier Establishments charged against the Salt Revenue to be debited to the Customs', and not to the Excise, Revenue. The distinction in the accounts and returns between the results belonging to the Island of Bombay, and those belonging to the remainder of the Presidency to be abolished.

Seventeenth. The existing rate of duty, viz. 12 annas, per Indian maund, to be maintained for the present; but if, after a reasonable experience of the new arrangements in progress, and of the other measures of reform which have now been recommended, the revenues should not exhibit a decided improvement, no further time to be lost in reducing the duty to its former amount of 8 annas per Indian maund.

SECTION VI.

ON THE SUPPLY OF SALT FOR THE PROVINCE OF SINDE.

448. Sindé is an outlying Province of the Bombay Presidency. On the north it is bounded by the Punjab and Beloochistan, on the east by the Bhawalpoor Territory and the Rajpootanah States. On the south by the Province of Cutch. South-west by the upper part of the Indian Ocean, and on the west by Beloochistan. It extends from a little to the South of Mittunkote, the place of junction of the five rivers of the Punjab, to the mouth of the Koree for about 380 miles north and south, and the River Indus flows through the Province, discharging itself by several mouths into the Indian Ocean.

Boundaries of the Province.

449. This Province is of recent acquisition, having been wrested from the Ameers of Sindé, or Talpoor Rulers, in 1843 by Sir Charles Napier, under whom it was constituted, for a time, an independent Government; but, since 1847, it has been attached to the Bombay Presidency, and its administration is now conducted by a Commissioner, acting in subordination to that Government.

Acquisition of the Province.

450. The Province consists of Upper and Lower Sindé, and is divided into three Collectorates. Shikarpoor in Upper Sindé, and Hyderabad and Kurrachee in Lower Sindé.

Districts.

451. In all parts of Sindé there are extensive tracts of barren and unculturable land, so impregnated with Salt, that it effloresces naturally on the surface; and in some of the southern districts of Lower Sindé the saline efflorescence is so abundant as to allow of the Salt being gathered at once, without any artificial process, in large crystallized lumps, called in Sindé "Loon Gundra," or "Gundir."

In all parts of Sindé Salt may be produced artificially, and in the southern parts of Lower Sindé it is produced naturally.

452. This is especially the case in the Hydrabad Collectorate, on the left bank of the main stream of the Indus, in the tract of country lying on the western bank of the Kooree branch of that river. The existence of extensive Salt-beds in this part of Sindé appears to have been first brought to notice by Captain Baker, Superintendent of Canals and Forests, in 1844, and a partial examination was made in November 1845 of the country from Allah Bund to the Seer mouth of the Indus, occupied by these Salt-beds.

The existence of extensive Saltbeds in Lower Sindé, on the left bank of the Indus, brought to notice by Captain Baker in 1844.

453. Subsequently, in 1846, Lieutenant Burke of the Bombay Engineers, in travelling by land from Kurrachee in Sindé to Lukput in Cutch, on his way to Bombay, came accidentally upon these same beds of Salt, and supposed it to be a new discovery. According to a pamphlet published by him in 1847, the deposit consists of two vast fields of crystallized Salt, which adjoin each other; the Kotree field and the Juggee, or Seergunda, Field.

The same deposits again brought to notice by Lieutenant Burke in 1846, as consisting of two vast fields, viz., the Kotree Field and the Juggee, or Seergunda, Field.

454. Lieutenant Burke crossed the Kotree Field which lay in his route from Goonee to Kotree, and estimates its extent at twenty miles in length, and fifteen in breadth, with a mean thickness of clean workable Salt of three feet. On these data he calculates that the produce of this field alone would be equal to 1,484,151,430 tons, a quantity sufficient, at an annual allowance of 20 lbs. a head, to supply a population of 100 millions for one thousand six hundred and sixty-two years. Lieutenant Burke, according to his own showing, is very imperfectly acquainted with the extent of this field, but his estimate is not thought by the Sindé authorities to be overrated.

Extent of the Kotree Field.

455. The Seergunda Field was not crossed by Lieutenant Burke, but, from the best information he could collect, he supposes it to be even more extensive than the Kotree Field.

The Seergunda Field supposed to be even more extensive.

These fields supposed to have been formed by capillary attraction.

456. In the opinion of Lieutenant Burke these fields have been formed by capillary attraction; that is, the Salt water with which the Salt desert is saturated has by capillary attraction been drawn to the surface, and thereon crystallized by the rays of the sun. He also believes that the process of absorptions of Salt-water from the sand, and the process of crystallization by the sun, are still going forward, and that, if the old bed were removed, the unassisted powers of nature would cause it to be rapidly, or gradually, renewed.

The country in which they are situated is a dreary waste.

457. The country in which these Salt Fields are situated is a dreary waste, destitute, for the most part, of drinkable water, and of other means of supporting a fixed population. The only symptoms of vegetation seen by Lieutenant Burke were two Mimosa trees and sundry small spreading branches, a few inches in height, of Capparis. Between Raj and Goonee, a distance of 24 or 25 miles, he found neither habitation, shelter, fresh-water, nor even Salt-water. At Goonee, near which the Kotree Field commences, there was a single hut, where a Government Peon was stationed, but where the only supplies procurable were a few bundles of rotten grass for his horses, and not quite a pint of fetid water for himself. At Kotree, the other extremity of the field, distant 16 or 17 miles from Goonee, there was a solitary house situated on the western bank of the Korcee creek, and distant by water about sixteen miles from Lukput, a town in Cutch, situated on the eastern bank of the same creek. In this house a supply of fresh-water is kept for travellers, which is brought from Lukput by boat.

The quantity of Salt collected is, in consequence, limited.

458. Such being the nature of the country, the quantity of Salt collected is limited. Even in the southern portion of the Hydrabad Collectorate, where the Salt Fields lie, not above six or seven thousand maunds are supposed to be annually consumed; and very little, it appears, is used in that Collectorate to the north of a line drawn about 40 miles south of the city of Hydrabad.

A further reason for its limited use is the impression that it induces cutaneous eruptions.

459. Another reason which prevents the more extended use of this naturally formed Salt is the impression that it induces cutaneous eruptions—an idea which is so prevalent in the northern part of the Collectorate, that, in the city of Hydrabad, scarcely a maund is procurable.

Moreover, it is scarcely cheaper than the manufactured Salt.

460. Nor is there, in the price at which this natural Salt is sold, anything to cause an increased consumption of it in preference to the use of manufactured Salt; for the former sells for about 3 annas and 1 pie per maund, while the latter is procurable for less than 4 annas; the difference, therefore, is not enough to tempt people to purchase that kind against which a prejudice exists, the other being manufactured to any extent which may be required.

Notwithstanding the prejudice against the natural Salt, it has been proved by analysis to be of good and marketable quality.

461. Notwithstanding this prejudice, the Salt of these fields has been proved to be of good, wholesome, and marketable quality, by the analysis of a professional gentleman, who reported upon it as follows:—"It is just the same as the Salt obtained by evaporating sea-water, the Salt that is called Bay Salt; it is not so pure as Rock Salt, because it contains a little sulphate of soda, very little, and of no consequence, and also some muriate of magnesia, which latter renders it a little bitter, but it can readily be removed by washing the Salt in fresh-water. As it is, I have no doubt it would find a ready market; for it is very much cleaner than what is made in the Government Salt pans about Bombay."

Salt may also be procured almost as easily in one of the Delta Districts on the right bank of the Indus, but the same prejudice is entertained against it as exists against the natural Salt of the left bank.

462. In one of the Delta Districts on the right bank of the Indus, between Wuttejee and Ghara, in the Tatta District, Salt may also be procured almost as easily as on the other side of the river. This district is strongly impregnated with Salt; and by merely digging pits into which the salt-water at spring-tides is allowed to flow, a deposit of Salt is obtained ready for use without any further process; but the same prejudice is entertained against this Salt as exists against the natural Salt found on the eastern side of the river; consequently, its use is confined to the district where it is produced.

463. Salt of similar quality is produced more or less along the shores of all the numerous tidal creeks and backwaters from Lukput to Cape Monze. Any spot which is covered with salt-water only at high spring-tides becomes a natural pan, and produces salt, which is scraped into heaps, and carried away by any one who takes the trouble to fetch it. It sells apparently for little more than the hire of the men and animals employed in collecting and carrying it.

Salt is produced naturally along the whole coast from Lukput to Cape Monze.

464. The production of natural Salt is confined to Lower Sinde, and its consumption is limited, as has been seen, to the districts where it is produced, and their more immediate neighbourhood; but Salt is manufactured by artificial processes in both divisions of the Province.

The production of natural Salt confined to Lower Sinde; but Salt is manufactured in both divisions of the Province.

465. The mode of manufacture differs but little throughout the Province. The method as described by Captain Dunsterville, Deputy-Collector of the District of Jurruk in the Kurrachee Collectorate, is to sink wells, by the sides of which "shallow troughs are prepared, with bottoms made of twigs and wood, so placed that water can pass through freely, and lined with common mats; a layer of sand is spread over these, and then the trough is partly filled with salt earth, which is changed daily; the water is then drawn from the adjacent well, generally by means of a basket attached to a long pole worked like a lever, and is thrown plentifully on the salt earth in the trough, through which it drops, and is received in trenches cut below for the purpose, from which it is conveyed into earthen pans, and exposed to the air; in a few days the whole (water) is evaporated, leaving a residue of Salt."

Mode of manufacture.

466. But little labour is required, and the expense incurred is trifling, but the profits are so small that none but the poorest classes are employed in the manufacture.

Cost of production and profit.

467. In the District of Jurruk the cost of production is estimated at from 2 to 3 annas for a maund, which is subsequently sold at an advance of one anna; in another district of Lower Sinde the cost is as low as $1\frac{1}{4}$ to 2 annas and the produce is sold on the spot for about six pies or half an anna additional per maund. In Upper Sinde, the selling price is stated to be about $1\frac{1}{2}$ anna per maund.

468. In every Pergunnah there is one or more of these Salt Works; the manufacturers usually retail the Salt themselves at the neighbouring villages, to which they carry it upon donkeys. It is calculated that a man and his donkey do not earn more than 2 annas and 2 pies per diem by their labour, so that, taking into consideration the wear and tear of the earthen pans, some 300 of which are required at every Salt Work, and also that the season of production is limited, the profit to be obtained by the manufacture of Salt is very small.

469. The manufacture during the rains is stopped altogether, and during the cold season but little salt is produced, and that of inferior quality. It is only during the hot weather that Salt can be manufactured in any quantity, and the makers are during other seasons compelled to resort to selling wood for a livelihood.

Season of manufacture.

470. The data for estimating the total quantities of Salt manufactured and consumed in the Province are so defective, that no return can be made on these heads which would be of the slightest value, even as an approximation.

No data exist for even an approximate estimate of the total quantities manufactured and consumed in the Province.

471. It is however stated that the production does not exceed the demand in the Kurrachee Collectorate, which embraces the country on the right bank of the Indus from a point beyond Sehwan to the mouth of the river, while the consumption in the Hydrabad Collectorate, on the other bank of the Indus, is supposed to exceed the quantity produced, and to be supplied to the extent of about 2,400 maunds annually, by importations from other districts.

In Lower Sinde, the consumption is supposed to exceed the quantity manufactured.

472. This extra supply is, probably, received chiefly from the neighbouring State of Khyrpoor, where large quantities are manufactured. Although an *ad valorem* duty of rupees five per cent. is imposed upon all Salt crossing the frontier into the British Territories,

The deficiency is probably supplied chiefly from the neighbouring State of Khyrpoor.

this tax is too light to be of much consequence ; even when the price is nearly doubled, as is sometimes the case at the season for catching and curing the pulla fish, the Frontier Duty, which comes to only about six pies on every ten maunds, would scarcely be felt at all.

In Upper Sinde also, the manufacture does not appear to exceed the demand.

No Duty upon Salt in Sinde.

If it were desired to raise a Revenue from Salt in Sinde, some form of Excise would be the best mode.

Question as to how far Sinde Salt is capable of competing in India with Foreign Salt, or with the manufactured Salt of the three Presidencies in their own markets, considered.

Lieutenant Burke's opinion that Sinde might supply all India with Salt cheaper than Cheshire can, and might compete with Calcutta and Bombay in their own markets.

Lieutenant Burke's opinion, as to the capability of Sinde Salt competing with Bombay Salt in its own market, controverted.

473. In like manner, the production in the Collectorate of Shikarpoor does not appear to exceed the demand in that Collectorate.

474. There is at present no Duty of the nature of an Excise, or otherwise, upon Salt in Sinde ; its manufacture and sale is wholly unrestricted, and with the exception of two small farms of Salt Works in the Kurrachee Collectorate, yielding about rupees 100, annual revenue, the Government derives no income from Salt throughout the province.

475. If it should be considered advisable at any future time to raise a Revenue from Salt in Sinde, it will no doubt be proper to introduce some form of Excise, adapting it to the peculiar circumstances of a country possessing such vast fields of natural Salt, and also such great facilities for producing the manufactured article.

476. Some inquiry was made by the late Select Committee on Indian Territories as to how far the natural produce of the Sinde Salt Fields is capable of coming into competition in India with English or other foreign Salt, or with the manufactured Salt of the three Presidencies in their own markets. It is spoken of in the inquiry as "Cutch Salt," but there can be no doubt that the Salt deposits of Kotree and Seergunda, in Sinde, described by Lieutenant Burke, are intended.

477. The Kotree deposit lies on the western bank of the Korce branch of the Indus, the Seergunda field on both banks of the Goongra, the next branch of the Indus westward of the Korce, which empties itself into the Ocean by the Seer mouth of that river.

478. Lieutenant Burke is of opinion that Sinde can supply all India with Salt, probably at a cheaper rate than Cheshire can ; and also that, in the article of Salt, Sinde can, perhaps, compete with Calcutta and Bombay in their own markets. He calculates that the Salt of the Kotree Field could be shipped at the Korce mouth of the Indus for 1s. 6d. a ton, and landed at Panwell, the ordinary landing place for goods going inland from Bombay, at 5 shillings a ton, all expenses included. On the other hand, he calculates the cost of a ton of Bombay manufactured Salt, at Panwell at 6s. 5d., showing a difference of 1s. 5d. a ton in favour of the Sinde importation, in addition to which the greater value of the article, on account of its cleaner and superior quality, has to be taken into consideration ; and as Bombay-manufactured Salt finds a profitable market in Calcutta, it is argued that it is *a fortiori* probable that Sinde Salt might also be taken there at a profit.

479. It is probable that the naturally produced Salt of Sinde could be taken to any part of India so as to undersell English, and, perhaps, any other foreign Salt ; but it admits of doubt whether it could compete with Bombay manufactured Salt in its own market. Kotree, it is allowed, is not suitable as a place of shipment, from the want of a sufficient depth of water ; and even supposing that a suitable place of shipment might be found below Kotree, on the western bank of the river, it seems very questionable whether Lieutenant Burke, in estimating the expenses, has made any sufficient allowance for the very great difficulties, which exist, according to his own showing, from natural causes, such as the total want of population, and the means of supporting one, in the way of quarrying and shipping the Salt. It was the opinion of the Collector of Customs at Kurrachee that he had very considerably under-rated the expense of shipping the Salt at Kotasir, which is the Port of Lukput in Cutch, below Kotree, on the eastern bank of the Korce.

480. Salt can be produced in different parts of the Bombay Presidency to any extent, at a cost ranging from, say, half an anna to an anna an a-half per Indian maund, or from 1s. 8½d. to 5s. 1½d. per

* See Evidence of F. W. Prideaux, Esq., 4th Report, 1853. Questions and Answers, 7,316 to 7,321, Pages 204 and 205. Also 7,676, Page 233.

ton, taking an anna at $1\frac{1}{2}d.$, and a ton at 27·225 Indian maunds. Unless, therefore, the naturally produced Salt of Sinde could be exported, all charges of quarrying, shipping, and sea freight for, say, 500 miles included, for the minimum cost of 1s. $8\frac{1}{2}d.$ per ton, it is clear that it would not find a market *everywhere* in the Bombay Presidency, and if it could not be exported for the maximum cost of 5s. $1\frac{1}{2}d.$ per ton, it would find a market *nowhere* in that Presidency. Thus, even at Lieutenant Burke's calculation of 5s. per ton, as the total cost of landing Sinde Salt, from the Kotree bed, at Panwell, that Salt could scarcely compete with Bombay manufactured Salt anywhere in that Presidency.

481. Again, Salt can be produced in the Penn districts, distant about 23 miles south-east from Bombay, to any extent, for *less* than half an anna a maund, or 1s. $8\frac{1}{2}$ a ton. Unless, therefore, the Sinde Salt can be quarried and shipped at a less cost than that amount, it is to be presumed that the other parts of the Bombay Presidency would rather be supplied from the Penn Districts than from Sinde. Even Lieutenant Burke's estimate of the cost of quarrying and shipping the Salt of the Kotree bed, viz, 1s. $6d.$ per ton, which is pronounced by a Sinde authority to be "certainly very considerably under-rated," is but little less than the production cost of Salt in the Penn Districts of the Bombay Presidency.

