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Appendix E.—No. 11.

Draft of an Excise Regulation proposed by the Board of Revenue in 1804, entitled "A Regulation for determining by whom salt may be manufactured and sold; and for collecting a duty on salt within the Territory subject to the Presidency of Fort St. George."

1. Whereas by section 2, Regulation I, 1802, it is provided that the rules and orders of the Governor in Council for the manufacture of salt shall be framed into a regulation, and be printed and published: Whereas by section 4, Regulation XXX, 1802, Government has reserved to itself the right of continuing or abolishing, either temporarily or permanently, the revenue arising from salt. And whereas it has determined that a revenue shall be raised, as a duty on the article when sold in addition to the sale price at the place of manufacture, at or such other place as the Board of Revenue may determine, and on importation into the territories under the Presidency of Fort Saint George. The following rules have been enacted for the better security of the revenue to be collected on salt in the mode above described.

2. The sale and manufacture of salt shall be conducted on the same principles as heretofore, whether jointly with the manufacturers and Government, or entirely on the part of the latter, and the shares paid to the manufacturers, whether of the proceeds of the sale or of the salt, or the hire to the labourers, shall continue to be so paid without alteration, unless by mutual agreement.

3. Persons unwilling to engage in the manufacture of salt shall not be compelled to work at the pans, whether such pans belong to Government or to individuals, notwithstanding any usage or custom to the contrary.

4. Persons holding lands exempt from the payment of public revenue, or lands held under favourable tenure in which it may have been usual to manufacture salt, shall, on application to the Collector, and on producing proof that salt had, heretofore, been made within such lands, be furnished with a permit to manufacture and sell salt; and salt pans in such lands shall, under such permit, continue to be worked as heretofore, in all respects the same as if they belonged to Government, subject nevertheless to all the provisions contained in this regulation, or in any other regulation hereafter enacted for the collection of the revenue from salt.

5. A duty on sea salt manufactured, as likewise on salt extracted from the earth within the territories subject to the Presidency of Fort St. George, shall be levied by the local officers of revenue, either at the pans, or at such other places as may be directed by the Board of Revenue.

6. The amount of the duty on salt at the respective pans and stations shall be at a rate to be determined by the Board of Revenue.

7. The duty on salt shall be paid by the purchasers, not by the manufacturers, and shall be considered distinct from the sale price.

8. Salt exported by the sea shall be exempt from duty.

9. Salt imported by sea shall be charged with the established duty, unless a rowannah, certifying that the salt duty has been paid elsewhere, be produced.

10. Salt imported by land into the territories subject to the Presidency of Fort St. George from the territories of Foreign, European, or Native powers, shall be charged with the established duty.

11. The duty on salt imported by land or sea from the territories of foreign powers, shall be levied by the persons employed in the collection, frontier and Sea Customs, whenever it may be practicable to employ those persons.

12. Persons employed in the collection of the salt duty shall be furnished by the local officers of revenue with a written authority to levy the duty, the authority shall specify the places where they are authorized to levy the duty, and also the rate of duty authorized to be levied on the salt.

13. Persons employed to collect the duty on salt shall be furnished with an official seal, on which shall be cut in the Telooogo, Tamil, and Persian characters,

The sale and manufacture of salt in what manner to be conducted.

Persons unwilling to engage in the manufacture not to be compelled to work at the pans.

Persons holding lands exempt from the payment of revenue, or under favourable tenure on which it has been usual to manufacture salt, to be furnished with permits, on application, to manufacture and sell salt as heretofore.

A duty to be collected at such places as may be directed by the Board of Revenue.

Rate of duty to be determined by the Board of Revenue.

The duty by whom to be paid.

Salt exported by sea exempt from duty.

To be charged with duty unless a rowannah be produced.

Salt imported by land to be charged with the established duty.

Duty by whom to be collected.

Persons employed in the collection of the duty to be furnished with the written authority for levying it.

And an official seal.

the name of the salt pans or stations at which they are authorized to levy the duty.

Rowannahs exempting the purchasers of salt from the payment of further duty to be granted them.

14. Rowannahs, exempting the purchasers of salt from the payment of further duty, shall be granted by the local officers entrusted with the collection of the salt duty, to persons paying the salt duty, and such rowannahs shall have the seal of the respective pans or stations annexed thereto.

Such rowannah to exempt persons who have once paid duty from further duty.

15. Persons having once paid the salt duty, and taken out a rowannah for the quantity purchased, shall be exempt from the payment of any further duty in the territories subject to Fort St. George.

Collectors to furnish their subordinate officers with blank rowannahs in the native languages.

16. Collectors of Revenue shall furnish the subordinate officers of revenue, entrusted with the collection of the salt duty, with blank rowannahs, or certificates in the native languages, and in the following form:—

Seal.

Number of Rowannahs	Date of Issue.	To whom granted	Quantity of Salt Sold	Where Purchased	Price paid for it per Muddas gross, or 320 Muddas	Rate of Duty per Muddas gross.	Amount of Duty received.	On what Laden.				Where going.	REMARKS.	
								No. of Bullocks.	Asses.	Bandies.	Coolies.			
			Garces		R A. P.	R A. P.	R A. P.							

Rowannahs to be numbered.

17. Rowannahs shall be numbered in the English, Tamil or Telooqoo, and Persian languages.

And registers of those delivered to subordinate officers to be kept, and returns of them to be required by Collectors.

18. A correct register of blank rowannahs, delivered to officers entrusted with the collection of the salt duty, shall be kept by Collectors of Revenue, and a regular return shall be required by the Collectors in the form prescribed for the rowannahs, from all subordinate salt agents, of the rowannahs delivered to them.

Collectors to keep a register of all salt pans within their districts and of their produce

19. The Collectors shall keep a register of all the salt pans within the districts under their charge, containing the names of the proprietors, whether Government or individuals, the average quantity manufactured at each, monthly, and the mode in which the produce is divided between the proprietors and the manufacturers. Collectors shall reduce the number of places of manufacture wherein it may be practicable, without injustice to individuals, to abandon the manufacture.

Return of these registers shall be made by each Collector half yearly to the Board of Revenue.

20. A return of these registers shall be made by each Collector half-yearly to the Board of Revenue, containing, in addition to the information noticed in the preceding section, an account of the quantity of salt sold at each pan from the period of the last return, whether for home consumption, for exportation by land or by sea, and a statement of duties collected from each.

No salt to be made or sold at any places except those included in the registers.

21. No salt shall be made or sold at any places except those included in the registers of the Collectors, and all salt manufactured or sold in breach of this prohibition, shall be liable to confiscation, and a fine, equal to the value of the salt, shall be levied by the local officers of revenue, under the authority of the Board of Revenue, from the persons engaged in the illicit transaction, whether as manufacturer, buyer, or seller.

Penalty for the breach of the prohibition.

Salt imported at places where customs are received liable to the rules prescribed with respect to other merchandize.

22. *First.* Salt imported by sea or land, at places where Sea Customs are received, or chowkeys established for the collection of frontier duties, shall be liable to the rules prescribed with respect to other articles of merchandize in Regulations XI and XII, 1803, except that a rowannah, in the form directed in the 16th section of the present Regulation, shall be issued, instead of the usual rowannah.

Exception.

Salt imported at places where customs may not be collected to be conveyed to the nearest station where salt duties are collected.

Second. Salt imported by land or sea at places where Customs may not be collected, and where frontier chowkeys may not be established, shall be conveyed to the nearest station where salt duties are collected, and regular rowannahs obtained for the quantity imported.

23. *First.* The Collectors and their officers entrusted with the collection of salt duties, on receiving information of any salt having been illegally manufactured, or imported, in breach of the provisions contained in sections 21 and 22, are empowered to attach the same, without giving previous notice to the judge or magistrate of the district, or, if they shall deem it necessary, they may apply to the magistrate, or any of the darogahs of police, to assist them in seizing the salt, and, on such application being made, the magistrate or darogah shall afford the assistance required.

Second. Officers of the Collector making seizures of salt are to transmit without delay, and by the most expeditious mode of conveyance of which they can avail themselves, a report of the circumstances of the seizure to the Collector. If the officer seizing the salt shall make any unnecessary delay in forwarding the required report, or shall omit to forward it, he shall be liable to a prosecution in the Dewanny Adawlut, for damages, by the proprietor, and to dismission from office, and to forfeit to Government any reward he might be entitled to in the event of the salt being confiscated.

Third. Officers of the Collector shall not release any salt they may have once seized, without orders from the Collector, who may order any salt seized by his officers to be released, if he be of opinion, on inquiry, that it is not liable to confiscation, but he shall, invariably, report the release of the salt to the Board of Revenue.

24. In all cases where seizures of salt may have been made, the Collector shall transmit notice of the seizure, and all the circumstances relating to it, to the Board of Revenue, with all practicable despatch, and proceed according to their directions.

25. The Board of Revenue shall determine when the salt be liable to confiscation, and if they shall order it to be released, the seizers shall be liable to be sued for damages in the Dewanny Adawlut, by the proprietor of the salt: and the person having made the seizure shall defend the suit at his own risk. In such cases, however, the Board of Revenue, if, on a consideration of the circumstances and the conduct of the person by whom the seizure may have been made, they shall deem it proper so to do, may indemnify him for the consequences of the suit, or order it to be defended on the part of Government, or adjust the matter with the proprietors of the salt, reporting the measures which they may adopt to the Governor in Council, for his information.

26. If the Board of Revenue, on a seizure of salt being reported to them, shall be of opinion that it is liable to confiscation, they shall confiscate it, and proceed to the sale thereof when it may be deemed advisable. Any person dissatisfied with their decision shall be at liberty to prosecute Government in the Court of Dewanny Adawlut of the zillah in which the seizure may be made, in the mode prescribed by the Regulations.

27. The proceeds of sales of salt confiscated by order of the Board of Revenue, and the amount of fines levied, shall be divided as follows: one fifth to the officers making the seizure, two-fifths to the person or persons on whose information the seizure may be made, and two-fifths to the Company.

28. Copies of this Regulation, with translations in the Persian and the several local dialects, shall be publicly fixed up in all chowkeys and places where salt duty may be collected. If any officer entrusted with the collection of the salt duties shall neglect to publish this Regulation in the mode here directed, any person whose salt may be confiscated, or who may be fined under this Regulation, shall recover from that officer the value of the salt and the amount of the fine on proof in the Adawlut Court that translations of the Regulations were not fixed up previously to the confiscation taking place or the fine being levied.

29. In districts where no Zillah Court has been established, Collectors shall conform to the principles of the regulation, as far as it may be practicable for them to conform.

Collectors and their officers in what manner to proceed on receiving information of any illegal manufacture, or importation, of salt

Seizures of salt to be reported to Collector.

Salt once seized not to be released without Collector's orders

All seizures of salt to be reported to the Board of Revenue.

Who are to determine when the salt be liable to confiscation, and if they shall order it to be released, the seizers liable to be sued for damages by the proprietor at his own risk, Or if the Board of Revenue shall approve the conduct of the seizer, they may indemnify him for the consequences of the suit, or order it to be defended on the part of Government or adjust the matter with the proprietor

If the Board of Revenue shall be of opinion, that any seizure of salt reported to them is liable to confiscation, they shall confiscate it, and proceed to the sale thereof

Any person dissatisfied with their decision at liberty to prosecute Government.

Proceeds of sales of salt confiscated, and amount of fines levied, how to be disposed of Copies and translations of this regulation to be fixed up in all places where salt duty may be collected

Collectors neglecting to publish the regulation liable to be sued by any person whose salt may be confiscated, or who may be fined for the recovery of the amount.

In districts where no Zillah Court has been established, Collectors to conform to the principles of the regulation

Appendix E.—No. 12.

Minute of Mr. FALCONAR.

On the Salt Revenue of the Company's Territories subject to Fort St. George, the policy of establishing a Monopoly of that article in preference to leaving it free, of collecting a Duty in addition to the usual selling price, and pointing out the important improvement, in a financial view, of which it is susceptible.

Office of Board of Revenue, June 28, 1804.

1. So long ago as the month of October, 1803, I had occasion to state to the Board, in the fullest manner, my sentiments with regard to the best mode of administering the revenue derivable from salt.
2. I observe that the Board, in the arrangements now proposed by them, have adopted some of my ideas, but differ with me in an essential point, on which, in my mind, the prosperity of the revenue derivable from salt principally depends. We agree in the eligibility of augmenting the receipts of Government from this source, rather by levying a reasonable duty than by imposing an increase of price; but differ as to the expediency of monopolizing the manufacture and sale of the salt on which the duty should be levied.
3. The Board contend that "the adoption of a monopoly by the Company would be an infringement of the hereditary privileges of merassidars, whose rights must, in consequence, be resumed, and that much difficulty would attend the adjustment of a fair compensation to them;" and
4. "That a monopoly would be impracticable and impolitic with respect to the salt of foreign settlements."
5. Now it appears to me, *first*, that the position assumed by the Board, in favour of merassidars or cultivators, is repugnant to a fundamental principle of the permanent system of revenue,* which recognises no proprietary right as inherent in merassidars, and expressly reserves in the hands of Government this source of revenue.
6. *Secondly*. That granting to merassidars, or cultivators, the fair price of the full extent of their salt would be a mode of compensation not only extremely just and easy to be effected, but highly advantageous and acceptable to them, inasmuch as it would give them a certain, in lieu of a precarious, income.
7. *Thirdly*. That the practicability and policy of a monopoly, as relates to the salt of foreign settlements, is in favour of the adoption of the measure.
8. *Fourthly*. That it appears to be the only efficient mode of deriving an increased revenue from salt.
9. And, *lastly*, I shall add some general observations elucidatory of a subject so important, an enlightened discussion of which may contribute essentially to the augmentation of the Company's finances.
10. I proceed to the illustration of these positions.
11. *First*. The branch of the public finances derived from the manufacture of salt has long appeared to be susceptible of much amelioration, it has hitherto been so inconsiderable, not exceeding, I believe, star pagodas 44,000 per annum,† as to justify every attempt to improve it, little loss can ensue from the experiment; and it appears to be very practicable to render it a source of much gain.
12. It was proposed, in 1795, that an extended importation of salt from the Northern Circars should be made annually into Bengal, provided it could be done without impairing the large revenue annually realized there from the sale and manufacture of that article; but, as it was then apprehended that the adoption of the measure, to any extent, might injure the salt revenue of Bengal, it was soon after abandoned.
13. The Board of Revenue subsequently, in September, 1799, recommended to Government‡ a more efficient and less objectionable scheme, viz.—the policy of securing to the Company the monopoly of salt throughout the peninsula, in like manner as now obtains in the provinces of Bengal, and, although very material obstacles to the measure at that time existed, from the divided authorities and collision of interests in the Carnatic, yet it was considered to be practi-

* Regulation XXV, of 1802, &c. &c.

† 63,000 star pagodas, gross revenue 44,000, after deducting expenses.

‡ To Government. 2nd September, 1799.

cable notwithstanding; and the expediency of the proposition was deemed to be so important that an annual equivalent to the revenue derived from this source by the then Nabob of the Carnatic and Rajah of Tanjore, was proposed by the Supreme Government to be paid in money; to those princes, provided they relinquished to the Company the exclusive privilege of manufacturing and selling salt.

14. The treaties of Tanjore and the Carnatic happily obviated the difficulties which had till then opposed this important arrangement, by transferring these valuable dominions and, consequently, this inherent prerogative, to the East India Company.

15. In the further prosecution of this object it was proposed by the Board of Revenue that, on the introduction of the permanent assessment of the land revenue, and transfer to the respective landholders of the proprietary right in the soil, the revenue arising from the manufacture and sale of salt, saltpetre, &c., should be excepted and retained exclusively in the hands of Government; that, on assessing the Jumma of the estates of proprietors, who should thus lose the privilege of manufacturing or selling salt, the amount of the salt revenue should first be deducted from the gross produce, and a proportion of one-tenth part of the net produce from salt be allowed them, as their melkana or proprietary portion of that article.

16. These principles having been approved by the Governor in Council and by the Supreme Government† were finally recognised and enacted into a Regulation‡ of this Government, on the 1st of January, 1802, by which "Government reserves to itself the entire exercise of its discretion, in continuing or abolishing, temporarily or permanently, the articles of revenue derived, according to the custom and practice of the country, from salt, saltpetre, customs, &c., exclusively of which the permanent assessment of the revenue has been made."

17. Here is no reservation in favour of any class of subjects—the exclusion is absolute. The merassidars alluded to by the Board are the native, hereditary, manufacturers of salt, or inhabitants with the conditional occupancy and usufructuary privilege of lands in which salt is manufactured, by labourers hired for the purpose.

18. I protest I am unimformed of any preference due to the claims urged in favour of these salt manufacturers, before the more legitimate pretensions of the native chiefs of the country—the rajahs, polgars, and zemindars, who have been unequivocally divested of their ancient rights in this respect.

19. Whatever weight be due to the opinion of the present Board of Revenue, against the policy of a monopoly, which, after mature deliberation, had been recommended by a former Board,|| been adopted by this Government, and finally confirmed by the Governor General in Council,¶ I am sensible that a measure so sanctioned can derive little support from the coincidence of my humble vote; but, unless warranted by the strongest deductions of reason, and sanctions of experience, I profess that I should not have expected to see doubted the expediency of an arrangement, which, independently of the intrinsic evidence of its propriety, had obtained the formal sanction of a general law,** and been made a specific condition of every individual covenant†† issued by Government to the newly-constituted proprietors of land. The experience of a long series of years has demonstrated that we cannot derive a large revenue from salt if the trade be kept open; whilst reason and experience combine to prove that a monopoly, as in Bengal, would be highly productive.

20. In my humble opinion, therefore, the arguments of the Board against the adoption of a monopoly, founded on the interference it would occasion with the hereditary rights of the Merassee manufacturers, are repugnant to an established principle of the permanent system‡‡—incompatible with the prescribed policy of Government§§ as relates to the mode of administering the salt revenue, and calculated to oppose a considerable augmentation from this source of our finances.

* See paragraphs 456 and 457 of Board of Revenue's letter to Government, 2nd September, 1799.

† Letter of Government to the Board of Revenue, January 1800.

‡ Extra paragraph 100 of the Governor-General in Council's letter —

§ The Governor-General in Council is of opinion that it would not be the less advisable, to retain *exclusively* in the hands of the Company, the manufacture of salt *in every part of the territories, under your Lordship's Government*"

¶ From Bengal, 31st December, 1799, paragraphs 96 and 101.

§ Regulation XXV. A. D. 1802, Section IV.

|| To Government, 2nd September, 1799.

¶ From Bengal 31st December, 1799.

** Vide Reg. XXV, of 1802, above referred to.

†† Vide Article 4 of the Sunnud-i-Milkeut Istemmar, or new Deed of Permanent Right

‡‡ Regulation XXV, Anno 1802, and Regulation XXXI Anno 1802

§§ Regulation XXXV, Anno. 1802

21. *Secondly.* With respect to the difficulty of adjusting an indemnification to the *Merasi* manufacturers of salt, it appears to me so easily obviated, that I am surprised it should have been viewed in the light of a "serious objection." It is notorious that the salt manufactured far exceeds the demand; that, besides the uncertainty of the demand, affected as it is by various causes, the salt of the manufacturer, if not immediately sold, is obnoxious to damage from rain, to waste, and to loss; the salt being manufactured expressly for sale, it is indifferent to the manufacturer who may be the purchaser.* He is apprehensive merely lest it remain on his hand. Now, if Government agree to purchase his salt in all seasons, at a certain price, he derives a security from contingencies which he did not before possess: this security stimulates his industry, and cheers his labour. The actual, or the reputed, extent of his manufacture should be the bound of his demand, and the rate of commutation should be the price in the market. This rule is alike applicable to *enâmdars*, *russumdars*, *yeomiahdars*, and others, enjoying fees, benefices, or eleemosynary allowances, payable in kind from the salt manufactured; and appears to me, as it did to our superiors, to be a very easy mode of dissipating the "serious objection"† apprehended by the Board with respect to the compensation to be made to the *Merasi* manufacturers. I observe that the late Special Commission were duly impressed‡ with the propriety of establishing a monopoly, and reserving in the hands of the company the exclusive manufacture and sale of salt, in conformity with the principles and orders§ to which I have alluded, and that they expressly prescribed the mode in which the *Merasi* inhabitants and manufacturers were to be compensated, which was precisely that now recommended by me. The levy of a duty, over and above the price, would effectually obviate the frivolous objection adduced from the letter of the late Collector of Western Pushcush;|| an objection which, I believe, was not urged, and does not apply to either of the propositions now in discussion, being made against the plan then proposed, for raising at once the selling price of salt from 6 or to 30 pagodas, per garce.

22. *Thirdly.* The Board anticipate another difficulty to the adoption of a monopoly from the possibility of the French, Dutch, or Danish nations being guaranteed by treaties in the privilege of manufacturing, selling, and exporting salt, and the consequent difficulty of excluding them from a competition with the Company.

23. It is, probably, unnecessary for me to inform the Board that the only privilege of this nature possessed by any of those powers, was that granted to the French nation by the treaty of Paris, for importing into, and vending in, Bengal, 2 laks¶ of maunds of salt from their pans at Pondicherry and Karrikal. They did possess the means of making salt at these places and at Yanam. I believe little or no trade of this kind was ever carried on by the Dutch or Danish nations. At present no political difficulties exist with respect to any of them.

24. In the event of a future pacification with the two first of these powers, if it should be deemed superfluous to stipulate for the continuance of their exclusion from the sale of salt in the Company's territories, nothing can be more easy, isolated as their territories are, than by the levy of a duty, the interdiction of the transit, or the policy of our internal economy, to prevent their interference from impairing the advantages derivable from this article. Thus, the formidable difficulties apprehended by the Board from the salt of foreign settlements, appear to be capable of the most facile removal; and the practicability and and policy of a monopoly, as relates to the salt of foreign settlements, is in favour of the adoption of the measure.

25. *Fourthly.* The establishment of a salt monopoly, besides being sanctioned by the advice, and corroborated by the example, of Bengal, seems to be the only efficient mode of deriving an increased revenue from salt. This article is now so generally manufactured, that it is not much more valuable than sand. The quantity estimated to be annually made at the present pans exceeds the estimated quantity annually sold nearly half; and the quantity manufactured annually it is possible to double. It is from this facility of manufacture and freedom of sale that the revenue of this Presidency from its salt, contrasted with that of Bengal from the same source, is so discredibly trifling. Why may we not, by a similar policy, derive advantages comparatively similar? Experience has demonstrated that these advantages can never result from the present supine system of administering the salt revenue. The Board of Revenue propose to throw open the trade, to continue this system, whilst, by the levy of a duty, in addition to the former price, they multiply the temptation, and increase the facilities to smuggling.

* In paragraph 457, Board of Revenue's letter to Government, 2nd September, 1799

† See report above referred to, and letter from Bengal, 31st December, 1794

‡ See 2nd paragraph of their circular letter to Collectors, dated 29th September, 1802.

§ Circular to Collectors, dated 29th September, 1802

¶ From Mr. Stratton, dated 28th December, 1802.

26. If the manufacture be free, an equal, or a larger, quantity may be expected to be prepared, but the open demand will most likely be diminished by an augmented price. In proportion to the quantity prepared, will smuggling be facilitated, the duties eluded, and the revenue impaired. The quantity estimated to be annually made is supposed to be twice as much as is purchased; the expense of manufacture is, consequently, doubled, the facility of illicit sales increased, the probability of waste, and the actual loss, much augmented: limiting the manufacture, therefore, whilst it would diminish the expense and decrease the risk, would also considerably enhance the value. I would beg leave to recommend that this limitation should be proportioned, as nearly as practicable, to the annual demand: that *one general agent* should be appointed to superintend and regulate the whole detail, whose pay or commission ought to vary with the amount of the salt revenue. The Collectors of land revenue, who cannot themselves, owing to their avocations, sufficiently attend to this important department, might be of great assistance by an effectual co-operation with the agent; and the illicit preparation, vend, export, import, or transit, of salt, should be effectually restrained by adequate regulations.

27. *Fifthly*. It remains for me next to endeavour, as I proposed, to illustrate this important subject by such general observations as have occurred to my mind on an attentive consideration of it.

28. It may be useful to inquire how far it is practicable to improve the revenue derivable from salt, without discouraging the Brinjarries and Corchewars, the itinerant traders of the country, by too sudden an increase of price, diminishing the comfort of the people, or reducing them to the alternative of resorting to other marts, or substituting earth, for sea, salt.

29. In discussing this general head it will tend to greater perspicuity to divide the subject into the following branches:—

30. *First*. The quantity of salt usually manufactured from the present pans, and to what degree the manufacture is capable of being extended.

Secondly. The quantity consumed within the territories subject to this Presidency, and exported by sea and land.

Thirdly. The extent to which the revenues might be increased, calculating on the probable population, and on clandestine manufacture and sale being effectually prevented,

Fourthly. The rate of duty which it may be expedient to impose.

31. *First*. By statements prepared in the year 1795, it appears that the salt annually manufactured at the pans then worked was 21,278½ Madras garces, and that it was practicable to augment the manufacture to the extent of 31,958 garces more, making an aggregate of 53,236½ garces. By more recent statements, there is reason to believe that the manufacture might be extended in a still greater degree.

Garces.
21,278½
31,958
53,236½

32. *Secondly*. By the same statement of 1795, it is estimated that about 3,752 garces are consumed *within* the Company's territories subject to this Presidency; that 4,524½ are conveyed inland by the Brinjarries, &c.; and we may calculate the annual exports by sea at about 4,00,000 of maunds, or 3,280 garces; making an aggregate disposable quantity of 11,556½ garces, and leaving a residue of the quantity ordinarily manufactured of 9,722 garces.

Garces.	Garces.
3,752	21,278½
4,524½	11,566
3,280	
11,556½	9,722½

33. *Thirdly*. The consumption of salt, as a necessary ingredient in human food, can be very little affected by a large or small price. The quantum consumed by each individual is but trifling; that quantum he must have, however dear, and however cheap he will rarely be induced to buy more. It is given by the natives in considerable quantities to their cattle. An inferior kind, when it can be procured reasonably, is often used by them to cure or salt fish, and to form a compost for their lands; but, except as manure for lands, and as an ingredient in the food of man and of cattle, it is scarcely used for other purposes. Whilst, therefore, the number of inhabitants and cattle in the Peninsula remains nearly the same, there will not be much variation in the consumption of salt. Canara is the only acquisition we have made since 1795 that opens to us a new market; but it is of little importance. All our new territories above the Ghauts, while under the dominion of Tippoo, late Sultan of Mysore, and those of Nizam-ah-Khan, late Subahdar of the Dekkan, derived their supplies from the Coromandel Coast. Although, therefore, these territories have fallen into our hands, the consumption of coast salt cannot be, thereby, increased.

34. The Brinjarries and Corchewars, by whom salt is carried from the coast, were always encouraged by those native powers, more perhaps than by us, because they had been longer acquainted with the benefits rendered by these itinerant traders in times of war.

35. The only circumstance attending our acquisition of territory, that is likely to increase the consumption of coast salt, is the chance of a longer enjoyment of internal tranquillity; for in war, the Brinjarries, being chiefly employed by the contending armies, carry less salt from the coast: but, as the consumption continues the same, the deficiency of sea salt is supplied by that which is extracted from the earth in the inland districts.

36. In their Report of September 1799, the Board of Revenue state that they had no satisfactory data by which they could calculate the population of the Company's territories, including the conquest of 1792, the dominions of the Nabob of the Carnatic, and those of the Rajah of Tanjore. They, nevertheless, concluded, from the extent of the provinces, that the population rather exceeded, than fell short of, ten millions.

37. Assuming the quantity of salt annually required by each individual at 12 lbs., they estimated the whole annual consumption at 12,000 garces, and, computing on an increased price (per Madras garce, 30 star pagodas), calculated on an annual gross revenue from salt of 3,60,000 star pagodas. From this however should have been deducted the shares of the Merassee and other manufacturers' maniemis, russums, &c.

38. From documents on the records, I imagine that the population as above stated is taken on too low a scale, whilst the annual quantity of salt consumed by an individual is, perhaps, rated rather high.

39. By Returns made to the Board of Revenue in 1802, the population within the Company's territories only amounts to nearly ten millions: but the population which is supplied with coast salt is perhaps nearly twice that number; for besides the inhabitants of the British territories, a great proportion of the population of the Maratta States, those of the dominions of His Highness the Nizam and of the Rajah of Mysore are furnished with this necessary article from the cotours (pans) of the coast.

40. The estimated consumption of an individual, according to the calculation of 1796, was on an average 12 lbs. per annum. In Bengal it is supposed to be 9 lbs. each per annum. The natives on the coast have a mode peculiar to themselves of calculating this quantity. They allege that the proportion of one-thirtieth part of the rice is equal to the whole quantity of the salt which is necessary for the consumption of an individual in a month; *i.e.*, if an individual in a month consumes thirty seers of rice, he will require in the same time one seer of salt. But this mode of calculation is so indefinite, and evidently so exaggerated, that it cannot be admitted in a calculation of this nature. By it, the consumption of an individual would exceed 24 lbs. per annum. This I apprehend to be far beyond the truth, since by the following calculation of the average consumption of a family of twelve persons, among the respective classes of the natives of the peninsula, each of which class it should be observed uses this article in a different ratio from the other, the average quantum required by one person may be more exactly deduced.

{	A family of twelve	}	per	Mensem	6 Seers;	per	Annum	=	72 Seers.
{	Brahmins consume	}	per	do.	5 do...	do.	do.	=	60 do.
{	Do. of Raghvars	}	per	do.	4½ do...	do.	do.	=	54 do.
{	Do. of Rajpoots	}	per	do.	3 do.....	do.	do.	=	36 do.
{	Do. of Rayets	}	per	do.	3 do.....	do.	do.	=	36 do.
{	Do. of Mussulmans	}	per	do.	3 do.....	do.	do.	=	36 do.
}	48 people.	}	do.	18½ do.	do.	do.	do.	=	222 do

41. Hence it is observable that four families, consisting of forty-eight persons, some of them Mahommedans, and the rest proportions of the higher and lower order of Hindoos, will consume in a year 222 seers of salt, which makes the annual quantum requisite for an individual, about 9 lbs. 10 oz. avoirdupois.* This corresponds with the average rate of consumption in the Bengal provinces; and, as it is, unquestionably, the most natural mode of computation, should, therefore, be the most accurate.

42. It is proper, however, to remark here that the quantity necessary as above stated is when no earth salt is used;† where it is made, the rayets use it in the proportion of 3 to 1 of sea salt, and the other classes in the proportion of 1-5th or 1-6th to 1.

43. Assuming, therefore, 9½ lbs. to be the annual consumption of salt by an

Seers.
9 222
2 lbs. each

48 + 462

9 lbs 10 oz.

† N.B.—The process of extracting salt from the earth is different in different parts of the country. Above the Ghauts, it is produced by lixiviating earth impregnated with salt. They pour on the earth a sufficient quantity of water to dissolve the salt. A liquid, in no respect differing from sea-water, (except as it may be more or less highly saturated) is thus obtained, and must be treated either with artificial or solar heat, until the aqueous part evaporates—pure salt remains. In Mysore they form of soft tenacious clay, a vessel, or rather a cavity in the earth, lined with this clay in the form of an

individual, computing the population of the territories subordinate to this presidency at ten millions, and calculating the inhabitants of other States supplied with salt from the coast at five millions more (which I consider to be a moderate calculation), the home consumption, according to this hypothesis, would be 9,500 garces, and the foreign 4,750, making an aggregate of 14,250 garces, independently of what may be used for cattle, salt provisions, and land, and exclusively of exportations by sea, to which last point I shall now advert.

44. The only marts for salt exports by sea are Bengal, Canara, and the West Coast of Sumatra.

45. The exportation to the former by contract is generally limited to four or six lakhs of maunds,* and that by permit I believe scarcely exceeds one lakh of maunds.

46. Canara is supposed to produce annually about 1,247 garces, and to import from Bombay, Goa, and Malabar about 622, making an aggregate of 1,869 garces, whence are supplied the inhabitants of Canara, Sunda, the Mysore, and the contiguous districts of the Mahratta State.

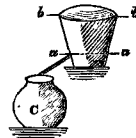
47. Both in Canara and Malabar landed property is on a different footing to what it has been considered to be in the other territories subject to this Presidency. There the greater part of the salt pans is, and for a long series of time has been, deemed to be the hereditary property of the jellenkars or native landholders; and it may be expedient for the present to have things there as heretofore, until matured arrangements for the landed property, the salt, and Custom revenue shall have been determined upon (unless the jellenkars should be disposed to acquiesce in the general arrangement respecting salt). Meantime the Collectors, under the control of the Board of Revenue, can take such measures with regard to this salt as may be proper and least likely to interfere with the general arrangement.

48. By restraining strictly the foreign imports and exports by sea and land, except on account, or by authority, of the Company, levying a duty, and procuring a remission of duty on salt passing through the Mysore territories, the revenue from this article is capable of much improvement in Canara and Malabar.

49. Formerly large quantities of salt were exported from the shores of Coromandel to the West Coast of Sumatra and Acheen; but it is said that some native manufacturers from Porto Novo and Nagore, having been induced to proceed to the Sumatra coast, instructed those islanders in the mode of manufacture, which circumstance has rendered our salt exports thither in these days very inconsiderable. Besides, it is a question whether it were possible to raise the price to these transmarine purchasers to any considerable amount, without endangering the loss of their trade, by inducing them to resort to other markets.

50. Assuming the consumption in the peninsula supplied from the Company's pans to be 14,250 garces,† the exports by sea to be, moderately speaking, 3,280 garces, the annual demand, or the quantity to which the sales might be extended, will be about 17,530 garces; but as there would be a wastage in so large a quantity,—of, say, 10 per cent.,—the provision might be authorized of 19,283 garces.‡

inverted cone. From the bottom of this vessel a bamboo tube, dipping in a slight degree from the horizontal line, conveys the lixivium to a large earthen vessel (C) to the depth represented by the line (aa). Dry weeds or straw, in strata, crossing each other, are laid. The earth, impregnated with salt, is then put in to the height of about (bb)—and lastly, common water. The weeds at the bottom operate as a filter, and the lixivium is received into the vessel C, perfectly transparent. It is then carried to a common iron boiler, to be evaporated at Colar. The salt being combined with a large proportion of magnesia is exceedingly bitter. To the southward of the Covery it is very pure, the bitter scarcely perceptible, a small quantity of magnesia is combined with the muriatic, or marine, acid which exists in all sea water. This is dissipated by solar evaporation.



Maunds	Garces.
* 4,00,000	= 3,280.
6,00,000	= 4,920.

Garces	
† 14,250	Inland Consumption.
3,280	Export by sea.
<hr/>	
17,530	
1,753	Waste.
<hr/>	
19,283	Necessary annual provision.

‡ N B—Probably some allowance should be made for the consumption of earth salt, which, in foreign territories, and in the interior of our own, cannot be restrained.

51. *Fourthly*. I now proceed to the fourth point proposed for discussion; viz., the amount of the duty which it would be right to impose.

52. It is obvious that the safer mode of proceeding is to increase the duty by degrees from a low rate to a higher, because by too sudden an increase the people might be compelled to use a greater proportion of earth salt as a substitute than they do at present.