482. But the question is not left altogether to conjecture. It appears from a Memorandum by the Collector of Customs at Kurrachee, that, in November 1845, when these deposits were first examined, an attempt was made to ascertain their value. It was found that no sea-going vessel can go higher up the Koree than Kotasir. The expenses attendant on procuring a cargo were found more considerable than was anticipated; camels, water, and forage had to be sent from Lukput to some distance inland from Kotree, where the article was shipped in boats and sent to Kotasir; there it was trans-shipped into a Malabar vessel. The Cutch authorities made a heavy claim for anchorage, which had to be met, and the proceeds realized at Mangalore were not sufficient to induce another speculation. It is stated, however, in the same Memorandum, that a vessel can be laden in the Goongra river at a comparatively small expense, so that the Seergunda Salt possesses an advantage, for exportation, over the Kotree Salt.

483. Again, in August, 1845, when a failure took place in the annual supply of Salt in the Malabar Collectorate of the Madras Presidency, tenders were called for in Sinde for the supply of the deficient amount, and but one was received, which was 6 rupees the garce* beyond the rate tendered by the Malabar merchants.

484. Now the supply of Salt for the Malabar coast is habitually drawn in chief measure from the Salt Works of the Bombay Presidency. If, therefore, the naturally produced Salt of Sinde cannot compete with the manufactured Salt of that Presidency in the markets of the Malabar Coast, it follows that it cannot possibly compete with Bombay Salt in its own market.

485. Finally, it is stated by the Collector of Customs at Kurrachee, that the price of common Salt in the Kurrachee Bazaar is, for a camel load of from 5 to 6 Bengal maunds, 10 annas, or, say, 2 annas per maund. If this be the price in Sinde, at no great distance from the Salt formations, the price of the same Salt in the Bombay markets would of course be very considerably higher; but the price of Bombay Salt, at the pans, is said not to exceed 2 annas, and to range as low as 9 pies, per maund.

486. If Sinde Salt could not compete with Bombay Salt on the West or Malabar coast of the Madras Presidency, much less could it compete with Madras Salt on the Eastern, or Coromandel, coast of that Presidency, inasmuch as it would have to be carried further, and to a cheaper market, for Salt can be produced, to any extent, on the Coromandel coast at a less cost than on the Bombay coast.

Much less could Sinde Salt compete with Madras Salt in its own market.

* A Garce is 120 Indian maunds.

It might, no doubt, compete with Bengal Salt in the Calcutta market, but not with Madras Salt certainly, and probably not with Bombay and some Foreign Salt, in that market.

On the whole, Sinde Salt not likely to find a considerable market in any other part of India.

Nevertheless, a Salt Company has been started at Kurrachee.

Object of the Company.

Export by this Company to Bombay, or even to the markets of the Malabar Coast, at a profit, seems impossible.

Profitable Export to Calcutta, in competition with Bombay Salt, doubtful.

The circumstances upon which an Export trade in Salt depends.

Under the influence of those circumstances, some shipments have been made by the Kurrachee Company to Calcutta.

But it seems certain, that, from the same causes, the Exports to Calcutta of Bombay and Madras Salt, and of English and other Foreign Salt, must, for a long time, greatly exceed the Exports from Sinde.

No Duty being levied on the natural or manufactured Salt of Sinde, the Export and Import of the article should also be rendered wholly free and unrestricted.

The Government ought not to be concerned in any project for supplying the rest of India with Salt from Sinde.

487. Sinde Salt might no doubt compete with Bengal Salt, at the present high rates of production, in the Calcutta market; whether it could compete, in that market, with Bombay Salt, or with all Foreign Salt, is questionable; but it certainly might be kept out by Madras Salt, for under an equal system everywhere of free manufacture, and free and unrestricted exportations, such as ought to exist, it is impossible that any Salt, Indian or Foreign, could compete with Madras Salt in supplying Bengal.

488. On the whole, there seems little room for the expectation that Sinde Salt would find a considerable market in any other part of India, even admitting its alleged superior quality.

489. Nevertheless, as appears from the Sinde newspapers, a Salt Company, on a small scale, has been started at Kurrachee in the hope of creating a trade in Salt.

490. The object of this Company is to collect, and store, Salt at Kurrachee, where, it is estimated, it can be laid down at one-and-a-half anna per Indian maund, and to sell it both for Home consumption and for Export.

491. If the naturally-produced Salt of Sinde cannot be stored at Kurrachee at a less cost than one-and-a-half anna per maund, it seems impossible that it can compete with Bombay Salt in the markets of that Presidency, or even in the markets of the Malabar Coast.

492. Nor does Sinde seem to possess, in the prime cost of its Salt, an advantage over Bombay for the Calcutta market, while it has, at the same time, to be carried a greater distance.

493. But it is to be observed that it can never pay to carry Salt, except as ballast, which must be carried at all events. Considered as an article of merchandize, a whole cargo of it would not pay a profit, though it might avert, or go some way towards averting, a loss; an Export trade in Salt depends, therefore, not so much upon the prime cost of the article, or upon the length of the voyage, as upon the quantity of spare tonnage available, and the facility of obtaining a profitable return cargo.

494. It appears that the English vessels trading to Kurrachee, not being able to procure a return cargo there, are compelled to visit the other Indian ports for a profitable freight, and it pays better to take a full cargo of Salt to those ports, provided its price is not so high that it cannot be carried without a dead loss, than to go only in ballast. Under these circumstances, some shipments of salt have lately been made from Kurrachee to Calcutta; and it is stated that in one instance, the article was laid in even at so high a rate of purchase as $3\frac{1}{4}$ annas per maund.

495. It is possible, therefore, that under the existence of the more important influences mentioned, there might be a greater export of Salt from Sinde to Calcutta than from other places, in, or out, of India, where the article is produced, and could be procured cheaper, but where the other influences in question might not be present, or might not exist to the same extent. But there is no reason to suppose that Sinde possesses in fact any advantage in these respects. On the contrary, it seems certain that, from the same causes, the exports to Calcutta of English, and other Foreign Salt, and of the manufactured Salt of the Bombay and Madras Presidencies, must, for a very long time to come, be much more considerable than the exports from Sinde.

496. It appears that, generally, the same duties and rules prevail in Sinde, in respect to the export and import of Salt, as have been described, in paragraphs 214 to 225 of this Report, as being in force in the other territories of the Bombay Presidency. But as no duty is levied on the Salt manufactured, or naturally produced, in Sinde, it is clear, upon acknowledged principles, that both the export and import of the article should also be rendered wholly free and unrestricted.

497. It is scarcely necessary to argue, in the present day, that the Government ought not to be concerned in any project for supplying the rest of India with Salt from Sinde; but that it should be entirely left, as has been decided, to private enterprise to work the deposits in that Province in any manner which may be thought best.

PART II.
ON THE SUPPLY OF SALT FOR THE PRESIDENCY
OF MADRAS.

SECTION I.

ON THE RISE, PROGRESS, AND PRESENT STATE OF THE SALT REVENUE
SYSTEM.

498. In the Appendix will be found a Memorandum,* containing full particulars on the subject of this section, prepared by the Madras Board of Revenue, in pursuance of letters, † specifying the information desired, addressed by me to the Madras Government. The Reports ‡ of the several local officers of the Presidency, upon which the Memorandum is chiefly founded, are also given in the Appendix.

Appendix B contains full particulars on the subject of this Section.

499. It would be superfluous to recapitulate the contents of these papers at any length in the body of the Report; they will, therefore, be used more as a text for my commentaries.

500. The question of introducing a Salt Monopoly in the Madras Presidency, similar to that which prevailed in Bengal, was first mooted in paragraphs 453 to 467 of a letter § to the Government from the Board of Revenue, dated the 2nd of September 1799, the Board advocating its introduction. At that period, the only Salt-producing territory belonging to the Company, were the Northern Circars, comprising the Districts of Ganjam, Vizagapatam, Rajahmundry, Masulipatam and Guntoor, and the Jagheer, comprising the District of Chingleput.

The question of introducing a monopoly first mooted, and advocated, by the Board of Revenue in 1799.

501. Accordingly, in permanently assessing the Land Tax in 1802, the Company having, in the meantime, acquired the Carnatic and the Territory of the Nawab of Arcot by treaties, the exclusive right of manufacturing Salt was reserved ¶ to the Government; but it was not until 1805 that the Salt Monopoly was established on its present footing, to meet the expenses of the new judicial establishments.

In permanently assessing the land-tax in 1802, the exclusive right of manufacturing Salt reserved to the Government.

502. Previous to that year, the manufacture was either farmed out, or managed by the officers of Government; upon what system, the records do not clearly show. The gross Revenue, according to the most authentic estimate extant, amounted, on an average of five years previous to the monopoly, to 80,000 star pagodas, or rupees 2,80,000, exclusive of all charges; and the average sale price at the pans was 6 pagodas, 6 fanams, or a little more than 21 rupees per garce of 120 maunds. In the year preceding the monopoly, the gross receipts amounted to rupees 2,21,607, and the charges of establishment to rupees 11,467. †

The system, gross revenue, charges, and sale price previous to the monopoly.

503. The Board of Revenue, to whom the question was referred, declared the introduction of a Monopoly impracticable, and advocated the imposition of a high duty ¶¶ on all Salt, manufactured or imported, the Home manufacturers being required to take out permits, and register their pans. The Collectors in general also preferred a fixed

The Board of Revenue declared the introduction of a monopoly impracticable, and advocated a system of Excise, which was also preferred by the Collectors in general.

* Appendix B. † Appendix A. ‡ Appendices C and E, No. 18 to No. 32.

§ Appendix E, No. 1.

¶ Section 4, Regulation XXV. of 1802.

¶¶ Appendix E, Nos. 2 to 10.

duty to a monopoly. All Salt exported by sea, the Board thought should be exempt from duty; and they forwarded the Draft* of a Law framed in accordance with their views.

Mr. Falconar, one of the members of the Board of Revenue, dissented, and advocated a close monopoly, as in Bengal.

The Madras Government, without examining the question, rejected the Excise proposition in favour of a monopoly.

Establishment of the Monopoly.

Subsequent Laws relating to, and present rules for the management of the Salt Revenue.

Peculiarity of the system.

Laws relating to the Salt Revenue.—Section 3, Regulation I of 1805. Sections 2 and 4, Regulation II of 1807.

Sections 8 and 13, Regulation I of 1805. Section 3, Regulation II of 1807. Sections 2, 3, and 4, Regulation V of 1831.

504. One of the Members (Mr. Falconar) dissented from these views of his colleagues; he considered the establishment of a close monopoly, as in Bengal, practicable and necessary, and recorded a Minute† on the policy of adopting that measure in preference to leaving the manufacture free.

505. The Madras Government, without entering in the least into the merits of the question, upon the simple ground‡ that the introduction of a Monopoly of Salt on the part of the Company, on the principles of that established in Bengal, had been prescribed by the orders of the Governor-General in Council, rejected the Excise proposition of the Board of Revenue, and directed such modifications to be introduced in the Draft Law as might be necessary to adapt it to the plan of a monopoly.

506. The Draft of a Law for regulating the Revenue derivable from Salt, on the plan of a monopoly, was accordingly prepared, and submitted to the Government of India,§ by whom its general principles were approved; and, ultimately, Regulation I of 1805 was passed on the 13th of September of that year, establishing the monopoly in all the provinces of the Presidency, except Malabar and Canara, to which it was afterwards extended by Regulation II of 1807.

507. The subsequent Regulations and Acts relating to the Salt Revenue, passed up to the present time, are Regulation V of 1831 and Act VI of 1844. They do not at all affect the original plan of the monopoly as laid down in Regulation I of 1805. The Revenue is further protected by the rules for the management of the Salt Department, circulated by the Board of Revenue for the guidance of collectors, on the 23rd of December, 1850. These Rules,|| with all the subsequent modifications and additions, will be found in the Appendix.

508. The peculiar feature of the system is that the manufacture is conducted exclusively on account of the Government. The manufacturers contract to furnish Salt at a fixed price; and the Government dispose of the Salt also at a fixed price, through their own agents, to the dealers and others, who resort to the Government stores for their supplies; but beyond this first sale, the Government do not meddle. The manufacturer can only make for Government, and the purchaser, in the first instance, must buy from Government; but afterwards he may sell his Salt where, and as, he pleases, without further interference.

509. The manufacture, sale, and transit of Salt within the limits of the Madras Presidency, excepting on account of Government, or with their sanction, is expressly forbidden; and all Salt manufactured, sold, and conveyed, contrary to the provisions of Regulation I of 1805, is liable to seizure and confiscation. The system established in Canara and Malabar differed from the general plan, in so far as to leave the inhabitants of those districts at liberty to carry on the manufacture of Salt as before; but the sale of the Salt so manufactured, except to the Government, was prohibited.

510. Proprietors of estates, or other persons in charge of lands, clandestinely manufacturing Salt, or wilfully omitting to give immediate notice of Salt manufactured in their lands, are liable, on conviction in the criminal courts, to a fine not exceeding rupees 200, commutable to imprisonment not exceeding the term of two years, or to punishment by the magistrates by a fine not exceeding 50 rupees, commutable to imprisonment not exceeding one month. Any manufacturer, or other person, in Canara and Malabar, selling Salt to any other than the officers of Government, or others authorized by Government to purchase it, is liable to the same penalties;

* Appendix E, No. 11. † Appendix E, No. 12.

‡ Appendix E, No. 13. § Appendix E, No. 14. || Appendix F.

and all other breaches of the Salt Laws are punishable in like manner.

511. The removal of Salt from the depôts without a Rowannah or Pass is prohibited. Persons in charge of Salt are required to keep their Passes with the Salt. Any Salt found in transit, anywhere within the limits of the Presidency, unprotected by a Pass, or in excess of the quantity specified in the Pass, is liable to seizure and confiscation. Section 12, Regulation I of 1805.

512. Any person convicted of engaging in any clandestine or fraudulent transaction concerning Salt, is liable to permanent exclusion from the service of the Company. Section 18, Regulation I of 1805.

513. As regards embezzlement, breach of trust, &c., the laws that apply generally to Revenue servants (Regulation IX of 1822, and Act XIII of 1850) can be enforced; and further, any Salt Meerassidar conniving at fraud, forfeits his privileges, and is deprived of his pans. Punishments for embezzlement, breach of trust, &c.

514. The administration of the monopoly was, originally, subject to the immediate direction and control of a General Agent,* acting over the Collectors, and in subordination to the Board of Revenue. In 1808, the office of General Salt Agent was abolished, and a commission of 1½ per cent. on the Salt Revenue was granted to the Collectors, and their head assistants, in the proportion of ¾ to the former, and ¼ to the latter. In 1836, the commission was finally discontinued, and the management of the Salt Revenue constituted, as it now is, one of the ordinary duties of the Collectors, in subordination, as before, to the Board of Revenue. Original and present administrative system and agency.

515. Excepting in the Madras Collectorate, there is no Agency between the Collector and the Native Establishment. The immediate charge of the Salt Duties is generally entrusted to the Collector's Head Assistant. In the Madras Collectorate, it is entrusted to an Uncovenanted Assistant, entertained for the purpose, in consequence of the large transactions in that locality, the distance of the pans from the depôt, and various other reasons demanding the personal services of a man of activity, intelligence, and integrity.

516. The Native Establishments are of two classes, fixed and temporary, the latter being called in, chiefly for preventive service, at the season of manufacture and storing. The details differ in each district, but generally each depôt is under an Ameen, Peshcar, or Tannadar, who is assisted by a Deputy, with Native Writers, Accountants, Inspectors, and a guard of Peons under a Duffadar. A detailed list of the native Establishment in each district, with a specification of the designations and duties of the several officers and servants composing it, as condensed from the Returns of the Collectors, will be found in Appendix B (Enclosure No. 12). The total charge for subordinate Establishments, in the year 1852-53, amounted to rupees 1,54,493 as shown in the margin.† The native Establishments are considered to be certainly underpaid in proportion to their responsibilities. Native Establishments—their duties and cost.

517. The Regulation establishing the monopoly fixed the sale price of Salt at rupees 70 per garce,‡ including duty and all cost of manufacture. In November 1809, the price was raised to rupees 105 per garce; but the Revenue, which ought to have increased more than 50 per cent., did not reach quite 30 per cent. Monopoly prices of Salt. Sale price originally rupees 70 per garce of 120 maunds; raised in 1809 to rupees 105.

	Rupees.
The Revenue in 1808-9 being	18,82,009
And in 1811-12	23,66,936
Showing a net increase of	4,84,929

* Sections 2 and 4, Regulation I of 1805.

	Rupees.
† Fixed	1,42,003
Temporary	12,490
Total	1,54,493
‡ 120 Maunds.	

Reduced in 1820 to the original Rate of 70 rupees.

518. About the year 1813-14, abuses crept into the administration of the Salt Revenue, especially in the Districts of Nellore and Guntoor, which caused a gradual decline in the Public Revenue. It appears that, for certain considerations, the native officers, who had charge of the Salt, gave over-measurement to the merchants, to so large an extent as 75 per cent. of their purchases. The Madras Government in 1820 were induced to think that the amount of the tax had led to the abuses, in question, and reduced the wholesale price at the stores to the original rate of rupees 70 per garce.

Proposition by the Board of Revenue, in 1822, to raise the price again to the former Rate of rupees 105, negatived by the Government.

519. In 1822 Mr. Cochrane, the Senior Member of the Board of Revenue, strongly recommended that the price should be again raised to rupees 105, as he was persuaded that the decline of the Salt Revenue, which induced the Government to reduce the price, proceeded solely from the abuses of the Salt officers, which, Mr. Cochrane stated, had subsequently been corrected by requiring the Salt delivered into store "to be struck and not heaped in the measure." He was further of opinion that the decline of the Salt Revenue, from 1813-14 to 1816-17, did not proceed in any degree from the inability of the people to provide themselves with Salt at the former price of rupees 105 per garce, for it appeared, by returns obtained from the interior, that the consumers had not received the benefit of a reduction of price. The Government did not see reason to comply with Mr. Cochrane's recommendation.

The Board of Revenue again advocated the increase in 1824 and 1825.

520. The Board, in their Annual Reports for 1824 and 1825, again earnestly recommended the measure proposed by Mr. Cochrane in 1822. In the Report for 1825, they stated that "the additional experience they had acquired since February 1822, had tended to confirm them in the opinion that the price of Salt should be raised to the former rate of rupees 105 per garce." The Board proposed, however, "to allow another year to elapse, by which time the reduced monopoly price would have been in operation 5 years, a term sufficiently long to enable the Government to form a conclusive opinion in regard to the effect which had been produced on the retail prices of Salt throughout the country." They at the same time stated, that, since the reduction of the monopoly price in 1820, the consumption of Salt had considerably increased, the quantity of Salt sold since 1821, in each year, having exceeded the quantity sold in 1819-20 by 9,354 garces; but that, to secure the same amount of Revenue from the reduced tax, it was necessary that the average sales should exceed the quantity sold in 1819-20 by 12,827 garces.

And again, in 1828.

521. In June, 1828, the Board of Revenue again recommended that the monopoly price of Salt should be raised to its former standard of rupees 105 per garce. The Board had called for Returns from the Collectors, showing the consumption of Salt within the Madras Provinces. It appeared from those returns that the consumption had not fallen off, as the Government had been led to suppose had been the case in 1820; but, on the contrary, that the average consumption of 3 years, when the price was rupees 70 per garce, namely, from 1806 to 1809, if compared with the 3 last years of high price, namely, from 1817 to 1819 inclusive, showed an increase of consumption during the latter period of about 21 per cent. The Board hence inferred, that the increase of the tax had not, as supposed by Government in 1820, materially affected the comforts of the inhabitants of the Madras Provinces. They observed, that the sales of Salt for home consumption had steadily kept pace with the increase of population, while the demand for the supply of Foreign States had fluctuated as much since 1820 as it did under the high price of preceding years.

522. The Board referred to Statements, showing the degree in which the inhabitants of the Madras Provinces had benefited from the reduced rate established in 1820. The amount of that reduction was $33\frac{1}{2}$ per cent., or rupees 35 per garce; but in 18 districts the average reduction in the consumption price had only been about rupees 22 per

garce. In Cuddapah and Coimbatore there had been an increase, instead of a decrease, in the consumption price. In Gantoor, Nellore, North Arcot, South Arcot, Tanjore, Canara, Salem, and Trichinopoly, the decrease did not exceed half of the reduction in the monopoly price. In Masulipatam, Chingleput, and Tinnevely, the decrease exceeded the half, but was less than the whole amount of the reduction; and in Ganjam, Vizagapatam, Rajahmundry, Madura, and Malabar, the decrease exceeded the whole of the reduction of 33½ per cent.

523. After a detailed examination of the probable effects of the proposed increase of price on the comfort of the consumers, the Board remarked that they had no reason to apprehend "that a return of the former monopoly price would be attended with hardship to the people, or lead to a diminution of the present average demand."

524. The Government stated, that "had the opinion of the Board of Revenue, on this important question, been merely speculative, and had their conclusions not been drawn from accurate returns, and supported by ascertained facts, the Governor in Council would have deemed it incumbent on him to defer giving effect to the Board's recommendation until the orders of the Court of Directors could be received; but from the clear and comprehensive view of the subject, in all its bearings, which was taken in the Board's proceedings, the known result of the reduction of price, and the absence of all objection to its increase, the Governor in Council felt assured that the present would be viewed by the Court of Directors as a legitimate occasion for the exercise of a just discretion, where delay and further reference could have no other effect than that of involving a further sacrifice of Revenue, estimated at rupees 14,00,000 per annum." The Government accordingly resolved, that the monopoly price of Salt should be raised to the former rate of rupees 105 per garce, at the earliest practicable period. This resolution was communicated to the Revenue Board on the 20th of June, 1828.

525. The price remained at this rate until the 31st of March, 1844, the average sales per annum for the sixteen years, from 1828-29 to 1843-44, having been very considerably below those of the preceding eight years, when the price was rupees 70 per garce.

526. By Act VI of 1844, the levy of Transit or Inland Customs' Duties was abolished throughout the Madras Presidency from the 1st of April of that year, and the price of Salt was raised from the same date to one rupee eight annas the maund,* or rupees 180 the garce, with the view of compensating for the Revenue relinquished by the abolition of the Transit Duties, and in consideration of the relief afforded to the people by that measure.

527. The Madras Government had remonstrated against the price being raised to this extent, and had represented that the highest amount which it would be safe or reasonable to impose, would be rupees 127½ per garce, or 1 rupee 1 anna per maund, which price, they were also of opinion, would be more than sufficient to meet the loss of Revenue which would be occasioned by the entire abolition of the Transit Duties. The Court of Directors concurred in the objections of the Madras Government, and, considering also that each increase in price had been regularly followed by a decrease in the sales, directed, in a dispatch dated the 3rd of July, 1844, No. 9, the immediate reduction of the rate to one rupee per maund, or rupees 120 per garce, which has ever since been, and still is, the price of Salt under the Madras Presidency.

528. The net Revenue relinquished by the abolition of the Transit Duties was about 31 lacs per annum.

529. In the Madras Presidency, Marine Salt is made exclusively by solar heat. The sea-water is let by gradations into small shallow beds, and after evaporation the Salt is scraped off and dried. The process is fully described in paragraphs 56 to 78 of Appendix B, and

On this occasion, the Government acquiesced, and the sale price was raised to rupees 105 per garce, at which rate it remained for 16 years.

Transit Duties abolished throughout the Presidency by Act VI. of 1844, and the price of Salt raised to rupees 1, 8 annas the maund, or rupees 180 the garce.

But reduced in the same year, by order of the Court of Directors, to one rupee the maund, or rupees 120 the garce, which has ever since been, and still is, the rate.

Amount of Revenue relinquished by the abolition of the Transit Duties.

Manufacture of Salt, Process.—Appendix B, paragraphs 56 to 78, and Enclosure No. 4.

* Section 43, Act VI. of 1844.

in Enclosure No. 4, of that Appendix. It differs in no material respect from the Bombay method. The Attiput pans in the neighbourhood of the town of Madras, mentioned in paragraph 61 of Appendix B, were visited by me. The Governor, Lord Harris, then lately arrived, took the opportunity of visiting them also, accompanied by the Chief Secretary, Sir Henry Montgomery. A plan * of those pans laid down according to actual survey, accompanies.

Seasons and places of manufacture.

530. The manufacture commences in the beginning of January, and continues, ordinarily, till July, when the rains put a stop to it; but the season is occasionally such that the manufacture goes on till September. It is carried on only in certain selected localities, along the whole line of the Coromandel Coast, and on the Canara portion of the Malabar Coast, determined on, generally, as being the old grounds previous to the monopoly, and sometimes fixed with reference to the convenience of the community. It is, however, considered more desirable, in order to concentration, to extend the manufacture at one place, than to open a new ground.

Quantity to be made.—
Advances.

531. The quantity of Salt to be made is settled by the officers of Government with reference to the probable demand, and advances are occasionally given to the manufacturers, estimates being submitted by the collectors for the sanction of the Board; but the system is discouraged, the total advances in the latest year, 1852-53, or Fusly 1262, having amounted to only rupees 29,834, as shown, in detail of districts, in paragraph 102 of Appendix B.

Rules for the management of the Salt Revenue, Appendix F. Manufacturers to leave the pans about sunset, Rule 2.

532. During the period of manufacture, the persons engaged in making Salt are required to leave the pans by a prescribed route about sunset, so as to pass the watching peons, who are appointed to guard the Salt, and prevent smuggling.

Receipt and storage of the Salt, and payment of the manufacturers, Rules 1, 3, 4, 8, 11.

533. When the manufacturers have prepared Salt fit for delivery, it is received from them by measurement, without any allowance for wastage, and is paid for as soon as the whole produce has been measured into store. Each manufacturer's account is kept separately, but all the Salt delivered is secured, indiscriminately, in one common store at the depôts, on platforms of raised earth, in heaps of 10 or 20 garce each, of a regular shape and covered with a good thatch to prevent wastage. The advances and final payments to the manufacturers are made, whenever practicable, in the presence of a European officer, either at the Collector's office or at the Pans.

Periodical inspection of the stores, Rule 8.

534. The stores are periodically inspected by the Collector, or one of his assistants, when some of the heaps are measured, and a record of the results kept.

Situation of the Depôts.

535. In the Collectorate of Madras, the great depôt is close to the town, at a distance of from 6 to 10 miles from the pans, and there is a second depôt close to the beach at Ennore, 10 miles north of Madras; but in all the other districts, except Canara and Malabar, there are no depôts except close to the pans.

Storage platforms.—
Rules 5, 6, 7.

536. The platforms at the depôts are rectangular, and raised three or four feet above the level to which water usually rises in the monsoon. The earth taken to raise them is dug in such a manner as to form a deep ditch round each of them, leaving only one broad entrance; in the centre of each is a hut for the watching peons, erected on a raised mound of earth. The platforms are made as large as possible, it being an object to secure as many heaps as practicable upon the same platform, and to limit the number of platforms, with the view of saving the expense of watching. The platforms are further surrounded with palisades, or hedges of prickly pear and aloes, or some other kind of defence, and the entrance is guarded by a gate. Within the enclosure of each platform a separate space is set aside for the express purpose of measuring and loading Salt.

Registry and sale of the heaps, Rule 13.

537. Each heap of Salt is marked with the quantity it contains, and the heaps are sold in order of the number attached to them, to prevent

* Plan No. 6.

a heap being opened until the one previously opened has been sold off.

538. In all possible cases, the wholesale dealers are encouraged to take off an entire heap at a single purchase; and, to induce them to do so, they are allowed, in the case of such purchases, a discount of 5 per cent. on the established price.

Sales of entire heaps, Rule 14.

539. Under whatever Superintendent and Accountant a heap of Salt may be opened, the whole of that heap is, if possible, sold off under the same servants.

The whole of each heap to be sold by the same servants, Rule 15.

540. Immediately on the completion of the sale of each heap of Salt, the Accountant of the pans supplies the Collector with a special account of its produce, signed by the Superintendent. If the heap should produce a smaller quantity of Salt than it was known to contain, the Accountant and Superintendent are liable to be dismissed, unless they can prove that the deficiency was caused by unavoidable circumstances.

Account sale of each heap, Rule 16.

541. The purchase of Salt from the Government depôts, whence alone the sales are made, is free to everybody, in as small quantities, ordinarily, as 5 mercals or $1\frac{1}{2}$ maunds; but the minimum quantity which may be sold to one person has been reduced in Rajahmundry to fractions of a mercial, and in Nellore and Madras to 1 mercial, or 12 seers. Salt purchased for exportation by sea is delivered by weight at the rate of 1 garce for 120 Indian maunds. In the district of Rajahmundry, it is also sold by weight; but in all other cases, the delivery is measured by the mercial at the rate of 400 mercals to a garce, a mercial being held to be equal to $\frac{2}{3}$ ths of a maund, or 12 seers. The purchasers are allowed the option (to keep within the law) of having their Salt weighed, but they never have recourse to this.

Minimum quantity which may be sold. Delivery by weight or measurement optional, Rules 17 and 18.

542. No Salt is allowed to be sold before sunrise, nor after five o'clock in the evening; all persons, even the servants belonging to the Salt pans, being excluded from the enclosures round the platforms from sunset to sunrise.

No sales allowed between sun-set and sunrise, Rule 19.

543. The mode in which the sale transactions are conducted at the depôts is particularly described in paragraph 163 of Appendix B. The object aimed at is to guard against fraud, by making it necessary that, if it should be attempted, it should involve so many parties as to render it more easy of detection. A Rowannah or Pass is delivered to the purchaser with the Salt, specifying the quantity purchased, and its destination, the amount paid, the number of carts or bullocks, the time within which only the pass is to be valid, and the number of bags in which the Salt is packed; and it is the duty of the watching peons not to permit any Salt to be removed at any time from the platform until the Rowannah or Pass is produced to him.*

Mode of conducting the sale transactions at the Depôts.

544. The other chief local precautions for the prevention of fraud are to place watchers over the pans during the manufacture; to make the manufacturers collect and pile the day's produce into small heaps, close to the pans, to dry before it is removed to the depôt, to secure these heaps with some clay stamp to prevent their being tampered with; to estimate their contents, and report the quantity daily to the Collector; to insist on the produce being brought to the depôt as soon as dry; to take delivery by equable, not by heaped, measurement; to allow no sales to go on where Salt is being stored; to have all returns entered originally in books with each page previously stamped and numbered by the Collectors; to report periodically what Rowannahs or Permits have been issued, specifying the date and number of each, also the quantity it covers; to have daily returns of every mercial of Salt brought into store, and every mercial sold, specifying, in this latter case, the number of the heap; to watch any fluctuations in the extent of manufacture, sale, wastage, &c., and to inquire into the causes.

Remaining chief local precautions.

545. The cost price to Government of the manufactured Salt of the Madras Presidency is investigated in paragraphs 175 to 187 of

Cost price of the Salt to Government investigated.

* Rule 20.

Cost of manufacture and Revenue charges per garce in each district of the Coromandel coast.

Appendix B. The items of cost price and Revenue charges, respectively, per garce of 120 maunds, in each district of the Coromandel Coast, are shown in the following table:—

DISTRICTS.	COST PRICE.			REVENUE CHARGES.				GRAND TOTAL.
	Coode-warum.	Repairs, measuring, &c.	TOTAL.	Establishment.	Extra Charges, and Saderward.	Roosooms.	TOTAL.	
1	2	3	4	5	6	7	8	9
	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.	Rupees.
Ganjam	5	..	5	1½	½	..	2	7
Vizagapatam ..	6	½	6½	5	..	..	5	11½
Rajahmundry ..	6	1	7	4	1½	..	5½	12½
Masulipatam {Sea ..	5	1½	6½	..	..	..	..	6½
{Swamp ..	1	½	1½	..	..	..	..	1½
Guntoor	7	½	7½	2½	..	..	2½	10½
Nellore	7½	1	8½	5	½	..	5½	13½
Chingleput ..	13½	½	13½	4½	..	..	4½	18½
South Arcot ..	9½	½	10	3½	..	½	4½	14½
Tanjore	10	..	10	3	..	..	3	13
Madura	10½	¼	10¾	4½	½	..	5	15½
Tinnevely ..	10	..	10	4½	½	½	5½	15½
Madras (Town) ..	10	6½	16½	1	..	..	1	17½
Total	100½	12½	113½	39½	3	1½	44	157½
Average ..	7, 12, 0	As. 15, 5	8, 11, 5	3, 1, 0	As. 3, 8	As. 1, 6	3, 6, 0	12, 1, 6

Average cost of manufacture, and Revenue charges, per garce.

546. According to this table, the average cost of manufacture, or cost price of the Salt, as shown in column 4, is rupees 8, 11 annas, 5 pies per garce, the average Revenue charges, as shown in column 8, amount to rupees 3, 6 annas, per garce, and the average total cost, as shown in column 9, is rupees 12, 1 anna, 6 pies, per garce; but these proportions are not exactly correct; for some portion of the charge for establishment should be deducted from the Revenue charges and added to the cost of manufacture, and some charge for loss by wastage should also be added to this latter head. On the other hand, the charges borne by Government in shipping Salt for exportation, which have been included by the collectors of the shipping districts, viz. Rajahmundry, Nellore, and Madras, in column 3, ought to be excluded from the cost price, while the payments to the French Government, and in compensation for pans abolished, should be added to the Revenue charges. These alterations would, however, make but little difference in the averages either way, or on the whole.

Highest and lowest total cost per maund.

547. In Chingleput, where the expense is highest, the total cost per maund is about 2 annas, 5 pies. In Ganjam and Masulipatam, where the expenses are lowest, the total cost is below an anna a maund for sea Salt, while the total cost of the swamp Salt of the latter district, at the rate of rupee 1, 8 annas, per garce of 120 maunds, is 2½ pies, or less than ¼ of an anna per maund.

Total charges, excluding Malabar and Canara, and average total cost per garce.