53. The sale price at the pans is on an average about star pagodas 6 and 6 fanams per Madras garce.

54. Supposing then, that an addition of 20 cash per seer, or 20 fanams per bullock-load of 80 seers, were levied as a duty, in addition to the usual selling price at the pans, this, as I shall proceed to show, would be a moderate assessment and would produce a very considerable accession to the revenue. The expense to the inhabitants, in most places, would be enhanced in no material degree. If even 40 cash additional were charged at the pans, the additional price would be felt only by that class of the community living near, or about 50 miles inland from the pans—but this can be no objection, considering the very trifling price of the quantum necessary for the annual consumption of an individual; “the prices under the native governments of this country were often 40 cash per seer higher than at present, without materially affecting the consumption; but, if 40 cash were imposed at once, it might lessen the demand. It would be right, therefore, to confine it, for the first year or two, to half that rate at the utmost.”*

55. It is necessary to the illustration of this part of the subject to remark, that the duty of 20 cash per seer would add to the selling price only 28 star pagodas and 24 fanams† per Madras garce, would enhance the annual expense of an individual’s consumption 1 fanam and 11 cash, and, added to the average price of a garce at the pans, would make the annual expense of an individual for salt, about 1 Madras fanam and 31 cash, prime cost.‡

56. Now, if a duty of 20 cash per seer§ were levied on 14,250 garces,|| the aggregate quantity computed to be annually necessary for the consumption of those inhabitants of the peninsula, who are supplied from the Company’s pans, it would produce an additional revenue of 4,07,142 star pagodas,¶ exclusive of the revenue derived from salt exported by sea, calculated at about 11,081 pagodas,** and the usual proportion of the selling price at the pans not included in the above, say 48,144 pagodas.††

57. If experience should prove that in a series of years this sum could with safety be doubled, i. e., that 40 cash per seer could be imposed without affecting

* Extract from a letter from Major Munro, 24th May, 1803			
Seer.	Cash.	Seer.	S Pa. Ch.
† If 1 :	20 ::	4,800	28 24 Duty at 20 cash per seer.
	4,800		6 6 Average selling price.
80)96,000	Cash		34 30 per Garce.
42)1,200	Fanams.		
	28 Star Pags. 24 Cash	lbs	S Pa. Fs. lbs
		If 10,000 :	34 42 30 : 9½
	lbs. Fs. lbs.		
	If 10,000 :	1,200 ::	9½ 1,458 9½
	10,000)11,400		10,000)13,851
	Fanam 1-11 ¹ / ₈ Cash.		Fanam 1-30 ⁴ / ₈ ¹ / ₈

‡ The prime cost of the same quantity, at the annual sales in Bengal, I have understood to be about six times this rate.

§ The duty of 20 cash per seer is merely suggested as appearing capable of being paid at first, without being felt excessive, and it is assumed as a means of calculation. Should a lower price be considered necessary, in the first instance, it would of course be imposed.

|| Home Consumption	Garce	Star P's
Foreign ..	..	..
	9,500—2,71,428	1,750—1,33,714
	14,250—4,07,142	
• Garces.	S Page.	
¶ 14,250	4,07,142 Duty at 20 cash per Seer.	
4,800 Seers.	** 11,081 Export to Bengal.	
4)684,00,000	†† 48,144 Proportion of selling price at the Pans.	
42)171,00,000	Fanams	4,66,377 Star Pagodas
		4,07,142 Star Pagodas.

the comfort of the people, it would be superfluous to point out the high importance of a vigilant attention to the easy improvement of this branch of the resources of the State.

58. But to the attainment of this object it is essentially necessary, in my humble opinion, to establish a monopoly, rigidly to prevent the illicit manufacture, sale, export, import, or transit of salt; and this I apprehend cannot be effected, nor the extensive details of the salt department managed with energy and circumspection, without a general superintending agent or controller, with whom each of the Collectors of Land Revenue, the judges, magistrates, and other public officers, should be instructed to co-operate, each in his particular department.

59. It would, no doubt, be more convenient to employ those pans chiefly, which are most contiguous with the passes to the upper country, and it might perhaps be expedient, in some situations, to establish depôts or stores, at a small expense inland.

60. I have prepared the outline of a set of regulations founded upon the principles stated in this minute.

61. *Finally.* Upon this subject I think it right to refer to the expediency of the proposition recommended in the 469th and subsequent paragraphs of the letter from the Board of Revenue to Government, dated the 2nd of September, 1799.

62. It thence appears, that the salt manufactured in Bengal is unequal to the consumption: that the charges of manufacturing salt there are estimated at Sicca rupees 70-1-2 per 100 maunds.

63. Coast salt is delivered at the Company's golahs, at Sicca rupees 57 on permit, and on contract at Sicca rupees 67-14-2 per 100 maunds. The quantity can be increased to any extent to which freight can be procured, and the quality is capable of much improvement.

64. Hence a large augmentation of the coast revenue appears practicable without diminishing that of Bengal: for if 10,00,000 (lacks) of maunds additional were imported from the coast, instead of manufacturing that quantity at greater expense in Bengal, it would be productive of the benefits of increasing our revenue, encouraging the country craft trade, and, at the same time, effect a small saving in the expense of manufacture.

N. FALCONAR.

*Office of the Board of Revenue,
Dated June 28, 1804.*

Appendix E.—No. 13.

To the President and Members of the Board of Revenue.

Fort St. George, August 29, 1804.

Gentlemen,

Paragraph 1. The Right Honourable the Governor in Council has received your letter of the 28th June, with the papers connected with the regulation proposed to be enacted for the future management of the revenue derivable from salt.

2. The introduction of a monopoly of salt on the part of the Company, on the principles of that established in Bengal, having been prescribed by the orders of the Governor General in Council, his Lordship in Council is of opinion that it will be proper that the intended regulation for managing that branch of the revenue of this coast should be framed conformably to that principle, and desires accordingly that such modifications may be introduced in the draft of a regulation which you have submitted as may be necessary to adapt it to that purpose.

3. I am directed at the same time to state that it is the intention of his Lordship in Council to refer the subject to the final determination of the Governor General in Council.

I have, &c.

E. C. GREENWAY, *Secretary to Government.*

Appendix E.—No. 14.

To the Right Honourable Lord WILLIAM CAVENTISH BENTINCK,
in Council at Fort St. George.

My Lord,

Fort William, July 4, 1805.

The Governor General in Council has had the honour to receive a letter from your Lordship in Council, dated the 5th of April last, inclosing the draft of a regulation* for regulating the revenue derivable from salt.

2. The Governor General in Council approves the general principles of the plan proposed by your Lordship in Council for improving the branch of the public revenue derived from the manufacture of salt. Adverting, however, to the intended restrictions for preventing the illicit sale and transportation of salt, it appears to his Excellency in Council to merit consideration whether those restrictions may not, in some instances, impede the general trade in that article. The Governor General in Council is aware that, in order to derive the expected advantages from the exclusive manufacture, every practicable degree of vigilance and precaution must be employed in order to prevent illicit traffic in salt; but if that end can be attained without subjecting the trade to the restraints proposed by the regulation; the Governor General in Council conceives that not only the convenience of the community, but likewise the advantage of Government (by eventually increasing the consumption of salt) will be essentially promoted. It will rest with your Lordship in Council to determine on the expediency of dispensing with any of those restrictions with reference to these considerations.

3. The first clause of the 8th section of the abovementioned regulation empowers the Zillah Courts to punish persons convicted of the illicit manufacture of salt. The Governor General in Council concludes that it was intended that decrees passed under that section of the regulation should be appealable (in common with all other causes of equal amount) to the higher tribunals. To preclude all doubt, however, on that point, it may be advisable expressly to declare that an appeal will be to the superior tribunals from all judgments passed by the Zillah Courts in suits of the description above-stated.

4. The Governor General in Council authorizes the publication of the proposed regulation, with any amendments which it may appear to your Lordship in Council to be advisable to adopt on a consideration of the preceding remarks.

We have, &c.

WELLESLEY,
G. W. BARLOW,
G. UDNY.

Appendix E.—No. 15.

Extract, paragraphs 32 to 38 of a Letter from F. N. Maltby, Esq., Collector of Canara, to the Board of Revenue, dated the 3rd September, 1851.

32. One very important question still remains, viz., whether not only the measure of admitting Bombay and Arabian salt which I now propose, but that of admitting Goa salt which has been already put in practice will necessitate any change in the management of the home produce of this district. It would be a very false practice to give the foreign producers any advantage over our home manufacturers, the object should be to place them on an equality.

33. But it is clear that our monopoly salt is in some degree superseded in the north of the district by the imports from Goa, and it will, probably, be in some degree superseded in the south by the imports from Bombay under the proposed rules.

34. An equality may be established either, by exchanging the monopoly for an excise, and throwing the trade open, or by reducing the monopoly price.

35. Either of these measures, however, involves considerations so complicated, that I am desirous of examining the subject more minutely than it has yet been in my power to do, before I can venture to suggest which course would be preferable, and I do not think that any immediate change is necessary. I think it is desirable to watch the effects of the proposed rules before any change

* N.B.—This was the regulation for establishing a monopoly.

is made. The only effect that can at present result is the accumulation of a stock of our own salt; but, so far, the sales of our own salt have increased, notwithstanding the imports from Goa, and the importation of Bombay and Arabian salt is not likely to have any sudden effect; our home manufacture will proceed in the usual manner, till proof appears that some change is desirable.

36. The manufacture is confined to the northern half of the district. The Arabian trade is carried on with the southern half, and it is in this division alone that Bombay salt has been sold hitherto. I therefore recommend that Bombay and Arabian salt be admitted into the southern parts of the district, and the monopoly be conducted for the present as heretofore, such reductions being made in the selling establishments as the diminished sales at our coties may indicate. Such reductions are likely to be called for only in the establishments for the supply of salt to the merchants above the Ghauts.

37. I will only add the following calculation of the profits derived by Government from this branch of revenue for five years previous to the admission of Goa salt, and in the past year, which I think tends to prove that the measures I propose will increase the revenues of Government. I subjoin the calculation upon which the profit upon each garce of salt under the present system is computed to be rupees 91 : 10 p.

38. The result I draw from these statements, is, first, that the admission of Goa salt at a fixed duty has been profitable, and that the admission of Bombay salt is likely to be equally so; secondly, that an excise on our own salt at the same rate would be advantageous, if it should prove practicable to substitute this for the present monopoly, without giving room for illicit manufacture.

Appendix E.—No. 16.

Extract, paragraphs 3 to 7, of a Letter from the Collector of Canara to the Board of Revenue, dated the 3rd December, 1851.

3. I will only observe that if the duty is reduced to the average profit derived by Government from the native salt, it will be a most advantageous measure, both to the Government and to the consumers; but, as long as the monopoly is maintained, it will tend to depress the home manufacture, because the home manufactured salt will come to market through the expensive machinery of the monopoly, while the foreign salt will be more economically managed. It may thus be expected that the monopoly will be gradually undersold.

4. The home manufacture is however already so restricted that its interest is not to be put in competition with the advantages to the community, and to the Government of the proposed measure.

5. But I am not aware of any insuperable obstacles to allowing our home manufacturers to compete fairly with those of Bombay and foreign countries. 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, although it is liable to all the difficulties of any great change.

6. An excise and import duty are easily adapted one to the other, while a duty and the monopoly can hardly coexist without injury to the monopoly. Should the excise be introduced, we may expect to avoid the anomaly of purchasing abroad salt which may be made more cheaply at home; of restricting the production of this necessary of life in order to keep up its price, and by so restricting it, of having to pay twelve rupees per garce, for what is sold at the Goa pans for five.

7. The change will not be agreeable to our present manufacturers, who, under the system now prevailing, enjoy a monopoly and are paid a liberal price; to the servants of Government the reduction of a large establishment will be a serious evil; but to the consumers and the Government, and to the trade of the country, the advantages will be very great if any such measure should be found practicable.

Appendix E.—No. 17.

The Collector of Canara to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

*Collector's Cutcherry, on Circuit, Hossdroog,
November 10, 1852.*

Sir,

I have the honour to acknowledge an extract from the proceedings of the Board of Revenue, under date the 16th of September, 1852, calling upon me to report my opinion upon the feasibility and expediency of throwing open the salt manufacture of Canara, subject to a fixed duty.

2. I have already submitted my opinion on the expediency of the substitution of an excise for the monopoly system, in my letters of the 3rd of September, and 3rd of December, 1851, and 22nd of September, 1852; observing that I thought that this measure might be rendered necessary, to prevent the supersession of the home manufacture, when Goa, Arabian, Bombay, and English salt is admitted at a fixed duty. The system of excise is free from so many objections to which the raising of a revenue by monopoly is open, that the change is very desirable if it is practicable; and I therefore proceed at once to lay before the Board, all the information which I have been able to collect, calculated to lead to a decision of this very important subject.

3. But I would here beg to correct an impression which the Government have received, and which appears to have influenced them in deciding to withhold from the salt of Bombay, the privilege, now conceded to Goa and Arabian salt, of admission into this district at a fixed duty, viz., that Bombay salt is of inferior quality. This is by no means the case in the opinion of the inhabitants of the country above the Southern Ghauts; by them it is greatly preferred to that of Canara, from the firm solid texture of its crystals as well as its quality, and it has, for this reason, an advantage over the salt of this district for inland trade, although the people of the coast prefer the salt of Canara.

4. Should it appear from the following statement that it is feasible to establish an excise in Canara, the wishes of the Court of Directors will then be fully carried out, by the trade in salt from all countries being placed on an equal footing as to the Government duty, and being thus left to be carried on, on the ordinary principles of trade. Although, therefore, the question is one, as I have stated in my previous letters, of great difficulty, it is most desirable, that, if possible, those difficulties should be surmounted.

5. A change from the system of monopoly to that of excise must depend upon a consideration of the following questions.

I. Adjustment of the claims of the present manufacturers.

II. The prevention of illicit manufacture.

III. The supplying the inland trade at those places, where, for sometime past, the traders have found a regular supply in the Government stores.

6. *First.* The manufacture of salt is limited to the three northern talooks of Ankola, Honore, and Cundapoor. The following are the names of the places at which the pans are situated, the number of proprietors, the quantity permitted to be manufactured, and the actual average produce of the last five years.

Places of Manufacture.	No of licensed Manufacturers	Fixed Annual Quantity allowed.	Average produce per year upon accounts of 5 years, or from Fasy 1257 to 1261.	Extent of Pads as per Survey	Average produce per Acre.	Average produce for each Manufacturer.
		Garce. M.	Garce. M	Acre. G	G. M.	G. M.
ANKOLA						
Nagerbyle or Saneentla	154	1,282 82	1,040 254	178 0	5 389	6 303
Bhargiu	12	100 0	81 319	20 0	4 36	6 326
	166	1,382 82	1,122 173	198 0		
HONORE.						
Coempla	25	350 0	373 191	..	..	14 375
Shurally Bhataul	115	566 899	478 128	..	..	4 63
Byloor	20	69 168	77 159	..	..	3 848
	160	1,006 167	* 929 78	..	..	..
CUNDAPOOR.						
Hagally	53	391 0	226 126	..	..	4 108
Waderhobby	51	367 119	212 15	..	..	4 63
Arnaud	86	280 0	228 311	..	..	2 264
Byndoor	45	264 200	127 254	..	..	2 334
	235	1,302 319	794 806	..	..	..
Total ..	661	3,691 168	2,846 157	..	..	..

7. It will be thus seen, that, nominally, 561 proprietors are interested in the manufacture of 3,691 garce of salt, for which they are paid from 7 to 12 rupees per garce. This price being paid immediately, and being in fact far above the cost of manufacture, the license to manufacture is a valuable property, which through a long series of years, has been liable to all the transfers and subdivisions of Indian family property, so that the parties really interested are very greatly in excess of the numbers above given.

8. A sudden change from a system so advantageous to the manufacturers, to one of excise, might, if the supply were at once greatly increased, fall very severely upon these small proprietors. Few of them have the means of either waiting for a market, or advancing the duty so as to bring their produce into the market, and I should find it very difficult to offer any suggestions of a practical nature for effecting the necessary change of system. But the immediate effects of the change are so difficult to foresee, that I doubt whether anything but experience can guide us safely.

9. If the resolution be taken of throwing open the trade at a fixed duty of 90 rupees, it is possible that the manufacturer may, for some time to come, realize a larger sum than the Government now pays. The price of salt throughout the district is now 120 rupees per garce, and at this rate it is sold close to the pans as elsewhere. The Goa salt is now underselling ours, because it can be purchased at Goa, and carried from thence at less than 30 rupees. Considering how much nearer the pans of Canara are to the Mysore country, and the improved roads available, it is highly probable that at first, the salt may realize to the manufacturers a higher price than at present, and continue to do so till the area of production is greatly enlarged. The duty will be paid by the purchaser, as it is now paid on the Goa frontier, and it may be better worth the while of the traders to come to Nagerbyle, and pay 15 rupees, than to go to Goa and pay 5. Applications will gradually be made for leave to open pans, but only as these are licensed will prices fall.

10. The produce of the district being at present below the consumption, the price will be regulated by that at which foreign salt can be imported, and I do not think that Bombay salt can be landed at less than 110 rupees, or Goa salt brought to the frontier, at less than 105. Until, therefore, our own area of production is enlarged, I do not think the price of our salt will fall below what the Government is now paying for it.

11. If this should prove correct, the present gain to the holders may be taken as a compensation for the future gradual decline of prices, and supersede the necessity of any further compensation, than it will be desirable to afford by lowering the assessment of some of their lands. Much of the land is so heavily assessed, that the revenue is really collected by carrying to account the price of the salt. A revision of the assessment on fair principles, will be the proper means of adjustment in these instances.

12. It is to be remembered, that the high price we now pay to the manufacturers is partly a compensation for limiting their production. The chief

expense being incurred, whether 10 garces are manufactured or 20, the price of the limited quantity must cover the whole expense, so that the very withdrawal of this limitation goes far to render any compensation unnecessary.

13. *Second.* 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 cutcherry 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.

14. 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.

15. We have now data to show what is the average produce of the pans, and it will be a part of the excise system to cancel the licences of all those who cannot show that they have brought for excise a quantity proportional to the extent of their pans.

16. The smuggling which is chiefly to be feared is that which is likely to be carried on on the sea border. This question is distinct from that of monopoly and excise.

17. Under this head it is proper to consider the adaptation of the various pans in point of locality for an excise system; for if the establishment necessary for excise is not proportionally smaller than that required for monopoly, the reduction of income from 120 rupees to 90 per garce may not be fully compensated.

18. The statement which I have given in paragraph 6, shows that the principle site of manufacture is at present at Sanecutta, a creek of the Tudderi River. The quantity now produced there is more than one-third of our whole produce, and it is so favourable a site, that when restriction is withdrawn and the area of the pans increased, the production may be very greatly extended. The site is also particularly favourable for the enforcement of an excise system, being surrounded either by naked barren hills, or by the creek. The pans are only accessible by very conspicuous roads, or by boats, and the boats must pass through the sluice close by the storing houses.

19. Here, therefore, there is every advantage in favour of an excise system; an active superintendent might have his eye over the whole of the works, and the increased area will entail very little extra expense in watching and guarding.

20. Having for some time past had a strong impression that the measure which I found had been adopted of admitting Goa salt at a fixed duty, and that which circumstances called for of admitting sea-borne salt also at the same duty, would eventually necessitate the relaxation of the monopoly, I took advantage of the adjustment I had to make of the pans, when lately increasing their area, to have each carefully measured, mapped, numbered, and marked by four boundary stones.

21. This site, so admirably adapted for production, is connected with two roads which bring the trade of the interior to the coast at Tuddry and Coompta. The salt sold to this trade under the present system is priced 120 rupees per garce. On the supposition of an excise it will be priced 90 rupees, and the cost of production with ordinary profits—take this at the highest price which we now pay to the manufacturers (rupees 12) with the addition of 3 rupees for risk of sale, loss by keeping, and rent of store house—and the price is only 105 instead of 120 rupees.

22. It appears to me, that this change will be calculated to bring to Tuddry a large proportion of the trade which now goes to Goa. Far into the heart of the Mysore country Goa salt now finds its way, because it is cheaper than ours. I believe that at Sanecutta salt may be made as cheaply as at Goa, and by the excise system they will be placed in fair competition, Sanecutta having the advantage of proximity to the trade, and excellent roads, and I believe that this measure will have a very favourable effect in encouraging the trade of Tuddry.

23. With the remaining salt works of the district I am not so well acquainted; some of them are scattered and exposed, and may be too expensive to guard, and it may be necessary to discontinue them, either compensating the owners, or giving them licenses elsewhere. After Sanecutta, those of the Cundapoor river are the most important, and it will be desirable to concentrate the manufacture at places so advantageously situated, with reference to the inland trade, as Sanecutta, Cundapoor, and Bhatcul.

24. I beg to annex a map, which will exhibit at one view the places of manufacture, with the quantity manufactured, the places of sale with the quantity sold, and the principal lines of traffic with the Balaghât.

25. *Third.* This leads me to the third, and perhaps the most important,

question of all, viz., whether under a system of excise the necessary quantity of salt will be available in all parts of the district, for home consumption, and for the trade carried on with the interior. I do not feel any doubt of the coast Maganies being well supplied more cheaply than at the rate now prevailing; but the question is, whether the interior, and the trade with the Balaghat will be as well supplied as when the Government provided a regular stock.

26. On this point I entertain some doubts. That the trade is not carried on with sufficient activity by the private dealers is proved by the fact that we have always found it to the advantage of Government to establish cotays up the navigable rivers. I am not aware of any instances in which the private dealers have sent up salt to meet the inland traders at the heads of our navigable rivers. I observe from a report of Mr. Dickinson, that before the Gairsoppa cotays were established, the merchants offered to pay 5 rupees extra per garce if the Government would establish a sale cotay there. This shows that there was an opening for private speculation, and the same is now the case at Oopenangoody, but it is not taken advantage of.

27. I, therefore, consider that an important part of the proposed measure should consist in completing the connexion between the Ghâts and the coast, so that if the sellers do not take advantage of the navigable rivers to push the salt into the interior the buyers may have easy access to the coast markets.

28. The map will show that but few additions to our present roads are necessary to bring the Ghât roads into connexion either with a place of manufacture, with the sea coast, or with some considerable trading town of the interior. Those which are necessary I have marked in yellow, and I must state that I should wish these to be constructed before the traders of the interior are made dependent upon the private trade of this district for so essential a necessary of life, the supply of which has been so long undertaken by the Government.

29. This applies particularly to Gairsoppa, for, although it possesses water communication with Honore, I do not think that the private traders will convey a sure and regular supply of salt from the pans at Sancutta, by sea to Honore, and thence by boat to Gairsoppa.

30. Having thus stated the principal facts connected with the monopoly of the district, and the proposed change, it will, I think, be expected that I should state distinctly whether I consider that the monopoly can be converted into an excise, and, if so, by what measures this can be most easily and safely effected.

31. I must therefore repeat what I have stated in my former letters that I think that the interests of the manufacturers of this district could not be allowed to outweigh the advantages of admitting foreign salt, on the usual principles of trade, especially when this has been already carried, by admitting that of Goa and Arabia, but that the admission of foreign salt renders a change in our own system indispensable, either by lowering our monopoly price, or converting it into an excise. The conversion into an excise I consider, under every point of view, the proper measure, and I also think that it will, most probably, not be disadvantageous to the manufacturers.

32. But, taking into account the various circumstances connected with the trade, and the serious inconvenience attending sudden changes, the course I would venture to recommend is, that, before any further steps are taken, the result of the admission of sea-borne salt should be ascertained. If, as I anticipate, the result should be that foreign salt begins to supersede our own, this will appear by our sale cotays filling with salt beyond the demand of the purchasers, while the sea customs revenue will show the quantity imported. When this is the case, when our cotays have a good supply, the change can be made without danger to the community. We should then give the manufacturers permission to sell their salt on the spot, at a duty of 90 rupees, competing with Goa, Bombay, Arabia, and England. Considering the advantages they possess in proximity, it is probable that the whole of their produce would be bought up for the trade above the Ghâts or that, in hopes of its being so, they might not at first enter into trade with the south of the district. But the supply in the Government stores throughout the district will be available, as before, at 120 rupees, and prevent any loss to the consumers, till the trade runs in its natural channels.

33. It is only in the south of the district, and only by the inland traders that Bombay salt is preferred, and there it is greatly preferred to our own. By admitting it, as I have before urged, we shall ascertain how far the merchants are prepared to pay the duty and carry on the trade, and how far it is likely to supplant our home-made salt. Having this means of effecting the change step by step, I do not recommend any further immediate measure than the throwing open the Bombay trade; but I am very desirous that a system by which our trade is placed at a disadvantage, in comparison with that of Goa, should cease, and Tuddry should have this additional means of attracting the trade for which it is so well adapted. It will, therefore, be my object to advise a change to excise, as soon as I feel sure that this can be done with perfect safety.

34. In the meanwhile, if our roads to the coast are improved, and the traders have learnt, in some degree, to look to the dealers for their supply, the

merchants of the south will be prepared to deal in the salt of our own district, as they do in Bombay salt, and the various towns of the district as well as the trade will be supplied with either Bombay or Canara salt, as soon as the monopoly is relaxed.

35. I would here beg to observe that, in proposing that the salt of Bombay be admitted at a fixed duty, I would recommend that it be admitted into this district, on the same terms as into the various districts of Bombay, and into Bengal. In the minutes of consultation, dated the 2nd of April, 1852, it is observed that "the Government are not prepared to go beyond the admission of Arabian salt for the present. Before the other suggestions of the Collector are adopted, and Bombay salt, said to be an inferior article, admitted, at the same duty of 90 rupees per garce, with liberal allowance for wastage, more information seems necessary."

36. I think that, if Bombay salt is admitted at a fixed duty, there should be no allowance for wastage. It should in every respect compete fairly with our home-made salt, and one of the great advantages of the proposed system will be that all calculations of wastage are got rid of. I propose that the salt which has been excised at Bombay at 90 rupees, be admitted into this district only if the merchants find it profitable to bring it, and no allowance should be made for sea carriage. The difference between 90 rupees, the duty, and 120 rupees, our monopoly price, should cover all expenses and determine whether Bombay salt finds its way into the district, in the course of ordinary trade, as that of Goa does.

37. Were I able to recommend that the excise be at once substituted for the monopoly several very important questions would require to be attentively considered, such as the extent of the establishments required, the allowance to be made for wastage, the arrangements necessary for storing the salt till sold, and the general result to be anticipated from the proposed change. But I think it is not desirable that I should enter fully upon these questions, at present, and I only venture to offer the following more general remarks.

38. The Board will see by the annexed paper* the system followed in Bombay, and I find that the excise duty of 12 annas per maund is not a net Government revenue. The expensive establishments for protecting the excise have to be deducted from this revenue. It would be very useful to learn what is the actual cost and what the proportion which it bears to the revenue. This would be an useful guide in framing the necessary arrangements in this district.

39. By the Bombay system, after the salt is stored, the Government still strikes off any quantity lost by delinquency between the time of storing the salt and its exportation. I am inclined to think that it would be preferable to leave this to be borne by the manufacturer, the duty being made so much lower, as to compensate this responsibility.

40. In this climate it will be essentially necessary that store-houses be provided, and I think it may at first be necessary that they be provided by the Government, and a rent charged for them. For the quantity now made they already exist, and in each case where application is made to open pans, one part of the agreement must be that a store-house is to be built.

41. To judge of the result likely to follow a change to the system of excise, the following is the nearest calculation I can make.

42. The average produce of the district for the year, on the average of 5 years, is 2,846 garce, which, at 90 rupees, gives a revenue of 2,56,140 rupees; but the consumption of the district being 3,847 garce, the gross receipts will be 3,46,230 rupees inclusive of Sea Customs.†

43. The expense of the establishments at the place of manufacture is rupees 10,254-5-11.

44. The net profit may therefore be reckoned at about 3,36,000 rupees.

45. On the other hand, the result of the sale of the same quantity of salt by monopoly has been—

Total outlay	..	..	..	Rs.	5,40,440	12	6
Total receipts	.	..	..		23,04,853	0	1
					<hr/>		
					17,64,412	3	7

giving a net profit of 3,52,882 rupees a-year.

46. This calculation is formed on the supposition of the system being assimilated to Bombay, where the cost of superintendence falls on the Government, and it may be considered as equivalent to a reduction of a considerable per centage on our present salt tax, perhaps as much as 15 per cent. on salt sold at the place of manufacture, equalizing it with the Bombay tax.

47. I beg to add a sketch of some of the rules‡ which I think will be necessary in carrying out such a change of system as appears to be called for. It is, however, only intended as a sketch.

* Not annexed

† The Goa Frontier duty is omitted in each case.

‡ See Annexure.

48. *The change is, I think, rendered necessary by the admission of foreign salt, but not immediately so, and I shall, with the permission of the Board, proceed to have surveys made of all the pans similar to that already made of Nagerbyle.*

I have, &c.,
F. N. MALTBY, *Collector.*

Rules.

The Government having resolved to discontinue the monopoly of salt, and to substitute a fixed duty of 12 annas per Indian maund, it is, hereby, notified that in the ensuing season the Government will cease to purchase the salt manufactured by the holders of andazahs.

In lieu of this any of those holders will be permitted to sell their salt to private dealers, paying to the Government the fixed duty of 12 annas per Indian maund.

Parties desirous of manufacturing upon these terms are to give in a *durkhast* before the ———, stating the extent of the pans in their possession, and upon which they propose to manufacture.

The pans are to be prepared and marked by boundary stones or posts; they will then be measured and numbered by the darogah. The parties will enter into a penalty bond not to alter the limits of the pans.

The parties applying must show that they are prepared to pay the duty, and export the salt as soon as manufactured, or to store it at their own risk in the bonded cotays. They will be required to give security in the name of respectable dealers who are prepared to purchase their salt, unless they are themselves competent to carry on the trade.

The salt, as soon as made, must be heaped on the Government terraces, and unless the duty is paid, and the salt removed within ——— days, the pans will be flooded and the manufacture cease, and the salt will be sold by public auction.

But parties manufacturing more than ——— garce will have the option of storing it in cotays at their own risk. The cotays will have two keys; one to be kept by the owner, and one by the Government. The owner will be responsible to pay the duty on all the salt so stored, but an allowance of ——— per cent. will be made if the salt is stored through a whole monsoon, i.e., for every 120 maunds stored, he will, on exportation, pay the duty on 108 maunds.

The duty must be paid before the salt is removed, which is to be done in quantities of not less than 10 garce, unless the owner shall give security for the whole duty, when he will be allowed to remove it by a garce at a time.

When salt is removed, on payment of the excise, it is to be taken beyond the boundaries to be drawn round each of the places of manufacture, and no private stores are to be kept within those boundaries.

F. N. MALTBY, *Collector.*

Appendix E —No. 18.

CIRCULAR.

W. H. BAYLEY, Esq., Secretary to the Board of Revenue, to the Collectors of Salt Manufacturing Districts.

Sir, *Revenue Board Office, Fort St. George, March 11, 1854.*

With reference to the Circular from this Office, dated the 26th of January, 1854, I am directed by the Board of Revenue, under instructions from Government,* to request that you will submit your sentiments on the subject of the introduction of a system of excise upon the manufacture of salt in lieu of the present monopoly.

2. Mr. Plowden, the Commissioner appointed by the Government of India for the purpose of instituting inquiries on this subject, is shortly expected at Madras from Bombay, and the Government desire that your reply be furnished without delay, so that they may have the benefit of his investigations and advice.

I have, &c.,
W. H. BAYLEY, *Secretary.*

* 9th March, 1854.

Appendix E.—No. 19.

The Acting Collector of Ganjam to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

*Ganjam District, Collector's Cutcherry, Chatterpore,
May 26, 1854.*

Sir,

I have the honour to submit, in answer to your letter of the 11th of March last, a few remarks on the subject of the introduction of a system of excise on salt, instead of the present one. It is a subject of much difficulty, and one on which the records of the office throw but little light. Supposing that Government gives up the present salt monopoly, the points to be considered may be divided into four.

I. How to ensure a constant and certain supply of this necessary of life.

II. How the interests of Government may be best consulted, and the revenue secured from loss.

III. How the public may be benefited by a reduction in the price: and

IV. How the rights of the present manufacturers may be best maintained.

These are the heads under which it appears to me that the despatch of the Court of Directors may be reduced for more easy reference;* and I propose now to take them in order.

2. The first question then is one of supply. Were the wants of this district only to be consulted, there would be but little difficulty; situated close to the sea, with many places well fitted for salt pans, a very large quantity might be, readily, produced. It appears from the old records that there were, fifty years ago, many more pans than there are at present; there were then nine capable of producing salt, as shown below,† now only four (a) are worked, and of these four, Ganjam and Nowpauldah might be increased to a very great extent—probably doubled; there were formerly three platforms at Nowpauldah, there are now but two; the supply at present is not equal to the demand, and, as will be seen in my letter to the Collector, dated the 3rd of June, 1852, sent to the Board with my letter of the 25th ultimo, I long ago proposed to increase the Nowpauldah pans. The recent orders of the Board, to have always two years' supply on hand, will render it imperative to increase the present pans, and re-open that at Itchappoor; but even this will not be enough, I expect, to meet the demand that will probably arise, when the various roads now in progress are opened through the Jeypore country.

3. If pans were opened at all the places where salt can be made in the district, I feel satisfied that we could then supply all purchasers, and keep a good stock in reserve. I annex a list‡ of these pans, and the probable amount of salt each would yield. The inquiries instituted by Mr. Fraser, whose report I expect daily, lead to conviction, that an immense quantity is made away with, and this I believe is the truth, so that if what is now smuggled is taken into the estimate, there can be no doubt of this district meeting all demands on it. In the notes§ I annex a memo. of the greatest quantity of salt made at each pan in

* 5th October, 1853, No. 3.

† Estimate of probable supply of salt.		M. G.
(a) Nowpauldah, including a third platform	.. .. .	3,000
(a) Ummeravilly .. .. .	.. .. .	350
(a) Ganjam .. .. .	.. .. .	700
(a) Munsoorcottah .. .. .	.. .. .	50
Itchappoor .. .. .	.. .. .	230
Bauvanapaud .. .. .	.. .. .	200
Hoomah .. .. .	.. .. .	600
Pauloor .. .. .	.. .. .	1,000
Burreddy .. .. .	.. .. .	50
Total .. .. .	.. .. .	6,180

‡ No. 1.	Gare.
§ Ganjam in Fusly 1245	1,171
Munsoorcottah ,, 1242	419
Itchappoor ,, 1235	635
Nowpauldah ,, 1256	2,384
Ummeravilly ,, 1246	1,615

any one year, which will also help to prove, that there is no fear of a short supply.

4. There being ample ground on which to crop salt, the next thing to be considered is the way in which it may best be manufactured. I would propose to rent out each set of pans, the contractor binding himself to make each year, not less than the average quantity required, and also to keep not less than one year's salt in store; this, Government should take off his hands at a fixed rate, when his contract terminated, which should, I think, be every five years. 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. Renting is not altogether new to this district. In A.D. 1801-2,* Ummeravilly and Munsoorcottah were both rented out, the former for rupees 4,500, but Mr. P. Cherry in the following year, took it under management, as mentioned in his letter to the Board of Revenue, dated the 31st of January, 1804. Munsoorcottah was rented to Major Evans, the superintendent of the stud here, but I am unable to find what he paid for it, the rent is spoken of by the Board† as trifling. Another plan would be to assess all land capable of yielding salt, but there are many objections to it. Salt must be made by a number of persons working together under some common head: no single ryot could afford to open the bars and channels unless he worked on a very large scale, and the difficulty of realizing the heavy kists would be very great, and there would be no means of securing a reserve, to meet a failure of the crop. The third expedient, viz., to levy an excise on all salt, and allow any one to make it, would require far too costly an establishment to realize the duty, ever to make it worthy of consideration.

5. As regards the interests of Government, the system of renting out the pans will, I conceive, be the most advisable. Government will realize the revenue at a very small cost, as the expenses of manufacture and watching will all devolve on the renter; all that would be necessary, would be a goomastah at the Hoozoor station to keep the accounts, and an inspector to move about from pan to pan to see that the salt was made according to contracts, and that a sufficient supply was always in store. If this be attended to, and proper security taken in the first instance, no loss could accrue to Government in this district.

6. I have not had any experience in the salt department except in Rajahmundry: there, too, there are large plains to the south of Moyalloor, where extensive salt works could be established, and from which, I, when an assistant in the district, collected one very dry season, a large quantity of spontaneous salt, which was eagerly bought up by the Brinjarries.

7. In Cuddapah Proper, and in the sub-division, there used to be, I dare say there now is, a large clandestine manufacture of earth salt for cattle, which was said to interfere much with the sales at Nellore, this I would propose to legalize, giving a licence for its manufacture on the same terms as sea salt; it is very difficult to stop the manufacture, and it is only fair to the producer of sea salt, that it should be protected.

8. I believe too that by throwing open a large number of new pans, and reducing the rate of duty on the article, there would soon be a surplus revenue—the increase of the cultivation of the poppy in Bengal is a strong argument in my favour. It has been invariably found, that high duties encourage smuggling. The successful result of lowering the excise on whiskey in Ireland is a case in point, though not quite parallel, for the salt smuggler is generally, I regret to say, assisted by the Government servant, who ought to stop him. The temptation is too great to be withstood—whereas were a licence given, the renter would look closely after his own interests, and prevent, in a great measure, clandestine sales.

9. We come now to consider how this very necessary condiment may be supplied to the public at the lowest rate compatible with the security of the revenue, and, what is of great consequence, without risk of scarcity. The system of licensing seems to me to afford the best means of obtaining the end desired; there would, perhaps, be at first a deficiency in the revenue, probably a large one; but I would look to a large increase of consumption to make up for this. That there would be this increase were the salt sold at lower rates there can be no doubt. I annex a memo.‡ showing the amount of salt sold and the selling price. You will remark how, when the price is raised, the quantity of salt sold diminished in a most marked manner. In Fusly 1237 there were 3,272 Madras garce of salt sold at 70 rupees per garce; next Fusly, 2619 at 105 rupees; in 1253, when the price was again raised, it was only 2,210 garce—in the last years at which it was sold for 70 rupees, viz., from Fusly 1232 to 37,

* To Board, 26th October, 1802.

† From Board of Revenue to Government, 6th April, 1810, paragraph 15.

‡ No. 2.

the average sales were Madras garce 3,254; after a lapse of twenty years, the sale for 5 years, viz., from Fusly 1258 to 62 they were only 2727 Madras garce. There can be no doubt that the inland exportation will increase to a very great extent with every new road made through the hills into Jeypure, and the adjacent countries. The cost of production would be much less to the private manufacturer, every available spot being made over to some renter, there would be less opening for producing the article by smugglers, and, as already remarked, the watch over the pans being stimulated by self-interest, would be much more vigilant than it now is under servants paid by the month, and that very insufficiently. The salt at different pans being of different qualities, the renters would be, in some degree, checked from entering into a combination to keep up prices, for I expect that the renters of the new cotours and of Ummeravilly will have to sell at lower rates than at Nowpauadah, to attract purchasers—their salt being inferior. It would, doubtless, be requisite to fix a maximum price above which salt was not to be sold, this should be fixed so as amply to remunerate the producer, and yet not press heavily on the consumer.

10. I will not venture an opinion on the subject of the import of salt by sea, with which I have had nothing to do, and which is not likely to interfere with the sales of salt up-country, whatever may be the case at the Presidencies; but of course Government will fix the Sea Customs import duty, so that there may be no great difference between the two sales.

11. I would propose, in the first instance, to fix the highest price at which salt could be sold at the pans, at rupees 70 per garce—Government offering the pans at an upset rent, say of 60 rupees a garce—thus a pan that now yields on an average 200 garce, should be rented for 12,000 rupees payable in 9 monthly kists from December to August—the renter making his profit on the salt made in excess of this, rather than on the quantity estimated for. I have already shown my grounds for expecting this increase.

12. There cannot be any question as to the advantage to be derived to the public from this plan: the general supervision exercised by Government would ensure a regular and never-failing supply of an unadulterated article, the quantity made, and the competition, would ensure the consumer's obtaining it at a fair rate. Salt is now selling in this district at 7 pies per seer, a reduction so as to enable the retail dealer to sell it at 75 rupees a garce, would bring the price down to 3 pies, or 1 anna 9 pies per man, allowing the average consumption to be 7 seers per annum—this would not be a heavy impost even on the poorest. I find from the old records that in 1802 the price was 2 pies and 80 cents. for a seer, or 1 anna 7 pies and 60 cents. per man, per annum.

13. The last point to be considered is the rights of the present holders, and the protection to be given the renters. I would allow the former the same rights they have now, that is, to make the salt at a fair rate per garce; in some pans this rate is too high, perhaps, but probably not, when the ryots would be prevented from smuggling at the rate they now do. But if disputes arise, let them be settled by a Panchayat, with an appeal to the Collector, whose decision should be final; persons found guilty of smuggling, or neglecting to make salt, to be liable to lose their right of manufacture.

14. Having reduced the price of the article, and increased the manufacture, I would not hesitate to make the penalties for smuggling greater than they now are—petty cases might be dealt with under Regulation I. of 1820, and larger offences under the rules now in force. The reward of one-third of the value should, in all cases, be given to parties making seizures of smuggled salt, and police or revenue officers proved to have neglected to give active assistance, might be treated as aiding and abetting the smuggler; this, and the incitement of personal interest, would soon check the system now in vogue. Lastly, to ensure the renter from loss, and to make it better worth his while to keep up his reserve, the in-coming renter, in the event of a farm changing hands, should be obliged to take the stock in hand, at the maximum rate, whatever may be fixed by Government.

15. I regret much that this letter has been so long delayed—the subject is one that requires thought and consideration, and I have had but little leisure to give to it—the current duties of this office, increased by the work of the Assistant's Office having, in Mr. Fraser's absence, devolved on me, will, I trust, be taken as a valid excuse.

I have, &c.,

W. KNOX, Acting Collector.

LIST No. 1.

Referred to in paragraph 3 of the above Letter.

Names of the Cotaurs.	Names of the Villages where Salt is manufactured.	Probable amount of Crop or Average—Gross Produce in Madras Garce.			
		Ms	G.	Mis. M.	
Hoomah . . .	Total Hoomah	595	230	0	Referred to in Mr. Cherry's letter to Board of Revenue, 31st January, 1804.
	Prayagah and Poorivah Coodah	100	266	0	
	Collarabary and Bramaracoodee	77	101	4	
	Beempoor and Lutchmanavoor . .	74	320	4	
Pauloor . . .	Sautapooty	3	99	0	
	Sauntoo Addane Village	2	280	0	
	Moherry Coodah	267	186	4	
	Gokooicoo Coodah	280	280	0	
	Puncha Coodah	198	225	0	
Birredy . . .	Moderoochoorah and Decandee	37	216	4	
	Rumbah	13	200	0	
Itchapoor . . .	. . . . .	227	210	0
Bawānapaud . . .	. . . . .	200	0	0
Stree Koormau	61	0	0	in 1817
Megavarem . . .	. . . . .	200	0	0
	Total	2,340	215	0	

No. 2.

Particulars of Salt Sales.

Fusils.	HOME AND INLAND CONSUMPTION.						EXPORTED TO BENGAL BY SEA.									
	Quantity of Salt.			Rate per Madras Garce	Amount of Value			Quantity of Salt.			Rate per Madras Garce.	Amount of Value.				
	M. Gr.	Mls.	P. A.	Rs.	Rs.	A. P.	M. Gr.	Mls.	P. A.	Rs.	Rs.	A. P.				
1215	1,977	111	0	3	70	1,34,227	10	11		24	1,116	0	0			
1216	1,877	144	2	4	70	1,31,416	4	7								
1217	1,638	268	5	1	70	1,14,709	15	7								
1218	1,539	228	5	3	70	1,28,770	13	1	111	220	0	0	911	4	2	
1219	688	79	2	3	105	70,301	8	8								
1220	1,416	361	1	3	105	1,48,776	15	9	90	396	5	3	24	18,983	12	9
1221	1,602	4	5	5	105	1,68,219	4	2	105	0	0	0	24	2,520	0	0
1222	1,514	13	4	2	105	1,68,973	3	7	427	356	5	2	24	4,138	0	0
1223	1,249	117	4	0	105	1,31,175	13	1	111	55	0	0	24	1,911	4	9
1224	8124	197	1	3	105	2,33,071	12	10	117	0	0	0	24	2,808	0	0
1225	2,115	842	5	6	105	2,21,954	15	4	91	0	0	0	24	2,184	0	0
1226	1,514	3	6	4	105	1,58,970	14	6								
1227	1,624	344	4	2	105	1,70,610	10	4								
1228	1,975	312	7	7	105	2,07,457	1	8								
1229	1,562	140	2	7	105	1,64,039	16	11								
1230	2,164	326	4	0	70	1,51,537	2	9								
1231	2,551	391	7	0	70	1,78,638	9	5								
1232	3,308	327	7	6	70	3,31,617	11	9								
1233	3,235	215	2	2	70	2,26,487	10	10								
1234	3,418	69	5	0	70	2,32,272	3	1								
1235	3,160	320	2	0	70	2,21,256	0	9								
1236	3,131	330	3	0	70	2,19,227	13	9								
1237	3,272	362	5	0	70	2,29,101	11	6								
1238	2,619	370	7	5	105	2,78,976	0	0								
1239	2,659	330	2	1	105	2,78,941	12	1								
1240	2,789	107	1	1	105	2,98,873	4	0								
1241	2,426	323	6	2	105	2,54,915	0	11								
1242	2,409	30	5	0	105	2,52,953	0	1								
1243	3,151	173	7	4	105	3,30,903	0	3								
1244	2,747	335	6	1	105	2,88,528	2	4								
1245	2,389	74	6	5	105	2,50,864	10	7								
1246	2,498	94	7	5	105	2,61,790	1	0								
1247	2,720	241	6	7	105	2,85,663	10	3								
1248	3,094	308	4	2	105	3,24,951	1	9								
1249	2,751	230	3	7	105	2,88,913	13	9								
1250	2,259	94	1	6	105	2,38,253	15	10								
1251	2,499	180	0	0	105	2,62,437	0	1								
1252	2,807	189	6	0	105	3,04,784	13	1								
1253	2,210	300	0	7	105	2,54,551	6	7								
1254	2,495	206	4	2	120	3,02,755	0	0								
1255	2,209	355	5	0	130	2,75,986	11	0								
1256	2,277	293	1	0	130	2,73,318	15	0								
1257	2,402	58	1	0	120	2,88,257	7	0								
1258	2,292	299	1	2	120	2,75,129	12	0								
1259	2,400	301	3	3	120	2,85,060	7	0								
1260	2,399	184	1	1	120	2,86,600	4	0								
1261	3,393	23	2	5	120	3,98,467	9	0								
1262	3,152	259	3	7	120	3,68,417	13	7								

W. KNOX,
Acting Collector.

Chutterpore, May 26, 1854.

Appendix E.—No. 20.

The Collector of Vizagapatam to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Vizagapatam, Collector's Office, April 11, 1854.

I have the honour to acknowledge the receipt of your letter, under date the 11th ultimo, calling for my sentiments on the subject of the proposed introduction of a system of excise upon the manufacture of salt in lieu of the present monopoly.

2. Easy as is the manufacture of illicit salt at present in many places, and considerable as is the loss of revenue from the practice, I am unable, after the fullest consideration, to suggest any plan of levying an excise on salt, in this part of the country, which would not be certain to be attended with extensive loss.

3. The least objectionable method appears to me to be that of granting licences to private persons to manufacture salt at stated localities, the charges for the licences being proportioned to the extent of ground proposed to be laid out in pans, and based on a calculation of the average quantity of salt ascertained to have been manufactured, or which could be manufactured, during the season in particular localities on a given extent of land. Such a system would be likely to throw the manufacture greatly into the hands of some wealthy monopolists, from the large security which it would be necessary to require. Were the manufacture left with those who are now employed in it, nearly the same supervision and check as at present would be indispensable.

I have, &c.

A. ROBERTSON, Collector.

Appendix E.—No. 21.

No. 18.

The Collector of Rajamundry to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

*Rajamundry District, Cocanada,
April 15, 1854.*

In reply to your letter of the 11th ultimo, requesting my sentiments on the subject of the introduction of a system of excise upon the manufacture of salt in lieu of the present monopoly, I have the honour to state that, being unacquainted with the manner in which an excise system is found to work in those parts of India where it has been established, I have some difficulty in forming an opinion as to its practicability here.

As far as I am able to judge, it appears that the collection of the excise would be attended with difficulty, unless a large establishment be maintained for the purpose, and that the facilities for extortion and oppression, which such establishments would possess, would be great. If the duty be levied on the quantity of salt manufactured, it will still be necessary for it to be measured by Government officials, and for the storing to be carried on under superintendence. If it be levied on the salt sold, the present system of rowannahs and passes must be continued, and an army of chowkeydars be employed.

These considerations lead me to recommend, in preference to the levy of an actual excise, that the present salt pans, and any other ground adapted for the purpose, should be rented out to manufacturers at such a rate of land tax as may be fixed upon.

The advantages of this system will be threefold. First, that the interference of Government in the manufacture and sales of the salt, which is considered so objectionable, will at once cease; secondly, that no establishment will be necessary, and, therefore, no oppression possible; thirdly, that the interests of the class at present engaged in the manufacture will be cared for, as of course they will be allowed the first refusal of the rent.

I have, &c.

T. PRENDERGAST, Collector.

Appendix E.—No. 22.

The Collector of Masulipatam to W. H. BAYLEY, Esq., Secretary to
the Board of Revenue.

Sir,

*Masulipatam, Collector's Cutcherry,
April 13, 1854.*

1. I have the honour to acknowledge the receipt of your letter, dated the 11th of March, calling for my opinion upon the practicability of substituting a system of excise for the present mode of taxation upon salt.

2. The main object, as appears from the enclosure, is the disconnection of Government from all concern in the manufacture of salt, and confining their interference to the collection of the revenue; and this, not with the view of conferring any practical benefit upon the people, but with that of ridding themselves of the burden of a term, which the general character of recent legislation in England, the sentiments of benevolent and disinterested philanthropists, and the special efforts of interested agitators have alike combined to render odious.

3. The few remarks which I shall make on this subject will, as I presume they ought, have reference solely to the aspect of the question at issue in connection with the district of which I have charge.

4. Upon a full consideration of the question, whether a system of excise upon the manufacture of salt can be introduced in lieu of the present monopoly, both with benefit to the people and without material detriment to the revenue in this district, I arrive at the conclusion that any system of excise would both be more vexatious and inquisitorial than the present system, if it were carried out effectually, and that the risk to the revenue, even with every effort to carry out the excise system effectually, would be very great.

5. To attempt in this district, in which salt swamps extend at a few miles inland along almost the whole coast, for eighty miles, from Point Deevy to Samuldeeru, to render the manufacture of salt absolutely free to all persons under excise regulations would be utterly impossible. If it be determined that the salt revenue must be raised by excise, instead of by Government retaining the manufacturing monopoly, and affixing an artificial price upon the product, it will still be impossible to permit the manufacture of salt at whatever place the producer may find convenient. There will be no practical difference in the amount of superintendence. There must be fixed establishments under Government superintendence to watch the production, to ascertain the amount stored and sold, and to settle and collect the excise due upon it, without openings for fraud, even far more wide than those which exist under the present system. Wherever there is either a monopoly or a high rate of duty upon the production of an article such as salt, we may be sure that unceasing efforts will ever be at work to evade the monopoly or to defeat the excise. Even with the effective means of action possessed by the Government at home, we know how difficult a tax an excise has always been found, how inquisitorial in its nature, and expensive in its collection. In the coast districts in this country, from the facility of production and from various local considerations, these evils will exhibit themselves in a higher degree, and there will not be the salutary check to oppression and abuse of inquisitorial authority which the spirit and character of the people at home at once supply. The name will be changed from monopoly to excise; but, irrespective of all financial considerations, the new system, instead of being a substitute for a monopoly, will be a monopoly under another phase, more objectionable in its action.

6. It may be urged that it would be possible to farm out the privilege of manufacturing and selling salt, either in talooks or for the whole district, in the same manner as is done with the abkarry, and that this would remove the present objections to Government being the manufacturer; but the very opposite character of the article presents obstacles to their being treated in a similar manner. In the one instance, while the Government obtains a revenue from the manufacture and sale of spirits, one of the avowed objects of the system is to restrain the immoderate use of intoxicating liquors, to place the manufacture under control, and to prevent any deleterious drugs being used. With salt, the object of Government must be to encourage increased production and sale of salt, obtaining from it such an amount of revenue as the exigencies of the State require. Vesting in the hands of one individual, or of a body of individuals, the sole privilege of producing a necessary of life, would be granting to them a monopoly more replete with objectionable features, and more liable to be abused than the present Government monopoly. The individual monopolist looks

solely to his own personal interests for the short period of his monopoly. The Government monopolist has the permanent interests of the people to consider. If it were productive of profit to the licensed farmer to collude with the subordinate officers of Government in view of defrauding them, he would, in the present state of morals, unquestionably do so; and I believe fraud of this character would be alike far more difficult of proof, and of check, than frauds practised by Government servants, and the manufacturers whom they employ under the present system.

7. I consider the present price materially too high. I believe that a lower rate, with depôts in the interior, at some distance from the coast, and greater facilities for the transport of salt, would soon tend to carry the sea salt so much farther into the interior, and in so much larger quantities, than at present, that the result would be increased revenue. The supply from this district, provided all the swamps were turned to use, might be almost illimitable, at least a deficiency in the supply of labour would be almost the only limit. I much question whether even if any capitalist were to be found ready to take up the manufacture as a private speculation in the present condition of this district, he would be able to obtain the requisite amount of labour to ensure success in the operation on a large scale. With a large number of petty licensed manufacturers allowed to sell on their own account, the number of excise-men required to prevent fraud, even assuming them to be honest, would be immense. The halut duty in Canara on cardamums and betel-nut was a kind of excise, and having for many years witnessed the effects of that system, and seen the extent of oppression to individuals, and of frauds upon the Government, which, although occasionally proof and punishment were possible, it was impossible to check; and believing that if an excise be substituted for the present more simple system, we shall find that we have introduced a system in which not only is the revenue more precarious, and the actual supply of salt for the consumption of the people more uncertain, but that more expensive establishments are required, and that no advantage has arisen to the people,—but, on the contrary, more oppression, more inquisitorial proceedings and abuse of irresponsible authority. I am not at all inclined to recommend that an excise should be substituted for the existing system in this district.

T. D. LUSHINGTON, *Collector.*

Appendix E.—No. 23.

The Acting-Collector of Guntoor to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir, *Guntoor District Collector's Office, Sandole, March 30, 1854.*

I have the honour to acknowledge the receipt of your letter of the 11th instant, calling on me to submit my sentiments on the proposition to substitute a system of excise on the manufacture of salt for the present monopoly.

2. I am decidedly averse to any such change, feeling sure that if anything approaching to the amount of revenue at present obtained under the monopoly is to be realized under the proposed system, no advantage whatever will accrue to the great body of the people, who would probably have to pay for salt of an inferior quality very nearly, if not quite, as high a price as they now do for the salt from the Government stores. In the realization of the salt revenue under the existing system, there is little opportunity for extortion. The price at the stores is fixed and well known to all, and, once paid for, the purchaser is free from further demands. The utter impossibility of checking the extortions on the one hand, and the connivance at fraud on the other, of the horde of excise men it will be necessary to entertain, appears to me of itself a conclusive reason against the adoption of the system proposed. The probability, too, of the supply under such a system at times falling short of the demand for an article, the trade in which is liable to so many contingencies, and which fluctuates so much with the season, forms, in my opinion, another strong reason for adhering to the system which at present obtains.

3. 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 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.

I have the honour to be, &c.,

A. PURVIS, *Acting-Collector of Guntoor.*

Appendix E.—No. 24.

The Collector of Nellore to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Nellore, Collector's Office, March 18, 1854.

1. With reference to your letter of the 11th instant, requesting me to submit my sentiments on the subject of the introduction of a system of excise upon the manufacture of salt, in lieu of the present monopoly, I have the honour to state that such a change would, in my opinion, be attended with many objections. The salt revenue derived from this district is very considerable, amounting for the past Fusly 1262, or A.D. 1852-53, to rupees 4,40,940 : 7 : 3. This large sum is realized with the utmost facility, and does not appear to press at all severely on the people, as far as this district is concerned; it is, however, unnecessary to enter, at present, on this part of the subject, the change in question not necessarily involving any decrease in the rate of duty charged, but merely in the mode of collecting it.

2. It appears to me that it would be very doubtful whether, under the excise system, a constant and sufficient quantity of salt would be kept on hand by private persons, for the home and inland sales, as well as for export to Bengal and Chittagong; but, should the requisite quantity be produced and kept up, the next difficulty that presents itself is how so large an amount of duty is to be levied. Few persons would be found with capital sufficient to pay the excise on the salt before it was disposed of, while, on the other hand, to leave large quantities in the possession of private individuals, previous to the payment of the duty, would open the door to most extensive frauds, and afford great facilities for removing it in small quantities, from time to time, without payment of duty at all. Under the present system, the manufacture being closed after the total amount allowed has been made, the salt on the platform, when once duly stored, must be accounted for, and in case of its illicit removal there is no opportunity of making up any deficiencies; but were the manufacture to be free, no such check would exist.

3. The injury to the present manufacturers, under such a change of system, would also be great, and appears to have attracted the notice of the Court. Salt pans are now private property, and furnish a means of livelihood to their owners, but under a system of free manufacture their vested interests must necessarily suffer.

4. On the other hand, it would, undoubtedly, be a step in advance to do away with the monopoly, and allow freedom of manufacture, but the people do not seem, as yet, sufficiently advanced to render them capable of steadily supplying the market, while the risk to the revenue and loss of private property offer the most serious obstacles in the way of the change.

5. A system of granting licences to manufacture salt, at stated localities, appears to me to be liable to similar objections to those above mentioned.

I have, &c.,

F. B. ELTON, *Collector of Nellore.*

Appendix E.—No. 25.

The Collector of Chingleput to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Chingleput District, Collector's Circuit Cutcherry, Conjitererain, April 25, 1854.

Sir,

Paragraph 1. As required in your letter of the 11th ultimo, I have the honour to submit my opinion on the expediency of substituting an excise duty on salt for the present monopoly, the Court of Directors having, in their despatch therein referred to, dated the 5th of October, 1853, expressed their desire that Government should, if possible, cease to be connected with the manufacture of the commodity, and confine its functions to the collection of the duty, and suggested for consideration a general system of excise, allowing the manufacture absolutely free to all persons, or a system of modified excise, such

as that of granting licences to particular persons, to manufacture the article at stated localities, in the event of the impracticability of carrying out the former system, embracing, as it does, such a general freedom of manufacture.

2. The levy of an excise duty on the article, while in the possession of the producers and manufacturers, may perhaps be considered a measure difficult of introduction in the Bengal Presidency, where the boiling process of producing salt is so extensively carried on and in sheltered localities, owing to the stringent rules it would be necessary to frame, for the protection of the public revenue, and to the necessity of maintaining an extensive preventive establishment; but I am induced to believe that the question is disencumbered of most of its difficulties, as regards this Presidency, where the manufacture is carried on in defined localities along the sea coast. Here it becomes unnecessary to impose any restrictions, as regards the persons manufacturing on the localities where the manufactories are to be established, or even to require that the quantity produced should be limited to any particular extent, restrictions which, however, have apparently been contemplated by the Court, in suggesting a modified excise or that of granting licences to particular individuals, for raising salt at appointed stations.

3. Salt raised by the process of boiling can never be placed in competition with that produced by means of solar evaporation, in consequence of the great cost which is comparatively attendant on the former system. The process of manufacture by solar evaporation can only be carried on on lands situated along the coast and adjoining backwater, to which places the manufacture may, without inconvenience, be restricted.

4. Most of the tracts available for the purpose have already been turned to account, so that 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.

5. 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. At the commencement of the season, orders are issued for the manufacture of a fixed quantity of salt, which is allotted to the several pans at each station. During the period of manufacture, the pans are vigilantly guarded by the ameen and his establishment, and the extra peons annually sanctioned for the purpose. At two stages of the manufacture, estimates are framed by the ameen of the quantity of salt raised, which are daily furnished to this office, as a check to the subsequent fabrications of accounts. The salt is eventually removed to a platform, where it is measured and heaped in regular order, each heap containing an equal quantity and being of the same dimensions. When the required quantity has been secured the manufacture is closed, and the sales commence in the numerical order of the heaps. The ameen, who are furnished with blank rowannahs (stamped and numbered), are required to distribute them to parties making purchases of the article, entering therein the name of the party, the place for which consigned, the quantity and the date of the purchase, as a protection for the transport of the article, sending daily accounts of these transactions to this office. On reasonable ground for suspicion police officers at any stations in the interior are authorized to examine the salt *en route* and compare it with the rowannah, when, should an excess be detected, the consignment is liable to confiscation.

6. I am of opinion that the excise should be levied at the place of manufacture on the quantity of the articles ascertained to have been raised, and at a fixed amount per garce, 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 cannot be considered oppressive, or more stringent than necessary for the protection of the revenue. The closing of the manufacture at a period of the year when it can no longer be advantageously continued is no hardship. The removal of the salt to a common platform appears an indispensable precaution in the adoption of a system according to which the duty is to be levied on the actual sale of the article; whilst the distribution of rowannahs on consignments being effected enables the police officers to satisfy themselves that the excise on the article while on transport to its place of destination has been paid.

7. It was formerly usual to require that the rowannahs should be delivered up to the nearest police officer for re-transmission to the Collectorate in which they were furnished whenever the salt was sold at any intermediate station *en route* to the place to which consigned, but this practice has been recently prohibited as oppressive. With all due deference, I am however of opinion that this rule should be strictly enforced, as it affords the only check to parties obtaining, in collusion with the local officers at the pans, an additional supply on the same

rowannah. The rule equally applies to the excise system under the arrangement above detailed, and, unless strictly enforced, it is obvious there is no necessity of granting rowannahs at all. All check and supervision to guard against frauds committed by over-storing would be at an end.

8. 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 amongst 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, rather 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.

9. The system of granting licences to particular individuals would, in all probability, merge into a monopoly by the combination of a few of the most influential traders and men of substance to the disadvantage of the consumers, an apprehension which need not for a moment be entertained under the general excise contemplated. The salt pans are* as private property in very minute divisions by a numerous body of proprietors of all classes, among whom a combination for that purpose would amount to an impossibility, and is contrary to all reason and experience. It has been seen that the prices of agricultural produce which were high when the Government received the Mailwarum share of the crops in kind, and disposed of it as a monopolist, have fallen off on the introduction of the field-money assessment, in consequence of the competition on the part of the agriculturists to dispose of the produce of their labour. An extensive competition in any article of trade has invariably been attended with a reduction in prices.

10. 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 feel 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.

11. There appear other important advantages in favour of the system proposed, and which require particular notice. I have already adverted to the probability of a reduction in the profits of manufacture, and whatever this may be, the consumers are to such extent the gainers. I shall therefore proceed to show the extent of this advantage as applicable to this district. The manufacturers are remunerated by fixed rates of coodewarum for each garce of salt supplied to the Government stores. These rates were determined in reference to the shares paid to them by Government from the prices obtained for the salt prior to the monopoly, and consequently varied considerably according to the degree of perfection attained in the manufacture at the different localities. The rates, as now paid, vary from 6 rupees to 25 rupees, the average being 12 rupees 6 annas 5 pies, to which the other charges incidental to the monopoly being added, viz., compensation when it is necessary to suppress the manufacture at particular localities, the actual cost per garce is raised to 14 rupees, 13 annas, 8 pies. I have not included in this cost the charges of establishment amounting to 4 rupees 10 annas 10 pies per garce, which, though partly incurred in superintending the manufacture, more properly appertains to the sale of the commodity under the Government monopoly, and will be an equally necessary item of expenditure in carrying on operations for the levy of the duty, and the prevention of smuggling under an excise system. Private individuals, on the other hand, can readily raise a garce of salt at 6 rupees, which is the rate of coodewarum paid at some of the pans, to which a profit of one or two rupees being added, the difference between the two charges, amounting to 7 rupees, will be the gain which will be ensured to the public in the purchase of the article.

12. The manufacturers will, on the other hand, lose the high rates of coodewarum which they have hitherto enjoyed. A loss, however, for which they will be amply compensated by the extensive market which, under a system of excise, will be opened for the consumption of the salt manufactured by them, and to which the high cost of the article under a Government monopoly, embracing the high rates of Coodewarum above referred to, and other items of charges, has hitherto proved a bar. The actual cost of manufacture by solar

* So in original

evaporation in Bombay appears to be nearly the same as in this Presidency, viz., rupees 7 the garce, whilst the freight for the transport of the article to Calcutta will be charged at a lower rate in the latter case, both in consequence of the shorter distance, and from the balance of trade between Bengal and Madras being in favour of the former, which will induce the importers of grains into Madras to take return cargoes of salt to Calcutta at a reduced freight. Notwithstanding this advantage, the export of salt from Madras to Calcutta has been about a third of the export from Bombay. An anomaly which can only be accounted for, by the effects of the two systems in operation in the above Presidencies, which, by creating an artificial difference in the cost of the manufacture, operates as a bounty to an equal amount on Bombay salt.

13. Under a system of unrestricted manufacture, the pans now under cultivation in the district under my charge are capable of yielding annually garces 9,000, from which deducting garces 2,000 for the inland sales, the remaining garces 7,000, or Bengal maunds 8,40,000, would be available for export to Calcutta, independently of the article produced to any increased quantity by the extension of pans which may hereafter take place.

14. The above quantity is nearly five times that at present exported from the Presidency of Madras, twice as much as is exported from Bombay, half the supply imported from Great Britain, and $\frac{1}{3}$ th of the entire consumption of the Bengal Presidency. I need hardly enlarge on the inexpediency of a system which may in principle be considered to curtail the natural resources of the country to such an extent.

15. I have already observed, that the actual cost of salt is 7 rs. the garce, to which the charges of shipment and freight being added, the article can be landed in Calcutta at from 50 to 55 rupees the garce, (maunds 120), a sum which considerably falls short of the cost of manufacture by the Bengal process of boiling. Hopes may, therefore, be entertained of the unrestricted export of salt from the Madras Presidency, eventually tending to the supersession of the Bengal manufacture, which, whether carried on under a system of excise or monopoly, must materially reduce the charges for maintaining a large establishment, and might reasonably be discontinued, when natural causes and circumstances are shown to place it clearly at a disadvantage.

16. Before closing this part of the subject, I shall allude to an additional consideration which presents itself, viz., the uniformity of taxation which a system of excise is calculated to secure. This will not appear an unimportant matter, when the difficulty, I may say the impracticability, of exactly adjusting the import duty on the foreign article to the monopoly price is borne in mind. The various questions raised for consideration in this point have not yet been satisfactorily settled, either in this, or in the Bengal, Presidency. The difficulty of separating the actual cost of manufacture from the other charges attendant on the monopoly, of making reasonable allowance for the expensive nature of the Government manufacture as compared with a private undertaking, and of fixing upon an average rate of import duty calculated to meet the circumstances of all Collectorates must be obvious.

17. The Government of Madras has hitherto imposed a high protective duty on the foreign article which virtually prohibited its importation; should the proposed reduction of the duty to 90 rupees be carried into effect, complaints might on the other hand be raised by the home manufacturers of a bounty of rupees 23 being conferred on foreign salt; and to whatever extent the freight attendant on importation may be considered a protection, the Government could not with justice, approve of a measure which under so great an advantage admits of imports being made to the supersession of an equal quantity of home manufacture.

18. The Court have remarked that, "a question of far greater importance than the mode of collecting the duty is its amount, and although the rate would not have been directly affected by the clause above referred to, there can be no doubt that a reduction in the rate was the object chiefly sought by many who supported it."

19. Various opinions have been offered as to the degree of inconvenience that is experienced by the inhabitants of the Madras Presidency, consequent on the high monopoly price of salt. I have no reason to believe that the privation of this necessary of life is felt to any considerable extent in this Collectorate, as doubtless a large quantity of smuggled salt is consumed by the lower classes of the people, in every manufacturing district, despite every vigilance that is used to guard against these fraudulent transactions. This will be readily seen by a reference to the average annual consumption of Government salt in this district, which amounts only to 2 measures per head, whilst from the enquiries I have instituted from 6 measures to 1 mercial appears to be the actual consumption per head, the latter of which may be assumed as a fair maximum allowance; there could be no question as to the consumption being far below this standard in the inland districts, on the inhabitants of which any reduction of the monopoly price must necessarily confer a proportionate advantage. The point therefore to be

considered is, how far the augmented consumption attendant on such reduction would tend to keep up the revenue at present derived.

20. A Statement forwarded with the replies to the queries circulated by the Board, exhibits the annual sales of salt for inland consumption, under the different monopoly prices which obtained from Fusly 1215. The average sales from Fusly 1215 to 1218, under a monopoly price of 70 rupees the garce, were garces 2,838. During the subsequent 12 years when the price was raised to rs. 105, the average sales fell off, but to a small extent, being garces 2,798-21. The price having then been lowered to rupees 70, the sales in 6 years during which it was in force, exhibited considerable improvement, viz., garces 4,232 per annum. From Fusly 1237, when the monopoly price was again fixed at rs. 105, to Fusly 1253 the sales amounted to garces 3,985 per annum, being a loss of garces 150 in comparison with the preceding series of years, results which, after making due allowance for the increased demand arising from the natural increase of population, and the greater facilities of communication with the inland districts, which were gradually effected during the above period, must be considered as decidedly arguing in favour of a reduction of price being followed by increased sales. The effects of the further augmentation of the price to rupees 120 cannot well be shown in this district, as the falling off in the sales from Fusly 1257 has resulted principally from the opening of the Madras dépôt for inland supply.

21. The effect of the alterations of the monopoly price will be more satisfactorily seen by a reference to the fluctuations in the aggregate inland sales of the entire Presidency during the different series of years referred to in the preceding paragraph, the sales of a single district being subject to alterations from various minor causes other than the monopoly price. I would, however, observe that to whatever extent the above calculations may justify the belief that a reduction in the monopoly price will be followed by increased sales, any opinion as to the exact amount of such anticipated increase, founded on data of the above nature, must be received with caution. The high rate of carriage hire to the interior, added to the high monopoly price, must necessarily to some extent limit the consumption of this necessary of life. Cart hire to Salem, Bangalore, Mysore, Cuddapah, and Bellary exceeds the monopoly price of the article; any reduction in the latter item therefore cannot in itself afford full relief to the inhabitants of the above districts.