548. Excluding Malabar and Canara, the total charges on account of the Salt Revenue, in the year 1852-53, amounted to rupees 5,04,480 against a sale of 45 lacs of maunds, or 37,500 garces. This gives an average total cost of rupees 13·4 per garce, apportioned by the Board of Revenue as follows:—

	Rupees.
1. Salary of Establishment	3-182
2. Extra charges and saderward	122
3. Roosooms	1-252
4. Hire to Manufacturers	8-301
5. Repairs	-18
6. Charges of Export	-4
7. Shipping Charges	-59
8. Compensation for Pans	-90
9. Indemnification to the French	-372
	13-400
	Rupees ..

549. Five per cent. being added for wastage the cost is raised to rupees 14.1 per garce, or rupees 11.7 per 100 maunds, equal to about 1 anna 10 pies per maund, and this, the Board state, may be considered the average cost to Government (including all charges whatever) of Salt on the Coromandel Coast. The average cost in Canara, the only district on the Malabar Coast where Salt is manufactured, is about 3 annas 5 pies per maund, as will hereafter be shown.

Average cost to Government (including all charges whatever) per garce, per 100 maunds, and per maund.

550. The average cost of manufacture, or cost price to Government, consists, according to the above details, of the two items (4 and 5) of "Hire to Manufacturers," and "Repairs," and amounts to rupees 8.3 per garce. The actual cost of production, that is, the price that a Salt Meerassidar generally gives to those who cultivate his pans for him is said to be rupees 6 per garce.

Average cost of manufacture, or cost price to Government, per garce, and cost of production.

551. The cost of manufacture, as shown by the table in paragraph 545, varies, sometimes considerably, in different districts, being higher in the southern districts of the Carnatic, and in Canara, where, on assuming the monopoly, the Government recognised a Meerassee, or private right of property, in the pans, than in the Northern Circars, where no such right was acknowledged. In the former case, the Government bound themselves to maintain the shares previously paid as wages to Meerassee manufacturers from the proceeds of sale, converting the shares in kind into their value in money.* The prices thus fixed, are much higher than would otherwise be necessary, and greatly enhance the cost of the Salt in these cases. The fixed prices paid to the manufacturers bear the general designation of Coodewarum, and are charged in the accounts under that term. In the Minute † of Mr. Goldingham, Member of the Board of Revenue, the price paid to the manufacturers is said never to exceed 10 rupees per garce, but according to the table at paragraph 545, the price paid in Chingleput is 13 rupees, 4 annas, and in Madura, 10 rupees, 8 annas, per garce.

Meerassidars, or manufacturers having a private right of property in the pans. Coodewarum, or fixed prices paid to the manufacturers.

552. The Government further pledged themselves to grant compensation, in the event of its being deemed expedient to limit the quantity usually manufactured, or to suspend the manufacture entirely, at any of the usual places of manufacture. ‡ The compensations paid under this pledge, in Fusly, 1262, or 1852-53, amounted to rupees 2,215.§ In opening new pans, the Government now reserve the right, under written agreements, to close them whenever it may be deemed expedient, without awarding compensation.

Compensation for the limitation, or abolition, of the manufacture at any place.

553. In addition to the compensations, there are sundry old roosooms, or perquisites of the Native Government still chargeable on the Salt Revenue. || The payments on this account, which are now made in money, amounted in Fusly 1262, or 1852-53, to rupees, 4,638. ¶

Roosooms or perquisites.

554. The persons who make the Salt are either the descendants of the original manufacturers, or have acquired their holdings by purchase, or as the descendants of purchasers. In Masulipatam, the Salt is made by hired labourers, paid by the Government, at the rate of 2 annas, per diem; but, with this exception, the Salt manufacturers are in the possession of rights and privileges more or less valuable, according as their pans are situated in the Southern Districts, and in Canara, or in the Northern Circars. Socially, they are in the same position as the ordinary village Ryots; but in general they are, or ought to be, in better circumstances, inasmuch as a Saltpan is more valuable property than an ordinary grain land occupancy of the same extent. Their labour is entirely voluntary,** and the climate of the coast where they work is exceedingly healthy.

Manufacturers — their rights and condition.

* Clause 1, Section 4, Regulation 1 of 1805.

† Appendix E, No. 33, Paragraph 13.

‡ Clause 1, Section 5, Regulation I of 1805.

§ Appendix B, Enclosure No. 16.

|| Clause 2, Section 4, Regulation I of 1805.

¶ Appendix B, Enclosure No. 16.

** Section 7, Regulation I of 1805.

Every proprietor of a pan is registered;* and when the Government extend the manufacture in any locality, the preference of the new pans is usually offered to the villagers of that locality.

General size, and value in Salt, of the holdings. What may be considered to constitute a Salt Work and a group of Salt Works.

555. Some idea may be formed of the general size, and value in Salt, of the holdings from a Statement given in the Appendix.† In the area called "Pan" is included, in the ordinary acceptation of the term, not only the evaporating beds from which Salt is scraped, but the reservoir and brine beds. The whole is designated an "Ullum," corresponding with the Bombay "Agur;" but this latter seems to cover, in general, a much larger space of ground than the Madras Ullum. Every collection of pans or ullums which has a separate platform set apart for storing the Salt manufactured in them, is generally held to constitute a distinct Salt Work, although the pans of one village may, in fact, be at some little distance from those of another belonging to the same platform. Sometimes the platforms are regulated by cotours, and sometimes by villages, that is, a platform is attached to each cotour or village, a cotour being a set of pans under a separate establishment. But, properly speaking, every Ullum, or, at all events, all the Ullums in one place belonging to the same owner, must be held to constitute a distinct Salt Work, and all the Ullums congregated in one place, belonging to several owners, thus constitute a group of Salt Works, called in Bombay a "Suza."

556. My desire was to prepare a Statement which should show the number of distinct pans or ullums at each place of manufacture in each district; the highest, lowest, and average number of pans, or ullums, held by a single owner, or set of owners in partnership, at each place; and the highest, lowest, and average amount of coodeewarum, or purchase money, paid by the Government for Salt manufactured by one owner, or set of owners in partnership; but the very late period at which the Reports and Returns of the several local officers were transferred to me, and the numerous points in them requiring to be cleared up before the details could be depended upon, precluded the preparation of a Statement showing more than the aggregate particulars for each district, and, even in this case, I am not satisfied that the Statement strictly represents what it is intended to exhibit; for instance, it seems probable that, under the head "Number of Pans," some of the local officers have entered the number of "ullums," and others the number of "evaporating beds;" but the information abstracted is sufficiently accurate and to the point, to admit of an approximate estimate being formed of the amount of capital ordinarily required to work a Salt holding in the Madras Presidency, under the existing state of such property, which was the purpose for which I desired to prepare the Statement. This question will come to be noticed in considering the practicability of substituting an excise for the monopoly.

Quality of the Salt.

557. No objection it would appear can be taken to the quality of the Monopoly Salt. In Appendix B (Enclosure No. 11), a very complete paper will be found, drawn up by Dr. Mayer, Professor of Chemistry, on the analysis of 22 specimens of sea Salt taken from the bazaars of 22 towns and villages in the inland district of Cuddapah, 100 miles distant, on an average, from the nearest Salt depôts. The specimens, being dried at the temperature of boiling water until they ceased to lose weight, averaged as follows:—

Moisture	7 per cent.
Sand and dirt	3
Chloride of Sodium or pure Salt	89
Muriates of Magnesia and Lime	1
	100

that is, deducting the remaining moisture, 89 parts out of 93, or 95½ per cent. was found to be pure Salt.

* Clause 3, Section 4, Regulation I of 1805.

† Appendix D

558. The total produce of the Madras pans in 1852-53 was 52,67,110 maunds.* The total sales of home produce in the same year amounted to 48,32,937 maunds,† Full particulars for each depôt of each district will be found in Appendix B. (Enclosure No. 9.)

Total produce and sales of home manufactured Salt.

559. The foregoing narrative is not altogether applicable to the Districts of Canara and Malabar. The climate, soil, and brine of the latter district were found to be unsuitable for the production of Salt of a good quality at a moderate price, and the manufacture was finally relinquished in 1823, having, in fact, been driven out by the Salt imported from Bombay for the service of the monopoly when both that Salt and the manufactured Salt of the district were offered for sale at an equal profit to the Government. At present the whole supply for Malabar is brought by sea from Bombay, by merchants who contract to land a certain quantity for a certain sum. It is then stored at depôts along the coast, and at the heads of the navigable rivers, and sold from thence to all purchasers, in as small quantities as one maund on the coast, and half a maund inland, at the monopoly price of 1 rupee per maund, except at certain depôts along the Cochin frontier, where the prices have been reduced, under orders of the Madras Government, dated the 9th of March, 1852, to 9th annas and 13³/₄ annas per maund, in consequence of the low rate at which Salt sells in Cochin; the Cochin Government having agreed, at the same time, not to lower their rates till the close of Fusly 1264, or 12th of July, 1855. The cost price to Government of the Bombay Salt imported for the service of the monopoly in Malabar, at the latest date, was rupees 32¹/₂ per garce of 120 maunds, the Revenue charges thereon amounted to rupees 7 per garce, and the total cost to rupees 39¹/₂ per garce, or 5¹/₄ annas per maund. The total supply received in 1852-53 was 3,02,544 maunds, and the total sales in the same year amounted to 3,33,119 maunds. The correspondence relating to the cessation of the manufacture in Malabar, and the substitution of a supply from Bombay, will be found in Appendix B. (Enclosure No. 7.)

Supply of Salt for the District of Malabar.

560. In Canara, the chief supply is manufactured in the district under a system of licenses to produce certain estimated quantities; a portion is purchased, as in Malabar, from Bombay by contract, and the remainder is imported by land from the Portuguese Territory of Goa, which adjoins the district on the north, on payment of a Customs' Duty of 12 annas per maund, which is considered to be equal to the profit on the manufactured Salt of the district. The proportions supplied from these sources respectively in Fusly 1262, ending the 11th of July, 1853, were as follows:—

Supply of Salt for the District of Canara.

Manufactured in Canara	4,31,454
Purchased from Bombay	1,20,723
Total Government stock	5,52,177
Imported from Goa on payment of duty	64,147
Total supply	6,16,324

The sales in the same year from the Government stock amounted to 4,60,278 maunds. The supply from Goa finds its way to the consumer without passing through the hands of the Government. The

Total quantity received into store	56,90,377
Deduct supplied from Bombay for Malabar 3,02,544	
Ditto for Canara	1,20,723
	<u>4,23,267</u>
Remains manufactured	52,67,110
Total sales	52,86,779
Deduct sales of Bombay Salt in Malabar 3,33,119	
Ditto in Canara	1,20,723
	<u>4,53,842</u>
Remain sales of manufactured Salt	48,32,937

cost price to Government of the Salt purchased from Bombay and manufactured in Canara, respectively, is nearly the same, being in the one case $25\frac{3}{4}$ rupees, in the other $25\frac{1}{2}$ rupees per garce, equal in either case to about 3 annas 5 pies per maund. The particulars are given below. The remission of the Beriz or land assessment on the Saltpans appears to be an item of cost peculiar to Canara, and in fact raises the Cooodeewarum, or price paid by Government to the manufacturers for Salt in that district, to about $15\frac{1}{2}$ rupees per garce.

Items of cost.	Salt imported from Bombay.			Salt manufactured in Canara.		
	Rs.	As.	Pie	Rs.	As.	Pie
Net purchase price	23	0	6	11	5	5
Beriz or land assessment on Saltpans, remitted ..	0	0	0	4	1	10
Fixed Establishment	0	9	7	4	2	8
Saderward	0	0	$5\frac{1}{2}$	0	1	5
Extra Establishment	0	3	$6\frac{1}{2}$	0	9	$1\frac{1}{2}$
Pattimar and Boat freight	1	0	6	4	5	9
Repairs of Cotays or Storehouses, &c.	0	3	$9\frac{1}{2}$	0	13	$5\frac{1}{2}$
Total	25	12	4	25	7	8

561. Up to the year 1838, the Salt for the service of the monopoly in Canara, in aid of the home manufacture, was purchased from Goa. Since that year, the additional supply has been drawn exclusively from Bombay. The immediate cause of the change was the failure of the supply from Goa. The cost of the Goa Salt was apparently much the same as the present cost of the Bombay Salt.

562. The manufacture in Canara is confined to the northern half of the district, comprising the Talooks of Ankola, Honore, and Cundapoor; and even in this portion it is in some degree driven out by the private importations from Goa, paying a Customs' Duty of 12 annas per maund on crossing the frontier. As in Malabar, the Government stock, both manufactured and imported, is stored at depôts along the coast, and at the heads of the navigable rivers, from whence it is sold to all purchasers, in as small quantities as 1 mercial, or 12 seers, at the monopoly price of 1 rupee per maund. The whole stock imported on contract from Bombay is at one depôt, at Buntwall, situated on a navigable river in the southern portion of the district, whence it is transported for consumption inland. The Salt is delivered by the contractors at the Port of Mangalore, and is carried from thence to the above-mentioned depôt at the expense of Government. It is said to be much preferred to the home manufactured Salt. Correspondence concerning the supply of Salt in Canara will be found in the Appendices, specified on the margin,* and a map † of the Salt trade of the district accompanies, showing the places of manufacture, the sites of the depôts, and the principal lines of traffic both existing and required.

Swamp, or spontaneous, Salt.

563. In some districts, Salt spontaneously produced in marshy swamps is partially collected, stored, and sold, in the same manner as manufactured Salt, and partially destroyed. In other districts, Salt so produced is altogether destroyed. This swamp Salt might be collected, in the Districts of Tanjore and Masulipatam more especially, to almost any extent, of fine quality, and at a small charge, probably, on an average, for about 4 rupees per garce of 120 maunds, or $\frac{1}{2}$ an anna per maund. In Masulipatam, it is collected, as has been seen, ‡ for about 1 rupee 8 annas the garce, or less than a $\frac{1}{4}$ of an anna per maund. The great swamp to the north and west of point Calimere,

* B, Enclosure No. 8. C, No. 15. E, Nos. 15, 16, 17, and 30. G, No. 9. J, Nos. 8 to 11.

† Map No. 7.

‡ Paragraph 547.

in Tanjore, extends westward for upwards of 30 miles, and the Salt spontaneously produced in it is said to be very white, and of peculiarly fine crystals. The reasons given for not turning this spontaneous Salt, as it is called, to greater account, are the facilities for smuggling; and because the places where it is produced are isolated, and inconvenient of approach in the present state of inland communications. The mode of destroying the produce is generally by treading it down with cattle.

564. In addition to marine Salt, earth Salt is made in the interior of the country, and used by the poorer classes. The manufacture is recognised only in the Districts of Bellary, Cuddapah, and Kurnool, but there can be little doubt that it is carried on, more or less, in all the inland districts. The process of manufacture is described in Appendix B (Enclosure No. 5), and also in a foot-note to paragraph 42 of Appendix E No. 12. A mound or hillock of common earth is raised, and brine is obtained by lixiviating earth impregnated with Salt, which is collected in the vicinity, and thrown into a hollow in the summit of the mound. The water poured on this earth dissolves the Salt, and filters through a narrow drain into a reservoir at the foot of the mound constructed to receive it. The brine thus obtained is then treated, in small beds, with solar heat, until the aqueous part evaporates, and only Salt remains. The method of saturating the brine, though somewhat different in detail, is in fact in principle precisely the same as in the Bengal Agencies; and in Mysore, the Salt appears to be obtained, not by solar heat, but by boiling the brine, just as Bengal Pungah Salt is produced.

Earth Salt—Process of manufacture.

565. It has long been a question whether earth Salt is a wholesome condiment, or whether it contains substances injurious to the health of the consumers. This question, on which so much difference of opinion continues to exist, has now been satisfactorily solved by the results of a very careful analysis of ten specimens of earth Salt from Bellary, Cuddapah, and Kurnool, recently completed by Professor Mayer. These results show that the earth Salt of those districts contains no deleterious matter whatever. The analysis of the 10 specimens will be found in Appendix B (Enclosure No. 6). It gave on an average:—

Quality.

Moisture	-	-	-	7
Sand and dirt	-	-	-	5
Chloride of sodium	-	-	-	81
Bases and acids	-	-	-	7

100

The acids and bases showed (qualitatively) nitrates of potash, or soda, or both, "but too insignificant to act in any other way than as a slight stimulant to the renal organs." The Salt is finest in Bellary, where the manufacture has existed from time immemorial; the next in quality is made in Cuddapah, and the worst in Kurnool.

566. In Bellary and Kurnool, a tax is levied on the manufacture, under the head of Mohturpha. In the former district, earth Salt is manufactured in 800 villages, the number of mounds or places of manufacture being about 2,800, producing about 1,100 garces of Salt, and yielding an annual revenue of about 13,000 rupees. In Kurnool, the manufacture is very limited, there being only 60 modahs, or mounds, producing about 37 garces of Salt, and yielding a Revenue of less than 400 rupees per annum.

Produce in Bellary and Kurnool.

567. In Cuddapah no tax is levied. The manufacture was prohibited in 1812, but has been continued ever since notwithstanding the prohibition. In April, 1848, the Salt hillocks were reckoned by the Collector to be 1708 in number, of which 906 were said to produce the better sort of Salt, and 802 an inferior kind, double in quantity, but worth only half the price. The value of the whole produce was estimated at 76,852 rupees. In January, 1849, the same Collector computed the consumption of earth Salt in the district to be 383 garces, of which he supposed 47 to be the manufacture of the district,

In Cuddapah.

and 335 to be imported, chiefly from Bellary. In 1851, the Board of Revenue adhered to the estimates of 1848. I am unable to account for the apparent contradiction between the Statements of 1848 and 1849, except upon the supposition that almost all the earth Salt produced in Cuddapah is exported.

Average cost of manufacture—sale price—profit.

568. In a Minute* of Council by Mr. Elliot, dated in May 1851, the produce in Bellary is taken at 1330 garces, and in Cuddapah at 1,345 garces. The average cost of manufacture is assumed to be 17 rupees, and the average price to the consumers in both districts to be 100 rupees per garce, showing a profit to the manufacturer of 83 rupees per garce.

Mode of taxation.

569. The modahs or hillocks are worked in some cases both by men and buffaloes, in others by manual labour only; and they are classed, and the manufacturers taxed, according to the number of men and cattle employed upon them; but, like all other items of mohturpha, the tax is arbitrary, regulated on no fixed principles, and as various in its details as are the classification of the mounds, and the means by which they are worked.

Schemes for placing the manufacture under a more defined system of regulation, and for taxing the produce, moderately, in place of levying Mohturpha on the manufacturers.

570. In 1845, the Court of Directors, in approving of the refusal of the Government to enforce the provisions of the Monopoly Law in Bellary, observed that, if the manufacture was to be permitted, it would be desirable to place it under a more defined system of regulation, and instead of levying mohturpha on the manufacturers to tax the produce moderately.

571. In pursuance of these views, the Board of Revenue proposed a mode of assessing the modahs in different classes, according to their productiveness; but the Government considered the plan too complicated, and suggested licensing, or farming out, the manufacture. The Board, however, upon a renewed consideration of the subject, came to the conclusion that it was more expedient to continue the mohturpha assessment, readjusting it more equitably, than to adopt either of the systems suggested in substitution, and they recommended its extension to Cuddapah, pending such further measures as might appear advisable hereafter, there being no good reason why the earth Salt produced in that district should remain entirely exempt from taxation while a Revenue was derived from it in Bellary. The Government agreed with the Board that it was better not to disturb the mohturpha mode of assessment in Bellary and Kurnool for the present, but objected to extend the tax to Cuddapah; and the Court of Directors, in a dispatch† dated the 10th of November, 1852, No. 16, acquiesced in this view; but, at the same time, desired that it might be ascertained whether it would be practicable to introduce, into the interior districts of the Madras Presidency, a system similar to that which had worked so advantageously, both for the interests of the Revenue and the welfare of the Molunghees, in the Salt-manufacturing districts of the Bengal Presidency.

572. The Government of Bengal being applied to, in consequence, for information as to the system in question, transmitted in reply a letter from the Board of Revenue, dated the 23rd of June, 1853, purporting to convey it; but it is clear that the Board entirely misapprehended the point on which information was desired. They supposed it to relate to the dealings of the Government with the Molunghees in Bengal, whereas the Court of Directors intended to indicate the system of retail sales of Salt in the coast districts of that Presidency.

Correspondence and papers relating to, Earth Salt.

573. A complete series of correspondence and papers relating to the manufacture, consumption, and taxation of Earth Salt, condensing all the material information on that subject, from the earliest to the latest period, will be found in the Appendix.‡

* Appendix G, No. 4.

† Appendix G, No. 8.

‡ Appendix G.

574. It has always been an object of the Madras Government to induce the Bengal Government to draw their supply of Salt, for the service of the monopoly in that Presidency, as much as possible from the Coromandel Coast; but the Bengal Government have always evinced a disinclination to avail themselves of that source of supply to a greater extent than might be absolutely necessary, partly from a desire to encourage the Bengal manufacture, and partly on the ground that a prejudice existed in Bengal against the coast Salt. The Madras Government appear, however, to have opposed the chief obstacle to the consummation of their own object, by pricing the Salt at as high a profit to the Madras Revenue as they could obtain, in place of supplying it at its actual cost.

Exportation of Salt by sea. Supply for the service of the monopoly in the Bengal Presidency.

575. In 1779, the Bengal Government imposed a duty of Sicca rupees 30 per 100 maunds on all imported Bay Salt, and shortly afterwards prohibited its importation altogether. In 1795, the Madras Government succeeded in procuring the partial removal of this embargo. On the establishment of the monopoly by Regulation I of 1805, it was provided by Section 19 of that Law, that the usual annual supply of coast Salt required by the Bengal Government should be furnished to contractors, and to persons desirous of exporting it on Permit, at the prices heretofore paid for Salt so furnished and exported. In 1810, the annual supply for Bengal was fixed at 12 lacs of maunds. In 1814, it was reduced to 5 lacs. In subsequent years, the supply was a matter of the greatest caprice, varying, according to the success or failure of the manufacture in Bengal; the utmost possible quantity being required at one time, and the total suspension of importation being proposed at another. Of late years, the supply at any time required for the service of the Bengal monopoly has been drawn on Indents for Calcutta and Chittagong. The Indents for Calcutta were discontinued in 1845, as the Government warehouses then contained a very large stock of Madras Salt, and it was expected that the demand would be supplied by private importations from the coast, Bombay, and other quarters. For eight years, no Salt was exported to Calcutta on Government Indent; but in the year 1853-54, the stocks in Bengal had run so low, owing to a sudden falling-off in the importations of foreign Salt, that it became necessary to indent for a supply of 5 lacs of maunds of coast Salt for that year, and of 10 lacs of maunds for the following year 1854-55. The greatest difficulty was experienced in obtaining tonnage for these supplies, and I doubt if the Indents have yet been completed; the last orders from Bengal were that every endeavour should be made to bring up the remainder of the Salt, whatever might be the rate of freight which the Government might have to pay for its carriage.

Bengal indents. Supply for Calcutta.

576. For several years, the charge made by the Madras Government for Salt exported to Calcutta, on Indents from Bengal, was rupees 70 per 100 maunds, of which 35 rupees was the price of the Salt, the profit to the Madras Revenue at this price being 20 rupees. In 1845, the Madras Government intimated their willingness to reduce the price to rupees 25, making the total charge at Calcutta rupees 60 per 100 maunds; and they are now prepared to forego all profit to the Madras Revenue, and to supply the Indents at the average actual cost of manufacturing the salt and putting it on board, estimated at present at 15 rupees the 100 maunds. The Salt consigned to Calcutta on the Bengal Indents is actually sold to the owners or commanders of the vessels, previously to its being shipped; and on the delivery of the Salt at Calcutta, the owners or commanders receive the fixed price for all the Salt which may be received in store in good condition, the difference between the price charged for the Salt at Madras and the price paid for it at Calcutta constituting the freight.

Charge made for Salt supplied to Calcutta.

577. The supply for Chittagong is confined to the quantity required for consumption in that district, and in a portion of the adjoining District of Bulloah. These Indents commenced in 1826; they were suspended in the years 1852 and 1853, but were renewed in 1854. A lac and a half to two lacs of maunds is the quantity

Supply for Chittagong

ordinarily, required. The Salt is brought to Chittagong in vessels belonging to that port, and under contracts entered into by the owners with the Salt Agent. The risks of transport are borne by the contractor, who purchases the Salt on board at its actual average cost to the Madras Government of 15 rupees the 100 maunds, and undertakes to deliver it at Chittagong at a fixed remunerative price, with an allowance of $2\frac{1}{2}$ per cent. for wastage. The contract price in the past year 1854-55 was 46 rupees per 100 maunds. Until last year, the price charged for the Salt at Madras was 25 rupees, and the contract price payable at Chittagong 40 rupees per 100 maunds. The profit to the contractor has thus been more than doubled, having risen from 15 to 31 rupees the 100 maunds.

Supply for private exportation.

578. Salt for private exportation by sea has always been supplied at its actual average cost to the Government of 15 rupees the 100 maunds, including shipping charges; but the quantity of Salt exported on private account has generally, and more especially of late years, been very insignificant. In the year 1852-53 the whole amount to Calcutta and all other places was only 12,600 maunds. Salt exported to Calcutta on private account pays an import Customs' Duty there of rupees 2,8 per maund, or rupees 250 the 100 maunds, that being the rate of tax at present imposed on the manufactured Salt of Bengal. This duty being paid, the owner is at liberty to dispose of the Salt as he pleases.

Mode of providing Salt for exportation, whether on indent from Bengal or on private account.

579. The rule with respect to the provision of Salt for export, whether on indent from Bengal or on private account, is to set apart certain quantities (regulated, in the former case by the Indents, and in the latter by past demands) at certain places, and to advertise these quantities and localities in the "Gazette," together with the terms on which indent Salt may be taken. The districts in which it has been usual to set apart Salt for export are, ordinarily, Madras, Chingleput, Nellore, and Rajahmundry, to which are added South Arcot, Tanjore, Masulipatam, and other districts, as the occasion arises. The indents for Chittagong are supplied exclusively from Nellore, the Salt of that district being most in request.

All vessels at present privileged to carry Salt, without restriction in regard to tonnage.

580. Until last year, the privilege of exporting Salt from the Coromandel Coast to Calcutta, whether on Bengal indent or on private account, was confined to square-rigged vessels of not less than 200 tons burthen. This limitation was imposed in 1840, and its intention was to restrict the trade in Madras Salt to vessels taking pilots, the risk of smuggling from smaller craft being considered very great. All restriction in regard to tonnage has now been removed. Vessels bringing Salt from Madras to Calcutta, either for Government or private parties, of above 200 tons burthen, are treated precisely like vessels bringing any other cargo, receiving on board a preventive officer from the Customs' House; if under 200 tons burthen, they are required to carry continually, on their passage up the Hooghly, distinguishing flags, for Government and private Salt respectively, and an officer of the Salt Department goes on board on the entrance of the vessel into the Port of Calcutta, and remains on board till the cargo is discharged.

Average charge per maunds made for Salt put on board export vessels. Rates of shipping charges.

581. It is to be observed, that the charge of 15 rupees per 100 maunds for Salt put on board export vessels barely covers the cost of manufacture and shipping in some places, while in other places it is in excess of that cost. In some of the northern districts, where the Coodeewarum, or price paid to the manufacturer, is not so high as in the southern districts, the charge might be reduced to 12 rupees. The expense of putting the Salt on board varies from 2 to 4 rupees per 100 maunds, according to the distance of the depôt from high water mark, and the facility of obtaining boats.

Quantity of Salt exported by Sea.

582. The quantities of Salt exported by sea in each year from 1822-23 to 1852-53, on Bengal Indents and on private account respectively, are exhibited in a Statement* in the Appendix.

583. By Section 3, Regulation I of 1805, the importation of Salt into the Madras Territories by sea or land was prohibited. By Regulation II of 1818, the importation of foreign Salt was permitted, subject to the payment of a duty of 100 pagodas, or 350 rupees, per garce of 120 maunds. The above Regulation was rescinded by Act VI of 1844, which imposed a Customs' Duty of 3 rupees per maund, or rupees 360 per garce of 120 maunds, on all foreign Salt imported into the Madras Territories by sea or land; but, in 1849, an exception was made in favour of Goa Salt, admitting it into Canara, by land, at a reduced duty of 12 annas per maund, or 90 rupees the garce.

Importation of Salt.
Import Duties formerly levied.

584. In a dispatch dated the 30th of July, 1851, No. 8, the Court of Directors desired that the trade in Salt at Madras should be placed, as far as possible, on the same footing as in the other Presidencies—that is, that all Foreign Salt should be admitted into the Madras Territories on payment of a Customs' Duty equal to the profit derived from the manufactured Salt of the Presidency. In pursuance of the Court's views, the Madras Government proposed, in May 1852, to admit European Salt throughout the Presidency, and Salt from Goa and Arabia into the Districts of Canara and Malabar, at a reduced duty of 12 annas the maund. The Government of India, in June 1852, objected to this limitation, and pointed out that it would be in every way preferable, and more in accordance with the instructions of the Court of Directors, to make the contemplated reduction in the import duty general, than that it should have any partial operation.

Measures for the admission of all Foreign Salt to equal competition with the manufactured Salt of the Presidency.

585. On reconsideration, the Madras Government acquiesced in this view, and, in July, 1853, proposed to admit all Foreign Salt at a reduced duty of 12 annas the maund; but to restrict the privilege to such ports as might from time to time be fixed by that Government, explaining, with reference to this restriction, that the number of ports, and the small Establishments at many of them, rendered it desirable, for the better regulation of the trade generally, and prevention of illicit practices, to limit the places at which Salt might be landed, but that care would be taken that they should be such, both in number and position, as amply to meet all the requirements of the trade.

586. The Government of India having sanctioned this measure in August, 1853, the Madras Government, in November following, proposed, in modification of it, to impose a differential duty of 14 annas the maund on all sea imports of Goa Salt, the reason assigned being that, at a duty of 12 annas, sea imports of Goa Salt would supersede the monopoly of sales in Canara. It was not urged that the profit or duty on Canara Salt was higher than 12 annas, and the proposition was, therefore, negatived by the Government of India.

587. At present, therefore, all Foreign Salt is admitted to equal competition with the manufactured Salt of the Presidency at certain specified ports; the Import Duty being fixed at 12 annas the maund, because that rate represents the average net profit per maund accruing on the monopoly sales.* The correspondence and papers relating to the equalization of the duty on all imported Salt, with the profit derived from the manufactured Salt of the Presidency, will be found in Appendix J; and from a Government Notification † in that Appendix, it will be seen that the specified ports embrace every district, and are sufficiently numerous.

At present all Foreign Salt is admitted on payment of an Import Customs' Duty, equal to the average net profit accruing on the monopoly sales, viz., 12 annas per maund.

588. As was to be expected, no Foreign Salt has ever been imported into the Madras Presidency on private account, except a small quantity from Goa, across the land frontier, at the exceptional duty of 12 annas the maund. The general duty of 3 rupees per maund was, of course, quite prohibitory. The only attempt ever made to import Foreign Salt was apparently in 1846, when an English ship brought a cargo to Madras, which was purchased by the Government at 20 rupees the garce, to prevent its being thrown into the sea. The only other importations, besides those from Goa above mentioned, have been from Bombay into Canara and Malabar for the service of

No Foreign Salt has ever been imported into the Madras Presidency, on private account, except a small quantity across the Goa Frontier. Total importations on private and public account.

* Appendix J, No. 4.

† Appendix J, No. 6.

the Monopoly, under contracts with the Government. The total importations in these ways amounted, in Fusly 1262, ending with the 11th of July, 1853, to 4,87,414 maunds as follows:—

From Goa	-	-	64,147
From Bombay	-	-	4,23,267

Total 4,87,414

What the effect of the reduction of the Import Customs' Duty generally, to a rate equal to the average net profit derived from the Monopoly Salt, may be, remains to be seen.

Conventions between Great Britain and France.
First convention, by which the French Government engaged to farm to the British Government in India, for the annual sum of 4,00,000 Sicca rupees, the exclusive right of purchasing all the Salt manufactured in the French Settlements, except the quantity required for home consumption.

589. By a Convention between Great Britain and France, signed at London on the 7th of March, 1815, the French Government engaged to farm to the British Government in India, for the annual sum of 4,00,000 Sicca rupees, the exclusive right of purchasing at a fair price, to be regulated by the prices in the neighbouring districts, all the Salt manufactured in the French possessions on the Coasts of Coromandel and Orissa; subject, however, to a reservation of the quantity required for the domestic use and consumption of the inhabitants of those possessions, and upon the further condition of receiving, at prime cost, the quantity of Salt necessary for the consumption of the inhabitants of the French Settlement of Chandernagore in Bengal. It was further agreed, with a view to the prevention of smuggling into the British Territories, that salt should be sold in the French possessions at prices nearly equivalent to the East India Company's monopoly rates. No right was reserved to either of the contracting parties to withdraw from any of the terms of this engagement.

Second convention, for the total suppression of the manufacture of Salt in the French Settlements, in consideration of an annual payment by the British Government of 14,000 Sicca rupees.

590. It being found desirable to suppress the manufacture in the French possessions altogether, it was arranged, by a second Convention between the Governments of Madras and Pondicherry, signed at Pondicherry on the 13th of May, 1818, that the manufacture of Salt should cease throughout the whole of the French Establishments in India during the continuance of the Company's Charter then existing, the French Government guaranteeing the further adoption of all such measures as depended upon them for ensuring the effectual prevention of the contraband trade in Salt, and the Madras Government engaging to pay to the French Government, as an indemnification to the proprietors of the Salt pans, the sum of 4,000 star pagodas, or Sicca rupees 14,000 per annum, this payment being in addition to the compensation of 4,00,000 Sicca rupees, payable under the previous Convention of 1815. The British Government agreed also to furnish the supply of Salt required for the consumption of the French Settlements in India, at prime cost, the French Government engaging, as before, to sell their supply at prices nearly the same as the monopoly rates.

Third Convention, in renewal of the second Convention.

591. The foregoing Convention was renewed by a third Convention between the Governments of Madras and Pondicherry, signed at Pondicherry on the 1st of June, 1837, and ratified on the 18th of July following. By this Convention, it was further agreed that the expenses incurred for the transport of the Salt supplied for the consumption of the French Settlements should be borne equally, as heretofore, by the two Governments, and that it should be optional with either Government to withdraw from this third Convention on giving 12 months' previous notice. The effect of the withdrawal would obviously be a reversion to all the terms of the original Convention of 1815.