22. Till the period actually arrives when the amount of land carriage is considerably reduced, as ere long will be the case on the completion of the railways, and on improvements being effected on the main lines of communication, the anticipated increase of sale must be comparatively small. I would therefore recommend that the proposed reduction in the rate of duty may be effected by degrees, to prevent any sudden falling off of the revenue. In the event of a system of excise being resolved upon, it will be necessary, in view to place this Presidency in an equality with Bombay, to fix an excise of rupees 90 the garce, which in itself would be a reduction of the rate. Its further reduction to rupees 70 or 60 the garce may then be taken into consideration.

I have, &c.

J. H. COCHRANE, *Collector of Chingleput.*

Appendix E.—No. 26.

The Collector of South Arcot to W. H. BAYLEY, Secretary to the Board of Revenue.

South Arcot Collector's Cutcherry, Cuddalore,
April 28, 1854.

Sir,

I have the honour to acknowledge your letters of the 26th of January and 11th ultimo, on the subject of introducing a system of excise upon the manufacture of salt in lieu of the present monopoly; and, in accordance with the instructions therein contained, proceed to offer my opinion on the feasibility of the measure. In doing so, it is necessary to explain that my remarks relate to this district alone, as I understand my opinion to be called for to that extent only, and my observations would not be applicable to other districts in which salt is manufactured under Sircar management, or which are supplied from swampy tracts yielding large quantities of spontaneous salt.

2. The present inquiry originated in a motion which, though afterwards rescinded, was carried in the House of Commons for abolishing the monopoly, and the Court of Directors have in consequence expressed a wish that the Government should, if possible, cease to be connected with the manufacture of salt, and that its functions should be confined to the collections of the duty with the necessary precautions for the protection of the revenue.

But, while it is thus intended to retain an equal, or nearly equal, amount of revenue under the proposed change of system, a wish is expressed that it may be found practicable to benefit the people by reducing the rate of duty, in the expectation that such an increased consumption would follow as to prevent eventual loss to Government.

3. In this district all the salt is made by the owners of private pans, so that Government is already unconnected with its manufacture, and no argument can be advanced that by employing a public establishment, instead of leaving the manufacture to private enterprise, economy is sacrificed, and the original cost of the article enhanced. The question which therefore remains for decision relates to the manner in which salt is sold, and it seems to me that by a slight alteration the object of the Court of Directors could be attained, as our system differs practically so little from that of Bombay, that the Board of Revenue recorded the following remarks regarding it in their proceedings of the 31st of May, 1819, paragraph 31. "In short, the present system, (except in districts where salt is actually manufactured by hired labourers) is not to pay to the manufacturer his full price for the salt until it is sold. The article until that period is considered a joint property between the merassee manufacturer and the Government, *who may be said rather to levy a high excise duty at the period of its sale than to look upon the salt from the time of its manufacture as their own exclusive property.*"*

4. Latterly it has been customary to pay the manufacturers for the salt produced by them on its being measured and received into store, so that it may be said to become the property of Government previous to its sale, and thus give cause for the mention of a monopoly. It would, however, be easy to return to the former mode, and settle with the manufacturers periodically after the salt is sold, retaining from the sale proceeds such an excise duty as is determined upon, and dividing the remaining sum among them. Some of the poorer merassidars might wish for an advance in partial anticipation of the final settlement on delivering their salt, and I presume that there would be no objection to Government making such advances on the security of the salt if it chose to do so, and save the merassidars from resorting to money lenders. The system would then agree in principle with that of Bombay, though in the details there would be some variation caused by peculiar local circumstances. For example, the manufacture in Bombay appears to be on such an extensive scale that each owner of salt works has his produce stored separately, and takes a part in finding purchasers for it. Here it is far otherwise, each set of pans being divided among numerous merassidars in such small parcels that it would be impossible to store the stock of each separately, or expect the merassidars to take, individually, a part in its sale. I have lately shown,† that before the establishment of the monopoly, the Collector, Mr. Garrow, was obliged to manage the sales, retaining the Sircar warum of 50 per cent. from the proceeds, and distributing the rest to the manufacturers as they expressed themselves unable to conduct the business; and they still allege the same inability. It will therefore be necessary to employ an ameen or agent, to act for them and the Government, in disposing of the salt, the price of which could be regulated by the excise duty and by the coodewarum rates hitherto in force, unless the merassidars showed reasons for altering the latter.

5. 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 rownnahs, 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.‡

6. In thus proposing no alteration of the present system, except the time and mode of paying the merassidars, I am influenced by the consideration, that, as no mere change from a monopoly to an excise would in itself effect the interests of the salt consumers, and as the manufacturers are generally satisfied with the present arrangements, it seems advisable to make as little change as possible in the management of a branch of revenue which furnishes important aid to the finances of Government, and is comparatively of recent origin. In consequence of a want of men of a sufficient capital and enterprise, and the existence of difficulties arising from the rights now vested in the salt pans, it appears to me impossible to raise a similar revenue under any system of licences or contracts or by an assessment fixed on the ground occupied for the manufacture of salt.

7. Another argument against more changing of system than is unavoidable seems to be found in our engagements to the French authorities, as it is

* See letter from Board of Revenue, dated 13th July, 1829

† See my letter of 21st April, 1854, answer to 2nd question.

‡ See Act XXXI of 1850, sections 6 and 7, and Regulation I of 1805.

stipulated in the Convention of the 7th of March, 1815,* under which we pay the French Government annually 4 lacks of Sicca rupees on account of the salt monopoly; that the agreement is binding until both parties consent to its annulment. It is also proper to observe, that it is necessary to give 12 months' notice if we wish to terminate the Convention entered into between the Madras and Pondicherry Governments on the 13th of May, 1818, under which we pay an annual sum of rupees 14,000 for suppressing the salt manufacture in the French territories round Pondicherry.

8. I cannot conclude this letter without expressing an earnest hope that the present inquiry will lead to the benefit of the great body of the people, by abating the price at which they have now to purchase this grand necessary of life. I am aware that an exaggerated idea is common regarding the pressure of the monopoly, and that in the coast districts of India, where the cost of the article is not increased by expensive land carriage, the price of salt to consumers, as represented in money, is less than in France or in untaxed England.† But it must be remembered, that to the labouring classes of India salt is an absolute necessary to give a relish to the few and tasteless descriptions of food within their reach, and allowance must be made for the high value of money in India as compared with England, which is generally estimated at 4 to 1. The ostensible price at which the article is sold is therefore of less importance than the fact whether its consumption has not decreased under the late rates of duty. The information afforded by the public accounts is conclusive on this point, as exhibited in the following statement, which I laid before the Board with my letter of the 8th of November, 1852.

Average Sales.	Monopoly Price.	Home Sales.		Inland Sales.		Total of Home and Inland Sales	
		Garcees.	Rupees.	Garcees.	Rupees.	Garcees.	Rupees.
From 1216 to 1218 .	70	766	58,761	1,118	78,251	1,866	1,32,042
" 1219 .	70 to 105	800	79,704	932	91,945	1,741	1,71,649
" 1220 to 1229 .	105	888	99,272	884	92,944	1,772	1,86,216
" 1230 to 1237 .	70	1,084	75,790	1,830	1,14,658	2,728	1,90,646
" 1238 to 1242 .	105	458	47,591	1,378	1,44,195	1,826	1,91,787
" " 1243	105 and 180	280	31,529	1,380	1,50,935	1,660	1,82,464
" " 1254 .	180 and 190	941	41,868	1,727	2,18,532	2,669	2,64,901
" 1255 to 1261 .	120	494	59,800	1,469	1,76,333	1,963	2,35,663

I adverted on that occasion to the remarks of Government‡ on the effects of raising the monopoly price from rupees 70 to 105 per garce in Fusly 1219, as showing that a similar result had also occurred in other districts; and the force of those observations renders it unnecessary for me to dwell on the evils which must follow from diminishing the consumption of so necessary an article. The price has been since raised to rupees 120, and I trust that the encouragement offered by the extensiveness of the sales between Fuslies 1230 and 1237, although the population of the district was then less than at present, may lead to the re-introduction of a more moderate rate of duty.

I have, &c.,
E. MALTBY, Collector of South Arcot.

* ARTICLE X. For the purpose of rendering this agreement permanent, the High Contracting Parties hereby engage that no alteration shall be made in the condition and stipulations in the foregoing Articles, without the mutual consent of His Majesty the King of the United Kingdom of Great Britain and Ireland, and of His Most Christian Majesty."

† According to information obtained from Ure's work in manufactures and arts, the comparative price of a bushel or 56 lbs. of salt is as follows:—

	R	Ans.	P
England	1	5	2
France	5	5	0
Madras	1	0	7

‡ See letter from Secretary to Government, in the Revenue Department, dated the 20th of March, 1820, circulated by Board of Revenue in the letter of 24th April, 1820.

Appendix E.—No. 27.

The Collector of Tanjore to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Tanjore, Cordacherry, March 25, 1854.

I have had the honor to receive your letter of the 11th inst.

2. From the discussions which have lately taken place on the subject of the salt monopoly, I have been unable to gather that any benefit is to accrue to the consumer in a change from a government monopoly to an excise. If it be decided that, under the law which prohibits the East India Company from trading, the salt monopoly is illegal, the substitution of an excise is probably the only way of maintaining the salt revenue; but, if the monopoly is not to be abandoned on these grounds, I am not at present in possession of any facts that lead me to suppose that an excise would be preferable to the system which now obtains.

3. I have never been able to admit the justice of the virulent complaints that are made against the Government for deriving a revenue from salt. Every tax is, no doubt, an evil; but if it be granted, as it must be, that the amount of revenue raised by the salt monopoly is needed for the expenses of the State, I question if any could be substituted that would fall so lightly on the people; and the Board will probably admit that the selection of a new tax would not be very easy, when I state that, in lately discussing the question with a gentleman* who had voted in Parliament for the abolition of the monopoly, the only substitution he proposed was a poll tax.

4. The objections to the salt tax arise mainly from its name—were it not called a monopoly much of the objection would cease, and its chief opponents can only substitute for it a tax which has unanimately been condemned by all civilised nations as the most unjust and impolitic of all.

5. The price of salt at the place of manufacture is the only thing to be considered in determining how hardly the monopoly presses upon the people—the cost of carrying salt into the interior is an element in its ultimate price which would be wholly unaltered were it originally obtained for nothing, and is not, therefore, to be admitted into the question. By apportioning the sum realized on the sale of salt for consumption within this province on its total population, and making full allowance for children, I find that in the three Fusies 1260, 1261, and 1262, the average sum expended in salt by each individual was respectively, 4 a. 5½ p., 4 a. 4½ p., and 4 a. 2½ p. By this amount of individual taxation an annual revenue of rupees 3,83,914 9 1 is realized, and I am of opinion that in no way could the same sum be so readily collected by the State, or so easily paid by the people. It must be remembered that the sum is not simply a tax, but that some value is received by the payer of the tax in return; and that, were the salt revenue to be abolished and some new tax equal in amount substituted, the people would still have to buy their salt, and be by so much worse off than at present.

6. The tax might, no doubt, be made to press even more lightly than it does by the reduction in the cost of transit, which would follow improved communications, and by the establishment of Government depôts for the sale of salt in the interior at a price the same, or not greatly above, that at which it is now sold on the coast.

7. I am not aware in what manner it is proposed to establish a system of excise, but the following present themselves to consideration:—An assessment on the land whereon salt is manufactured, the collection of duty on all salt as it leaves the pans for retail sale, and the collection of a tax from all dealers in salt. Under either of the latter systems the revenue might be farmed, as was formerly done with the betel and tobacco, and as is now done with the abkarry. I think that any assessment put on the land whereon salt is manufactured, which should in the aggregate yield a revenue equal to that now obtained, would be very difficult to realize—the assessment would be extremely high, while the sale of salt at uncertain periods, and sometimes at long intervals, would leave the

Sales for Home Consumption.

Fusies.	RS.	A. P.
1260 ..	3,93,500	1 1
1261 ..	3,89,645	1 9
1262 ..	3,68,598	6 5

Total 11,51,743 11 3

Average 3,83,914 9 1

* D. Seymour, Esq., M.P.

merassidars without at all times the means of readily paying it. Under the second system, a chowkey at each salt division would be sufficient for the collection of the duty, and the rowannah, whether given by a Government officer or a renter, would pass the salt throughout the country free from all examination; the maximum rate of duty to be collected would, of course, be fixed by law.

8. Perhaps a combination of the two systems would be the best course to adopt—a moderate assessment on the land, and a small duty on salt leaving the pans. A difficulty will, however, probably arise connected with the manufacture of earth salt; if the manufacture is to be allowed, the sale of sea salt will diminish, and the revenue fall considerably. If it is to be checked, as at present, by the Government officers, there will be ceaseless complaints, whether just or unjust, from the renter, that his profits are lowered in consequence of illicit manufacture. It is questionable whether any amount of reduction in the price of sea salt will put an end to the use of earth salt, the cost of carriage from the coast alone must always make the former more expensive than the latter, and the very poor will continue to prefer the cheaper, although less wholesome, article.

9. I am not of opinion that an excise will benefit any one. I think that an inferior salt will be sold, and that the Government revenue will suffer. It is not to be expected that the manufacturers will, when left to themselves, take the same trouble to prepare their pans that they do now, when the European officers of Government superintend all their proceedings; and as at present it requires constant care and attention to ensure that the quantity of salt required is manufactured, to obviate any fear that, when Government superintendence is withdrawn, the supply may not always equal the demand, it will be necessary to leave a wide margin of profit to the manufacturer.

10. On the whole, I am of opinion that the present system is preferable to an excise, and that the latter should be introduced only in case it be decided that the Government sale of salt is illegal.

H. FORBES, *Collector of Tanjore.*

Appendix E.—No. 28.

The Collector of Madura to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Madura, April 26, 1854.

In reply to your letter of the 11th March, I have the honour to express my opinion that the substitution of a system of excise for the present salt monopoly would be attended with more risk than advantage.

2. I presume that the excise law would be similar to Act No. XI, of 1838, and that the individual cultivators would not be allowed to sell on their own account, but that an individual or a company would engage for the aggregate of all the small beds or pans in one locality, and be obliged to store the salt, as at present, in a single enclosure.

3. In the first place, I think there would be a risk of a deficient supply, from a want of capitalists competent to undertake for a set of pans. If the plan were partially introduced, in Chingleput for instance, this difficulty might be gradually overcome.

4. Secondly. It appears to me that there would be a much greater facility for smuggling than under the present system. I allude more especially to smuggling from the pans themselves and salt swamps. Thirdly. I fear that an impetus would be given to the manufacture of earth salt; even now the police officers and others are very supine in checking this, and when the vigilance of the Collector is relaxed from not being immediately concerned in the manufacture, and the police no longer receive constant warnings, I should anticipate great indifference on the part of the local native officers.

5. I do not observe that Regulation II of 1838 provides for rowannahs, but if any safeguard which now exists be dispensed with, the revenue, which depends on the actual sales at the dépôt, must, I should imagine, fall off.

6. The advantages would be, the relief afforded to the Collector by the transfer to other hands of all the trouble of the manufacture, and that attendant on a large establishment, and the skill and exertion which it may be supposed would be called forth from persons whose profits would directly depend upon the cheapness and quality of the article they produced. I do not think lightly of these advantages, but must confess that the risk at which they will be purchased appears to me more than commensurate.

R. D. PARKER, *Collector of Madura.*

 Appendix E.—No. 29.

The Collector of Tinnevely to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Trichendoor, March 24, 1854.

With reference to your letter, dated the 11th instant, and to the Circular of the 26th of January last, therein alluded to, I have the honour to inform you that I have consulted with several of the most intelligent native revenue officers under me, and taken the opinions of the salt ryots of the pans in this neighbourhood, on the subject of the proposed substitution of a system of excise on salt for the present Government monopoly.

2. It is allowed by all that the change will be difficult to effect; several schemes have been thought of, but all appear for one reason or another to be objectionable. It is evident that an excise duty cannot be levied on the salt when manufactured, but must be collected when the commodity has passed, or is passing, into the hands of the first purchaser. This might be effected by placing an excise chowkey at the entrance of every salt pan, where duty should be collected from the merchants who have purchased salt. But as the salt ryots have in general no capital, it would still be necessary to give them advances at the commencement of the manufacturing, to be afterwards recovered from them; so that the interference of the Government officers would still be considerable.

3. Another plan which has been thought of, is to farm out the pans to speculators, and collect the rent from them by kists, as is done in the case of abkarry, but this would require a considerable sacrifice of the revenue, for no one would engage in such an enterprise without the certainty of making a large profit.

4. Another expedient which has been suggested, is that of giving up the management of the details of each establishment to the salt ryots themselves on joint rents, allowing them tuckavy, and making the collections by kists. But such an expedient, it is feared, would be very difficult, if not impossible to carry out, in consequence of the numbers, poverty, and indifferent character of the salt ryots.

5. Some have proposed that a heavy land tax should be laid on the extent of pans, which would probably throw a great number out of use; and others have suggested that a capitation tax should be imposed on the whole salt-consuming population, and Government interference withdrawn altogether from the commodity itself, but this is exposed to all the objections which lie against the system of moturpha, and would also be unpopular.

6. For my own part, I believe that unless the Court of Directors are prepared for an immediate sacrifice of a large proportion of the salt revenue, no change should be made in the present system. If however such a sacrifice may be admitted, I am of opinion that renting out the pans would be found to answer the best.

C. J. BIRD,

Collector of Tinnevely.

 Appendix E.—No. 30.

The Collector of Canara to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

*Collector's Cutcherry on Circuit, Siree,
March 20, 1854.*

I have the honour to acknowledge your letter of the 11th instant, requesting that I will submit my sentiments on the subject of the introduction of a system of excise upon the manufacture of salt, in lieu of the present monopoly.

2. As I have had occasion to dwell at some length on this subject in previous communications,* I believe it will be sufficient if I state concisely that I am of opinion that it is impracticable to render the manufacture of salt

* Dated 3rd September and 3rd December, 1851, and 22nd September and 10th November, 1852.

absolutely free to all persons under excise regulations, but 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.

3. This substitution will be attended with difficulties, but not of an insuperable nature. If accomplished, it will enable this district to compete on equal terms with Bombay and Goa, from which places a large quantity of excised salt is now imported.

4. It is highly desirable that the change should be accompanied by a considerable reduction of the duty; and thus I am sure would prove only a temporary sacrifice of revenue. If salt were reduced in price, it would be used to a very great extent in curing fish, which are now cured with salt mud only, and the inland consumption would greatly increase.

5. I have already pointed out that a legislative enactment is called for, for the protection of the revenue, the only penalty for smuggling salt being the confiscation of the salt, and this is clearly inadequate.

6. I beg to transmit to the Board a map of the salt trade, which accompanied a previous report,* and which may perhaps facilitate the Commissioner's investigations.

7. I request that this may be returned when no longer required.

I have, &c.

F. N. MALTBY, *Collector, Canara.*

Appendix E.—No. 31.

To W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Calicut, April 10, 1854.

In reply to the Board's proceedings of the 26th of January last, I have the honour to remark that no salt is manufactured in Malabar, the needful supply of that article being, for the reasons given in my letter of the 9th of October, 1845, always procured from Bombay.

2. By the "Fort St. George Gazette," dated the 6th of December, 1853, salt is admissible into certain ports† of Malabar, on the payment of a duty of 12 annas per Indian maund.

3. Very little has, however, as yet come in under this permission.

I have, &c.,

H. V. CONOLLY, *Collector of Malabar.*

Appendix E.—No. 32.

The Acting Collector of Madras to W. H. BAYLEY, Esq., Secretary to the Board of Revenue.

Sir,

Madras, April 12, 1854.

I have the honour to acknowledge the receipt of the Board's Circular, dated the 26th of January, and your letter of the 11th of March, calling for my sentiments on the abolition of the salt monopoly, more especially on the substitution of a system of excise for that now in force.

2. Not having access to any recorded information, as to the details of the excise system in force in Bombay, or its results, I feel great hesitation in forming an opinion on a matter on which I have no practical experience. I shall confine myself to mentioning such considerations as occur to me on the general question.

3. The present salt revenue of this Presidency may be taken as half a crore of rupees, of which the charges amount to about 15 per cent. or $7\frac{1}{2}$ lacs. Now if it is intended to raise this sum, or anything like it, by a system of excise, I cannot conceive of any arrangement which would not practically involve as much restriction as the present monopoly. The places of manufacture and of sale must be limited as much as at present, and a large preventive establishment

* 10th November, 1853.

† Tellicherry, Calicut, Cannanore, Ponany, Cochim.

maintained, while the temptations of fraud would be as great, and the facilities increased by the novelty of the arrangement substituted for one improved by fifty years' experience. The selling price would indeed be left free, but whether this would tend to improve the commodity, or benefit the consumers, seems doubtful.

4. A system of licensing would allow far more freedom of trade, but the difficulty will be very great of apportioning the present revenue on the pans. It is quite impossible even to approximate to the annual produce of a given extent of land. It may be six garce, or it may be two. For instance last year's operations began in April, and were continued till the end of September. Formerly it has been considered that from January to the end of June was the extreme of the working season. The licences might, it is true, provide for a certain rate of tax, according to the number of days that the pan might be worked, but this would require a watching establishment through the year.

5. The objection mentioned in the last paragraph, founded on the uncertainty of out-turn, depending on the season, seems fatal to the third and simplest expedient, that of taxing the pans according to the extent of lands, while it would throw the whole burden on the ryot.

6. Under any of these three modes I think the manufacture would pass out of the hands of a great number of those who now live by it, as considerable capital would be necessary to carry it on.

7. On the whole, I believe the existing system to be capable of answering every end desired, and to afford one of the least oppressive,* equable, and convenient methods for raising a revenue that can be devised for India. Except in name I do not think it open to the evils usually ascribed to monopolies, and I understand that it is more popular with the manufacturers and merchants, than any of the modes suggested would be.

8. Two obvious improvements suggest themselves. First, the reduction of the price; second, the establishment of up-country depôts, wherever water-carriage is available.

9. I forward copy of the superintendent's report, going more into details than I have thought it necessary to do.

I have, &c.,

H. STOKES, *Acting Collector of Madras.*

Enclosure A.

The Superintendent of Salt to the Acting Collector of Madras.

Sir,

Madras Cotaur, April 6, 1854.

I have the honour to acknowledge the receipt of your Order of the 13th of March, calling for a report upon the papers therewith forwarded, consisting of two Circulars from the Board of Revenue, dated the 11th idem and the 26th of January, 1854, with correspondence between the Home and Supreme Governments, relative to the proposed introduction of some other system in substitution of the present salt monopoly, and regarding the inquiries to be made thereon by Mr. Plowden, the Commissioner appointed by the Government of India.

2. Before entering into the subject of any change I would beg to notice, briefly, the system under which the salt monopoly is now managed, in Madras.

3. In the Collectorate of Madras the Government purchase the salt from the manufacturers at a fixed rate of 10 rupees per garce,† and store it at their own platform, near the town walls. The prime cost to the manufacturer may, as this has been admitted to me by the manufacturers themselves, be reckoned in a round sum at 5 rupees per garce (exclusive of the outlay required on the first formation of the pans, in land previously waste); they have, therefore a profit of 5 rupees per garce for their labour.

4. The Government, as it were, take the salt from the manufacturer as security for payment of the revenue, bear the cost of stowage, measurement and carriage by the canal, and pay him before they themselves effect a sale. If this were not done the revenue could not be so easily secured, and the manufacturer, who is generally a common labourer, would be much inconvenienced, and have, probably, to sacrifice his salt by mortgage to a soucar or money-lender, until he effected a *bonâ fide* sale. He would, moreover, from all these difficulties be subject to much interruption, during the season of manufacture, in which every hour is to him of infinite moment, to enable him to reap successive scrapings. The places of manufacture in Madras, and the quantity to be manufactured are

* So in the original.

† The salt manufacturer's share varies in different districts, but I have given only the rate for Madras.

restricted, and unless this were done, no establishment, in my opinion, under any system, and whatever might be its strength and cost, could successfully protect the revenue from this source.

5. The Government sell the salt at 120 rupees per garce, which includes all expenses and their own profits. The wholesale merchants are allowed salt at rupees 114 per garce or 5 per cent. below the monopoly price, because they take it in quantities not less than 10 garce, usually for the interior, in return *bandies*, and the retail dealers, for home or inland consumption, pay rupees 120 per garce. Five mercals is the minimum quantity saleable, which is equivalent to a cavity load. The retail price in the bazaars of the town of Madras, to the consumer, now averages from rupees 133 to rupees 167 per garce.

6. I do not think it necessary to notice the exports by sea as they have gradually fallen off, and none has taken place for nearly two years. The price to exporters is 15 rupees per 100 Indian maunds, inclusive of shipping charges, which are defrayed by Government, and it is probable that salt from this Presidency can be landed at Calcutta at a cheaper cost than any British or foreign salt.

7. The rules to ship in square-rigged vessels, if modified, would probably create a demand for salt for export to Calcutta.

8. Thus it will be seen that, while the Government revenue is secured, the manufacturers are well remunerated for their labour, the wholesale and retail dealers derive a reasonable profit in their sale to actual consumers; and, as the quantity consumed by each soul is insignificant in the town of Madras, the price is not felt, except perhaps by the lower classes in the provinces, where the article is much dearer in consequence of the expense of transit, &c.

9. In substitution of the system which has been described above, it is proposed—

Firstly. To make the manufacture and sale of salt absolutely free, subject to an excise or other duty. Or,

Secondly. If it be found impracticable to render the manufacture free to all persons under excise regulations, then to establish a system of modified excise, such as that of granting licences for manufacture at stated localities.

10. The objections which seem to press most heavily against the first proposal are, that there can be no real freedom of action, either in manufacture or sale, under any excise regulations. Under any such regulations the manufacture must really be restricted; every step taken by the manufacturer in laying out his pans, or in scraping or selling his salt, would have to be watched by the Excise Department to prevent his defrauding the Government by an undue extension of his pans, or by clandestinely avoiding the excise duty on the salt. Probably the latter might be obviated in a great measure if the salt were received in bond, but the manufacturer would, in this case, take his own time to bring the salt to the place. Part of it might not reach the platform for storing, or the bonding warehouse, if a few miles away, until the approach of the monsoon, either from the inability on the part of the manufacturer or from accident or intent; and the salt thus left at the pans would require double the amount of watching and cost of establishment for that purpose, while the fact of leaving the manufacturers free to act in this one instance alone would hazard much of the revenue.

11. The constant interference and inquisitive system which would be necessary for the due recovery of excise duties in whatever shape they may be levied, even under the most simple rules, must hamper the manufacture as well as the trade in salt, and cannot open it to all, and the abundant means of avoiding the duty in remote localities would render it impracticable effectually to guard against smuggling at the heaviest cost, and with the largest establishment, a third of whom, perhaps, would only be trustworthy. This system would ill replace that now existing in the Madras Collectorate, where, after the experience that has been gained in the management of the monopoly by the two late Assistant Collectors, and after much attention bestowed by myself, smuggling has apparently been fully put down, and every effort made to facilitate fair dealing in salt.

12. I consider that the excise system will be, if not more, at least as, cumbersome to the manufacturer and trader as the system now existing in Madras. I am quite satisfied that the expense will be much greater, and I cannot find that any advantage to either manufacturer or trader, or to the Government, can accrue by its introduction; the only difference in our system is, that the Government receive the manufacturer's share, together with their own dues, whereas by a system of excise the latter alone should be levied by them, but much of it would be avoided. I do not, moreover, see how the consumer would benefit by the change, unless the duty to Government be reduced; but the same advantage might accrue to him under the existing system by a reduction of the monopoly price. Under these circumstances I cannot perceive that the revenue would be safe, or that the substitution of an excise duty for the mono-

poly would leave the manufacture and sale of salt unfettered and open to all, and I do not think that any change is essential.

13. In reference to the second plan proposed by the Court—namely, to establish a system of modified excise, such as that of granting licences for manufacture at stated localities, it seems to me that this would be a more feasible plan, as it would operate with less inquisitorial interference towards either the manufacturer or trader, though there would be some objection in limiting the manufacture to particular people.

14. It would involve the necessity of very accurate measurement of each present holding, and the amount to be paid for the licence would, I suppose, be given for right to manufacture in it. For fresh holdings the licences might be given at a reduced rate until the pans are capable of producing a full ditum, which would be in about three years' time. The revenue would doubtless at first suffer by the change, but the impetus which the system would give to trade, if the railroad were established, other highways opened out, and existing ones kept in good repair, would in time, I consider, fully compensate for the temporary loss of revenue.

15. Thus, if the sum of 100 rupees were to be paid per annum for the right to work every pan belonging to the Madras Collectorate, which rate I consider to be at present by no means too high, there would be a revenue of 3 lacs, and, allowing that 3,000 more pans would be taken up within the two next years, the amount of revenue would be increased to 6 lacs, or more than the revenue of Fusly 1262.

16. I would by no means fix 100 rupees as the general rate to be levied, for by some it may be considered too small, while others would think differently, but I would levy a tax equal to a fourth of the monopoly price on the total out-turn in each district or locality. For instance, if the total out-turn in Madras give an average per pan of 4 garce, the rate for licence according to this calculation would be 120 rupees per annum upon such pan,* and the manufacturer could afford to sell his salt to the merchant or consumer at 40 rupees or 45 rupees per garce.

17. The benefit that would accrue by such a system would be that sought to be gained by the Court, for after payment for his licence the manufacturer will be free to scrape as much salt as he can obtain, and to sell it to whomsoever he pleased, without any interference from the Sircar; and the trader and consumer would be left to make their own terms with the manufacturer.

18. But few of the people who are now manufacturers would be able to pay for a Government licence under such a system, and at the same time lay out a sufficient sum to place their pans in working order. The licence would have to be paid for in advance, and the revenue would not be secured unless the Government insisted on previous payment, which would fall with great hardship on the generality of manufacturers, and perhaps lead to abandonment of their pans. A class of middle-men of necessity would arise to pay the Government demand, and the existing manufacturers would become their servants or labourers.

19. The improvements in the management of the monopoly system during the past and present seasons would, in the Madras Collectorate, eventually effect an opposite result. The existing manufacturers, generally of the poorest class, are improving in their means; the mortgage and sale of their pans are not so frequent, and when new pans in Poorthewauk were distributed to others than Merassidare and Poyakarras of the village, they were generally given to respectable inhabitants of Madras, who had capital at their command to carry out large undertakings. After the circumstances of the manufacturers have obtained a gradual permanent improvement, there would be less difficulty in obtaining payment for licences in advance, but I doubt whether an immediate change to that system could be effected without hazarding a large portion of revenue, and ruining the present class of manufacturers. I am satisfied, however, as I stated before, that in course of time the loss of revenue would be fully compensated by the impetus which the exchange to this system would give to trade if accompanied by local improvements in public works to give that trade full play.

20. I am of opinion that the licence should not give the right to the land itself, for that would be tantamount to levying a land tax, and the rule for levying the land revenue would probably have to be adhered to, without reference to whether the land was fit or unfit for the manufacture of salt; but with reference solely to its qualities for general productiveness, for growing grain, pulse, cotton, sugar, tobacco, salt, or any other commodity, if the land revenue system were introduced a classification would of necessity take place, after a most accurate survey, without reference to the species of produce or manufacture, or

Pans	3,152
	100
	<hr/>
	3,15,200
	3,00,000
	<hr/>
	6,15,200

* License per pan	120
or per Garce	30
Add Manufacturer's share	10
	<hr/>
	40

to the existing value of the same; but the same inquisitorial system which prevails in the Ryotwar system would continue, and large remissions would be claimed at every disastrous season. A sudden change to this system would fail to effect the collection of so large a revenue as is now obtained from salt, and the change would not leave the manufacture unfettered.

21. Most of the land adapted for the manufacture of salt would be fit, probably, for two crops of paddy, even in proximity to salt water, but in many places not a single good crop could be produced in consequence of the soil being impregnated with salt. It would be difficult to fix the rates also, or to say whether the maximum rate should be fixed, as on land on which the best quality of produce can be raised, or a middling rate, or the minimum, confined to land producing a most ordinary crop. It would be unfair to fix these rates with reference to the existing monopoly prices on the salt which could be produced from the land, or to charge additional for the salt water used, unless the irrigation works are undertaken and repaired by the Sircar (which up to the present day have been solely in the hands of the manufacturers), because the manufacturers could afford to sell their salt to the traders at 10 rupees per garce, if they had no Government duty to pay.

22. Another very material question should be the prospect that this new system would give of raising the revenue to the present standard. Would it be good policy totally to relinquish a large revenue, which is not burdensome or odious to the people, unless an equivalent can be raised, or unless some greater advantage can accrue to the manufacturer, to the trader, or chiefly to the consumer of salt, than the existing system could afford, by a gradual reduction of price, and simultaneous extension of manufacture?

23. Admitting that lands for salt manufacture were taxed at the highest rates assessable on most of the best two crops land, and which would perhaps be even 50 rupees per caw,* still twelve times the extent of land would require to be taken up to produce the standard of revenue now levied, which averages more than 600 rupees per caw, yielding 5 garce of salt per annum. A sudden change to the new system could not effect this result, but it might be obtained gradually after the manufacture had greatly extended.

24. If the land tax cannot be levied upon salt, upon the principle which governs the collection of it on land yielding any other produce, then I consider that it should not be introduced, and am of opinion that if any change out of those now proposed is to take place soon, it should be a system of licensing for the right to manufacture solely, because after payment for the licence it will leave the manufacturer and trader perfectly free.

25. I am not, however, in favour of any change in the existing system, because, while it secures the Government Revenue, it protects the manufacturer and trader, and because the chief object in cheapening salt to the consumer can best be attained under the existing system, without any prejudice to the two former classes, by a reduction of "Government Duty," or as it is more commonly known (when added to the manufacturer's share) by the name of "monopoly price."

26. I am of opinion that gradual reductions to one fourth the existing monopoly price might eventually be made, which would lead to an extended consumption, and consequent increase of manufacture: and that, with a view not to injure the importer of salt, a simultaneous reduction of duty on imports might be made. This opinion has been endorsed by all the merchants and manufacturers to whom the matter has been mentioned, and whose feeling I undertook to ascertain, under your personal orders.

27. I regret that this report has been delayed so long, this being the most busy part of the season, and I fear that I have not done full justice to the discussion of so important a subject.

R. P. CAMPBELL, *Superintendent of Salt.*

* The Madras "Athenum" of 13th September, 1853, states that the manufacture at Covelong produces about twenty garce per caw per annum.

5 garce
120 rs. monopoly price.

600

Appendix E.—No. 33.

Minute of J. GOLDINGHAM, Esq., Second Member of the Board of Revenue.

Revenue Board Office, Fort St. George,
April 10, 1854.

1. Whatever may be the form of administration finally fixed, it is desirable that the term "monopoly" should be abolished, and "excise" substituted. The word "monopoly" is the term used in the Regulation.

2. The monopoly is conducted under the authority of Regulation I. of 1805. Its provisions are as follows:—

I. The manufacture, sale, transit, export and import of salt, whether by sea or land, shall be on account of Government. Section III.

II. Payments, as wages to proprietors of salt pans and to labourers, to be made with the reference to the standard hitherto in force, a similar commutation to be made in the case of enamdars and others enjoying similar grants out of the salt revenue. Section IV.

III. Places of manufacture fixed by Government where manufacture may be suppressed; in such cases, compensation is to be made. Section V.

IV. Clandestine manufacture liable to fine, and parties aiding and abetting by not giving information of clandestine manufacture or import, liable to punishment. Section VIII. Section XIII.

V. A rowannah necessary to cover transport; without it, the article is liable to seizure and confiscation. Section XII. Section XIV.

VI. Fraudulent practices respecting salt, punishable. Section XVIII.

3. The objections to the foregoing enactment are, *first*, that it establishes a complete monopoly as regards the manufacture, sale, transit, export and import of salt. *Second*, that it confers an arbitrary power of suppression of manufacture, and *thirdly*, that power is given to the officers of Government to detain this article in transit.

4. Practically the objections amount to little. The trade in salt is free after the monopoly price has been paid, suppression of manufacture can seldom, if ever, occur, as the object of Government is to manufacture as much as they can. Detention of salt in transit only occurs within the vicinity of the coast, where the pans are situated. Beyond these limits the rowannah is an useless document, because the trader sells as he goes along, and there can be little means of judging whether the salt the trader carries with him and the salt of the rowannah are identical. The rowannah is in fact of avail only within certain limits; it is open to serious objection, not only as interfering with the freedom of the trader, but affords a handle for extortion. If the rowannah is delivered up by the trader to the officer of Government at the place for which it was issued, it is returned to the place of issue, and in this way a comparison is instituted for the purpose of ascertaining if the sales of salt, as shown in the accounts, correspond. The rowannahs are not, however, generally delivered up, nor would it be proper to require their surrender by a legislative enactment.

5. Thus, practically, there is really little to complain of. Under an excise, some degree of surveillance is necessary, and there seems little difficulty in substituting that system for the present monopoly. The following shows, in juxtaposition, the working of the monopoly and what will be the working of a system of excise.

MONOPOLY.

MANUFACTURE.

The quantity of salt to be manufactured is fixed by authority. In reality it is unlimited, because it is the interest of Government to provide for the largest possible sales.

The places of manufacture are fixed. This is in a great degree nominal, as the supply must be kept up to the demand.

EXCISE.

MANUFACTURE.

6. Manufacture to be thrown open.

7. No restriction as to place, except as respects difficulty of surveillance in levying the excise.

8. Where the excise does not assume the form of a tax on the land, all salt must be stored or bonded till it is sold. Where facilities of storing or bonding do not exist, there must be some restriction as to the selection of these places as places of manufacture. There is no hardship in this, as salt pans do not exist in such places at present, and the land belongs to Government. The land lies along the sea coast, and is low and swampy, very little of it, if any, is private property, and, where such exists, there is no right or privilege of manufacture. The extent of spare land belonging to Government is without limit.

STORING OF SALT.

All salt is stored on platforms of earth raised for the purpose. The platforms are surrounded by a ditch with one entrance only. The salt is put up in heaps of 10 or 20 garces, the former is most convenient, as the trader prefers purchasing the entire heap without measurement.

The number of platforms is limited by the supply which it is necessary to keep up. They extend along the coast.

All salt as soon as it is taken out of the pans is removed to the platform, where, after it is sufficiently dry, it is put into heaps.

SALE OF SALT.

All salt is sold on account of Government. The selling price is rupee 1 per maund, or rupees 120 per garce of 400 mercials, each mercial containing twelve seers, and each seer being 80 rupees' weight.

The price paid by Government to the manufacturer varies, but does not exceed, rupees 10 per garce.

14. Supposing rupees 10 to represent the cost of manufacture to the Government, it is obvious, that the manufacturer will produce the article for much less. He will charge the trader as much as he can get above the cost of production, but this is not likely to be great, as competition will here exercise its ordinary effect in keeping down the price.

15. 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. The expense to Government will be diminished by the amount paid at present to the manufacturers, but an additional charge will be incurred on account of extension of platforms and custody.

16. The excise may be imposed under two forms. *First*. By a tax on the land, and *secondly*, by its levy from the trader at the time of sale. It seems desirable that both should be authorized by law, and that it should be left to the parties interested in the manufacture to choose the one or the other, with the proviso that both systems shall not be permitted in the same locality. This is necessary for the protection of the revenue, otherwise the salt manufactured on the land not taxed will be clandestinely taken to the land which is taxed, and

STORING OF SALT.

9. Where the excise is not imposed on the land itself, the salt must be stored and watched as here explained.

10. Under an excise the line of platforms will be probably extended as parties may be desirous to take up land and open new places of manufacture. This can only be permitted under rules for the protection of the revenue. Two rules will suffice, first, that the quantity of salt to be manufactured shall be sufficient to fill a platform, and secondly, that the manufacture shall not be in places where an effective surveillance cannot be exercised.

11. The same under an excise, where the duty is levied on the manufactured article and not on the land.

SALE OF SALT.

12. Under an excise, the Government will not interfere in the sale. The excise will be collected either on the land used for manufacture, or on the salt at the time of sale. The owner of the salt will fix his own price.

13. The Government will be relieved from all payments on account of manufacture.

there mixed with its produce. Extensive tracts of spontaneous salt are found in some districts, and in these cases the cost of gathering is almost the only cost to parties to be placed in possession of these swamps. This should be considered in fixing the duty on the land.

17. Where the excise is to be levied at the time of sale, it may 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. 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. It seems desirable, therefore, that an option, as above stated, should be given to the manufacturers, not only on their own account, but also to obviate any confusion and embarrassment to the people and to the revenue that may arise from a sudden change* from one system to another. Complete freedom of manufacture will be open to the class who may avail themselves of the option of receiving a fixed value or price from Government. Both plans cannot however be permitted in respect to the salt on the same platform.

18. Supposing then an excise to be adopted on the foregoing principles, the enactment for the purpose will embrace the following provisions:—

I. Regulation 1 of 1805 is hereby repealed, an excise not exceeding one rupee per maund will be levied in future on all salt procured from sea water.

II. All persons desirous of manufacturing salt obtained from sea water, are at liberty to do so on application to the Collector of the district in which the lands to be so used are situated. Such applications will be complied with, provided it is shown to the satisfaction of the Collector, that the applicants have the means of carrying on the manufacture to the extent applied for; and provided further, that the land required is not so situated as to render it difficult to make suitable arrangements for the protection of the revenue.

III. The duty provided by this Act will be levied on the land occupied for the manufacture of salt as aforesaid, or on the article itself, at the option of the owners of the said lands, provided both systems shall not be allowed to obtain in the same locality, so as to interfere with the protection of the revenue.

IV. *First.* When the duty is fixed on the land, the probable out-turn of salt of the said land shall be estimated, and the duty shall be so fixed that it may not exceed the rate of one rupee per maund of the manufactured article.

Second. The mode of fixing the duty under this Section shall be left to the Collector of the district, under the orders of the Board of Revenue. It will be optional with the ruling authorities to fix a certain sum which shall be levied on each bed or salt pan, or to make over a set of beds or salt pans, or a given tract of land required for the purposes of this Act, for a consolidated amount.

Third. The duty authorized by this Section shall be levied by instalments, to be fixed by the Collector of the district under the orders of the Board of Revenue.

Fourth. Where duty is levied in the manner authorized by this Section, there shall be no interference on the part of the authorities of the district, as regards the manufacture and sale of salt in such cases, except, when it may be necessary to attach the land, or the salt, its produce, or both, for the security of the revenue.

V. *First.* When the duty prescribed by this Act shall be levied on the article after manufacture, all such salt shall be brought from the pans, as soon as it is made, to platforms, or other places or buildings prepared for storing salt. All salt thus stored shall remain under the custody of the Government officers till the same is sold. At the time of sale, and before the salt is actually made over to the purchaser, the duty prescribed by this Section shall be collected.

Second. It shall be optional with the owners of salt stored under this Section, to sell the same on their own account, or to make it over to Government at the time of its being received into store, for a fixed price, to be regulated by the Collector of the district under the orders of the Board of Revenue, provided both arrangements shall not be allowed indifferently for salt on the same platform or place of store.

Third. Places of store will be prepared by Government for salt referred to in this Section.

VI. The minimum quantity of salt for which a place of store shall be con-

* If the change is sudden, it is probable that the supply of salt will fall off at first, and for some time, to a very serious extent, so as to leave the inland districts without salt, and to occasion a high price of the article. The loss of revenue would also be very large.

constructed by Government, shall be fixed by an order in Council, and land shall not be allowed for the manufacture of salt, where places of store are required, unless the produce of such land shall be equal to the minimum so fixed. Where the duty is leviable on the land, a minimum of salt to be manufactured in any locality shall not be required.

19. The foregoing are the main provisions connected with the substitution of an excise for the present monopoly. The land, as well as the manufactured article, will be declared liable to attachment and sale, for arrears of revenue; illicit transactions will also be punishable; passes and rowannahs to cover the salt in transit, which are always open to much oppression and abuse, will be altogether abolished;* subsidiary rules for the management of the department will be framed, as at present, under the orders of the Board of Revenue.

20. Under the monopoly there is great scope for illicit practices: these consist either in the clandestine removal of salt to the dwellings of the manufacturers, or in sales, by the public servants, which are not brought to account. It may be said that these practices, with occasional exceptions, have not been carried on to any extent for some time past. Under an excise, as above suggested, penalties must be provided against clandestine manufacture, clandestine removal of salt from one set of pans to another, and clandestine sales.

21. The amount of excise to be fixed is a very important point. The working of the monopoly, at the different rates of price which have prevailed from its commencement in 1806-7 to 1847-48, was reviewed in a letter to Government, dated the 4th of July, 1850. In that communication, the Board observed that the greatest sales of salt took place when the monopoly price was at rupees 70, viz., from 1821-22 to 1826-27; but that a former Board in 1828, considered that the increase was altogether irrespective of price, and was to be traced to greater efficiency in the management. The price was raised to rupees 105 per garce in 1828, and continued at that rate for 15 years, during which period, the sales were less than when the price was at rupees 70 per garce. In 1843-44 the price was rupees 180 per garce, but since the last mentioned year to the present time, the monopoly rate has been at rupees 120 per garce, or 1 rupee per maund. Great improvement has taken place latterly, so much so, that the sales during the last two years† have reached the standard when the price was at rupees 70 per garce.

22. In the proceedings of the Board noticed in the foregoing paragraph, it was pointed out that the combined home and inland sales were 564 garces‡ below what ought to be the quantity sold for home consumption alone, supposing the entire population, consisting of 20 millions of persons, to consume sea salt. It was further observed, that, taking individual consumption at 6 measures, or 18 lbs. per person per annum, a family of six persons would require 36 measures or 4½ mercials, the value of which at rupees 120 per garce, would be rupee 1-5-7, but that, as cost of transport and merchants' profits have to be added to this, it was clear that sea salt must be beyond the reach of many in the interior.

23. The great improvement in the internal communications of the country, as well as efficient control, has no doubt caused the increased sales during the last four years, but the fact that the quantity consumed is greatly disproportionate to the quantity that ought to be consumed, should chiefly guide us in determining what the amount of excise should be. The Mofussil officers generally, though in favour of the present form of salt administration, advocate reduction of price, provided that what is given up is not made good by taxation in another shape. Railways will afford a twofold benefit, first, a reduction in the cost of transport, and secondly, an increased facility to purchase in consequence of an improved condition of the people, but still the broad fact that sea salt, with all these advantages, must be beyond the reach of many, remains. It seems

* Merchants taking a whole heap without measurement, are allowed 5 per cent. discount, which is supposed to cover wastage. Thus, as well as the minimum quantity to be sold to retail dealers, is properly provided for in the subsidiary rules.

† Sales, exclusive of Export by Sea.	Garces.
1825-26 at Rupees 70	42,810
1851-52 at .. 120	43,185
1852-53 at	42,754

‡ Average sales of the three years from 1845-46 to 1847-48.	Garces.
Home Sales	19,133
Inland do	19,931
	38,064
Estimated consumption at six measures per head	37,500

desirable therefore that the present excise of 12 annas per maund on foreign salt should be adopted for home salt, thus reducing the present monopoly rate of 1 rupee per maund, 25 per cent.

24. Inland dépôts have been established with benefit to the people in the districts of Canara and Malabar, but the system is expensive to Government, and is attended with a considerable wastage of salt. It seems better to reduce the Government duty, and to leave the inland supply to the ordinary trader. As railways come into operation, and a certainty will be afforded that salt, purchased for a remote inland destination, will not be disposed of at intermediate places, it will be easy, if it is then considered desirable, to reduce the excise duty on such salt to such extent as the exigency may require.

25. There should be a clause in the new Act giving the Governor in Council power to bring the excise gradually into operation in each district, to ensure an adequate supply of salt during the transition from one system to another.

J. GOLDINGHAM, *Second Member, Board of Revenue.*

Appendix E.—No. 34.

Minute of E. MALTRY, Esq., Third Member of the Board of Revenue.

*Revenue Board Office, Fort St. George,
June, 24 1854.*

As the details of the system for conducting the manufacture and sale of salt in the Madras Presidency on account of Government are fully described in the Board's procès, and the time allowed me for this minute is short, I shall limit myself to a few observations to show how far the opinions recently expressed by me in my character of Collector of South Arcot, regarding an excise or monopoly, have been modified by reading the reports of the other Collectors.

2. If it is intended to fix an excise duty which will maintain the price of salt at the present monopoly rate, and an option had been given, I should have preferred continuing the present system. My reasons are these; *first*, the interest of the consumer will not be advanced by a change to an excise, unless the duty is modified, and there will be little inducement to private individuals to engage newly in the manufacture; *second*, the present system is generally satisfactory to the Merassidars or proprietors of the salt pans, and under it attention has been paid to the rights of numerous holders of hereditary offices and rooms, whose claims will have, in some instances, to be re-opened and re-adjusted, if a change takes place; *third*, 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 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*, our conventions with the French Government oppose obstacles to a change.

3. It having, however, apparently been decided to make the change to an excise in order that Government may be entirely unconnected with the manufacture and sale, the above remarks are recorded merely to show my sentiments, and I proceed to offer observations on the manner in which the alteration can best be effected. My opinion is in favour of the excise system now in force at Bombay, as most resembling our own; and I think that it might be introduced without much difficulty, provided caution is used not to make the transition too abrupt, and measures are taken to give encouragement to the Merassidars, and induce them to continue the manufacture. These persons 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.

4. It may here be observed, parenthetically, that the present time has one great advantage for trying the change. Government lately ordered that a supply of salt equal to two years' consumption should be kept on hand whenever practicable, and the past season has been so favourable to the manufacture, that this order will be carried into execution either fully or to considerable extent. There will consequently be a large stock of salt on hand to supply any deficiency which may arise from the doubts of the Merassidars at the first change of system.

5. Under the Bombay salt laws,* the Government revenues are defended by stringent restrictions and severe punishments—For example, no salt works can be established without the previous sanction of Government, by whom they can also be suppressed in certain cases, the salt must be stored in particular places under the inspection of Government officers, and its removal, without a pass, subjects it to confiscation, while all parties infringing the salt rules are liable to fine and imprisonment. Whatever objections may be made on abstract grounds to these rules, they appear to me indispensable, so long as the necessities of the State require the realization of a revenue far exceeding the intrinsic value of the article upon which it is raised. It may be a matter of regret that the privilege of manufacturing salt is not open to all parties in all places, and that the transit of salt should be encumbered by a system of passes or rowannahs; but, as long as the wants of Government require the realization of a large revenue from salt, it is useless to attempt collecting that revenue without taking means to limit the expense of the salt establishments and prevent smuggling, for which purposes it appears to me that we cannot dispense with the rules requiring passes, and limiting the manufacture to places approved by Government.

6. In reference however to passes or rowannahs, the old Madras rules, which, under recent orders of the Board of Revenue, have been much relaxed, might be modified. It seems to me absolutely necessary that all salt under conveyance in the neighbourhood of salt works should be liable to confiscation if not covered by a pass, but it might be sufficient to declare, that traders must, on demand show their passes to any Government officer within the fixed range, instead of requiring them to go and deliver them up to the nearest authority. By this arrangement the evils attendant on rowannahs would be materially decreased, while there would still be a check on the illicit removal of salt, and on the conduct of the Government servants on duty at the depôts. The circle round the salt works, within which passes should be required, might be fixed at 30 miles, as bandies or cattle laden with salt could hardly perform that distance within one night, and would, therefore, have to halt during daylight in a place where they would be exposed to scrutiny, and to which they could be followed on any attempt at smuggling being discovered.

7. The import duty upon which foreign salt is now admitted into India being 12 annas per maund, or 90 rupees per garce, I presume that the excise duty would be about that sum until the import duty is altered. In this case I should not anticipate that the retail price would be much, if at all, reduced to the consumer, for, although salt can be taken out of the pans in some places at 6 and 7 rupees per garce, the expense of storing and thatching it, the risk to the manufacturer from accidents of season, the loss by wastage, and the interest of the capital employed until the salt is sold, are to be considered. The advantage of the change would therefore be confined to securing an important branch of revenue from the attacks which the name of monopoly has brought upon it in Parliament. In other respects, the change would not diminish the expenses of management, or (in my opinion) the price of the article, while it would at first lead to embarrassments, and render the supply of salt for the consumption of the community less certain.

8. But if the excise duty was so fixed as to lower the cost of the article, I should regard the change from a monopoly to an excise with hopeful anticipations, both as respects the interests of Government, and those of the people. The public accounts show, that consumption has been checked, notwithstanding an increasing population, by raising the first monopoly price of rupees 70 to the present rate; and if the price was lowered, the demand for salt would again extend, and the manufacturers be encouraged in their operations by a brisk and easy sale. I should then too expect that men of capital would undertake salt works, either singly or in companies, and by the scientific means which they would employ, and the beneficial aid of the railway and new roads, the price of salt would be so diminished to the inland consumer as to extend the demand, and thus prevent loss to the revenue. The manufacture of salt is so uncertain, and so liable to be destroyed by rain, that capitalists would, it appears to me, be deterred from engaging in it, when, in addition to this risk, an excise duty of rupees 90 must be paid before the salt can be taken off their hands.

9. One peculiarity in the Madras salt system is, that each set of pans is divided among so many individuals in minute parcels that some proprietors manufacture less than a garce, and it seems necessary to keep this circumstance in view in arranging the change to an excise. The platforms on which the salt is stored are limited in extent, being raised with some labour and expense in the ground adjoining the pans, which, from its low situation, is subject to inundation. If each proprietor's small stock of salt was therefore to be stored separately, much additional expense would be incurred in extending the platforms, and employing extra servants to guard them. I would, therefore, propose that the

* Acts XXVII of 1837, and XXXI of 1850.

system of storing the salt in 10 garce heaps be continued, and the several small proprietors to whom a single heap jointly belonged, could elect among themselves an individual to represent them in disposing of the salt—as the quantity contributed by each to the heap would appear in the depôt accounts, disputes would seldom occur and be easy of settlement.

10. It may be remarked that one probable result of introducing the excise system would be the abandonment of the inferior pans, in which salt of a secondary description can alone be produced. Under the monopoly all descriptions of salt are sold at the same price, but it will not be so under an excise, though one uniform duty will be levied, and the inferior pans will therefore gradually give way to the rivalry of the superior. One class of proprietors will consequently find their interests affected by the change; but the salt-consuming public will gain, and, as the result is the inevitable consequence of open competition, it is not to be regretted, and the protection hitherto afforded to the producers of an inferior article may be considered sufficient compensation to them, for the future interruption of their extra gain.

11. A system of licences, or accepting offers for renting sets of pans, at a fixed annual sum, has occupied my thoughts, and it seems to me desirable to invest the local Government with power to enter into such arrangements. It would, however, be necessary to act with much caution, so as not to give an advantage over those who manufacture salt under a fixed excise duty. I agree with the second member that the two systems should not prevail at the same station, or in the same neighbourhood.

12. The subject of an assessment or land tax, on the area of the salt pans, has also occupied my attention; but such an arrangement seems impracticable, for two reasons. First, the impossibility of ascertaining the ordinary produce per cawny or acre, so as to fix the tax in a manner which would be just to Government and the proprietor of the pan. Secondly, if a revenue equivalent to, or approaching, the present amount is to be raised, the land tax per cawny must be so enormous that only men of capital could undertake the manufacture, and they would be deterred from entering upon an expensive undertaking, in which there is always a risk of the produce being suddenly destroyed by rain. To show how the rates of produce vary, in consequence of difference of soil and other causes, I may mention that when measures were being taken to extend the Teogavully pans in South Arcot,* the produce per cawny was estimated at 6 garces, while at Mercanum, in the same district, it extends to 30 garces in favourable seasons, and has averaged 16 on some resumed pagoda pans, under Sircar management. If a mean of 10 garces was taken, an excise duty, at the present import rate of 12 annas per maund, would amount to rupees 900 per cawny, and I should doubt the proprietors of the pans being willing to assume the responsibility of paying such an assessment.

13. It is known that earth salt is manufactured in large quantities in the inland districts; and, as more extended experience and scientific analysis refute the idea of its being unwholesome, the time appears to have arrived for legalizing its manufacture, which is now only permitted in some places. A contraband trade would thus be stopped, and just protection afforded to those who have to manufacture sea salt under a heavy excise duty. It appears therefore advisable, in introducing an excise, to consider what rate of duty may be fixed, respectively, on sea and earth salt. After the excise duty on the former has been settled, the rate for the latter should be so fixed as to prevent its having a preponderating advantage over the rival article. In our southern provinces the earth salt, clandestinely introduced from the small independent state of Poodoocottah, injuriously affects our salt revenue.

14. The last point to which I shall advert are the difficulties offered to a change of system, by our conventions with the French Government. Under the treaty executed at London, in 1815, the French Government agrees not to trade in salt, but to deliver to us all that it manufactures in excess of the wants of its Indian possessions, on receiving from us an annual payment of 4 lacks of Sicca rupees; and this agreement is declared, by Article X., to be permanent, until dissolved by "the mutual consent" of both contracting parties. The second convention is a local one (executed in 1818 and renewed in 1837) between the Governments of Madras and Pondicherry, arranging that the pans in the French limits are not to be worked, we supplying the French authorities with salt at its prime cost, and paying them rupees 14,000 annually, as compensation to the owners of the suppressed pans. This treaty can be terminated at the wish of either party, on giving 12 months' notice. It is sufficient for me to invite attention to the first of these conventions, which will doubtless undergo due consideration, when the proposed change in the salt system is being carried out. With regard to the second I may observe that it is decidedly our interest to keep it in force, if practicable, after the change to an excise, and I conceive that this might be done by our arranging with the salt manufacturers, in South Arcot, to

* See Diary of Civil Engineer, 5th Division, for March, 1851.

purchase from them the salt required by the Pondicherry Government, and delivering it at the same price as heretofore. The French and English villages are so intermingled, and the frontier is so intricate and ill-defined, that, if salt was manufactured in the French limits, it could easily be smuggled into our territory, to the injury of our merasidars, and the loss of our revenue, and the evil would be greater from there being extensive tracts of ground fit for new salt works, in the Pondicherry limits, in addition to the suppressed pans. As the French Government derive a considerable revenue from the salt with which we supply them, by selling it at our monopoly price, they would, probably, be willing to continue the convention, only altering their selling price to such a rate as would equal the current price, in our districts, under our new excise system.

15. Although I have not deemed it necessary to enter into detail on the subject I consider it requisite that the revenue, under a system of excise, should be protected by the same penalties which are now in force for various breaches of the salt regulations, in the Madras and Bombay Presidencies.

E. MALTBY, *Third Member Board of Revenue.*

Appendix E.—No. 35.

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.

Evidence of DAVID HILL, Esq.

1361. Supposing it were thought advisable to adopt the suggestion which has been given with respect to Bengal, namely, to permit an exportation of salt from Europe, subjecting the manufacture in India to the superintendance of an excise, do you conceive that there would be any great difficulty in collecting the revenue imposed by that means?

I think there would be very little difficulty in collecting the revenue upon the salt imported from England.

1362. In the case of licences and private manufacture, in the place of the present monopoly, what do you think would be the effect?

There would be more hazard of pilfering. The people in the neighbourhood of the manufacture would be supplied by a sort of stealth. I do not imagine that ship-loads could be carried off without the connivance of the public servants; but there would be other difficulties if the salt were manufactured in the way of licence, and not as part of a Government monopoly. I do not imagine that the manufacturers generally would be able to pay the excise duty; they have not capital enough to pay it before selling the article, and if it were as heavy as it is now, I think the effect would be to transfer the monopoly from Government to a few speculators; I think also that the effect would be, that when there was a temporary deficiency in the supply from England a most grinding monopoly would then be introduced, because it would be no part of the interest of the dealers to take care that the market was well supplied; but, on the contrary, if there was a limited number, as I conceive there would be, they would rather keep the supply deficient, particularly if they had a heavy duty to pay in advance. I think that the consumer, on the average, would be supplied at a much enhanced rate, and that there would very often be a scarcity price. I do not see either, if the excise duty were to be as high as the monopoly price, what good end would be answered by substituting an excise system for the present monopoly system. I think the effect would be very injurious to the consumer.

1363. The suggestion proceeds on this supposition, in a great measure, that the monopoly of the Company, both in Bengal and Madras, tends to raise the price of salt to the consumer, and that if the price of salt were lowered the consumption would in all probability extend. Supposing that the profit of the Company were made by its giving to the manufacturer of salt a lower price than would be given by a merchant to a private manufacturer, it appears that if the manufacture were free, and the Government took the difference in the way of duty, it might raise the same revenue, and at the same time lower the price to the consumer?

The manufacturing price at present does not amount to 20 rupees per

Madras garce ; the monopoly price to 105. There is no reduction in the price of manufacture that could materially affect the selling price, unless it were supposed that the Government, possessing this monopoly, kept a short supply in the market, which is quite contrary to the fact. The Government agents are always anxious to extend the supply, and they have no object in enhancing the price, as theirs is a fixed price. It does not appear to me that the consumer could reap any benefit from such a change. I think the probability is that he would be exposed to great enhancement of price, and that the constant object of those who dealt in the article would be to create an artificial scarcity.

1367. Do you conceive that a private manufacturer would be able to manufacture the salt and sell it at a less price, or at a greater price than 20 rupees ?

I suppose not at a less price ; but even if the manufacturing price were reduced 25 per cent. that would not make a difference of 5 rupees out of 105 in the sale price, therefore the benefit to the people would be trivial.

1368. The difference between the 20 rupees, the cost in the first instance, and the 105 at which the Government sells the salt, is so great, that there would appear to be room for the substitution of a considerable duty, in case it were carried on by private hands ?

If the duty were not to yield 85 rupees per garce of revenue to the Government, as it does at present, then, to the extent to which the reduction took place, the sale price might be reduced ; but if the excise duty were to be fixed at a rate which would yield the same amount of revenue as the monopoly price now does, then it does not appear that any practicable reduction of the manufacturing price, which does not amount to one-fifth of the sale price, would make any difference to the consumer ; it would not be felt ; it would all remain with the retail seller. The consumer would reap no benefit from any reduction on that scale.

1369. Does not a considerable portion of that constitute a return for the Company's capital, since the Company make advances for the manufacture of the salt ? They pay the price, but that is less than 20 rupees a garce.

1370. A portion of the difference between that 20 rupees and 105 rupees would be a return for the capital invested, both in the advances and in the purchase of salt, because the advance is not made to the full extent of the purchase, is it ?

I am not particularly acquainted with the system of advances ; but the Government do pay, I think, as soon as the salt is put in store, the full price to the manufacturer, which is 20 rupees. The whole which the Government require to be reimbursed is for the advance of that sum, which would form a very small portion of the 105 rupees ; there does not, therefore, appear much room for the reduction of the salt price, unless the duty is to be reduced.

Appendix E.—No. 35 A

Evidence of MALCOLM LEWIN, Esq.

2839. Are you prepared to say what improvement could take place in the supply of salt ?

By allowing the manufacture to take place under an excise duty, or allowing it to be imported under a customs duty.

2840. Not letting the Government interfere in the sale ?

Not allowing the Government to interfere in the sale. The Government, by adopting either of those plans, or both conjointly, would certainly save a great expense in the establishment they are obliged to keep up of godahs where the salt is stored, and a large establishment to protect the manufacture ; and although they might lose in one case, which is entirely a supposititious case, they would yet gain sufficient to make up the incidental loss.

Appendix E.—No. 36.

Extracts from Letters in reply to a Letter in the Revenue Department, dated the 17th January, 1832, circulated by the Commissioners for the affairs of India. See Enquiry of the Select Committee of the House of Commons in 1832.—Vol. VI. Report and Evidence. Part III. Revenue, page 449.

From D. HILL, Esq.

Salt is produced in the Madras territories not by boiling but by natural evaporation. The residue, after the salt water has evaporated, is gathered into heaps, and when perfectly dried is laid up in store as salt. It is more or less pure as the process has been performed with greater or less skill and care; but there is so much more of nature in the process than of art that it is commonly termed the cultivation of salt. When the monopoly was introduced, and the cultivation was taken into the hands of Government, it was agreed that the usual rent should be paid to the owners of the land on which the salt was produced. When the cultivation, as in some cases, was suppressed, the estimated rent was still allowed to the owners of the land. The manufacture and first sale at the salt pans are under a Government monopoly, but the retail sale afterwards is free. The expense of manufacture, including rent, has averaged, according to my recollection, about 15 or 16 rupees per garce. The monopoly sale price was originally 105 rupees per garce, it was reduced afterwards to 70 rupees, but it has recently been again raised to the former rate. The monopoly yields, I believe, a net revenue of between 20 and 30 lacks of rupees. I have 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; on the contrary, I am persuaded that even the remission of the tax would produce a loss of revenue unattended with any corresponding relief to the people. If the Government could spare this amount of revenue, relief would no doubt be afforded, though not to the extent of the revenue given up; but if the tax, either in substance or in mode, were only to be commuted, the burthen on the people would, in a great measure, remain where the tax had been removed, and would also be laid on where the tax was imposed.

Appendix E.—No. 36 A.

From J. A. DALZELL, Esq.

In India, bay salt, as an article of general consumption, as manufactured only on the sea coast, and as being unattended with waste in its use, is particularly fitted for easy, unburdensome, and productive taxation, and it does not occur to me 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.

APPENDIX F.

Rules for the Management of the Salt Department, circulated by the Madras Board of Revenue, for the Guidance of Collectors, December 23, 1850, with the subsequent Modifications and Additions, to the present time.

1. Advances for the manufacture of salt shall continue to be made to the manufacturers, according to local custom, as sanctioned by the Board of Revenue.* An annual statement shall be submitted, in the form prescribed by the Board's Standing Orders of the 13th of July, 1826, paragraphs 23, 24, and 25. The advances shall be made at the Hoozoor, and, when the manufacturers cannot conveniently attend and the amount of the advance is considerable, the Collector shall, whenever it be practicable, despatch one of his assistants to repair to the pans and superintend the payments of the advances.

2. During the period of manufacture, tom-toms shall be beaten at half an hour before sunset, to warn the manufacturers to depart; they shall again be beaten at sunset, and all the manufacturers shall then be required to leave the pans, by a prescribed route, so as to pass by the watching peons, whose duty it shall be to ascertain that they do not carry away any salt.

3. The salt shall be delivered into store by measurement only, and not by estimate—the measurement shall be conducted in the presence of the manufacturer, the accountant, and the local superintendent at the pans, and a receipt, written by the accountant and signed by the local superintendent, shall be given to the manufacturer, specifying the quantity, by measure, of salt delivered by him into store.

4. All salt thus delivered shall (without any distinction as to the particular manufacturer from whom it may have been received) be secured in one common store and be formed into heaps, of a regular shape, on a raised platform.

5. Each Collector will cause, at all the pans in his district, rectangular platforms of raised earth to be formed, three or four feet above the level to which water usually rises in the monsoon, and sufficiently extensive to contain the whole quantity of salt at the pans. These platforms shall be as large and as few in number as practicable, it being an object to secure as many heaps as possible upon the same platform. The earth to be dug for raising these platforms shall also be taken up in such a manner as to form a deep ditch round each of them, leaving only one broad entrance, and on the centre of each there shall be a raised mound of earth, for the hut of the watching peons.

6. Where it may not be attended with considerable expense and difficulty these platforms should be surrounded by palisades or hedges of prickly pear, aloes, &c., as well as by a ditch. At all events they should be enclosed in some manner, and the entrance especially should be palisaded and guarded by a gate.

7. Within the enclosures surrounding each platform, there shall be a separate space set aside, for the express purpose of measuring the salt.

8. The salt shall be stored in heaps of 10 garce, except in those districts in which the Board of Revenue may, for special reasons, order otherwise. The manufacturers shall not be obliged to give a surplus, before the actual measurement, on the plea of covering wastage, but a strict account of wastage on each heap shall be kept. The salt cotaura shall be periodically visited by the Collector or his assistants, and one or more heaps measured in their presence. A record of these measurements shall be kept in the Collector's office, in the event of the Board of Revenue requiring explanation on the subject. A quarterly account current of salt transactions is to be furnished, in English and Hindoovee, according to the accompanying form A, with its 3 enclosures B, C, D.

* *Vide* Circular Orders, 13th July, 1826, paragraphs 23 to 25, and 42.
 " " " 8th May, 1828.
 " " " 3rd May, 1832.
 " " " 11th February, 1833, paragraph 1.
 " " " 23rd July, 1838.
 " " " 21st October, 1850.

A.

SALT Account Current in the District of ——— from 1st April to 11th July, 1850, of Fusly 1259.

Cr.

1849 July 12.	To balance of quantity remaining in store at the end of last Fusly	Mds. S. C.	Mds. S. C.	1850 July 11	By sales for inland consumption.	Mds. S. C.	Mds. S. C.
1850 July 11.	To quantity manufactured and received into store.				To the end of last quarter		
	To the end of last quarter				In this quarter		
	In this quarter				By home consumption		
	To quantity gained by measurement in the salt of 10 gurce heaps.				To the end of last quarter		
	To the end of last quarter				In this quarter		
	In this quarter				By exportation.		
	To quantity of coofoasted salt.				To Calcutta on private trade:		
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
	To quantity of master salt.				To Chittagong		
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
					By wastage occasioned in Fusly 1258, written off under the sanction of Government, as communicated in the letter of the Secretary to the Board of Revenue, dated		
					Balance in Store		
					N B.—By wastage occasioned in Fusly 1259.		
					To the end of last quarter		
					In this quarter		
	Total Indian Munds				Total Indian Munds		

Dr.

MONEY Account Current for Salt from 1st April to 11th July, 1850, of Fusly, 1259.

Cr.

1850 July 11	To sales for inland consumption.	Rs. A. P.	Rs. A. P.	1850 July 11.	By servants' wages	Rs. A. P.	Rs. A. P.
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
	To home consumption				By drawback, including extra charges.		
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
	Total at 1 rupee per mound				By re-consumption		
	Do. at 15 annas per do.				To the end of last quarter		
	To exportation				In this quarter		
	To Calcutta on private trade				By salt manufacturer's share		
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
	To Chittagong				By advances for salt manufacture		
	To the end of last quarter				To the end of last quarter		
	In this quarter				In this quarter		
	To fractions gained by retail sales.				Total		
	To the end of last quarter				Net Revenue		
	In this quarter				Total		
	To fines, &c.				Company's Rupees		
	To the end of last quarter						
	In this quarter						
	To refund of extra charges						
	To the end of last quarter						
	In this quarter						
	To recovery of advances made for salt manufacture						
	To the end of last quarter						
	In this quarter						
	To refund of salt manufacturer's share						
	To the end of last quarter						
	In this quarter						
	Total Company's Rupees						

N B.—1st quarter to include 19th to 31st July, August, and September
2nd do. do. October, November, and December.
3rd do. do. January, February, and March.
4th do. do. April, May, June, and to 11th July

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APPENDIX TO SALT REPORT.