Quantity of Salt supplied to the French Settlements under the second and third conventions, at prime cost.

592. The quantity of Salt supplied to the French Settlements in the Madras Presidency, under the second and third Conventions in each year from 1822-23 to 1852-53, will be found in a Statement* in

the Appendix. The average annual shipments and the prices have been as follows :—

	Maunds.	Price per Garco.
From Rajahmundry to Yanam..	1,560	6 rupees.
" South Arcot to Pondicherry ..	30,000	8 and 14½ rupees.
" Tanjore to Karical ..	12,500	13 rupees.
" Malabar to Mahé ..	1,000	At the rate paid in Malabar for the Bombay Salt purchased by the Government for the service of the monopoly.
	—	
Total ..	45,000	

593. In 1846, some of the Salt supplied to the French Authorities at Mahé was furnished by them to parties engaged in curing fish for export, who thus evaded the Madras Monopoly and Export Duties. This was objected to by the Madras Government, and it was ultimately arranged that the Salt so used should be accounted for to the British Government at the monopoly rates, including carriage.

Salt used in the French Settlements for curing fish subject to the monopoly price.

594. It is to be observed, that the French Government have never held any possessions in the Bengal Presidency where Salt could be manufactured, either on the coast of Orissa or elsewhere. Its possessions on that coast have been confined to the portion of it which is attached to the Madras Presidency, the Settlement of Yanaon, or Yanam, being situated on the Orissa Coast of the Rajahmundry District. It is true that the French held a lodge, or "comptoir," at Balasore, on the Bengal Coast of Orissa, a "comptoir" being the name given to a factory, or isolated establishment, where France had the right to have her flag flying, and to form factories, &c. This, however, was always a nominal possession, was abandoned in 1830, and never afforded the means of manufacturing Salt. Notwithstanding this, by an unaccountable anomaly, as it appears to me, the whole compensation of 4,00,000 Sicca rupees, paid to the French Government under the first Convention of 1815, has always been, and still is, charged against the Bengal Salt Revenue, and no portion of it against the Madras Salt Revenue. On the other hand, the sum of Sicca rupees 14,000 paid under the Convention in 1837, for the suppression of the manufacture in the French Settlements, is, and has always been, (and properly so) a charge on the Madras Salt Revenue.

The payment under the first Convention charged entirely against the Bengal Salt Revenue. The payment under the second and third Conventions charged against the Madras Salt Revenue.

595. According to a Statement* in the Appendix, the stock of Salt on hand in the Presidency at the commencement of the year 1852-53, the latest year to which the Statement extends, was 37,13,921 maunds, and the quantity manufactured during the year amounted to 58,63,108 maunds, giving a total stock for the year of 95,77,029 maunds. The quantity exhibited as manufactured includes, I presume, the importations from Goa and Bombay, amounting, as shown in paragraph 588, to 4,87,414 maunds, which being deducted from that quantity leaves 53,75,694† maunds, as the quantity produced in the Presidency. This quantity is a little more than a lac of maunds in excess of the quantity brought out as the Home produce in paragraph 558, which was obtained from the detailed Returns of the Collectors exhibited in Appendix B (Enclosure No. 9). The difference is of no importance in the present examination.

Salt account for the latest year, 1852-53. Receipts into store, and total stock.

* Appendix L. Columns 2, 3, and 4.

	Maunds.
† Total receipts ..	58,63,108
Deduct Importations ..	4,87,414
Home Produce ..	53,75,694

Deliveries and their distribution. 596. The total deliveries of the year, including the wastage belonging to them, amounted to 53,82,255 maunds, distributed as follows :*—

	Maunds.	Maunds.
For consumption in the district of sale, Appendix B, (Enclosure No. 19)	23,66,353	
For consumption in other districts of the Presidency, ditto	10,28,793	
	<hr/>	
Total deliveries for consumption in the Presidency		33,95,146
For inland consumption beyond the limits of the Presidency, exclusive of the French Settlements, Appendix B, (Enclosure No. 19)	17,41,440	
For the consumption of the French Settlements, ditto and Appendix L, Column 9.. .. .	58,128	
	<hr/>	
Total deliveries for inland consumption beyond the limits of the Presidency		17,99,568
For exportation by sea on Bengal Indents, Appendix L, Column 10	79,466	
Ditto on private account ditto, Column 11	12,600	
	<hr/>	
Total deliveries for exportation by sea, ditto, } Column 12, Appendix B, (Enclosure No. 19) }	..	92,066
Wastage on the deliveries, Appendix L, Column 13 .. .. .	..	95,475
	<hr/>	
Total deliveries, Appendix L, Column 14		53,82,255

Remarks on the distribution.

597. The distribution has been derived partly from Appendix B (Enclosure No. 19), in which the details will be found for each district, and partly from Appendix L, the entries in columns 5 to 7 of the latter not sufficiently distinguishing the deliveries for Home and Inland foreign consumption, respectively. The distribution, however, as regards those deliveries, is not to be depended upon. It is formed entirely upon the statements of the purchasers when taking out their Rowannahs or Passes; but Salt merchants, to gain time, often take out a Rowannah for a distant district of the Presidency, and sell their Salt, *en route* in the same or some nearer district; or they take out a Pass for a place beyond the limits of the Presidency, and sell their Salt, *en route*, within the Presidency. Under these circumstances, the quantities exhibited as delivered for consumption in the several districts of the Presidency, may be, in the case of some districts, very much below, and, in other cases, very much above, the quantities of licit Salt actually consumed in them. On the other hand, it may be presumed, that the total quantity delivered for consumption in all the districts, either represents, pretty nearly, the actual consumption of licit Salt within the Presidency, or a less amount than the quantity actually consumed; for, though Salt taken out for places beyond the Presidency might often be sold, *en route*, within its limits, it would seldom happen that Salt taken out for places within the Presidency would be carried beyond it.

Balance of Stock.

598. The total deliveries of the year were less than the total receipts of the year by 4,80,853 maunds,† and being deducted from the total stock, left a balance in store at the end of the year of 41,94,774 maunds,‡ or less than a year's consumption by 11,87,481 maunds.§

* Appendix L., Column 14.			
			Maunds.
† Receipts			58,63,108
Deliveries			53,82,255
			<hr/>
Excess Receipts			4,80,853
Maunds.			
‡ Total Stock			95,77,029
Deliveries			53,82,255
			<hr/>
Balance in Store			41,94,774
Maunds.			
§ Deliveries			53,82,255
Balance in Store			41,94,774
			<hr/>
Excess Deliveries			11,87,481

599. The total cash receipts amounted to 49,94,124* rupees, which gives less than the monopoly rate of 1 rupee per maund on the deliveries, amounting, exclusive of wastage, to 52,86,780 maunds,† because the salt supplied for the consumption of the French settlements, for exportation by sea, and at certain depôts along the Cochin frontier, was sold either at prime cost, or at rates considerably below the monopoly price.

600. The total disbursements of the year, of all descriptions, exclusive of recoverable advances, amounted to rupees, 7,04,359,‡ which may be distributed between the charges of manufacture, or cost price of the Salt to Government, and the charges of collecting and protecting the Revenue, approximately, as follows:—

	Rupees.	Rupees.
Coodeewarum, or price paid to the manufacturers for their Salt	3,12,529	
Price paid for Salt purchased from Bombay	1,40,848	
Repairs, thatching, measuring, &c.	1,315	
Hire of Boats	13,506	
<hr/>		
Total charges of manufacture, or cost price of the Salt to Government		4,68,198
Fixed Establishment	1,42,003	
Extra Sibbendy, or corps of Peons (in Canara)	3,007	
Extra charges (including temporary Establishments), and Saderward (petty incidental charges)	59,774	
Roosooms, or Perquisites	4,638	
Compensation for abolished pans	2,215	
Indemnification to the French	21,000	
Shipping charges of Salt sold for exportation	3,386	
Other charges of Export	138	
<hr/>		
Total charges of collection and prevention		2,36,161
<hr/>		
Total of all charges		7,04,359

601. The charges for each district in detail will be found in Appendix B (Enclosure No. 16). The distribution exhibited in Appendix M, does not altogether correspond with them, and was probably not adjusted with the same attention to accuracy. No portion of the salaries of the Collectors, or their assistants, is included in the charges, though a small proportion ought perhaps to be debited, rateably, both to the cost of manufacture, and the charges of collecting and protecting the revenue. The cost price to Government of the Salt lost by wastage should also be charged to the cost of manufacture.

602. Deducting the cost price of the Salt, as above obtained, from the total receipts, there remains a net profit to the Government, or gross Salt Revenue, of rupees 45,25,926,§ and deducting from this the charges of collecting and protecting the Revenue, also as above obtained, there remains a net Salt Revenue of rupees, 42,89,765.¶

603. The total net profit, calculated on the total deliveries, gives an average profit of a little less than 13½|| annas per maund; and the average profit obtained on this principle of calculation would represent

Remarks on the same.

Net profits to the Government, or gross Salt Revenue.

Average net profit per maund of Salt.

* Appendix, Column 15.

	Maunds.
† Total Deliveries	53,82,255
Deduct Wastage (Column 13)	95,475
	<hr/>
	52,86,780

‡ Column 16.

	Rupees.
§ Total Receipts	49,94,124
Deduct cost price	4,68,198
	<hr/>
Net profit or gross Salt Revenue	45,25,926
Deduct charges of collection	2,36,161
	<hr/>
Net Salt Revenue (Column 17)	42,89,765

|| Obtained by dividing rupees 45,25,920, the total net profit, by maunds 53,82,255. the total deliveries.

the uniform rate, per maund, of import customs leviable on all Foreign Salt, in order to put it on an equality with the manufactured Salt of the Presidency.

Average cost to Government (including all charges) per 100 maunds of Salt.

604. The total of all charges, calculated on the total produce, gives about, rupees 12* per 100 maunds, as the average total cost of the Salt to Government, and the total cost obtained on this principle of calculation would represent the uniform price chargeable on all Salt sold for exportation by sea.

Average cost of manufacture alone, or cost price to Government, per garce and maund of Salt.

605. The total charges of manufacture alone, calculated on the total produce, give about rupees, $9\frac{1}{2}\dagger$ per garce of 120 maunds or about $1\frac{1}{4}$ anna per maund, as the average cost price of the Salt to Government.

Percentage cost of management.

606. The charges of management, that is, of collecting and protecting the Revenue, amount to about $5\frac{1}{4}$ per cent. on the net profit to Government, or gross Revenue; and to about $5\frac{1}{2}\ddagger$ per cent. on the net Revenue; while the cost of Excise management in the Bombay Presidency, amounted, for the same year, as has been seen, § to $8\frac{3}{4}$ per cent. on the gross collections; but, upon an accurate adjustment of the charges which should be debited to Revenue, including the omitted items alluded to in paragraph 601, the cost of management in the Madras Presidency would probably be found to be not less than 6 per cent. on the gross Revenue.

The charges reviewed in the foregoing paragraphs do not necessarily represent the actual expenses of the year.

607. It is, however, to be borne in mind, in reviewing statements of the present kind, that, though they exhibit the disbursements of the year, these do not necessarily represent the charges actually belonging to the year. For instance, the amount charged as the price paid for the Salt produced at home, and purchased from Bombay may not be, strictly, the exact price of the Salt received in the year. It may, to some extent, represent the price disbursed in the year for Salt received in a previous year, and include only the disbursed portion of the price payable for the Salt of the year, which may not be the whole price payable. And so with the other items constituting the charges of manufacture.

608. In the same way, the charges for establishment, compensations, roosrooms, indemnification to the French, and the other items constituting the charges of collection, may not represent the actual expenses of the year on those several accounts, but the disbursements made in the year under those heads, in part only for the year of account, and partly for a previous year. For instance, the amount of the annual indemnification, payable to the French is 14,000 rupees, but the amount charged in the year under examination (1262 Fusly), was 21,000 rupees; a half-year's payment, on account of the previous or following year, having been disbursed, and therefore charged, in the year above mentioned. Accordingly, in the previous year (1261) the amount charged was only rupees 7,000,|| while in the year before that (1260) it was, as in the following year (1262), rupees 21,000.||

But they probably approximate with sufficient closeness to the amounts actually payable under each head.

609. It may be presumed, however, that, taking one year with another, the charge disbursed under each head, in any year, represents with sufficient approximation the actual expense of the year under that head. A closer approximation might be obtained by taking the average of the expenses under each head for a series of years, and, in the present instance, the calculations might have been founded on the average of the results exhibited in the statements given in the

* Obtained by dividing rupees 7,04,359, the total of all charges, by maunds 58,631, the equivalent in hundreds of 58,63,108 maunds, the total produce.

† Obtained by dividing rupees 4,68,198, the total cost of manufacture, by 48,859 garces, the equivalent of 58,63,108 maunds, the total produce.

‡ Obtained by charging rupees 2,36,161, on rupees 45,25,926 net profit, and rupees 42,89,765 net Revenue, respectively.

§ Paragraphs 319 and 353.

|| Appendix B, (Enclosures Nos. 14 to 16).

Appendix* for the three years from 1260 to 1262, in place of being derived from the statement for the latter year only; but the charges for 1262, on the whole, and, separately, for the expenses of manufacture and collection, respectively, as well as for most of the items under each of these heads, exceed the averages, according to the same classification, of the above-mentioned three years; and it seemed desirable, in considering the charges, to take the highest amounts.

SECTION II.

ON THE PRACTICABILITY OF SUBSTITUTING, FOR THE MONOPOLY, A SYSTEM OF EXCISE UPON THE MANUFACTURE.

610. Regarded simply as a plan for the realization of an indispensable Revenue, the Salt monopoly under the Madras Presidency, as at present constituted, does not, it must be admitted, afford much room for practical objection. Salt, of good quality, is abundantly supplied by the Government at a moderate fixed price, and the Revenue is easily and cheaply collected; the exportation of Salt by sea is now free from duty and all restrictions; and all Foreign Salt is admitted to competition with the home-made article on terms of perfect equality. Only the manufacture and first sale of the Salt are a Government monopoly. This is so far objectionable that a Government monopoly in a great article of consumption, in any form or degree, and any participation of a Government in the business of a trader, are such deviations from true principle, as cannot fail to be productive, directly or indirectly, of evil consequences; but the price of the Salt being fixed, the Government possess no power of deriving a profit from the exclusive manufacture which they might not equally exercise under a free manufacture, and are only interested in maintaining the monopoly on the consideration that the same amount of Revenue could not be raised so cheaply, and with so little inconvenience to the community, in any other manner. Whether this plea for continuing the monopoly is, or is not, well founded, appears to me to constitute the whole question to be determined in considering the practicability of substituting a system of Excise upon the manufacture.

The Salt monopoly in the Madras Presidency not open to much practical objection; its precise value to the Government. The question to be determined in considering the practicability of substituting an Excise.

611. In the Appendix† will be found a collection of all the official correspondence and papers, from the earliest to the latest period, relating to, or bearing upon, the question of the comparative merits of the two systems of Monopoly and Excise, in their application to the manufacture of Salt in the Madras Presidency, together with the Parliamentary Papers relating to the same question; and I proceed, in the first place, to a brief, but sufficient, examination of the evidence and opinions afforded by these documents.

The evidence and opinions afforded by the official documents relating to the subject examined.

612. The first notable fact is, that when the question of introducing a Salt monopoly in the Madras Presidency, similar to that which prevailed in Bengal, was first considered, and it may be presumed closely examined in all its bearings, a majority of the local Collectors and of the Board of the Revenue pronounced against a monopoly, and in favour of excising the manufacture. Of the Collectors who preferred a monopoly, not one gave as a reason, or seemed to entertain the opinion, that there would be greater difficulty or expense in realizing an equal Revenue under a system of Excise. One of them, the Collector of Rajahmundry,† observed, "I have but one objection to the imposition of a Duty, which, if it can be obviated, will render that plan the better, inasmuch as it is equally profitable, more simple, and less expensive. My objection is, that it leaves the poorer class of

When the question of introducing a monopoly was first considered, a majority of the collectors and of the Board of Revenue pronounced against it, and in favour of excising the manufacture.

Appendix B, (Enclosures Nos. 14 to 16).

† Appendix E.

Appendix E, No. 3.

inhabitants in the interior of the country at the mercy of the richer in an article indispensably necessary to their existence." But this objection was obviously only tenable on the supposition that the Government, in instituting a monopoly, would not confine their sales to the pans, but would establish depôts or warehouses for the sale of Salt throughout the interior of the country. This, however, the Government did not do, and did not propose to do. The only objection which went at all to the point was raised by the Collector of Madura,* who represented, with respect to that district, that the owners of the Salt pans were indigent Ryots, and that their want of funds to prosecute the manufacture would either cause them to relinquish the pursuit, or the cultivation would be confined on a small scale, that the price of Salt must of course rise in proportion to the yearly decrease of the produce, and to the incalculable injury and distress of the poor." This ground of objection will be examined in the sequel in its relation, not to a particular district, but to the whole question.