D.

STATEMENT showing the Salt Heaps sold from 1st April to 11th July, 1850, in the Cotours of the District of _____.

No.	Name of the Division.	No.	Name of the Cotau.	No.	Name of the Platform.	No. of Heap.	Of what Fully.	Quantity in each Heap.	Quantity sold.	Excess.	Deficiency.
1	2	3	4	5	6	7	8	9	10	11	12
								M. S. C.		•	
						•		•			

9. The salt heaps shall be stored in straight lines upon the platforms, as near as possible to each other, space being left for only one person to pass between each heap.

10. These rules shall be considered applicable as well to salt intended for exportation by sea, as to salt for home consumption, or inland sale; but Collectors may establish pans for exportation separate and distinct from those for home and inland consumption.

11. The accounts of the manufacturers shall be adjusted immediately on the salt being heaped and secured in store, and, after deducting any advances made, the balance due to them shall be paid without delay. If not attended with inconvenience to the people, it might be a further check upon the servants at the pan, to pay the manufacturers the balance due at the Hoozoor, their accounts being adjusted there. If the manufacturers cannot conveniently attend at the Hoozoor, and the amount due to them is considerable, the Collector shall, whenever it be practicable, depute one of his assistants to repair to the pans, and superintend the adjustments of the accounts and payment of arrears of coodewarum on the spot.

12. The superintendent at the pans shall be held responsible for any difference between the quantity stored, as per receipts given to the manufacturers, and the out-turn, allowing for wastage according to circumstances, to be regulated by the Collector, and remarked on in his accounts.

13. Each heap shall be numbered according to the order in which it is received in store, and the sale of the salt shall take place in the order of the number attached to the heaps.

14. The price of salt to retail dealers is one rupee per Indian maund, or 5 Mercals for 1½ rupees. Wholesale dealers, who are willing to purchase salt by the heap, taking it as it stands, and the next in order of sale, shall be permitted to have it at the rate of 114 rupees a garce, or 6 rupees below the established rate. A statement of the wholesale prices of salt prevailing in each district shall be furnished monthly, in accordance with the instructions contained in the Standing Orders of the 13th of July, 1826, para. 42.

15. Under whatever superintendent and accountant a heap of salt is opened, the whole of that heap shall, if possible, be sold off under the same servants.

16. On each heap being sold off, a special account of its produce, written by the accountant, and signed by the superintendent, shall be furnished to the Collector; and if there is a deficiency exceeding the per centage for wastage fixed for each heap by the Collector, these two servants shall be punished by fine or dismissal, unless they can satisfactorily prove that the deficiency was caused by unavoidable circumstances. A Statement of the wastage of salt sold is to be furnished annually to the Board, in English, in the annexed form E,

with a view to sanction being obtained for writing off the same in the accounts. Whenever the wastage at any pan may exceed the per centage fixed by the Collector, explanation of the cause should be afforded in the last column.

E.

STATEMENT showing the Quantity of Salt sold, and the Wastage on the quantity stored, in the District of ———, for Fusly, 1259.

Name of the Cotaur or Depôt.	Quantity stored.		Quantity sold.	Wastage.		Percentage of Wastage for each Cotaur fixed by the Collector, as per paragraph 16 of the Salt Rules.	Explanation of the cause of Wastage.	
	Fusly in which stored.	In each Fusly.		Total.	Amount of Wastage.			Centage.
1	2	3	4	5	6	7	8	9
		M. S. C.	M. S. C.	M. S. C.	ft. s. c.	M. S. C.		

17. In receiving and disposing of salt by measurement, the universal measure throughout the territories under this Presidency shall be the mercial of 828½ cubic inches—8 wide and 16½ deep—being 28½ cubic inches in excess of the standard fixed for other articles, 1 garce of 400 mercials being considered equal to 120 Indian maunds. The mercial is to be struck, and not heaped on any account, neither is the salt to be pressed into the mercial. The parrah is to be entirely discontinued, except where it has been specially authorized by the Board.

18. It being a material object to limit the retail sale of salt at the pans, it is determined that not less than five* mercials of salt shall be sold to any one person, except where the Board of Revenue may specially authorize a smaller quantity to be sold.

19. No salt shall be sold before sunrise, nor after five o'clock in the evening, and it shall be the duty of the watching peons on each platform to exclude every other person from these enclosures, from sunset until sunrise.

20. No lumbadies, or other inland wholesale merchants, shall be allowed to encamp within 100 yards of any salt platform, heap, or pan, and during their continuance in the vicinity of any pan, the watching peons shall be specially attentive to the preceding rule. The watching peons shall not allow any quantity of salt whatever to be either measured, or removed from a platform, until the rowannah, or other delivery certificate, for it, is previously produced to them.

21. No peons, or other persons, shall be deputed to meet lumbadies, or other wholesale inland dealers; nor shall any inducement whatever be held out to them to resort to one pan in preference to another.

22. The Collectors of those districts whence salt is exported to Bengal on private trade, shall submit, at the end of every month, a Statement, in the

* The minimum of five mercials here fixed has been reduced in some districts to a single mercial, equal to 12 Indian seers. See Notes 1 to 4 to Circulars of the 20th January, 1853.

accompanying form F, showing the different ports whence salt can be exported on private trade to that Presidency, and the quantity in readiness for that purpose.

F.

STATEMENT showing the Quantity of Salt in Store available for Exportation to Calcutta on Private Trade, at each of the several places of Export in the District of -----.

Places at which Salt is available for export by Sea.	Quantity to be exported in 1850-51.	Quantity already exported.	Quantity remaining to be exported.	Quantity at present in store and available for export	REMARKS.
1	2	3	4	5	6
	M. S. C.	M. S. C.	M. S. C.	M. S. C.	

23. Sales of salt for export by sea shall, as heretofore, be conducted by weight, at the rate of 1 garce for every 120 Indian maunds of 3,200 tolas each.

24. Salt intended for private trade to the Calcutta market shall be delivered to exporters at 15 rupees per 100 Indian maunds, or 18 rupees a garce, inclusive of shipping charges; and these exports shall be confined to such vessels only as, being square-rigged and of not less than 200 tons, are of such a class that they must necessarily either take a pilot, on entering the Hooghly, or vitiate their insurance.

25. No shipment of salt on private account should be allowed on the same vessel on which salt is being imported in part of a Government indent.

26. A sealed packet, containing a sample of the salt exported to Calcutta or Chittagong, on a Government indent, shall be forwarded by every ship laden for either of those ports with salt. If the salt prove inferior to the sample, the Collector's certificate shall prove null and void, but if equal in quality the salt will be paid for on delivery.

27. In entering the "charges of manufacture" only those on the quantity actually sold are to be entered and not the charges on the gross quantity *manufactured*.

28. In the salt accounts the sales for home and inland consumption shall be carefully distinguished, and the latter again subdivided into two heads, "for other districts" and "foreign states." By home sales are always to be understood sales of salt for the consumption of the district within which such salt may be manufactured and sold, and by inland sales those for the supply of other districts, or of the territories of native states.

29. A quarterly* statement of the sales of salt is to be furnished to the Board, in English, in the accompanying form G.

* Since made *Annual* by Circular dated the 12th of July, 1852.

G.

COMPARATIVE STATEMENT, showing the quantity of Salt sold for Home and Inland Consumption, its price per Maund, and the proceeds realized from its Sale, within the District of — for the Quarters ending 31st July, 1849, 1850, and 1851, respectively.

Home or Inland Consumption.	1st May to 31st July, 1849.			1st May to 31st July, 1850.			1st May to 31st July, 1851.			Remarks.
	Quantity of Salt.	Rate of Price per Indian Maund.	Amount.	Quantity of Salt.	Rate of price per Indian Maund.	Amount.	Quantity of Salt.	Rate of Price per Indian Maund.	Amount.	
1	2	3	4	5	6	7	8	9	10	11
	M. S. C.	R. A. P.	R. A. P.	M. S. C.	R. A. P.	R. A. P.	M. S. C.	R. A. P.	R. A. P.	
For Home Consumption.										
Inland ... { Other Districts } { Foreign } { States }										
Total										
Grand Total ..										

30. A Statement in the accompanying form H, showing the balance of salt at the beginning of the year, the quantity manufactured and sold during the year, and the balance in store at its close, with the financial results of this source of revenue for five previous years, is to be forwarded with the report on the extra sources.

H.

STATEMENT showing the Balance of Salt on hand at the beginning of the year, the Quantity Manufactured and Sold during the year, and the Balance in Store at its close, with the Financial Results of this source of Revenue from Fusly 1251 to 1256.

Fusly.		QUANTITY SOLD DURING THE YEAR.													REMARKS.				
1	2	3	4	5	6	7	8	9	10		11	12	13	14	15	16	17	18	
M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. D.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	M. S. C.	R. A. P.	R. A. P.	R. A. P.		
Balance on hand at the commencement of the year.	Quantity manufactured during the year, including gain by measurement, spontaneous and smuggled Salt, &c	Quantity stored annually from the end of the previous and current years, including gain by measurement, spontaneous and smuggled Salt, &c	Total in Store, as per columns 2 to 4.	Quantity Sold for consumption within the District.	Quantity Sold for consumption within the Madras Territories, exclusive of column 6.	Quantity Sold for transportation across the Frontier, to the States in the interior.	Quantity Sold to French Government.	Under regulation from Government.	On private account, whether to Calcutta or other places.	Wastage.	Total columns 6 to 12.	Balance in Store at the close of the year, or difference between columns 6 and 13.	Gross Revenue derived from the sale of Salt in column 13.	Deduct charges of all descriptions, exclusive of recoverable advances.	Net Revenue.				
1251																			
1252																			
1253																			
1254																			
1255																			
1256																			
<p>The rates at which salt was sold in each year for inland consumption, for exportation by sea, and supply to the French Government, &c., should be mentioned in this column.</p>																			

K.

STATEMENT showing the particulars of Money Transactions, in Receipts and Disbursements on account of Salt, for Fuslies 1259 and 1260.

PARTICULARS.	Fusly 1259.		Fusly 1260.		Comparison of the two Fuslies.	
	R.	A. P.	R.	A. P.	Increase.	Decrease.
RECEIPTS.						
Balance of cash in hand at the commencement of the year						
Cash by sales for consumption within the district						
Cash by sales to other districts						
Cash by sales to Foreign States						
Cash by exports by sea						
Refunds of Sibbendy charges						
Refunds of codewarum for salt supplied to the French Government						
Refunds of tucaveo						
Refunds of mammut charges						
Fines						
Smuggled salt						
Refunds of extra underward						
Refunds of charges of Collection						
Gain by exchange						
&c. &c. &c.						
Total Receipts—Rupees						
DISBURSEMENTS.						
Salary of the establishment						
Codewarum						
Tucaveo repayable						
Repairs						
Value of salt supplied to the French Government						
Roosooms to De vastanams, &c.						
Extra and underward charges						
Charges of export						
Reward for seizure of smuggled salt						
Shipping charges for salt-exported to the French Territories						
Yeomiah or other allowances						
Value of salt purchased from other districts						
Salt compensation						
Hire of boats						
&c. &c. &c.						
Total Disbursements—Rupees						
Balance on the 11th July—Rupees						

L.

STATEMENT showing the Annual Sales of Salt.

No.	Fishes.	Home Consumption.		Inland Consumption.		*Supplied to Foreign States.		Exported by Sea.		Total.		Remarks.
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	
1		2	3	4	5	6	7	8	9	10	11	12
		M. S. C.	R. A. P.	M. S. C.	R. A. P.	M. S. C.	R. A. P.	M. S. C.	R. A. P.	M. S. C.	R. A. P.	
	1250 ..											
	1251 ..											
	1252 ..											
	1253 ..											
	1254 ..											
	1255 ..											
	1256 ..											
	1257 ..											
	1258 ..											
	1259 ..											
	Total ..											
	Average ..											
	1260 ..											
	Increase ..											
	Decrease ..											

Additional Rules subsequently issued.

1. In future statements two columns to be introduced, to show the prime cost and monopoly value, respectively, of salt lost by wastage. Circular, 8th May, 1851.

2. The receipt and sale of salt to be regulated, in future, in all cases by the Indian maund, and the accounts to be kept and the returns to be furnished accordingly, but the mercial may be used in the measurement of salt either when that article is received into store or retailed on private sale. Circular Orders, 20th of January and 7th of March, 1853.

3. The practice of selling at the pans before storage prohibited. Note 5, to Circular of the 20th of January, 1853.

4. Rowannahs not to be returned to the place of issue. Circular dated 11th of April, 1853.

GEO. PLOWDEN,
Commissioner.

(True Copy.)
With notes and additions.

* Columns 4, 5, 6, 7, altered so as to distinguish the inland consumption of other districts and of Foreign States, by Circular dated the 29th July, 1852.

APPENDIX G.

Correspondence and Papers relating to the Manufacture, Consumption, and Taxation of Earth Salt.

- No 1.—Extract from the Proceedings of the Madras Board of Revenue, dated the 10th July, 1848.
- No. 2.—Extract from the Minutes of Consultation of the Madras Government, dated the 10th October, 1849.
- No. 3.—Extract from the Proceedings of the Madras Board of Revenue, dated the 1st May, 1851.
- No. 4.—Minute by the Honourable Mr. Elliot, dated the 21st May, 1851.
- No. 5.—Minute by the Honourable Mr. Thomas, dated the 22nd May, 1851.
- No. 6.—Minute by Sir Henry Pottinger, dated the 26th May, 1851.
- No. 7.—Extract from the Minutes of Consultation of the Madras Government, dated the 19th June, 1851.
- No. 8.—Extract from a Letter from the Court of Directors to the Madras Government, dated the 10th November, 1852.
- No. 9.—Extract from the First Report of the Public Works Commissioners, Madras, dated the 23rd September, 1852.
- Parliamentary Paper—Select Committee of the House of Commons in 1832.
- No. 10.—Extract of a Letter from J. A. Dalzell, Esq., in reply to a Letter dated the 17th January, 1832. Circulated by the Commissioners for the affairs of India.

Appendix G.—No. 1.

Extract from the Proceedings of the Board of Revenue, dated 10th July, 1848.

1. In his letter of the 9th of January, 1847, the Collector of Bellary stated that the salt modahs, or hillocks, of his district, might be considered as referable to 16 classes, distinguished according to the number of men and cattle employed in them, but taxed very unequally, even as respected those of the same class, and without any regard to the value of the salt produced. These several classes, their maximum and average rate of assessment, with other particulars, are shown in the annexed table:—

Items.	The different classes of Modahs or Earth Salt Hoops.		Total Number of Modahs	Amount of Tax for July 1255.		Per Modah.										
						Average.	The Highest Price.	The Lowest Price								
	No of Buffaloes	No of Persons		R.	A.	P.	R.	A.	P.							
Worked by both Persons and Buffaloes.	1st	4	8	4	78	8	0	18	20	28	0	0	12	0	0	
	2nd	4	4	51	431	10	0	8	7	8	28	0	0	2	4	0
	3rd	3	0	4	38	0	0	9	8	0	12	0	0	8	0	0
	4th	3	5	2	13	4	0	6	10	0	7	0	0	6	4	0
	5th	3	4	4	38	4	0	9	9	0	19	12	0	3	12	0
	6th	3	3	42	218	0	0	5	8	0	19	0	0	2	4	0
	7th	2	4	89	958	15	0	5	10	0	27	11	0	1	8	0
	8th	2	3	228	1,585	4	0	6	15	5	19	12	0	1	0	0
	9th	2	2	694	3,044	3	0	4	8	2	20	0	0	0	8	0
	10th	1	3	10	68	0	0	5	12	9	0	0	0	2	0	0
	11th	1	2	697	2,918	7	0	4	14	0	21	0	0	0	15	0
	12th	1	1	804	2,230	0	0	2	13	0	15	0	0	0	3	6
			2,539	11,608	8	0	4	9	8	28	0	0	0	3	6	
Worked by Persons only.	No of Persons															
	13th	4	0	36	4	0	6	0	8	9	0	0	2	0	0	0
	14th	3	3	15	8	0	5	2	8	11	0	0	2	0	0	0
	15th	2	117	739	11	0	6	5	0	19	0	0	1	0	0	0
	16th	1	140	293	2	0	3	11	0	7	12	0	1	4	0	0
			266	1,084	9	0	4	1	4	19	0	0	1	0	0	0
	Total number worked		2,805	12,692	12	0	4	8	0	28	0	0	0	3	6	0
	Not worked		84	412	8	0	4	14	6	23	0	0	0	4	0	0
	Grand Total		2,889	13,105	4	0	4	8	0	28	0	0	0	3	6	0

2. With a view to equalize the assessment, and proportion it to the value of the manufacture on which it was to fall, the Collector proposed, by combining some of the classes above given, to reduce them to eight, and to assess each class of Modah at 10 or 12 per cent. on the value of the salt produced in it. This plan will be seen more clearly by reference to the subjoined Table:—

Income.	CLASS.		Estimated for each Modah.		Aggregate Number of Modahs.			Tax Collected in Fyuly 1255.	
			Value of Salt Manufactured.	Tax at 10 per cent.	Total No.	Total Value of the Produce.			Tax at 10 per cent.
						R. A. P.	R. A. P.		
Modahs worked by both Persons and Buffaloes.	No of Buffaloes.	No of Persons.							
	4	4	100 0 0	10 0 0	55	5,500 0 0	550 0 0	505 2 0	
	3	3	75 0 0	7 8 0	52	3,900 0 0	390 0 0	307 14 0	
	2	3	62 8 0	6 4 0	327	20,437 8 0	2,043 12 0	2,544 8 0	
	2	2	50 0 0	5 0 0	694	34,700 0 0	3,470 0 0	3,044 3 0	
	1	2	37 8 0	3 12 0	607	22,762 8 0	2,276 4 0	2,976 7 0	
	1	1	25 0 0	2 8 0	804	20,100 0 0	2,010 0 0	2,230 6 0	
					2,639	1,07,400 0 0	10,740 0 0	11,608 3 0	
Modahs worked by manual labor alone.	..	2	25 0 0	2 8 0	126	8,150 0 0	815 0 0	791 7 0	
	..	1	12 8 0	1 1 0	140	1,750 0 0	175 0 0	293 2 0	
					265	4,900 0 0	490 0 0	1,084 9 0	
					2,805	1,12,300 0 0	11,230 0 0	12,602 12 0	

3. The total amount of revenue which would be raised at a per centage of 10 per cent. would be, rupees 11,230, or rupees 1,875:4 below the beriz of Fyuly 1255. That to be yielded at 12 per cent. would be 13,476 rupees, or 371 rupees above that beriz. The maximum or minimum rates at 12 and at 10 per cent. are 12 rupees and 1 rupee 8 annas, and 10 rupees and 1½ rupees, respectively. The value of the earth salt was taken at 100 rupees per garce, being less by nearly one-third than the average selling price (145r. 1a. 4p.) stated in Mr. Mellor's letter of the 25th of April, 1844; but it is represented that the manufacturers are in the habit of disposing of their produce at prices much below the bazaar rates.

4. In Cuddapah the manufacture of earth salt was prohibited in 1812, prior to which date house-tax or moturpha, though to no considerable amount, seems to have been collected from the Woopowars, or salt manufacturers. Since the prohibition, though salt has continued to be made, no tax on this article specifically has been levied from those engaged in the manufacture. The salt modahs in Cuddapah are reckoned to be 1708, of which 906 produced salt of the better, and 802 that of an inferior quality, the quantity of salt yielded daily by one of the latter description is double that derived from one of the former, but the second class salt is of only half the value of that of the first. Thus the value of the quantities produced in each class of salt hillocks in equal times is the same, being on an average 1 rupee in two days, or 45 in the three months which constitute the working season. Of this, 35 rupees 12 annas are supposed to be absorbed in charges, and 9 rupees 4 annas to represent the profit realized annually from each hillock, the average selling price of earth salt in Cuddapah being given at 75 rupees per garce. It was proposed to tax the modahs at rates varying from 5 to 2 rupees, and averaging 3½ rupees each, and the aggregate revenue thence derivable would be 5,978 rupees per annum, or 5r. 3a. 6p. per garce on the total quantity produced.

5. In their proceedings of the 30th of September, 1847, in commenting upon the reports of which an abstract has been above given, the Board remarked that Mr. Mellor's plan did not appear to provide for those of the existing modahs, which did not exactly fall under any of the classes contemplated in his scheme. It was their opinion that none of those now worked should be suppressed, but that they should be assessed according to the number of men and cattle employed upon them, or with reference to the quantity of salt manufactured. It was further suggested that the same rates might be made applicable to both Bellary and Cuddapah, the Collectors of those provinces were therefore directed to communicate with each other, and to state whether uniform rates of tax might not be adopted throughout the Ceded Districts. At the same time it was resolved to refer to the Government agent at Kurnool with a view to ascertain the practice obtaining in respect to the assessment of earth salt in the province under his management, and how far it might be assimilated to that proposed to be carried out in Cuddapah and Bellary.

6. In his reply of the 22nd of May last, reported at the head of these proceedings, the Collector of Bellary has pointed out that the rates proposed in his previous classification of the salt modahs were based upon the supposition that the value of the article produced by each man or buffalo was 12r. 8a., the tax on which, at 10 per cent., would be 1r. 4a. Thus, in his first class, the number of men and cattle employed are 8*; the value of the produce is taken at 100 rupees, the tax at 10, being thus, respectively, 12½ rupees, and ½ rupee per man or bullock, as already stated. On this principle it will be easy so to arrange the rates of assessment on the various classes of modahs as to admit of their adaptation to any number of men or cattle that may be employed.

7. In his answer of the 24th of April last, the Collector of Cuddapah has stated that he does not consider it practicable to assimilate the rates of assessment in his own district to those proposed for Bellary, mainly, as it would seem, from the superiority in the quality of the salt produced in the latter district, and the greater quantity which is yielded by the same amount of labour. He is of opinion that no higher tax than 8 per cent. *ad valorem* could be imposed in Cuddapah, that proposed for Bellary being 10 or 12. He has at the same time more fully developed his original plan, and introduced some modifications. It is now intended to have six classes of modahs distributed according to the number of men or buffaloes employed at them, and to the quantity produced, and for each class there are to be three rates of assessment, graduated according to the saline properties of the earth used, and its distance from the place of manufacture, as shown in the subjoined statement:—

Modahs or Hilllocks, worked by Manual Labour alone	Number of Modahs	Number of men employed.	Number of Hilllocks.	Estimated value of produce in each Hilllock	Estimated value of produce in the total number of Hilllocks	Estimated Rate proposed to be fixed.						Centage between Columns 5 and 10.
						Rate of Tax fixed on 1st Class Hilllock, which is situated on the place where the produce is prepared, but of inferior quality	Rate of Tax fixed on 2nd Class Hilllock, which is situated within a mile distance from the place where the produce is prepared, but of inferior quality	Rate of Tax fixed on 3rd Class Hilllock, which is situated from the place where the produce is prepared, but of the same being of inferior quality	Average rate of Tax per each Hilllock.	Estimated Tax upon the total No. of Hilllocks		
	1	2	3	4	5	6	7	8	9	10	11	
Modahs or Hilllocks, worked by both Buffaloes and Persons.												
	1	1	406	22 8	9,135 0	RS. A. 2 0	RS. A. 1 12	RS. A. 1 8	RS. A. 1 12	RS. A. 710 8	..	
	2	2	485	45 0	21,825 0	4 0	3 8	3 0	3 8	1,697 8	..	
	3	3	419	67 8	28,282 8	6 0	5 4	4 8	5 4	2,199 12	..	
	4	4	136	90 0	12,240 0	8 0	7 0	6 0	7 0	952 0	..	
			1,446	225 0	71,482 8			..	..	5,659 12	7 12 5	
		2	166	15 0	2,490 0	1 8	1 4	1 0	1 4	207 8	..	
		4	96	30 0	2,880 0	3 0	2 8	2 0	2 8	240 0	..	
			262	45 0	3,370 0			..	..	447 8	8 5 4	
			1,708	270 0	76,852 8			..	..	6,907 4	7 13 1	

* 4 men, 4 Buffaloes = 8.
3 C 2

The highest rate will be 8 rupees, the lowest 1 rupee, and the aggregate assessment will be 6,007rs. 4a. or about 8 per cent. on the value of the salt produced, the highest rate which could be imposed, in Mr. Cochrane's opinion. It is not expected that more than four buffaloes will be worked in any one modah. Should more men be employed than are provided for in the table for each class, they may be taxed additionally at rates varying from 12 to 8 annas per man.

8. From the report* of the Government agent at Kurnool, it will appear that the number of salt modahs worked in his district is only 60, distributed according to the number of men or cattle into 10 classes, assessed at rates referable to no fixed principle, but ranging from 17 rupees to 1 rupee. The salt is represented as being inferior in quality to that made in Cuddapah or Bellary, and the profit gained by the manufacturers as small. The total revenue derived from these modahs is also considerable, being for Fusly 1256 (A.D. 1846-7) only 347r. Mr. Phillips expresses himself averse to any interference with the existing rates unless it be to reduce them by levying 10 or 12 per cent. on the value of the article produced, under which arrangement the salt cultivators will be benefited to the extent of 152½ rupees or 89½ rupees, according as the lower or higher per centage be adopted. It is however suggested "that to rent the privilege of making earth salt for a few years would lead to a knowledge of the assessment which the cultivators can fairly bear, better than any other plan, for it is obvious that they would abandon their salt cultivation if the renters attempted to enforce unreasonable rates, and those which would be found in force, when again taken under Amani, would perhaps be as good a guide as can, under present circumstances, be secured for levying the tax."

Bellary.

9. It has been shown in paragraph 3 of these proceedings that the total amount to be derived from a tax of 10 per cent. on the value of earth salt, produced in the Bellary modahs,† would fall considerably below the present revenue; whereas that which would be realized by adopting the rate of 12 per cent. would exhibit a small increase above it. The Board are not aware why any reduction should be made in the present beriz, under the new arrangements—they have no reason to believe the tax now levied to be excessive in the aggregate, and the manufacturers must of course have benefited by the abolition of the inland duties, and will derive further advantage when the frontier Customs shall also be discontinued. Taking, therefore, the rate of 12 per cent. on the value of the salt produced in each heap, the scale proposed by the Collector will be as under shown:—

	Buffaloes	Men	Value of Salt manufactured in each Modah.	Tax on each at 12 per cent.	Number of Modahs.	Total Assessment.
1	4	4	100 0	12 0	55	660 0
2	3	3	75 0	9 0	52	468 0
3	2	3	62 8	7 6	327	2,452 8
4	2	2	50 0	6 0	694	4,164 0
3	1	2	37 8	4 8	607	2,731 8
6	1	1	25 0	3 0	804	2,412 0
7	0	2	25 0	3 0	126	378 0
8	0	1	12 8	1 8	140	210 0
					Total . . .	13,476 0

The maximum and minimum rates will be, respectively, 12 rupees and 1 rupee 8 annas. The highest and lowest rates at present are 28 rupees 3 annas and 5 pies. Thus it will be seen that while the plan proposed will effect a great reduction in the higher rates now in force, it will raise the lowest rates by more than 600 per cent., the Board regret this latter circumstance, but it seems to them to be inseparable from any attempt to introduce regularity and uniformity into so anomalous a system as that which now prevails, and they do not see how it is to be remedied, without departing from the principle laid down by the Court of Directors,‡ viz., that of proportioning the tax to the quantity and value of the article manufactured.

10. It was objected to the scale of rates submitted by Mr. Mellor, that it excluded some of the present classes of salt modahs. On referring, however, to

* 12th February, 1848.

	Fusly	Rs.	A.	P.
† Beriz for 1255	13,105	4	0
Do. at 10 per cent.	11,230	0	0
Do. at 12 per cent.	13,476	0	0

‡ From Government 13th February, 1846

the existing distribution, as shown in paragraph 1 of these proceedings, it will be perceived that the number of modahs in some of the classes is very small. Thus the number worked by 4 buffaloes and 8 men is only 4, that by 3 buffaloes and 6 men is also 4, that by 3 buffaloes and 5 men only 2, by 3 buffaloes and 4 men only 4; so the number of those worked by 4 coolies without cattle is but 6, that worked by 3 coolies is but 3. All such cases may therefore, the Board think, be referred to the classes nearest to them in the proposed revision; thus the modahs worked by 4 buffaloes and 8 coolies may fall under the first class, those by 3 buffaloes and 6 men, 3 buffaloes and 5 men, or 3 buffaloes and 4 men, may be referred to the second classes, an extra charge of 1 rupee 8 annas being made on each, for each additional man employed. It is however observed that the number of modahs worked by two buffaloes and 4 men amounts to 99, and that it is not contemplated that this shall form a distinct class under the new arrangement. The value of salt produced by each man and buffalo being estimated by the Collector as the same, viz., 12 rupees 8 annas, that of the salt manufactured by 2 buffaloes and 4 men may be regarded as equivalent to that produced by 3 buffaloes and 3 men; and the modahs of the former description may be ranged under the second of the new classes. This adaptation of the old to the new classes will be more clearly perceived in the following statement.

Class	Buffaloes.	Men.	Number of Modahs.	Number to be comprised under same Class in the new arrangement.	Tax on each Class.
1st Class	4	8	4	55	12 rs. with additional tax of 1½ rs. on each man employed above four.
	4	4	51		
2nd do.	3	6	4	151	9 rs. on two last descriptions of modahs a and b, same on three first with an extra 1½ rupee on all men above three.
	3	5	2		
	a3	3	42		
3rd do.	b2	4	99	228	7r. 8a.
	2	3	228		
4th do.	2	2	694	694	6r.
5th do.	1	3	10	607	4r. 8a. with 1½ r. additional on each modah worked by 1 buffalo and 3 men.
	1	2	597		
6th do.	1	1	804	804	3r.
	0	4	6		
7th do.	0	3	3	127	3r. with 1½ r. extra on each man at work beyond 2.
	0	2	117		
8th do.	0	1	140	140	1r. 8a.

11. The Board concur with the Collector of Cuddapah in opinion that it is not necessary to enforce uniformity in the rates of assessment to be imposed on the Bellary and Cuddapah salt modahs, both for the reasons which he has urged, and because whereas the present measure, as it respects the former district, is but the revision of a long existing impost, it is in Cuddapah tantamount to the introduction of a new tax, no assessment having been levied upon the salt manufacturers of that province since 1812, and the amount realized before that period being, it would seem, inconsiderable. Under such circumstances the levy of a per centage of 8 per cent. on the value of the salt manufactured, will, in the judgment of the Board, be sufficient for the present at least; they do not however approve of that part of Mr. Cochrane's plan which would vary the rate payable by each class of modah, according to its distance from the earth used in it and similar considerations; the arrangement would, it appears to them, be one difficult to carry out in practice, and which would leave too much to the discretion of native revenue servants, they would therefore adopt the average rates which he has given uniformly, according to the annexed table:—

Class	Buffaloes	Men.	Value of Produce.	Rate of Tax.	REMARKS.
1st	4	4	90 0	7 0	Ten annas additional to be added for each cooly employed above those entered in the several classes.
2nd	3	3	67 8	5 4	
3rd	2	2	45 0	3 8	
4th	1	1	22 8	1. 12	
5th		4	30 0	2 8	
6th		2	15 0	1 4	

12. From the foregoing remarks it will be perceived that the principle on which the Collectors of Bellary and Cuddapah have proceeded is the same, and is in accordance with the instructions of the Court. Both officers have ascertained to the best of their power the value of the salt manufactured in the several descriptions of hillocks in their districts, and have attempted so to arrange their proposed classes of modahs, and the rates of assessment leviable upon them, that the tax shall bear an equitable and uniform per centage to the value of the article on which it is to fall, the per centage being higher in Bellary than in Cuddapah, for reasons already explained. It is of course evident that the difficulty of gaining information in such inquiries, where much must be taken on the assertion of interested parties, is considerable; but the Board regarding the suggested arrangements, as explained in the preceding paragraphs 10 and 11, to be on the whole satisfactory, would recommend that they be sanctioned for five years from the commencement of the approaching Fusly 1258 (A.D. 1848-49) at the expiration of that period they should be open to such revision as greater experience and knowledge of the subject may show to be requisite.

Kurnool.

13. Considering the small number (60) of the salt modahs in Kurnool, and the little revenue derived from them, the Board are not of opinion that any revision of system is very urgently required. They are however inclined to support the agent's recommendation, that the mode of assessment in his district be assimilated to that to be adopted in Cuddapah and Bellary, and a tax of 12 per cent. on the value of the salt produced in them levied on the different hillocks, in lieu of the present rates, which it is observed, would involve a reduction of this branch of revenue to the extent of 89½ rupees. The Board are not inclined to support Mr. Phillips' suggestions, for renting out the privilege of making earth salt.

Appendix G.—No. 2.

Extract from the Minutes of Consultation of the Madras Government dated the 10th October, 1849, on the Extract from the Proceedings of the Board of Revenue, dated 10th July, 1848.

Paragraph 1. The Governor in Council observes, that the manufacture of earth salt in the provinces of the Madras Presidency is a subject that has come under the notice of the local authorities, the Board of Revenue and the Government at different times and in a variety of shapes, and being beset with difficulties has never been conclusively settled.

2. Under Section 3, Regulation I, of 1805, "the manufacture or sale of salt, and the transit, export or import of it, whether by sea or land," excepting on account of Government, is forbidden. Petty offences against the Salt Laws were formerly cognizable by the Criminal Courts, and the inconveniences arising from this mode of procedure since modified by Act XVII of 1840, vesting this power in the magistrates, was exemplified in an instance brought before Government in 1840.*

3. Earth salt is manufactured extensively in the Bellary district, and exists also in Cuddapah and in Kurnool, the article, it is stated, may be imported with facility from the adjoining Native States. It is prepared also in the Tondiman country, and a recent correspondence† has brought to notice an instance of extensive smuggling detected in Madura. There is, therefore, great reason to believe, that not only clandestine manufacture exists at other places, but that an illicit traffic is also carried on to a much greater extent than is known to the local officers, causing, to a nearly equal extent, injury to the revenues of Government arising from the salt monopoly.

4. In the Bellary district, the manufacture of earth salt has existed from time immemorial, Mr. Mellor's report of the 25th of April, 1844, shows that the subject had engaged the attention of the Board of Revenue and the local officers so far back as the years 1808 and 1812; that, in 1813, Mr. Chaplin stated that the Board having directed the gradual abolition of the manufacture of earth salt, he had of late discouraged it, and contemplated its early extinction. It is, however, now shown that the manufacture still continues as a matter of necessity, the article being extensively used by the great body of the poorer classes, both for themselves and for their cattle, not only is it so manufactured for consumption in the district, but for extensive exportation. In Cuddapah and Kurnool,

* In Consultations, 14th January, 1840, Nos. 13, 14. In Despatch 31st May, 1844, No. 8, paragraph 77.