The Board of Revenue submitted the Draft of an Excise Law to the Government, and recommended its adoption, on the ground that an Excise would, equally with a monopoly, be productive of Revenue, while it would remove many objections.

613. The Board of Revenue,† while they saw no superiority in a monopoly, were, on the other hand, of opinion that many objections would be removed by levying an Excise Duty on the manufacture equal to the intended monopoly profit. In particular, the interference with hereditary privileges enjoyed by Meezassidars, which the introduction of a monopoly would render necessary, was considered to present a great difficulty, and a very serious objection to the measure. Upon the conviction, therefore, that the levy of a duty was preferable to the establishment of a monopoly, the Board prepared and submitted to the Government the draft of a Regulation‡ upon the former principle, which, equally with a monopoly, they said, would be productive of Revenue, while it removed embarrassments and left the manufacture, and sales to be conducted in the manner they had hitherto been without any infringement of individual rights.

Dissent of Mr. Falconar, a member of the Board of Revenue, and his reasons for preferring a monopoly to an Excise.

614. Mr. Falconar, the dissentient member of the Board of Revenue, in advocating a close monopoly in preference to leaving the manufacture free, objected that the establishment of a monopoly, besides being sanctioned by the advice, and corroborated by the example of Bengal, seemed to be the only efficient mode of deriving an increased Revenue from Salt. His argument apparently was, that, if the manufacture were free, the quantity produced would continue greatly to exceed the demand, and that in proportion to the excess prepared, would smuggling be facilitated, the duties eluded, and the Revenue impaired. I can find nothing more definite or pertinent than this, in his long Minute,§ to show why a system of Excise, leaving the manufacture and sale free, should be a less efficient mode of raising a Revenue than a monopoly limiting the manufacture and restricting the freedom of sale.

The Madras Government blindly adopted the plan of a monopoly, without examining or bringing under consideration the Excise proposition of the Board of Revenue.

615. The monopoly was not preferred by the Government|| of Madras, to the Excise plan recommended by the Board of Revenue, upon its merits, or upon any examination of the question, but was blindly adopted simply because the Supreme Government had prescribed the establishment of a monopoly. This blind obedience would seem however to have been quite unsuited to the occasion. The Supreme Government specified a monopoly because that was the method of realizing a Revenue from Salt which prevailed in Bengal, and on the supposition that the same method would be equally appropriate for the Madras Presidency; but the manufacture in that Presidency being totally different in all its circumstances, and this difference having induced the Board of Revenue to recommend another and, as they thought, a more suitable plan, the Madras Government ought, obviously, to have given the Board's proposition their best attention, and to have brought it fully and fairly under the consideration of the Supreme Government. This, however, as far as appears, they did not do.

* Appendix E, No. 5.

† Appendix E, No. 10.

‡ Appendix E, No. 11.

§ Appendix E, No. 12.

|| Appendix E, No. 13.

616. The Excise Law drafted by the Board of Revenue in 1804, appears to have been framed in all respects upon correct principles. The manufacture and sale of Salt were to be left as far as possible free; the established duty was to be levied on earth, as well as sea, Salt; Salt exported by sea was to be exempted from duty; and all Foreign Salt was to be admitted at the same rate of Customs as the Excise Duty.

The Draft Excise Law of the Board of Revenue appears to have been framed on correct principles.

617. The next notable fact is, that the present Board of Revenue, after the monopoly has been 50 years in operation, fully admit the practicability of substituting a system of modified Excise. The Minute* of Mr. Goldingham, the second member, goes to show that the substitution would be at once easy and beneficial. Mr. Maltby, the third member, would prefer continuing the present system, if an option were allowed, but he objects to the change, as appears from his Minute,† not because it might not be possible to secure the same amount of net Revenue, with as little inconvenience, under a system of Excise, but for the following reasons, viz.; first, because the interest of the consumer will not be advanced; second, because the present system is generally satisfactory to the Meerassidars, or proprietors of the Salt pans, and because it will be necessary, if a change takes place, to re-open and readjust the claims of numerous holders of hereditary offices, and roosooms; third, because a mere alteration of system seems unadvisable in itself, on account of the difficulties and embarrassments by which it must at first be accompanied, and because any unavoidable change is to be especially deprecated when a large amount of Revenue is at stake, and the interests of the community are not advanced; fourth, because our Conventions with the French Government oppose obstacles to a change.

The present Board of Revenue admit the practicability of substituting an Excise.

618. All the Collectors of the Salt manufacturing districts, with the exception of Mr. J. H. Cochrane, the Collector of Chingleput, and Mr. F. N. Maltby, the Collector of Canara, object to the change. Their reports‡ are appended. It is clear from these reports, that the Collectors generally, having no knowledge of the system in operation in the Bombay Presidency, formed their opinions, not upon any defined plan of a modified form of Excise, but in ignorance of the extent to which the manufacture might be placed under restrictions, if not upon the supposition that it was to be left absolutely free.

The Collectors generally object to the substitution of an Excise.

619. The objections urged may be reduced to the following heads.

Their objections stated.

First. The present Meerassidars or proprietors of Salt pans would be injured.

Second. The price would not be reduced to the consumer.

Third. The supply would be deficient and uncertain.

Fourth. The quality of the Salt would deteriorate from the present standard.

Fifth. The injury to the Revenue from smuggling would be infinitely greater.

Sixth. The cost of collecting and protecting the Revenue would be inordinately increased.

Seventh. The inquisition of the Excise officers would be intolerable.

The Board of Revenue do not consider the objections of the Collectors insuperable.

620. But the Board of Revenue do not consider these objections to be insuperable, and observe upon them as follows:—§

“If the manufacture is limited to certain localities, the establishment necessary for preventive purposes will, it is expected, not increase in a larger proportion than the Revenue it is designed to protect. The above explanation disposes also of the objection to having an army of chowkeydars. There appears nothing in the system itself (independently of the extent of country where it prevails) to necessitate a heavier outlay in the way of establishment, than is now required under a monopoly.

“It is possible that, at first, till the system becomes understood, the supply might not be quite so plentiful as it is now, but this would rectify itself on the principle of the supply meeting the demand.

Appendix E, No. 33.

† Appendix E, No. 34.

‡ Appendix E, Nos. 19 to 32.

§ Appendix B, Paragraphs 203 to 207.

"The Meerassidars would, probably, be somewhat hampered at first, but the Government would be as ready to assist them as any other Ryots, as far as is consistent; and the objection is not one that should weigh much against other reasons.

"It might be necessary at first to make the change by degrees, but, eventually, the Government would participate as little in any Salt transactions as they do in Bombay or Calcutta.

"The Board are inclined to believe that Salt, manufactured by private parties under an Excise, would be quite as good as it is now; competition would induce this.

The Collector of Chingleput is altogether in favour of an Excise.

621. The Collector of Chingleput, Mr. J. H. Cochrane, argues altogether in favour of the practicability and the advantages of a system of Excise, which he seems to think might be substituted without any restrictions upon the freedom of manufacture, at no greater expense, and with very little change in the present details of management.*

The Collector of Canara is also in favour of an Excise, and first raised the question, with reference to that district, in 1851.

622. The Collector of Canara, Mr. F. N. Maltby, is of opinion that a system of modified Excise, by granting licences to manufacture Salt at stated localities, might, with great advantage, be substituted for the present system. The substitution, he observes, would be attended with difficulties, but not of an insuperable nature.† The question of throwing open the Salt manufacture in Canara, under Excise regulations, first forced itself upon Mr. Maltby's consideration in 1851,‡ and in a letter§ to the Board of Revenue, dated the 10th of November 1852, he reported fully upon it, showing the advantages of the measure, and how it might be carried out.

The evidence given before Parliament examined.

623. The evidence given before Parliament, remains to be noticed. I do not find that any has ever been taken on this question, with respect to the Madras Presidency, except before the Select Committee of the House of Commons in 1832. On that occasion, Mr. David Hill and Mr. Malcolm Lewin, both of the Madras Civil Service, were examined, and letters from Mr. Hill and Mr. Dalzell, also a member of the Madras Civil Service, were put in, in which their opinions on this question were stated.

Mr. David Hill's evidence and opinions.

624. Mr. David Hill, in his evidence|| and in his letter,¶ expressed himself altogether in favour of the monopoly. He did not see what good end would be answered by substituting an Excise System, and had no idea that the same amount of Revenue could be raised from Salt in any other manner bearing less heavily upon the people, the proprietors of Salt pans, the traders in Salt, or the consumers of the article. There was no reduction in the price of manufacture, he stated, that could materially affect the selling price; therefore the benefit to the people in that respect would be trivial. Mr. Hill further objected that the change would be positively injurious to the consumers; but as these objections proceeded on the supposition that the manufacturers would be required to pay the Excise Duty before selling the article, which is not necessary, and is not contemplated, they need not be noticed.

Mr. Lewin's evidence.

625. Mr. Lewin, on the other hand, stated in his evidence** that it would be a great improvement to allow the manufacture to take place under an Excise Duty, inasmuch as it would certainly save a great expense in the establishments entertained at the Salt stores, and for the protection of the manufacture.

Mr. Dalzell's opinion.

626. Mr. Dalzell stated in his letter that†† it did not occur to him how the Revenue derived from the monopoly of the manufacture, and first sale of the Salt, could otherwise be realized with so little inconvenience to the community.

Absolute freedom of manufacture impracticable, but a modified form of Excise, similar to that which prevails in Bombay quite feasible.

627. It may at once be conceded that it is not practicable to render the manufacture of Salt absolutely free, under Excise Regulations, in the Madras Presidency, any more than it was found practi-

* Appendix E, No. 25.

† Appendix E, Nos. 15 and 16.

|| Appendix E, No. 35.

** Appendix E, No. 35 A.

‡ Appendix E, No. 30.

§ Appendix E, No. 17.

¶ Appendix E, No. 36.

†† Appendix E, No. 36 A.

cable to do so in the Bombay Presidency, where, as has been seen,* the attempt was made and failed; but the feasibility of substituting, for present arrangements, a modified form of Excise, similar to that which now prevails in the Bombay Presidency, under which the Government would cease to be connected with the manufacture and sale of Salt, appears to me to admit of no question. The process of manufacture; the nature of the country in which it is carried on; and the constitution of the Salt Works, being identical in both Presidencies, there is no conceivable reason why a mode of collecting the Revenue which is effectual in the Bombay Presidency should not be equally effectual in the Madras Presidency.

628. But apart from this proof, it is impossible to understand, as already argued in the Bombay Part,† why, if the manufacture were restricted to stated localities, as it now is under the monopoly, the mere alteration of the manufacturers being left at liberty to make Salt in unlimited quantities, and to sell it to any person, instead of being tied down to make it in restricted quantities exclusively for the Government, the duty being taken at the time of the private sale, in place of the price at the time of the public sale, need be attended with any new or increased difficulties, inquisition, or expense in the protection and collection of the Revenue. Such an alteration, it is obvious, involves no new facilities for smuggling, and no new difficulties of collection; consequently the same description of agency, and the same strength of Establishments as have now to be employed in watching production and store, and in collecting the Revenue would be equally efficient, with no greater degree of inquisitorial interference, for precisely the same purposes, if the proposed free system were substituted for the present exclusive system. In fact, no material change in the details of local management, or in the general administrative system, would be needed.

629. This is admitted, and illustrated in the memorandum of the Board of Revenue, in Mr. Goldingham's separate Minute, in Mr. Cochrane's Report, in Mr. E. Maltby's Report, and in Mr. F. N. Maltby's several communications.

The observations of the Board have been already quoted.‡

Mr. Goldingham writes:—

“Under an Excise some degree of surveillance is necessary, and there seems little difficulty in substituting that system for the present monopoly.”

He then shows, in juxta-position, the working of the monopoly, and what would be the working of a system of Excise, and makes the following, among other remarks, upon the comparison:—

“Supposing, then, that the Excise is levied at the time of sale, the only change, in passing the monopoly to an Excise, will be freedom of manufacture and freedom of sale; the details of management, such as watching the salt during its manufacture that it may not be clandestinely sold, and its custody on the platforms previous to sale, will be the same. The term monopoly will no longer exist. The system of administration, in many respects, will be the same.”

Mr. Cochrane writes:—

“The unrestricted freedom of manufacture would only lead to the extension of the pans at the present Salt stations, and to the establishment of new pans at a few adjoining localities, all of which could conveniently be brought under the control of the same Establishment as at present employed to superintend the manufacture and sale of the article under the monopoly.”

Again: “It will be necessary to consider the arrangements that should continue to be adopted for the prevention of smuggling under the proposed system; and as the abolishment of but few rules, as at present in force, appears to me desirable, it may not be out of place briefly to refer to the course now pursued to guard the public Revenue.”

In fact, the substitution of the Bombay system of Excise involves no material change in the details of local management, or in the general administrative system.

This is shown by the Board of Revenue, Mr. Goldingham, Mr. Cochrane, Mr. E. Maltby, and Mr. F. N. Maltby.

Mr. Goldingham's observations.§

Mr. Cochrane's observations.||

* See Paragraphs 351, 355, and 356.

† See Paragraph 328.

‡ See Paragraph 620.

§ Appendix E, No. 33.

|| Appendix E, No. 25.

Having described this course, he writes—

“I am of opinion that the Excise should be levied at the place of manufacture on the quantity of the article ascertained to have been raised, and at a fixed amount per garce; and that the quantity and mode of manufacture should be left to the discretion of the producers. The other arrangements in force under the present monopoly, as above detailed, might, with slight modifications, be reasonably insisted on under the system of Excise now under contemplation.”

And again—

“Under either system some thefts, it must be expected, will occur during the period of manufacture, while against the more serious evil of connivance of the Government servants in these frauds, the jealousy which will naturally exist in some degree between them and the manufacturers, the vigilance of the police employed serving as a preventive establishment, and the offer of rewards to them, and to the community at large for the detection of frauds, will operate as a combined check. The jealousy among the manufacturers must necessarily be greater under a system of general competition amongst private traders than under a Government monopoly. I have been induced to enter into these details more with the view of exhibiting the practicability of an Excise on Salt, than of laying down any definite rules for its introduction, which must eventually be determined on a reference to those in force at Bombay, where the system of Excise appears already to be in successful operation.”

Mr. E. Maltby observes—

Mr. E. Maltby's observations.*

“In other respects the arrangements now prevailing agree closely with the Excise system of Bombay. There are the same establishments of servants to keep accounts of the Salt, and watch the pans and store-heaps to guard against smuggling. Passes or Rowannahs are given to protect the salt on its being sold, and the Government authorities are equally able to prevent the establishment of new Salt Works, or suppress those which are no longer required.”

Mr. F. N. Maltby's observations.†

Mr. F. N. Maltby, in his letter of the 3rd of December, 1851, writes—

“The Excise which the Court of Directors state prevails in the Bombay and Bengal Presidencies, may, I think, be advantageously introduced into this district: at least I am not aware of any peculiarities in the manufacture of this district which renders this impracticable.”

And in his letter‡ of the 10th of November, 1852, as follows—

“It does not appear to me that the system of Excise holds out any temptation to manufacture illicitly beyond that afforded by the present system. It seems to be the opinion of my native catcherry that it does so, but I cannot see in what manner. The result depends upon the vigilance of those appointed to watch the manufacture. Our object now is to bring all that is manufactured to the Government store: the object then will be to bring all that is manufactured to the place where it is excised. All that is now smuggled out is worth 120 rupees: by the new system it will be worth only 100; so that on the whole the temptation is, I think, diminished, and the attention of the Government establishment will be concentrated on the one object of preventing the export of unexcised Salt.

“At present there is no doubt that much salt is clandestinely sold. So much is this the case that the Government sales fall off in proportion as the season is favourable for manufacture. I do not think that under an Excise there would be any greater opportunities for illicit sales.”

Mr. Maltby does not go into any details on the question of establishment; but, as far as he notices the subject, his opinion seems to be, that under a proper concentration of the manufacture, the expense on that account would not be increased, but is susceptible of being reduced.

* Appendix E, No. 26.

† Appendix E, No. 16.

‡ Appendix E, No. 17.

630. On the other hand, the Collectors who object that the substitution of an Excise upon the manufacture would be attended with great risk to the Revenue from the increased facilities for smuggling, greater expense for establishments, and more vexatious interference on the part of a horde of untrustworthy excisemen; whose abuses of authority on the one hand, and connivance at frauds upon the Revenue on the other, it would be impossible to check, do not enter into any details to show in what way, or for what reasons, the change would be attended with these effects; having in fact formed their opinions, as already observed, without being precisely aware of the description of Excise scheme contemplated.

On the other hand, the Collectors who object do not show how an Excise would be attended with any new or increased risk, inquisition, or expense.

631. It may be urged that the cost of managing the Excise in Bombay is actually higher than the cost of managing the monopoly in Madras, inasmuch as the charges on the gross Revenue amount to nearly 8 per cent.* in the former Presidency, against something below 5½ per cent.† in the latter; but the higher per centage in Bombay is caused, principally, by the expenses being charged against a lower amount of Revenue, the Revenue being lower chiefly because the average rate of duty levied on Bombay Salt is much below the average rate of profit realized on Madras Salt. The Bombay duty averages a little over 9½ annas,‡ and the Madras profit a little under 13½ annas,§ per maund, so that while the deliveries ¶ of Salt in the Bombay Presidency are only about one-fifth less, the gross Revenue ¶ is nearly one-half less than in the Madras Presidency. The rate of duty or profit being different in the two Presidencies; the cost of management ought, obviously, to be compared with reference to the quantity of Salt delivered, and not to the amount of gross Revenue collected in each. This being done, it will be found that, in proportion to the deliveries, the charges are scarcely higher in Bombay than in Madras; for if the deliveries of Madras Salt be rated at a profit, not of 13½ annas, but at the Bombay profit of only 9½ annas per maund, the gross Revenue is reduced from rupees 45,25,926 to rupees 31,95,714, and the rate of the charges** on the gross Revenue rises from a little below 5¼ to a little above 7¾ per cent., or to within ½ per cent. of the Bombay rate; and *vice versa*, if the Bombay deliveries be rated at a profit, not of 9½ annas only, but at the higher Madras profit of 13½ annas per maund, the gross Revenue rises from rupees 25,62,474 to rupees 36,14,767, and the rate of the charges†† on the gross Revenue is lowered from nearly 8 per cent. to a little over 5⅝ per cent., or scarcely more than the Madras rate of about 5¼ per cent.

Comparative cost of managing the Excise in Bombay, and the Monopoly in Madras.

632. It is further to be borne in mind that proportions of the cost of the covenanted and uncovenanted European Agency, and of the frontier Customs' Establishments are included in the Bombay, but not in the Madras, charges.

Certain items are included in the Bombay, but not in the Madras charges.

633. Moreover, the cost of managing the Salt Excise in Bombay is greatly enhanced, as has been seen‡‡ by the scattered position of the works; but this is a cause of expense which is not chargeable to the system, for the same degree of concentration must, it is evident, be equally practicable under either system. In Bombay, when the Excise was introduced, no provision was made for concentrating the existing manufacture, which was found spread all over the country; on the contrary, the regulations first enacted, in leaving the manufacture altogether free,§§ were calculated to extend the evil dispersion.

Cost in Bombay greatly enhanced by the dispersion of the Works.

* See Paragraph 319.

† See Paragraph 606.

‡ See Paragraph 319.

§ See Paragraph 603.

				Maunds.
¶ Bombay	..	(Paragraph 319)	..	42,84,168
¶ Madras	..	" 596	..	53,82,255
				Rupees.
¶ Bombay	..	(Paragraph 319)	..	25,62,474
¶ Madras	..	" 602	..	45,25,926

** Rupees 2,36,161, see Paragraph 600.

†† Rupees 2,03,995, see Paragraph 311.

‡‡ See Paragraph 353.

§§ See Paragraph 355.

This absolute freedom of manufacture continued in operation for thirteen years ; and it was not until the year 1850 that the authorities were empowered by law to place any restrictions in the way, either of prohibition or suppression, upon it.* In Madras, on the other hand, in establishing the monopoly the fullest power was reserved in the hands of the authorities of determining in what places Salt might be manufactured, and of suppressing the manufacture at any place ;† so that it is probable that, in the fifty years which have since elapsed, very much, if not all, has been accomplished in the way of concentrating the works in the best localities.

The comparative efficiency of the Excise in Bombay, and the monopoly in Madras will be considered in the sequel.

The alleged probability of a deficient and uncertain supply from the want of capital considered.

634. Whether the Excise in Bombay is as effectual as the monopoly in Madras, in securing the Revenue, will best be considered in the sequel, when examining, in connection with the question of the rate of Duty, to what extent the Salt consumed in the latter Presidency is licitly or illicitly supplied.

635. It is objected that, from the general poverty of the manufacturers, it is probable that the supply would be deficient and uncertain, unless the Government continued to advance funds, as at present. Mr. Goldingham observes‡ that, “the manufacturers are poor, and unable at once to take the sale into their own hands, or to wait for a return to their labour and capital till the Salt is sold. Their poverty also sometimes requires that advances should be made to them previous to manufacture.” He thinks it desirable, therefore, that it should be “left optional with the owners of the Salt on the platforms to sell it on their own account, or to make it over to Government after it is received into store, receiving from Government a fair value similar to the manufacturer’s share, as at present.” Mr. E. Maltby observes§ that the Meerassidars are seldom men of such capital as to be able to wait long for a return for their outlay and labour in making the Salt, and they would be apt to be alarmed at the novel responsibility of having to sell it themselves. Unless, therefore, precautions are taken to inspire them with confidence, such as making them occasional loans or advances on the security of the Salt, they might be discouraged at first from continuing the manufacture.” The Board of Revenue collectively think, that, at first, the supply might not be quite so plentiful as it is now, and that the Meerassidars might require assistance, which, they conclude, the Government would be as ready to afford to them as to other ryots. Their observations are quoted in extenso at paragraph 620.

There seems no ground for apprehending that the application of capital to the manufacture of Salt, under a free system, will not be ample, or that the manufacturers will not be able to effect quick returns.

636. I see no reason to apprehend that, under a free system, there would not be found many individuals who would be willing to invest their capital in undertaking the supply of Salt. The same objection of the possibility of a deficient supply, in consequence of want of capital, was made prior to the introduction of the Excise in Bombay ; but the supply, as has been seen,|| has always been abundant in that Presidency, without the aid of any advances from the Government to the manufacturers. No large amount of individual capital would be required, as the particulars exhibited in the statement¶ noticed in paragraphs 555 and 556 serve to show. The Collector of Ganjam states,** “The outlay required for the manufacture of Salt is by no means large. It costs Government less than 7 rupees per garce, private individuals will produce it for less, so that a man of very moderate means could rent a pan producing, say 200 garce ; and from what I can learn, there would soon be a great competition among renters for these pans.” The Collector of Guntoor observes :†† “The Board are aware that the Ryots, who are engaged in the Salt manufacture in this province, are as well off as those who follow other pursuits, and many are also employed

* See Paragraph 351.

† See Clause 1, Section 5, Regulation I of 1805.

‡ Appendix E, No. 33, Paragraph 17.

§ Appendix E, No. 34, Paragraph 3.

|| See Paragraph 399.

¶ Appendix D.

** Appendix E, No. 19, Paragraph 4

†† Appendix E, No. 23, Paragraph 3

in the cultivation of land, the Salt being manufactured at a season when their agricultural labours are suspended. Permission to make Salt is eagerly contended for, and the pans are generally saleable." And the Collector of Chingleput writes:* "Arguments might with greater reason be advanced against the system of unlimited manufacture as tending, on the other hand, to so great a reduction in profits as not to render it a matter of sufficient inducement to furnish the market with a sufficient supply of the article; but, as there is every reason to believe that the operations of the Salt Trade will be very extensive, I can see no grounds for giving these arguments any undue weight. The producers will be disposed to raise as much Salt as they can, as the cost of manufacture is trifling, and as they will not be called upon to pay the heavy duty on the article until they find purchasers to remove it from the stores, on what they consider profitable terms." Nor, as the Salt produced sells readily under the monopoly, can there be the least ground for apprehending that the manufacturers would not be able to effect quick returns under a free system. Moreover, the fact that for the manufacture, in the latest year 1852-53, or Fusly 1262, of 58,63,108 maunds, the advances made amounted to only 29,834 rupees, and that in the year 1850-51, or 1260 Fusly, the advances amounted to only 10,925 rupees, appears to me to afford conclusive proof that, even at present, under the monopoly, the manufacturers do not really require to be assisted, in any degree, with funds from the State purse to enable them to carry on their operations.

637. I am clearly of opinion, that in substituting a system of Excise for the present monopoly, the Government ought on no account to be left at liberty, even at first and for a time, to purchase Salt from the manufacturers for re-sale, as proposed by Mr. Goldingham, or to make loans or advances on the security of the Salt, as proposed by Mr. Maltby and the Board collectively. So far from assistance in either of these modes being necessary or desirable, it appears to me, that even now, under the monopoly, the system of making advances to the manufacturers from the Government Treasury might be, and ought to be, discontinued wholly. and at once.

Under the Excise system, the Government ought not to be at liberty, even at first, to purchase Salt for re-sale, or to supply funds on the security of the Salt; and the present system of advances ought to be discontinued wholly and at once.

638. In forwarding the Bombay part of the Salt Report, and its Appendix, to the Government in November last, I fully expected to be able to dispatch the Madras part and its Appendix in time for its transmission to England from Calcutta by the first mail in December, and the last instalment, consisting of the Bengal part and its Appendix, to Bombay, in time for its transmission from thence to England by the first steamer in January. The Bombay part and its Appendix were dispatched from Calcutta by the second mail in November; the first section of the Madras part, together with the entire Appendix of that part, by the first mail in December; and the Bengal Appendix complete by the second mail in that month; but I was prevented by ill health from completing the remainder of the Madras and Bengal parts so as to dispatch it to Bombay in time for its transmission to England from thence by the first mail in this month; and, from the same cause, I have since been able to make only very slow progress with this remainder. I have therefore thought it better, in the present state of my health, and as the Report is urgently called for by the Home authorities, to dispatch the concluding portion, in some shape, by the mail from Bombay of the 2nd proximo, rather than incur any further delay.

639. With this view I proceed to close the Report temporarily, at once, from the point to which it has here been transcribed, with the expression of my naked opinions on the remaining essential questions, leaving its more elaborate completion, upon the plan of the preceding

* Appendix E, No. 25, Paragraph 10.

portion, to be supplied hereafter, as quickly as the state of my health may permit.

Madras—Excise.

640. First, as regards the Madras Presidency. The transition from the Monopoly arrangements to a system of Excise upon the manufacture will require to be effected gradually. The Bombay plan should be generally followed. The details may, properly and safely, be left to the Board of Revenue, who fully admit the practicability of the change, and are quite prepared to carry it out. In the Districts of Malabar and Canara, the Excise system might be introduced at once, Salt being purchased from Bombay for the supply of both districts, to such extent as might be necessary, until the demand was fully met by private importations of foreign Salt, or by the Excised manufacture of the two districts, or from both sources combined.

Earth Salt.

641. The simple solution of the difficulties relating to Earth Salt appears to me to be to Excise the manufacture, imposing the same rate of Duty upon that Salt as upon Sea Salt, as was provided by the Excise Law drafted by the Board of Revenue in 1804. (See paragraph 616.)

Swamp or spontaneous Salt.

642. Arrangements should be made for turning the Salt spontaneously produced in marshy swamps to greater account, by renting out the swamps under Excise regulations, in place of destroying their produce.

Drawbacks and Depôts.

643. It has been from time to time a question whether the pressure of the high monopoly price on the inland population ought not to be lightened, either by the allowance of a drawback on Salt conveyed a certain distance into the interior, or by the establishment of Government depôts in various parts of the country, at which Salt should be sold at the regular Government price. The subject is noticed in paragraphs 188 to 197 of the Memorandum* of the Board of Revenue. I entirely agree in the objections there taken to both these measures. I can recognise no title that the inland population have to be relieved from the natural consequences of situation by special arrangements in their favour. Transit charges, interest on capital, slower returns, insurance against loss, and wastage for longer distances, are charges that necessarily fall on the more remote consumers; and on what principle the Government should interfere to relieve them from these unavoidable consequences of position, I am wholly at a loss to comprehend.

Exportation of Salt by sea.

644. The exportation of Salt by sea is now very properly free from duty and all restrictions. Salt for exportation is, however, available only at certain places, and is everywhere sold at the uniform price of 15 rupees the 100 maunds, that being its actual average cost to the Government, including shipping charges; but this price barely covers the cost of manufacture and shipping charges in some places, while, in other places, it is in excess of that cost. I am of opinion that while the monopoly lasts, Salt should be made available for private exportation by sea wherever it is manufactured, and not at one average price for the whole Presidency, but at its actual cost at each place. In like manner, Salt required for the service of the Bengal monopoly should be debited to that Presidency at its actual cost at the place from whence it may be supplied, its conveyance being separately contracted for, or effected by taking up vessels for the purpose.

Importation of Foreign Salt.

645. The principle at present observed in the treatment of Foreign Salt is to admit all such Salt to equal competition with the home-made article, the Import Duty being fixed at twelve annas the maund, because that rate represents the average net profit, per maund, accruing on the monopoly sales. The above rate is, however, on the Coromandel Coast, unduly favourable to the importer, to the prejudice of the home manufacturer, and in order to a greater equality between the rate of duty and the net profit in some places, while the monopoly lasts, it appears to me that, instead of striking one average of net

profit for the whole Presidency, an average should be taken for each Salt-producing District, or, at all events, separate averages for the Coromandel and Malabar Coasts, various rates of Import Duty being fixed to correspond with those averages.

646. The average net profit at present accruing on the monopoly sales is, on the Salt of the Coromandel Coast, a little over fourteen annas per maund,* but, taking the sales of the whole Presidency, the net profit is reduced to about twelve annas per maund,† and I am of opinion that the Excise Duty should be fixed at this latter rate, viz., twelve annas per maund to correspond with the rate which prevails in the Bombay Presidency.

Rate of Duty.

647. With respect to Bengal, I entirely agree with the Board of Revenue ‡ that it is quite impracticable to render the manufacture of Salt absolutely free to all persons under Excise Regulations, but that the gradual substitution, for present arrangements, of a system of modified Excise, upon the principle of granting licences to private persons to manufacture Salt, according to the native or any other method, at stated localities, is perfectly feasible, and that such a system might be eventually extended, so as, in course of time, to admit of the Government withdrawing altogether from any direct interference with the manufacture.

Bengal—Excise.

648. The arguments which have been adduced in the Madras part of the Report,§ in favour of the practicability of a change from Monopoly to Excise in that Presidency, apply, generally, with equal force, to prove the practicability of a similar change in the Bengal Presidency.

649. The preponderance of the public evidence, and the strength of the controversial arguments, on the question,|| appear to me to be greatly on the side of the change, while the objections of Mr. Parker,¶ and others who take the same view as that gentleman, apply rather to a system of absolute freedom of manufacture, under Excise Regulations, than to a system of modified Excise, such as is proposed.

650. It has for years (since August 1847) been open to any one to engage in the manufacture of salt, according to the English method under Excise Regulations. The only remaining question is, whether it is possible to introduce any system of Excise effectively where the common native process of manufacture is adopted. This question is now in course of practical solution. The Bengal Government with the full concurrence of the Government of India, sanctioned, in September 1854, a set of rules for granting licences to parties desirous of engaging in the manufacture of Salt, upon any method, under an Excise system; so that, in fact, in Bengal, a system, of excise has been in course of substitution for the monopoly arrangements for more than a year past. The whole correspondence on the subject will be found in the appendix,** and it appears to me that all that is necessary is to push on the present scheme through all the Salt-producing districts, as far as it depends upon the authorities to do so.

651. I am of opinion that the duty should at once be lowered from its present amount of 2 rupees, 8 annas, to 2 rupees per maund, the rate which prevails in the North Western Provinces, the special additional duty of 8 annas, levied on the Allahabad line of those Provinces, for the protection of the Bengal Revenue, being of course discontinued at the same time. I entirely agree with the Board of

Rate of Duty.

* See Paragraph 549.

† See Paragraph 587.

‡ See Appendix A, No. 2, Paragraphs 2 to 6.

§ See Paragraph 628.

|| See Appendices D, E, and F.

¶ See Appendix E, No. 8.

** Appendix G.

Revenue,* that, by so considerable a reduction, there would be a much greater probability of the price being at once reduced to the consumer, and a stimulus in consequence given to consumption, than if only a 4 annas abatement were made, as heretofore. I am not at all sure that it might not be ultimately and speedily beneficial to the Revenue, if the rate throughout the Bengal Presidency and the Punjab, were at once reduced to rupees, 1 : 8 per maund, being double the rate prevailing in the Bombay and Madras Presidencies.

I have the honour to be,

Sir,

Your most obedient Servant,

GEO. PLOWDEN,

Commissioner on Salt.

Nagpore, January 30, 1856.

To The
Secretary to the Government of India.

* Appendix K, No. 1.

MAPS AND PLANS

REFERRED TO BY

MR. PLOWDEN

IN THE

SALT REPORT AND APPENDIX.

Presented to both Houses of Parliament by Command of Her Majesty.
1856.

LONDON:
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List of Maps and Plans.

GENERAL.

1. Salt Map of India.

BOMBAY.

2. Plan of the Salt Works at the Village of Jeao, Pergunnah Bullesur.
3. Plan of the Salt Works at the Village of Oomur Tulungoor, Pergunnah Choraisee.
4. Plan of the Salt Works at Patree Zillah, Ahmedabad.
5. Plan of the Salt Works at Ooroo Zillah, Ahmedabad.

MADRAS.

6. Plan of the Attiput Salt Pans.
7. Map of the Salt Trade of Canara.

BENGAL.

8. Map of the Tumlook and Hijlee (Hidgellee) Salt Agencies and Salt Chowkey Superintendencies.
 9. Map of the Salt Agency and Salt Chowkey Superintendency of Chittagong.
 10. Map of the Salt Agencies and Salt Chowkey Superintendencies of Balasore, Cuttack (Kuttuk), and Pooree.
 11. Map of the Salt Preventive Superintendencies.
 12. Plan of the Narainpore Salt Works.
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