† Despatch, 4th April, 1846, Nos. 14, 15.

no such necessity would appear to exist, although clandestine manufacture is continued.

5. The earth salt of Bellary is reported to be a wholesome condiment; in Madura the earth salt confiscated in illicit traffic was destroyed as being deleterious. In Cuddapah, the article is stated to be inferior to that of Bellary, and the Kurnool to be inferior to both.

6. The earth salt in Bellary is manufactured in 800 villages, the number of mounds or places of manufacture being 2,805; the article previous to Act VI, of 1844, paid a transit duty exceeding rupees 3,000 per annum, which has since been discontinued, and the manufacturers paid, and continue to pay, a moturpha tax bordering on rupees 13,000 per annum. Like all other items of moturpha the tax is arbitrary, regulated on no fixed principles, and is as various in its details, as are the classification of the mounds, and the means by which they are worked. The quantity of salt produced in Bellary is 1,100 garces, of which it is represented that one-fourth is exported.

7. In Cuddapah the manufacture though prohibited in 1812 is still clandestinely carried on; there are 1,708 hillocks capable of producing salt, partly of the first quality, and partly of the inferior kind; no revenue is realized, and the Collector proposes to tax each mound. In Kurnool the manufacture is very limited.

8. The Court of Directors remarking on Mr. Mellor's report of the 25th of April, 1844, approved of the Government having withheld consent to the strict enforcement of the provisions of the law as it regarded the earth salt in Bellary, and observed that, if the practice is to be permitted, it would be desirable to place the manufacture under a more defined system of regulation, and instead of levying moturpha on the manufacturers to tax the produce moderately.

9. In pursuance of these orders the Board of Revenue recommend a plan of procedure in Bellary, which to the Government appears to be as complicated as the one it is intended to supersede; they propose to reduce the number of classes now existing from 16 to 8, to estimate according to a graduated scale the value of each mound, according to the means employed in its produce, and to tax that valuation at 12 per cent.; where the old classification is not adapted to the present scale, such are to be added to the nearest classes, with an addition to the tax according to circumstances. A system upon similar principles is proposed for Cuddapah, with the difference only in the per centage which is limited to 8. In Kurnool it is proposed to assimilate the mode of assessment with that of Bellary.

10. The financial effect of these propositions will be the levy of the usual moturpha tax in Bellary on the produce, so adjusted that a great reduction will be effected in the higher rates now in force, while the lowest rates will be increased more than 600 per cent. without any advantage in point of revenue. In Cuddapah, if the Government understand the matter rightly, a new revenue will be raised of rs. 6,000 per annum, while in Kurnool there will be a small diminution of rs. 89½.

11. One object which the Board of Revenue have in view in these arrangements is (p. 11) to leave as little as possible to the discretion of native revenue servants, yet in paragraph 10 they propose to lay on an extra tax on hillocks where extra hands may be employed, a measure which necessarily involves the very interference they desire to prevent, and the classification, moreover, which they desire to reduce to 8 is virtually increased, by this means to 12 if not more.

12. The Governor in Council is of opinion, that the orders of the Court "to place the manufacture under a more defined system of regulation," have not been accomplished by the propositions of the Board of Revenue, nor does it appear to him that their orders to impose "a moderate tax proportioned to the quantity manufactured" contemplated a plan to tax the poorer classes in Bellary more than 600 per cent.

13. If, as in 1812 in Cuddapah, and as stated by Mr. Chaplin in Bellary in 1813, the prohibition of the manufacture of earth salt had been steadily persevered in from year to year, and the attention of the local officers especially directed to this object, there seems reason to believe that the necessities of the people would have devised other means of supply, and the manufacture, if not altogether abandoned, would have been too limited to admit of export.

14. The distance of Bellary from the coast may, with some justice, be urged as an argument in favour of the poorer ryots there; the high prices of marine salt may induce the clandestine manufacturer of earth salt, but no less may it be inferred, that the permission for this manufacture has tended to check the admission of marine salt to the degree necessary to meet the wants of the community, thus causing a rise in its price beyond the means of the poor.

15. The reports furnished by the Collectors of the Ceded Districts on the subject of earth salt convey only information recently obtained "to the best of their power," and from "interested parties;" they would seem not to have given that attention to it which its importance demanded. The Governor in

Council apprehends that what was intended by the Court of Directors as a defined system of regulation was such a one as would keep the local officers in a condition to command complete information at any time, and to check undue interference with the general trade or consumption of the marine salt.

16. Now that the manufacture of earth salt in the Ceded Districts and Kurnool has existed for such a length of time unnoticed and unchecked, the point for inquiry is, in what way the views of the Court may be carried out without inconvenience to the people, or detriment to the revenue; and the Governor in Council would suggest, for the consideration of the Board of Revenue, whether the manufacture should not be legalized under Section III, Regulation I, of 1805, and permitted under a licence; or whether it would not be possible to farm under suitable rules and restrictions, either to the principal manufacturers themselves or to others, both the manufacture and sale of the article, in common with other sources of revenue, on principles similar to that by which the abkarry rents are already farmed.

17. In the latter of these plans the Governor in Council thinks, that by a well-arranged contract, the present revenue from moturpha may be fully secured, without detriment to the interests of the manufacturers or consumers. The contract should stipulate that principal mounds alone should be worked, and such a number as would make produce equal only to the wants of the community, as far as they can be ascertained; another stipulation should be, that no part of the produce should be exported out of the district, especially to Native States. The contract should distinctly specify the places and the particular mounds which are to be worked, so that the officers of Government may have the means of commanding all information in respect of them, and to guard against undue advantage on the part of the contractors; the rate at which the article is to be sold should be defined, as well as the maximum quantity to be sold to each individual on each occasion, the same being just sufficient to admit of retail.

18. The system of illicit traffic requires also that the attention of the Board should be given to rendering more efficient the means for preventing the import of earth salt, the manufacture of Native States, into the Company's provinces.

19. The general question of the moturpha revenue of which the tax on earth salt forms a small portion in Bellary is at present engaging the attention of Government. The Court of Directors have likewise, in paragraphs 27 to 30 of their Revenue Despatch, dated the 31st of December, 1847, No. 29, desired that the Board of Revenue should be called upon to report the bearing of the salt tax, and other details connected with the general operation of the salt monopoly, and, as the subject is at present before them, the Governor in Council would wish them, with the information collected from the local officers, to consider whether by any means the consumption of sea salt might be encouraged to the gradual supersession of the earth salt in places where the use of that article may be extensive.

20. The Governor in Council, therefore, thinks it desirable that, pending the decision of Government on the questions above-mentioned and the suggestions now offered for the consideration of the Board, the system existing in Bellary, of taxing the manufacturers of earth salt, should continue, but that every means should be employed by the local officers of this, and the neighbouring districts of keeping themselves informed of the proceedings in this branch under their respective charges, of limiting both the quantity and place for this manufacture, and of encouraging the use of marine salt.

Appendix G.—No. 3.

Extract from the Proceedings of the Board of Revenue, dated 1st May, 1851.

The Government, in extract from Minutes of Consultation, dated the 10th of October, 1849, after reviewing the proceedings,* of the Board on this subject, and the plan suggested by them for placing the manufacture of earth salt under a better regulated system, were of opinion that the object proposed was not likely to be accomplished by the modifications of the existing practice suggested by the Board; but, with the purpose of meeting the views of the Court of Directors it was proposed, for the consideration of the Board, either to legalize the manufacture under the provisions of Regulation I, of 1805, and permit it under licence, or to farm out the manufacture and sale to the principal manufacturers, or others, on principles similar to those by which the abkarry rents are already farmed.

* Dated 10th July, 1848.

2. Previously to offering any decided opinion upon these suggestions, the Board thought it desirable again to refer the subject for the report of the revenue authorities in the Ceded Districts,* and the letters above quoted convey the expression of their several opinions.

3. Of the plans proposed, the Collector of Bellary takes a more favourable view of the licensing system, and has submitted certain rules for its regulation; but he expresses his doubts whether, after all, it would be better than the existing system of raising a revenue from earth salt, or more suited to the habits of the manufacturers. He states that it would be impracticable to lay down any rule as to a maximum or minimum price for the sale of the salt, principally because a large proportion of the sale is by retail to the ryots for their own consumption, and not to wholesale dealers. Much of it is stated to be thus disposed of by the women of the manufacturers, who hawk it about the villages and exchange it for grain. The real difficulty in respect to this, as well as to the other rules proposed is, the means of carrying them, out or enforcing them, without the aid of a costly superintendence in so large a number of places, scattered over the whole district, and mostly in very unfrequented places.

Paragraph 12.

4. Mr. Pelly observes that the abolition of the smaller moolahs would create a present loss of revenue to the amount of 2,523 rupees, which might be eventually reduced to 1,262 rupees; but that it would be a measure of great hardship towards the poorer class of manufacturers, whose *only* property and means of subsistence is in these moolahs, and that it would create much discontent without any substantial advantage being gained from it. He thinks the present manufacture not beyond the consumption of the district, though his predecessor supposed that one-fourth was exported. Appended is a statement of the tax on the quantity produced from Fusly 1215 to 1252,† from which it will be seen that it remained steady during that period, and that even on the heavy sayer being removed no material increase took place. It may be added that the class of salt manufacturers are often those engaged in highway and gang robberies, so prevalent in the Ceded Districts, and that to deprive the poorer portion of these people of their present means of livelihood would not improbably be attended by a serious increase in these crimes in the Cuddapah and Bellary districts.

Paragraph 114.

Paragraphs 7 and 14.

5. The plans proposed by Mr. Pelly for encouraging the consumption of marine salt are, in the opinion of the Board, quite impracticable. These are, either to "give gratuitously salt for importation into the Bellary district for a few years, or for the Government to import directly large quantities of marine salt, and distribute it throughout the district at a moderate price." In the first of these there would be no means of preventing the sale of the salt during its transit through other districts, nor could every importation be examined and measured on arrival for the purpose of checking this. The danger of such abuse would be still greater if the salt were conveyed from the coast on account of Government, and it is manifest that its distribution could not be carried on without the establishment of depôts, and the appointment of persons to conduct the receipt and issue of the salt, and for keeping the accounts, as well as for arranging its conveyance. The temptation to abuse is so great that it is almost impossible to check frauds even at the original places of manufacture on the

Paragraphs 10 and 11

* 8th November, 1849.

† Fusly Years.	Amount collected and entered under the head of Baghyr Veesbady.		Amount of	Total
	Number of Persons.	Amount of Tax.	Sayer Duty.	Company's Rupees.
1215	1,388	c. rs. 12,890	c. rs. 3,596	} The accounts of these Fuslies are not forth- coming.
1221	1,540	12,807	3,596	
1220	1,962	13,615	3,876	
1243	1,891	11,087	3,321	
1244	1,912	11,118	3,266	
1245	1,970	11,491	3,405	
1246	2,016	11,751	3,776	
1247	2,087	12,101	3,365	
1248	1,939	11,648	3,323	
1249	2,134	12,811	3,801	
1250	2,109	12,743	3,146	
1251	2,077	12,926	3,093	
1252	2,065	13,060		

coast. To do so where the salt was to be transported at the charge of Government, and sold in different places, two or three hundred miles inland, would be impossible.

6. The Collector of Cuddapah takes a different view of the relative practicability and advantages of the farming and licensing systems, and is inclined to prefer the former. He observes that the classes in Cuddapah who are engaged in the manufacture are for the most part very poor, and do not bear a high character, that they could not easily purchase a licence, nor furnish security to abide by its conditions, and the same difficulty presents itself to him as to the Collector of Bellary, of controlling the manufacture and sale, and of enforcing the rules which might be laid down without a separate machinery for this purpose. On these grounds he would prefer to farm the manufacture, but proposes to keep it under Amani for a certain time, subject to rules similar to those for the manufacture of marine salt, for the purpose of obtaining satisfactory data respecting the quantity and cost of the salt which can be produced. But this would require the organization of establishments similar to those on the coast.

7. In the opinion of the Board, both the licensing and renting systems are attended with difficulties which are incompatible with their success. The permission to sell by licence involves the necessity of extensive excise supervision on the part of Government, which cannot be obtained without considerable expense, and it appears in other respects to be a measure hardly adapted to the peculiar condition and habits of the classes by whom the salt is manufactured. On the other hand, the plan of farming out the manufacture of earth salt is open to the serious objection adverted to by the Collector of Bellary, that it creates an interest directly opposed to that of Government, viz., that the renter would endeavour to extend for his own profit a sale which the Government seeks to contract.

8. The reform of the existing system is in every point of view a most difficult one. It has been an object sought for a long period but not hitherto accomplished, and it is, as observed by Government, so "beset with difficulties" that after the best consideration they have been able to give to the subject, the Board have arrived at the opinion that no practicable remedy presents itself, while the advantages which it is hoped might be gained by an entire change in the system of collecting a small revenue from it are limited and uncertain, and seem scarcely to warrant a departure from the existing practice, which has so long prevailed, and to which the people have become accustomed.

9. The Board are not without hope that, as the improvement in the means of transit takes place, and when direct communications are opened with the coast, and the present cost of carriage diminished, the marine salt may be more largely consumed, particularly in the Cuddapah district. In the meantime, they see no alternative but that "the system existing in Bellary of taxing the manufacturers of earth salt should continue."* The system of levying a Moturpha tax presents at least the advantage that it can be regulated according to the productiveness of each moolah, whether this arises from the number of persons employed, the degree to which the earth is impregnated with salt, or other circumstances affecting the quantity and quality of the article produced. These appear to vary so much in different localities as to render it difficult to bring them under any definite or fixed rules.† With reference, however, to the inequality which is stated to exist in the Bellary district as regards the rates levied on the several classes of salt moolahs, by which some are unduly taxed, while others pay less than a fair proportion of their profits, the Board can see no objection to a more equitable re-adjustment of the moturpha, and they would propose to direct the attention of the Collector to this point.

10. With respect to Cuddapah, earth salt is at present largely produced. There is scarcely any check imposed on it practically, although the sale of it is not recognised as lawful. It has not been considered expedient to prevent the manufacture altogether, and the Board can see no good reason for its remaining entirely exempt from taxation, while a revenue is derived from it in Bellary. They would therefore propose that the moturpha assessment be extended to Cuddapah, pending such further measures as may appear advisable hereafter. It is estimated that a revenue of 6,000 rupees might be levied by the imposition of a tax at the rate of 8 per cent. on the value of the salt produced.

11. In Kurnool the manufacture of earth salt appears to be trifling. A small revenue of 347 rupees is collected on the salt moolahs, and the Board would not propose to make any alteration in the system prevailing there for the present.

* Extract Minutes of Consultation, 10th October, 1849, paragraph 20

† From Collector, Bellary, 9th January, 1847.

Appendix G.—No. 4.

Minute by the Honourable Mr. ELLIOT, dated the 21st May, 1851.

It is clear, I think, that the abolition of the manufacture of earth salt in these districts is impracticable. As to the bad quality of the salt, I conceive it to be more than doubtful that it is really deleterious to man, or beast. The notion that it is so I take to be a prejudice. It is said to be not so good in Cuddapah as in Bellary; but Mr. Murray speaks well of the salt produced in the former, as (the better sort) little inferior to marine salt. It is a question whether the mass of the people do not prefer it to marine salt. As to the mode of regulating the manufacture, I am not convinced that the impediments to the introduction of a system of licensing the place of manufacture are so important as the Board conceive. But if the amount of revenue to be got by it is no more than Mr. Pelly estimates, it is not worth while to make a change, except for the objection of the Court to a tax of the nature of Moturpha. If the Moturpha system is continued in Bellary, it ought to be introduced in Cuddapah. But the revenue from the Moturpha tax, according to the estimate, is far below what Government ought to get. Taking the cost of manufacture to average 17 rupees, according to Mr. Murray, and the average price to the consumer in both districts to be 100 rupees, the profit per garce is 100 — 17 = 83. The estimated quantity of produce

		Garce.
In Bellary is		1,330
In Cuddapah		1,345
		<hr/> 2,675
Sav.		2,700
Profit per Garce		83
		<hr/> 8,100
		21,600
	Aggregate profit	Rupees 2,24,100
Moturpha in Bellary	.. . . .	13,000
Ditto in Cuddapah, say	.. . . .	9,000
		<hr/> 22,000
		2,02,100

Government ought to have more than 10 per cent of the profit, the alternative being the abolition of the manufacture—20 per cent, might well be paid for a legalized traffic.

Appendix G.—No. 5.

Minute by the Honourable Mr. THOMAS, dated the 22nd of May, 1851.

I think there should be no change whatever made either in Bellary or Cuddapah; considering that salt is an essential and prime necessary of life, I would not now tax it where it has hitherto been free, more especially as it is the poorest classes, both manufacturers and consumers, who will suffer from the imposition of the tax.

2. I am under a strong impression, derived from information obtained at different times and from different quarters, that earth salt contains so much impure and earthy matter, that its use tends to bowel attacks, worms, and low fever, and injures the general health. Of course the only remedy is to place good marine salt within the reach of the mass of the people, and thereby increase both the revenue, and the comfort of the people, at the cost of a little more pains in the Salt Department.

Appendix G.—No. 6.

Minute by SIR HENRY POTTINGER, dated the 26th of May 1851.

Proceedings of Board of Revenue, dated the 1st of May 1851, regarding the manufacture and sale of earth salt in the districts of Bellary, Cuddapah, and Kurnool.

2. I have very attentively considered the above proceedings with the letters on which they are grounded, and have also paid due attention to the marginal notes of my Colleagues.

3. The extreme difficulty, almost amounting to an impossibility, of dealing with the question *under discussion*, has been already acknowledged, and I am unwillingly obliged to declare that I have found nothing in the papers now before me tending to remove that difficulty.

4. The idea of licences, under the rules suggested by Mr. Pelly, must, I conceive, be abandoned as wholly unsuited to the class of persons and circumstances which they are meant to regulate, and the single objection to farming the manufacture of earth salt which both the Collectors have pointed out, namely, *that of its placing the interests of the Government and the farmer in direct opposition*, strikes me to be conclusive and insurmountable.

5. I fear that the expedients proposed by Mr. Pelly for encouraging the use of marine salt, and thereby gradually superseding that of earth salt, in the Bellary district are, as observed by the Board of Revenue, "*quite impracticable*," unless by retaining establishments, and incurring expenditure which would be far beyond the object to be attained. I even doubt whether any establishment, however large, or any outlay, however unlimited, would secure that object; and I look on it, that the attempt would be only opening another very wide door to the vast frauds which I believe to be annually perpetrated in the salt department in every district of this Presidency where that article is produced.

6. In Bellary, therefore, I would, as suggested by Mr. Thomas, sanction the continuance of the present system (that is levying a *Moturpha*), and leaving it to the Collector to re-adjust the rate periodically, taking special care that he did not do so, with a view to increasing the revenue from earth salt, in a way that would unfairly press on the manufacturers, or inconvenience the consumers.

7. I do not myself think it is worth while, for the small revenue spoken of, to make any present alteration in Cuddapah or Kurnool. The letter of the acting Collector of the former Collectorate seems to me to have been written without full reflection, and is therefore, if not *contradictory*, at least unsatisfactory to those seeking information. He states* that the carts which come to the sea coast with indigo, cotton, and other produce, return empty, *instead of carrying back salt*, and assigns as the reason for this, the wish of the owners to save their bullocks on the homeward journey; this may influence them to a certain degree, but it *might*, I think, be expected that they would take home a half, or even a quarter load of marine salt, were it likely to sell; and I consequently suspect that their not doing so *only proves* that the people will not buy or consume marine salt, so long as they can get that made from earth much cheaper.

8. If this surmise be correct, nothing short of the total suppression of the manufacture of the latter, or at least it being taxed so as to bring the price of the two descriptions of salt on a par, or very nearly so, will apparently ensure the general introduction of marine salt: irrespectively of the absolute cruelty of inflicting such a *hardship on a large body of our native subjects*, I agree with the local authorities that the measure might be attended with evil consequences to the peace of the districts.

9. In conclusion, I beg to repeat the observation which I have made elsewhere in different terms, that the introduction of railways *into this Presidency* would of itself work a change so vast in the single article of salt, that the beneficial effect on the fiscal arrangements of Government, and on the habits and comfort of the people can be scarcely over estimated; and although I most fully see and admit all the advantages that must spring from good roads, yet my personal conviction is, that those advantages will always fall far short of the desired end, as far as salt is concerned.

* Paragraph 5.

Appendix G.—No. 7.

Extract from the Minutes of Consultation of the Madras Government, dated the 19th June, 1851, on the Extract from the Proceedings of the Board of Revenue, dated the 1st of May, 1851.

Paragraph 1. The Right Honourable the Governor in Council has attentively considered the foregoing proceedings, and the letters on which they are founded, together with the previous correspondence on the subject of regulating the manufacture and sale of earth salt in the Ceded Districts and Kurnool.

2. The extreme difficulty of dealing with this question has been already acknowledged, and the Governor in Council can discover nothing in the papers now before him calculated to remove that difficulty. Of the two plans proposed for the reform of the existing arrangements, viz., either by licensing or by farming out the manufacture, though the impediments to the introduction of the licensing system may not be so important as the Board of Revenue conceive, yet the measure seems little suited to the class of persons who would be affected by it, and the change is hardly advisable if no larger amount of revenue would result from it than is estimated by the Collector of Bellary.* The single objection to farming out the manufacture of earth salt, which has been pointed out by the Collectors, both of Bellary and Cuddapah, viz., that of its placing the interests of the Government and the renter in direct opposition, appears to be conclusive against that mode of procedure.

3. The Governor in Council also apprehends that the expedients proposed by the Collector for encouraging the use of marine salt, and thereby gradually superseding that of earth salt in the Bellary District, are, as observed by the Board of Revenue, "quite impracticable," unless by maintaining establishments and incurring expenditure which would be far beyond the object sought to be attained, and it is to be feared that the attempt would only afford a further opening to the great frauds which are believed to be annually perpetrated in the salt department in all the coast districts of this Presidency.

4. Taking into consideration the objections and difficulties above noticed, the Government are of opinion with the Board of Revenue, that the practice existing in Bellary of taxing the manufacturers of earth salt should continue, and that it should be left to the Collector to readjust the Moturpha rates periodically, using special care that he does not do so with a view to increase the revenue from earth salt in a way that would unfairly press on the manufacturers, or inconvenience the consumers.

5. The Governor in Council does not consider it expedient, for the sake of the small revenue expected from the proposed imposition of Moturpha on the manufacturers of earth salt in Cuddapah, to subject those parties to any tax for the present, nor would he make any change in the Kurnool District, where the manufacture is already taxed, beyond desiring that, as in Bellary, the rates may be revised in any cases in which they may appear to bear hardly on the manufacturers.

6. The Government resolve to forward the proceedings of the Board of Revenue, with the reports that accompanied them, and the previous correspondence on the subject, as also this extract minutes of consultation, to the Court of Directors, in reference to the general letter addressed to them under date the 5th of March, 1851, No. 10, paragraphs 25 to 29.

* Rupees 12,692. 26th September, 1850, paragraph 14.

Appendix G.—No. 8.

Extract from a Letter from the Court of Directors, dated
10th November, 1852, No. 16.

25 and 29; also letter dated 4th August (No. 41), 1851. Reporting the result of proceedings having in view the supersession of the moturpha tax now levied on the manufacture of earth salt in Bellary and Kurnool, by a more regular system. The desired alteration was found impracticable, and therefore a re-adjustment periodically of the moturpha rates was all the change ordered.

14. The licensing system would appear to be incompatible with the habits and conditions of the people, and would, moreover, involve extensive measures of excise, which would be attended with considerable expense. The object of Government being to restrict as much as possible the manufacture of earth salt, the farming system was clearly out of the question, since the objects and interests of the farmer would be diametrically opposite. The entire abolition of the manufacture would not only be productive of suffering and hardship to the people, and opposed to long custom, but would probably lead to an increase in gang and highway robberies, practices, to which the smaller class of manufacturers even now resort. We are however disposed to ascribe much of this lawless character to the existing system of unrestricted manufacture and sale of earth salt in the Ceded Districts. The generality of the working salt makers are stated not to be paid by fixed wages or even in money for the salt which they produce, which is hawked about in the village by their wives, who receive coarse grain in exchange; in this state of things it is not surprising that, when their food falls short, they should resort to dishonest means to obtain subsistence.

15. We think it desirable that the quality of the earth salt produced in the interior of the country, should be tested by experienced chemists, in order that the question on which so much difference of opinion continues to exist, as to its containing substances injurious to the health of the consumers, may be satisfactorily solved; and, if it should be found to contain deleterious matter, it would be well to inquire whether a different mode of preparation might not free the injurious ingredients.

16. The real cause of the difficulty which lies in the way of superseding the use of earth salt, in the Ceded Districts, by that of marine salt, is obviously the comparatively low price at which the former can be brought to market; for while earth salt, of good quality, is purchasable at rs. 100 the garce, the same quantity of marine salt (and this probably largely adulterated with earth salt) cannot be procured for less than rs. 240. With reference to this circumstance, and to the instruction conveyed to you in our letter, dated the 31st of August (No. 13), 1852, we are anxious that you should bring the subject to the notice of the Government of Bengal, with the view of ascertaining whether it would be practicable to introduce into the interior districts of your Presidency a system similar to that which has 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.

17. Whatever may be ultimately done in this matter, we desire that no change which would interfere with the property possessed by the salt makers, in the mounds from which the earth salt is extracted, may be carried into effect without their receiving full compensation for any loss to which they may be subjected. We would call to your notice the opinions of the local authorities that the importation of the sea salt to the Ceded Districts is impracticable, to any extent, until the public roads are improved.

Appendix G.—No. 9.

Extract paragraphs 400 to 406, in part, from the First Report of the Public Works Commissioners, Madras, dated 23rd September, 1852.

400. * * * * *
 The selling price, at the several stations on the coast, is invariably—not The salt revenue.
 varying, that is, with any incidents of the season or manufacture; but in the interior, of course, the cost of carriage forms an important element in the price of so bulky a commodity. Everything, therefore, which tends to reduce the cost of conveyance lowers the price of this necessary of life, in the inland districts, and so increases the consumption of it; and all improvement of the roads between the coast and the interior acts powerfully in this way.
401. With these few preliminary remarks we beg to request attention to Appendix C C, being a statement of the quantity of salt sold, for home and inland consumption, in each of the fifteen coast districts, in the twenty revenue years, 1831-32 to 1850-51. On looking at the sales of salt in Canara, in that statement, it will be seen that they exhibit not only a rate of increase unknown elsewhere, but a steadiness of progress, also, which contrasts with the fluctuations seen in other districts. Not only do the average annual sales of each five years of the period exceed that of the preceding five, but, with few exceptions, there is an increase in the sales of every succeeding year. On the whole, the average yearly sales of the last of the four periods exceed those of the first by no less than 50½ per cent. Mr. Maltby declares his opinion, as already observed, that, among various causes for this increase which he notices, the formation of the passes is the chief, and it clearly appears to be so. No doubt the abolition of the transit duties, in 1843, conducted, in a great degree, to the same end, by benefiting trade generally; but against this has to be set off an addition of 12½ per cent. to the monopoly price of salt, which took place at the same time, and which operated seriously to limit consumption, as is seen in the falling off in the sales in that year in this, and every other district.
402. The total gain in the district in this source of revenue, in the fifteen years 1836-37 to 1850-51, above the average of the five years 1830-35, amounts to no less a sum than 15,60,488 rupees; and deducting here, also, even as much as one-half of this, as due to other causes, there remains the sum of 7,80,244 rupees, being half as much again as the whole cost of the road improvements; so that in the short period that has elapsed since the roads were opened, or more properly even while the works have been in progress, their whole cost has been repaid to Government once and a half times over, in the single item of salt revenue, and adding the increase in the land revenue, already described as due to the same cause, viz., 8,19,787 rupees, the whole outlay has already been replaced more than three times over. Or, to put it in another aspect, taking the whole cost of these roads as capital, the annual interest on it, at 5 per cent., amounts to 26,250 rupees; and, if to this is added the charge for repairs and superintendence, at 5 per cent., the whole annual cost of the roads is 52,500 rs. But, taking the average of the last five years, the yearly increase in the land revenue, ascribable to the road improvement, is 54,386 rupees, and in the salt revenue it is 52,016 rupees, after deducting one-half in each case; so that, in this district, the Government has received a direct net return on the capital expended, of 10½ per cent., in the form of land revenue, and 10 per cent. in the form of salt revenue, being a total net profit of above 20 per cent. on the outlay, clear of all charges.
403. But the effect of the improvement, in Canara, on the consumption of salt, will be best seen by contrasting the state of the salt revenue there with what it is in another part of this Presidency, very similar to that in its geographical position. We allude to the two districts of Ganjam and Vizagapatam, which, like Canara, stretch along the sea coast, on a narrow strip of low country, backed by mountain ranges, but which differ from that district in being entirely cut off from access through the hills to the level country beyond. These districts, like Canara, manufacture salt, and might make an almost unlimited quantity; but, in the absence of access into, and through, the hills, the demand appears to be limited to the consumption of the coast tract itself. These districts participated equally with Canara in the abolition of the transit duties; but here that boon failed even to counteract the depressing effect of the contemporaneous increase in the selling price of salt. A reference to Appendix C C shows that, compared with the first period of the series of years there
- Increase in the salt revenue in Canara.
- Total results in that district.
- Comparison of Canara with Ganjam and Vizagapatam.

exhibited, there is a positive falling off, in the last period, in the quantity of salt sold in Ganjam, and that though there is a slight increase in Vizagapatam yet the decrease on the two together amounts to very nearly 5 per cent. And yet it needs only a glance at the map to perceive that the sales of salt in these districts would far exceed those of Canara, if proper roads were opened. Canara, it is true, is backed by the Mysore country, and supplies that country with salt and other articles, in exchange for its inland products. But passes through the mountains, behind the northern districts, would put them in immediate communication with the vast territory of Nagpore, a country producing all the inland products, and, especially, abundance of excellent cotton, and where sea salt is a rarer luxury than even in our own district of Bellary. Passable communications between the two countries would give value to the peculiar products of both, and the people of both would be vastly benefited, while the example of Canara justifies the undoubting conviction that the cost to Government would be abundantly repaid in augmented revenue. The increase might not, indeed, be so great, because the good internal communications of Mysore are wanting in Nagpore; but they might be very much less, and still abundantly repay the cost.

* * * * *

The western trunk road and the salt revenue of the Madras Collectorate.

404. * * * The western trunk road runs from the coast to the interior, but it is a single line, passing through portions of several districts, and, being without branch roads, its effect is limited to those parts contiguous to it, and it cannot be supposed capable of so powerfully affecting those portions as to exhibit any very marked influence on the revenue of the whole districts. There is one branch of revenue, however, which it is well calculated to affect, viz., the sales of salt at Madras; and we will examine the results there. Prior to 1847, the manufacture of salt at Madras was confined, under the orders of the Board of Revenue, to the supply of its own population, and the providing a small quantity for export to Calcutta; the issue of rowannahs for the interior was prohibited. But, in January of that year, on the representation of the Collector that there was little demand for the Calcutta market, and that the facilities for inland sale were very great at Madras, the prohibition was withdrawn. This measure opened the western trunk road to the dealers in salt, and was precisely equivalent to making a good road to the salt stores, in lieu of the wretched tracks by which alone the stores before available for the inland supply can be reached. The effect has been most satisfactory; the sales have greatly increased and are still increasing.

Result of the sales before and after the road was opened.

405. In order to get a fair view of the results, we must take the sales of the Chingleput district, as well as those of Madras, both because a considerable part of the salt sold at the latter Collectorate was drawn from the neighbouring pans of Chingleput, its own being unable fully to supply the demand, and also because the sales at other stations in Chingleput have been in some degree diminished. We take these sales in the five revenue years preceding the change of system, and the five succeeding it, which are shown in the following table.

* * * * *

The increase has much more than paid the cost of the road.

406. From this statement it is seen that the average quantity of salt sold in the two districts in each year of the latter period exceeded by 1,188 garce the average of the preceding period, notwithstanding the increase in the monopoly price in Fusly 1254. The total increase in the quantity sold in the 5 years was 5,590 garce, and the price of this quantity at 120 rupees, the present rate, is 7,22,800 rupees; this then is the amount of the gain to the salt revenue, in spite of the effect of the higher price in limiting consumption and excluding from the calculation the gain by that higher price. Now, to compare this gain with the cost of the western trunk road; we have already stated, that, up to the beginning of 1845, 10½ lacks of rupees had been spent on the road, and the subsequent expenditure to the end of 1851 amounts to 3,73,000 rupees, making a total of 14,23,000 rupees. The sum stated to be necessary for keeping the road in its present state of repair is something under 40,000 rupees yearly; the cost of maintaining the road for the ten years since it was completed will thus be 4,00,000 rupees, and the cost of formation 10,23,000 rupees. Thus the whole annual cost of the road may be computed at 91,150 rupees, being the charge for maintenance added to interest on the first cost at 5 per cent. But the annual gain in the increased sales of salt has been 1,42,260 rupees; being above half a lack in excess of the yearly cost of the road. Thus, in this case again, notwithstanding the heavy cost of this road, both from the nature of the country crossed, and the quantity of drainage to be provided for, and from the distance of material (all owing to a faulty selection of the line) the charge has been much more than repaid to Government by increased revenue from the single article of salt. Nothing could more vividly illustrate the value of roads into the interior, or more emphatically enforce the necessity of opening such communications.

Appendix G.—No. 10.

Extract from Letters in reply to a Letter in the Revenue Department, dated the 17th January, 1832, circulated by the Commissioners for the Affairs of India. See Inquiry of the Select Committee of the House of Commons in 1832, Vol. VI. Report and Evidence, Part III, Revenue, pages 455 and 456.

From J. A. DALZELL, Esq.

My revenue employment was entirely in the inland districts of Bellary and Cuddapah, where the only species of salt that can be manufactured is made from earth. This salt is greatly inferior to the sea salt for culinary purposes, and as interfering with the monopoly of the latter the manufacture of it was not allowed, so far as it could be prevented. It is, however, highly esteemed for its virtues when administered to agricultural cattle, for which a considerable quantity is required, and, in this respect, the bay salt is no substitute for it, especially for this reason, and also because of the hardship of altogether debarring the poor the liberty of using the salt if they choose, it appeared to me that it was not advisable altogether to prevent its manufacture, and the only way in which it seemed practicable to permit its use, and yet to limit its consumption so as not injuriously to affect the monopoly of sea salt, was artificially, by a high valuation, or high duty, to approximate its price to that of bay salt, and then to farm the duty upon it along with the other items of the land customs. By this arrangement, both its introduction from neighbouring Foreign States, and its manufacture in our own territories might, I think, be sufficiently restrained, without having recourse to the harsh and unpopular expedient of complete suppression.

APPENDIX H.

Correspondence and Papers relating to the Export of Salt from the Madras Presidency to the Bengal Presidency.

- No. 1.—Evidence of P. Gordon, Esq., before the Select Committee of the House of Commons of 1831.
- No. 2.—Ditto of James Mill, Esq., before the Select Committee of 1832.
- No. 3.—Ditto of John Crawford, Esq., before the Select Committee of 1836.
- No. 3 A.—Ditto of Thomas Love Peacock, Esq., before ditto.
- No. 4.—Extract from a Paper put in by John Crawford, Esq., before the Select Committee of 1836. See Appendix to the Report of the Committee, No. 76, Page 206.
- No. 5.—Extract of a Letter from the Bengal Board of Revenue to the Government of Bengal, dated the 17th February, 1854.
- No. 6.—Extract of a Letter from the Madras Government to the Government of Bengal, dated the 20th April, 1854.
- No. 7.—Extract of a Letter from the Madras Board of Revenue to the Government of Madras, dated the 1st June, 1854.
- No. 8.—Extract of a Letter from the Bengal Board of Salt to the Bengal Government, dated the 12th June, 1840.
- No. 9.—From the Government of Madras to the Government of Bengal, dated the 30th January, 1854.
- No. 10.—From the Bengal Board of Revenue to the Government of Bengal, dated the 13th March, 1854.
- No. 11.—Extract of a Letter from the Madras Government to the Government of Bengal, dated the 20th April, 1854.
- No. 12.—Extract of a Letter from the Bengal Board of Revenue to the Government of Bengal, dated the 19th July, 1854.
- No. 13.—From the Bengal Board of Revenue to the Government of Bengal, dated the 6th September, 1854.
- No. 14.—Extract of a Letter from the Bengal Board of Revenue to the Government of Bengal, dated the 3rd July, 1854.

Appendix H.—No. 1.

Extract from Minutes of Evidence taken before the Select Committee of the House of Commons in the year 1831.

Evidence of P. GORDON, Esq.

453. Is the quantity of shipping employed in the general commercial intercourse between the Presidencies of Bengal and Madras increasing or decreasing?

Decreasing.

454. Does that arise from the salt monopoly?

It does.

455. Supposing the monopoly of salt were no longer to continue, would there not be carried on an extensive intercourse between Madras and the Bengal provinces?

Very extensive, indeed; no ship would return empty to Calcutta.

456. How does the salt monopoly operate to decrease the trade?

The salt trade would be much larger; every ship which returned to Bengal would touch upon the Coromandel coast, and fill up with salt. One cause of the trade decreasing is the salt monopoly, and the other is the increased cultivation of the Carnatic, which has taken place since it has been in a peaceable state.

458. What would be the natural import from the Bengal provinces into Madras?

They would carry rice into Madras.

459. Is not the Madras Presidency, upon the whole, in the habit of importing a portion of its food?

It is.

460. Is not that part of India subject to great droughts?

Very much so.

461. Of course, at periods of drought they require larger importations of grain?

Much larger. Their subsistence, in fact, depends upon Bengal, and in 1824 there was great mortality in consequence of the droughts.

462. In a season of drought, would there not be peculiar facility in producing salt?

Much greater than common.

Appendix H.—No. 2.

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.

Evidence of JAMES MILL, Esq.

2998. If the export from Madras, and from Ceylon and England, were unencumbered and free from regulations, and if the imports into the Ganges were without duty or examination of any kind, and that the whole trade in salt was as free as imagination could fancy; under those circumstances, in what way do you think Bengal would be supplied; would it be by import, or the manufacture of salt in the district?

I have very little doubt it would be by import; the facts which have more particularly come under my consideration are those of the manufacture on the Coromandel Coast; I believe that salt might be imported into the Bengal river from the coast cheaper than it can be manufactured in the Bengal districts.

2999. Does not Bombay supply a large quantity of salt?

It is capable of supplying any quantity. With so warm a sun, so extensive a coast, and a dry atmosphere, during a part at least of the year, I should imagine that salt might be manufactured, and very cheaply, to any extent.

3000. If you are right in that supposition, is it not evident that the Bengal Government do not at present obtain the salt from the cheapest source of supply?

I have long thought they did not, and have very often been surprised at the disinclination they seemed to have to enlarge their orders from the coast; they have always been urged by the Madras Government to do so, the salt affording a return cargo to the vessels that went to Bengal for corn.

Appendix H.—No. 3.

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.

Evidence of JOHN CRAWFURD, Esq. formerly in the Bengal Medical Service.

506. In the event of a free system being introduced in the room of the present monopoly, how do you think that the Bengal territories would be principally supplied?

There are at least two kinds of salt consumed in every country where there is an effectual demand for salt, and a facility of obtaining it,—solar evaporation salt and boiled salt. With respect to the salt from solar evaporation, my own opinion is, that nearly the whole of it will be imported in a perfectly open trade from the Coromandel coast. That is the nearest country; it is the country also in which the manufacture can, in my opinion, be conducted most cheaply; but, above all these things, it is the country which stands most in need of what Bengal has to give it in payment—corn. * * * *

507. Answer * * * * * The people of Bengal have corn to give to the people of Madras; the people of Madras have salt to give to the people of Bengal; one is ill off for corn, and the other is ill off for salt. The Government steps in to prevent their exchanging their staple commodities with each other. This is one of the very worst features of the monopoly. It must be evident that the people of Bengal cannot get a market for their corn, unless the people of Madras are allowed to pay them for it in that which the people of Madras can afford to give for it, viz., salt, the staple article of the produce of the Madras territory, as corn is of that of Bengal. The people of Madras are of course in a similar predicament. Madras is not a corn country, at least the greatest part of it is not productive in corn. It is liable to scarcities, sometimes to famines, but it would, undoubtedly, be secured in a great measure from these calamities by the establishment of a permanent and fixed free trade in corn and salt between the two countries. No such trade can be, as long as the existing system is persevered in. The Governments of Madras and Bengal have been repeatedly, in my time, under the necessity of interfering directly to prevent the people of Madras from being starved. They have been obliged to hire ships and to purchase corn, and send it down to Madras. Now, I think, that if the people were but allowed to trade with each other freely in what each could afford to exchange, and that the Government would only be so good as to let them alone, the inhabitants of Madras would not stand in need of the direct assistance of Government upon these extraordinary occasions.

508. Have not the seasons a good deal to do with the scarcity of corn?

I think there has been nothing like a considerable scarcity of corn in Bengal for near 70 years. Scarcities at Madras are constantly recurring, many of them have recurred in my own time, but I never heard of a failure of salt in Madras.

* * * * *

518. Then assuming the free trade, and the giving up of the monopoly, and the existence of a duty of two rupees per maund, is it your opinion that the whole, or any great, proportion of the salt consumed in Bengal would be imported; or do you think it would be manufactured in the country?

It is my opinion that the larger proportion of the salt would be imported; and I should explain to the Committee why I think so. There are but two places in Bengal where salt has ever been made at a tolerably cheap rate; the manufacture, therefore, I fancy would, if conducted at all, be confined to these two places. Bengal possesses no natural facilities for the manufacture of salt; there are no brine springs in Bengal; there exists no means of manufacturing salt there, except making it from sea water; and that sea water is itself not a strong brine, but, on the contrary, a very weak one, in consequence of the vast body of fresh water which is poured down from the Himalaya, along the whole course of the Gangetic plain, and which discharges itself into the ocean at the very localities at which the manufacture is, and must always be, conducted. Then there is a paucity of fuel, which has even already increased the cost of manufacturing almost everywhere. Then the people who are engaged in the manufacture, and who are likely under any circumstances to engage in it, I think possess very little ingenuity. The manufacture indeed, may, when it is free, be improved; but it is now conducted I have no doubt pretty much in the same way in which it was conducted, perhaps, several thousand years ago.

There has not been the slightest improvement in the process of manufacture at all events since the first appearance of Europeans in the country; on the contrary, the cost of manufacture, instead of decreasing with the general improvement of the country, has been constantly increasing.

Appendix H.—No. 3, A

Evidence of THOMAS LOVE PEACOCK, Esq., Assistant Examiner of Correspondence, India House.

1134. Answer * * * * * There is an allusion to the supply of grain from Bengal to Madras by means of the coast shipping. The coast shipping have, on more than one occasion, saved Madras from famine. That is one reason that has weight with the Government, in keeping up to a certain extent the supply of salt from Madras, in order to maintain a class of shipping which may, in time of need, supply Madras with grain. * * * *

Appendix H.—No. 4.

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 206.

I have no doubt that the principal supply of the people now subject to the monopoly, would ultimately, in the event of free trade and equal duties, be furnished from abroad. The question what country or countries would furnish it, is not very material. It is one which, at all events, may very safely be left to the enterprise, activity, and competition of the Indian and European mercantile communities. The Coromandel or eastern coast of the peninsula is, by soil, climate, and locality, peculiarly fitted for the manufacture of salt by the process of solar evaporation, and, unless factitious means be taken to hinder it, will, in all probability, always furnish a considerable proportion of the consumption of the Bengal provinces. The supply on that coast, I believe, seldom, or never, fails from vicissitudes of climate; for the droughts, which in that part of India are so unpropitious to agriculture, are the very causes which conduce most to a certain and constant supply of salt. The present supply of coast salt in Bengal is a matter of the greatest caprice, indeed of the utmost uncertainty. In ordinary years the annual demand has been about six lacks of maunds (6,00,000). But, when the manufacture fails in Bengal, a sudden and unexpected demand is made on Madras far exceeding this amount. In 1826, there was a failure in the Bengal manufacture, and a demand was made upon Madras to the extent of 15 lacks of maunds (15,00,000), and this quantity was actually furnished in 1827. The demand for 1828 was reduced to half this amount, or 7½ lacks. In 1828, the local manufacture having been ample, the Board of Customs go the length of proposing to the Governor-General the total suspension, not only of all importation from Madras, but from Bombay also. Here was the recommendation of a public body virtually to suspend the best part of the commercial intercourse of the provinces of the same empire, for mere fiscal purposes, a suggestion which I believe I may say, is nearly unique in financial history. In 1829-30, the quantity of Madras salt which the Government actually sold at Calcutta is under the usual average, but in every subsequent year it rises considerably above it, and in 1833-34 it is more than double that amount, or maunds 13,69,100. In the public correspondence the Government of Madras, and even that of Bombay, are constantly found loudly demanding large and fixed supplies, while the Governor-General replies, "that it is impossible to fix any minimum quantity to be absolutely taken." This kind of altercation is of very old standing, for it commenced, I find, even under the monopoly of Lord Clive, near seventy years ago. The Government of Madras at that time, is seen telling the Government of Bengal, that it has 6,00,000 of maunds (the usual amount of the present annual supply) lying ready for it at Masulipatam; and the Government of Bengal writes back, that it "cannot see any advantage" in importing so large a quantity. I think it must be admitted at once, that these violent fluctuations in an article

of first necessity, and in an article an open commerce in which is indispensable to a profitable and legitimate trade, between two provinces of the same empire, can be viewed in no other light than that of an evil of the first magnitude. Bengal is a corn country, but never furnishes salt enough for its own consumption. Madras is fertile in the production of salt, but subject to such vicissitudes in the production of corn, as to have been, at all times, more or less dependent upon its neighbour for a supply. Bengal always furnishes more corn and less salt than it can consume, and Madras generally less corn and more salt than it can use. The Bengal Government taxes severely the salt of Madras in Bengal, and the Madras Government taxes heavily the corn of Bengal in Madras. The inhabitants of the two provinces mutually want each other's productions, and, if a free intercourse were permitted, a large and beneficial commerce would naturally spring up between them. The greatest obstacle to such a consummation, in so far as I can discover, is the monopoly. In one year the whole tonnage of shipping required in this trade does not much exceed 20,000 tons, and next year it approaches to 60,000. In another year it is seriously proposed by the Government to suspend this branch of commerce altogether, that is to say, to refuse to the people of Madras the means of paying for the external supply of corn which they may not be able to dispense with, and to refuse to the people of Bengal cheap salt. Surely a Government appears to great disadvantage when it thus presents itself as the chief, and indeed nearly the sole, barrier to the free and beneficial intercourse of its own subjects.

Appendix H.—No. 5.

Extract of a Letter from the officiating Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated February 17, 1854.

Part of paragraph 1. At the same time they cannot but be sensible that any considerable check to the manufacture from storms or heavy rain in the next two months, would reduce the Government stocks to a very low ebb, and to ensure a sufficient supply at Sulkea, under all circumstances, the Board think it would be expedient to revert temporarily to the practice of indenting upon Madras. This was discontinued in 1845, as the Government golahs then contained a very large stock of that description of salt, and it was expected that the demand would be supplied by private importations from the coast, Bombay, and other quarters. For the last eight years no salt has been imported on account of Government, and the Board are unwilling to have recourse to a measure which may appear to a certain extent to be an interference with the operations of private enterpri se. But, with a brisk demand, slack importation, and low stocks, they feel that they would not be justified in neglecting any means open to them for replenishing the Government stores, and, as the importations from the coast on private account are comparatively small, they see no great practical objection to the proposed measure.

Appendix H.—No. 6.

Extract, paragraphs 2 and 3, of a Letter from the Government of Madras to the Government of Bengal, dated 20th April, 1854.

2. It will be observed that the Collectors of Madras, Chingleput, and Nellore have been directed to lay aside salt in the quantities noted in the margin* for despatch to Bengal on indent, and to reserve a further moderate quantity for supply on private trade to be augmented from time to time as the demands arise. The Collectors of South Arcot, Tanjore, Masulipatam and Rajahmundry have also been instructed to set aside all their present available salt for shipment to Bengal on private trade.

3. An advertisement showing the quantity, and the districts from which salt will be supplied on indent will be immediately published in the "Fort Saint George Gazette," and periodical statements showing the salt available for Calcutta, both on account of the Government indent and on private trade, will appear in the same paper.

* Madras 1,00,000; Chingleput 2,00,000; Nellore 2,00,000.

 Appendix H.—No 7.

Extract paragraphs 8 to 10 of a Letter from the Sub-Secretary to the Madras Board of Revenue to the Secretary to Government, Madras, dated the 1st June, 1854.

8. The Madras Government furnish (and ship free of charge) salt on "private trade" for 15 rupees per 100 maunds. This barely covers the cost of manufacture and expense of shipping, especially at ports south of Masulipatam, where Government pay more for their salt than they do in the Northern Circars. It is true, that salt on "Government indent" might be supplied at the same rate; but then this Government would be keeping up an establishment, and selling at *prime cost* to Bengal, where the average wholesale monopoly price is 323 rupees per 100 maunds,* or 400 rupees per garce, the Madras monopoly price being 120 rupees per garce.

9. But even then the Bengal Government would not be certain of a supply, unless they allowed more than 35 rupees per 100 maunds to the shipper.

10. The Board, however, are of opinion that it is not at all necessary that the salt on Government indent should be *bought* by the shipper. It is a transaction quite distinct from his business as shipper, which has reference only to freight; a preferable course, the Board think, would be for the Madras Government to furnish salt at a fixed price to cover the cost of manufacture to the Bengal Government, and that that Government should notify at the beginning of the year how much they require; and as soon as arrangements can be made with different Collectors to have salt ready, the Madras Government be authorized to advertise for and accept tenders for taking it to Bengal. In this case, the Board would propose to fix 15 rupees for 100 maunds shipping expenses, to be borne by Government, both for the Government indent and private trade. In the former case, the Bengal Government will be charged the 15 rupees, and also pay the amount agreed upon by this Government for freight. The freight to be paid in Calcutta on the quantity landed.

 Appendix H.—No. 8.

Extract paragraph 11 of a Letter from the Bengal Board of Salt to the Bengal Government, dated the 12th of June, 1840.

Paragraph 11. We should see no objection, if your Lordship and the Madras Government perceive none, to square-rigged vessels of not less than 200 tons burthen being allowed to export salt purchased of the Government of Fort St. George from the Coromandel Coast for delivery here on payment of our import customs' duty, precisely on the same footing as salt is brought from Bombay. We would confine this privilege, however, to vessels of the above description, as it would limit it to such as must necessarily take pilots, and which are, when laden with salt, boarded as soon as possible by Custom-house officers. To allow of its importation on the same terms on the country sloops would be to open a wider door to smuggling, respecting the existence of which from that class of vessels we were always very apprehensive, and, should the Madras Government be enabled to supply any considerable quantity of salt on our present indent, it will be a subject to which we shall give our most serious consideration.

* Parliamentary Paper, 4th Report, Indian Territories, 1853, No. 692, page 261.

Appendix H.—No. 9.

T. PYCROFT, Esq., Secretary to the Government of Madras, to C. BEADON, Esq.,
Secretary to the Government of Bengal.

Sir,

Fort St. George, January 30, 1854.

I am directed by the Governor in Council to forward for the information of the Government of Bengal the accompanying Orders which have been passed by this Government upon an application made by the Collector of Masulipatam, to the effect that the restrictions upon the transmission of salt to Calcutta on private trade in vessels measuring less than 200 tons may be withdrawn in the present season.

2. The Government of Bengal will perceive that, from a desire to encourage the import of grain for the relief of the existing scarcity, this Government have so far acted upon Mr. Lushington's suggestion as to allow the export of salt to Calcutta for private trade from all the districts on the eastern coast of this Presidency on vessels of not less than (100) one hundred tons burden. The Collectors have, however, been instructed to make immediate report to the Board of Revenue at Calcutta of all particulars connected with any shipments that may be made on vessels below the usual size, *i.e.*, between 100 and 200 tons, that the necessary precautions may be adopted for the prevention of illicit practices.

I have, &c.,

J. PYCROFT, Secretary to Government.

Appendix H.—No. 10.

The Officiating Junior Secretary to the Board of Revenue to the Secretary to
the Government of Bengal.

Sir,

Fort William, March 13, 1854.

With reference to the Under-Secretary's letter, dated the 24th ult., I am directed to state, for the information of the Most Noble the Governor of Bengal, that small craft laden with salt from Madras have already begun to arrive.

9. As these salt-laden vessels are constantly passing up the river without pilots or preventive officers on board, with hatches open, and the salt not even stamped over, there is necessarily great risk of smuggling. The Board are therefore of opinion that the superintendent of western salt chowkeys should be allowed to retain, throughout the year, the extra establishment allowed him during the season of import from Cuttack and Hidjellee.

3. The Madras Government should also, the Board think, be solicited to issue orders that all small craft taking cargoes of salt be directed on the passage up the Hooghly to carry continually a distinguishing flag, which might be a square piece of red bunting for Government salt, and blue for salt on private account.

I have, &c.,

A. R. YOUNG, Officiating Junior Secretary.

Appendix H.—No. 11.

Extract, paragraph 4, of a Letter from the Secretary to the Government of
Madras to the Secretary to the Government of Bengal, dated April 20,
1854.

4. As requested in Mr. Young's letter of the 24th of March last, instructions have been sent to the Collectors of all districts whence salt is exported to Bengal, directing them to require the owners or masters of all small craft taking cargoes of salt to carry continually on their passage up the Hooghly, as a distinguishing flag, a square piece of red bunting for Government salt, and blue for salt on private account.

 Appendix H. No. 12.

Extract of a Letter from the Officiating Secretary to the Board of Revenue to the Secretary to the Government of Bengal, dated July 19, 1854.

Paragraph 6. The Board presume that the restriction in regard to the tonnage of vessels to be employed in the transport of salt (still limited under the orders of the Government of Madras, dated 30th of January last, to 100 tons and upwards) does not apply to vessels chartered by Government, and they are of opinion that, under existing circumstances, this restriction might be removed altogether.

 Appendix H.—No. 13.

The Officiating Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated September 6, 1854.

Sir,

Adverting to paragraph 2 of a letter from the Government of Fort St. George, dated the 24th ultimo, which, with its inclosure, was forwarded to this office, with Mr. Officiating Under-Secretary Young's Memorandum, dated the 31st idem, I have the honor to state that the intention of the Board of Revenue was to suggest that the restriction referred to in my letter of the 19th of July last, might be discontinued as regards the transport of salt in private trade, as well as on account of Government.

2. The imports from Madras on private account having been very small, it appeared advisable, so long as the Government stocks continue inconveniently low, to afford every facility for an extension of operations. The former limit of 200 tons, which was intended to restrict the trade in salt to vessels taking pilots, having been removed, the risk of smuggling will not, the Board observe, be materially increased by dispensing with all restriction in regard to tonnage.

I have, &c.,

A. R. YOUNG, *Officiating Secretary.*

 Appendix H.—No. 14.

Extract of a Letter from the Junior Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated July 3, 1854.

Paragraph 6. In reply to the queries contained in the postscript of Mr. Pycroft's letter of the 3rd ultimo, I am to state, for the information of the Madras Government, that ships bringing indent salt to Calcutta have to deliver it at the Sulkea Golahs, on the opposite side of the river, a little above the Custom House. If above 200 tons burthen they are treated precisely like vessels bringing any other cargo, receiving on board a preventive officer from the Custom House; if under 200 tons, and having on board salt, either for Government or private parties, 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.

APPENDIX J.

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.

- No. 1.—From the Government of India to the Madras Government, dated the 25th June, 1852.
- No. 2.—From the Madras Government to the Government of India, dated the 23rd July, 1853.
- No. 3.—From the Government of India to the Madras Government, dated the 5th August, 1853.
- No. 4.—Extract of a letter from the Madras Board of Revenue to the Government of Madras, dated the 19th April, 1852.
- No. 5.—Abstract (referred to in the preceding Appendix J, No. 4) of the cost and net profit of the Salt Manufacture, per garce and maund, in each Salt Manufacturing District of the Madras Presidency.
- No. 6.—Notification of the Madras Government, dated the 6th December, 1853.
- No. 7.—From the Madras Government to the Government of India, dated the 24th November, 1853.
- No. 8.—Extract from the Minutes of Consultation of the Madras Government dated the 24th November, 1853.
- No. 9.—From the Government of India to the Madras Government, dated the 13th January, 1854.
- No. 10.—Minute by Sir Henry Pottinger, dated the 25th of February, 1854.
- No. 11.—Minute by the Honorable Mr. Thomas, dated the 1st of March, 1854.
- No. 12.—Extract from the Minutes of Consultation of the Madras Government, dated the 9th March, 1854.

Appendix J.—No. 1.

A. R. YOUNG, Esq., Under-Secretary to the Government of India, to
T. Pycroft, Esq., Secretary to the Government of Madras.

Sir,

Fort William, June 25, 1852.

I am directed to acknowledge the receipt of your letter, dated the 11th ultimo, proposing a reduction of the duty leviable under Schedule A, Act VI, of 1844, from 3 rupees to 12 annas per Indian maund on all salt imported from Europe into the Madras territories.

2. The object of this measure is to carry out the wish of the Court of Directors, communicated in a despatch, No. 8, dated the 30th July last, that the trade in salt at Madras should be placed "as far as possible on the same footing as in the other Presidencies." In Bengal and Bombay, no distinction is made between different descriptions of imported salt, but all is admitted on payment of a duty equal in amount to the excise duty levied on salt manufactured in the country. The reasons which make it necessary, in the opinion of the Governor in Council, to limit the privilege at Madras to the case of European salt throughout the Presidency, and to salt from Goa and Arabia in

the districts of Malabar and Canara, are stated in the Minutes of Consultation forwarded with your letter, dated the 2nd of April last, and that under reply.

3. I am directed to observe that the reasons have failed to convince the Governor General in Council, that the proposed measure is the utmost extent to which the views of the Court can with advantage be acted upon. The avowed object of the limitation is to exclude Bombay and Ceylon salt from the Madras market; in the case of the former the reason assigned is, that it is an inferior article, and that there is reason to suppose that the salt manufactured in the country, which is of superior quality, can be supplied in sufficient quantities and at a lower cost. Assuming this to be the case, his Lordship in Council cannot perceive in it any reason for placing the Bombay salt under a further disadvantage. To do so, would seem to be superfluous, as no dear and inferior salt could compete in the market with that which is cheaper and of better quality. His Lordship in Council does not, either, clearly understand how the risk of smuggling, on which the objection to the admission of Ceylon salt is founded, is likely to be greater with a duty of 12 annas than it was with one of 3 rupees.

4. In the opinion of the Governor General in Council, it would be in every way preferable, and more in accordance with the spirit of the Court's instructions, to make the contemplated reduction in the duty on salt general, than that it should have any partial operation; and I am to request that the subject may again be brought under the consideration of the Governor in Council.

I have, &c.,

A. R. YOUNG, *Under-Secretary to Government of India.*

Appendix J.—No. 2.

To G. PLOWDEN, Esq., Officiating Secretary to the Government of India.

Sir,

Fort St. George, July 23, 1853.

1. I am directed by the the Governor in Council to acknowledge the receipt of Mr. Under-Secretary Young's Letter, of the 25th of June, 1852, in reply to mine of the 11th of May, 1852, on the subject of the importation of foreign salt, at the ports of the Madras Presidency, on payment of a fixed duty. The Supreme Government request that the Government of Madras will re-consider that part of their proposal which would limit the concession to salt imported from Europe, to the exclusion of that brought from Ceylon or Bombay.

2. In reply, I am desired to forward the accompanying copy of the correspondence* which has passed, on this point, between this Government and the Board of Revenue. The reasons which had induced the Government to exclude Bombay and Ceylon salt will be found in extract minutes of consultation, of the 30th of August last. On further consideration, however, and communication with the Revenue Board, the Government have been led to the conclusion that the exclusion need not be maintained, and that the admission of foreign salt may be made general. I have, therefore, to request that the Governor-General in Council will be pleased to authorize the import duty leviable on salt, under Schedule A, Act VI, 1844, being reduced from 3 rupees to 12 annas per Indian maund, on all salt, whencesoever brought, on its import into the Madras provinces, at such ports as may, from time to time, be declared by this Government available for the purpose. As regards this last condition, I should explain that, looking to the great number of ports on the Coromandel and Malabar coasts, especially the latter, and the small establishments kept up at many of them, it is desirable, for the better regulation of the trade generally, and prevention of illicit practices, that this Government should have the power of fixing the places at which salt is to be landed; but care will be taken that they be such, both in number and position, as amply to meet all the requirements of the trade.

I have, &c.,

T. FRYCROFT, *Secretary to Government.*

* Extract Minutes of Consultations, 30th August, 1852 Board's Proceedings, 13th June, 1853. Extract Minutes of Consultations, 23rd July, No 842.

Appendix J.—No. 3.

G. PLOWDEN, Esq., Officiating Secretary to the Government of India, to
T. PYCROFF, Esq., Secretary to the Government of Fort St. George.

Sir,

Fort William, August 5, 1853.

I am directed to acknowledge the receipt of your letter, dated the 23rd ultimo, and its enclosure, on the subject of the importation of foreign salt, at the ports of the Madras Presidency, on payment of a fixed duty.

2nd. In reply I am directed to state that the Governor-General in Council has been pleased, in accordance with the wish of the Court of Directors, communicated in paragraph 15 of their revenue despatch to the Government of Fort St. George, No. 8, dated the 30th of July last, and, in compliance with the present application of the Government of Madras, to authorize the import duty leviable on salt, under Schedule A, Act VI, of 1844, to be reduced from 3 rupees to 12 annas per Indian maund, on all salt whencesoever imported into the Madras provinces, at such ports as may, from time to time, be fixed by the Government of Fort St. George.

I have, &c.,

GEO. PLOWDEN, *Officiating Secretary to the Government of India.*

Appendix J.—No. 4

Extract, paragraph 2, of a Letter from the Board of Revenue to the
Government, dated the 19th of April, 1852.

An abstract accompanies of the cost to Government of the article in each district, and the net profit accruing on the sale, the average of which is rather less than 14 annas per maund; but, including wastage, the net profit would be reduced to about 12 annas per maund, at which rate the Customs' Duty on foreign salt might, the Board think, be fixed generally, should the Government, with reference to the concluding remarks in extract Minutes Consultation, dated the 2nd of April, 1852, see no objection to the measure.

Appendix J.—No. 5.

Abstract referred to in Appendix J, No. 4, of the Cost and Net Profit of the Salt Manufacture per Garce and Maund, in each Salt Manufacturing District of the Madras Presidency.

Districts.	Average.	Prime Cost, Including Servants Wages, &c.		Net Profit.	
		Per Garce.	Per Indian Maund.	Per Garce.	Per Indian Maund.
1	2	3	4	5	6
	Years.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
1 Ganjam ..	5	6 13 2	0 0 11	113 2 10	0 15 1
2 Rajahmundry ..	5	12 7 8	0 1 8	107 8 0	0 14 4
3 Guntoor ..	5	11 3 7	0 1 6	108 12 5	0 14 6
4 Nellore ..	10	11 5 0	0 1 6	108 11 0	0 14 6
5 South Arcot ..	3	13 0 5½	0 1 9½	106 9 6½	0 14 2½
6 Tanjore ..	1	13 0 0	0 1 8½	107 0 0	0 14 3½
7 Madura ..	1	15 14 4½	0 2 1	104 1 7½	0 13 11
8 Tannevelly ..	..	14 1 3½	0 1 11	105 11 8½	0 14 1
9 Madras ..	1	12 5 10	0 1 7½	107 10 2	0 14 4½
10 Canara ..	5	28 18 7	0 3 10	91 2 5	0 12 2
11 Chingleput ..	5	19 8 6	0 2 7½	100 7 5	0 13 4½
12 Malabar ..	3	34 8 10	0 -4 7½	85 7 2	0 11 4½
13 Vizagapatam ..	5	15 5 5	0 2 0½	104 10 7	0 13 11½
14 Masulpatam ..	5	6 16 3½	0 0 11½	113 0 8½	0 15 0½
Average ..	..	15 6 10	0 2 0½	104 9 2	0 13 11½

Appendix J.—No. 6.

Notification of the Madras Government, dated the 6th of December, 1853.
Fort St. George Gazette, Page 1259.

It is hereby notified that, under the sanction of the Governor-General of India in Council, the import duty on salt leviable under Schedule A, Act VI, of 1844, will be reduced on and after the 1st day of January, 1854, to 12 annas the Indian maund, on all salt with the exception of salt from Goa, imported into any of the undermentioned ports.

Canara	Shedashegur. Ankola. Tuddry. Coompta. Honore. Bhatcul. Byadoor. Gungolly or Cundapoor.	South Arcot ..	Mulpo (Oodipy). Moolkey. Mangalore. Munjaishwar. Coombla. Cassergode. Cavoy or Nalaishwar.
Malabar	Cannanore Tellicherry. Calcut. Ponany. Cochin.	Chingleput ..	Pulicat.
		Madras ..	Madras.
		Nellore ..	Cottinpatam. Eskapully.
Tinnevely ..	Tutacarin. Coilpatam. Colasagrpatam.	Guntoor ..	Nizampatam Epoorapalem.
Madura ..	Tondy. Devepatam. Keela Kerray.	Masulipatam	Masulipatam
		Rajahmundry	Cocanada. Coringa.
Tanjore ..	Negapatam. Nagore.	Vizagapatam	Vizagapatam Bimlipatam.
South Arcot	Cuddalore. Porto Novo. Hungarkuta (Baroor)	Ganjam ..	Calingapatam. Munsoorecottah. Ganjam.

Appendix J.—No. 7.

To G. PLOWDEN, Esq., Officiating Secretary to the Government of India.

Sir,

Fort St. George, November 24, 1853.

With reference to the correspondence noted in the margin* I am directed, by the Governor in Council, to forward, for the consideration of the Governor-General in Council, the accompanying papers,† relative to the effect on the monopoly sales which would be produced, by the admission of Goa salt, by sea, into the territories under the Madras Presidency, at an import duty of 12 annas per Indian maund, under the general sanction accorded by the Government of India, under date the 5th of August last, and, for the reasons therein explained, to request that the Sea Customs' Duty on Goa salt, on import into the Madras ports, may, until further orders, be fixed at 14 annas per Indian maund.

I have, &c.,

T. PYCROFT, Secretary to Government.

* To Government of India, 11th May, 1852.

From Ditto 25th June, 1852.

To Ditto 23rd July, 1853.

From Ditto 5th August, 1853.

† From Collector of Canara, 27th August, 1853.

„ Board of Revenue, 17th October, 1853.

Extract Minutes of Consultation, 24th November, 1853, No. 1308.

Appendix J.—No. 8.

Extract from the Minutes of Consultation of the Madras Government, dated the 24th November, 1853, on a Letter from the Board of Revenue, dated the 17th October preceding.

1. Under date the 23rd of July last this Government recommended to the Government of India that the Customs Duty leviable under Schedule A, Act VI, 1844, should be reduced from rupees 3 to 12 annas per Indian maund, on all salt imported by sea into the Madras territories, without reference to the country from which it might be brought. It was supposed that the levy of this import duty would bring foreign salt into the market at about the same price as that (1 rupee per maund) now charged on the produce of the monopoly, and that the home-manufactured article, and that introduced on private trade would thus compete on nearly equal terms. The supreme Government, 5th of August, 1853, acceded to the application, and the Board of Revenue were instructed to take the necessary steps for giving effect to the measure.

2. In his communication of the 27th of August, transmitted by the Board with their letter above recorded, the Collector of Canara brings to notice that the admission of Goa salt into the ports of his district at a Customs Duty of 12 annas a maund will supersede the monopoly sales to a very great extent, and that immediately when admitted (on the same rate of duty) on the land frontier it has superseded the Government sales only over a portion of North Canara, but when admitted by sea the effect will be general. Goa salt, when purchased for the use of Government, "has," Mr. Maltby states, "been delivered by the contractors at as low a rate as 13½ rupees per garce." This includes freight and a profit, so that add 90 rupees to this, and the selling price may be 103½ rupees, instead of the monopoly price 120 rupees.

3. Under these circumstances, Mr. Maltby submits it as his opinion that "if the measure of admitting Goa salt by sea at 12 annas per maund be resolved on, the change from a monopoly to an excise with regard to the home manufacture must be carried out at the same time, and it has now to be determined whether the admission of Goa salt and this change shall be postponed for a period, or both be at once carried out."

4. The Board of Revenue, in forwarding the Collector's letter, remark that "Goa salt might certainly be excluded from the general concession made to salt from other countries, but that this exception is not desirable, if it can be avoided. In the event of Goa salt imported by sea being included in the general measure, the present duty of 3 rupees per maund may be re-imposed, if the sales of monopoly salt are found materially to fall off, or such a special duty imposed as would place it on an equality with other foreign salt. On the other hand, the Government may be of opinion that the representation of the Collector is sufficiently strong to justify the exclusion of Goa salt by sea altogether for the present."

5. The Governor in Council, having given his most careful attention to the representations of the Board and the Collector, is not disposed to exclude Goa salt on import by sea from the benefit of the concession recently sanctioned by the Government of India, but he is of opinion that the principle of that concession would be sufficiently maintained by the imposition of such a special duty on salt from Goa as would bring it into the market on equal terms with the salt manufactured on account of Government. Twelve annas per maund would, as appears from the Collector, be too low a rate of duty—one rupee would be too high. Taking 14 annas a maund, this would give 105 rupees per garce, and if to this be added 13½ for prime cost, charges, and profit, the salt might be sold at 118½ rupees per garce, or at a trifle below the monopoly rate—120 rupees. The Governor in Council therefore resolves to apply to the Government of India for their sanction for the imposition of 14 annas per Indian maund on salt imported by sea from Goa into the Madras territories, the duty on salt imported from other places remaining at the rate lately authorized, viz., 12 annas.

6. Pending the reply to this reference, Goa salt will not be admitted into the Madras ports, but its temporary exclusion will not interfere with the carrying out of the recent concession as regards salt from other countries. The Board will therefore proceed without delay to prepare the notification called for in Extract Minutes of Consultation, of the 2nd of September, with the necessary reservation as regards Goa salt.

Appendix J.—No. 9.

G. PLOWDEN, Esq., Officiating Secretary of the Government of India, to T. PUCHOFF, Esq., Secretary to the Government of Fort St. George. Dated the 18th January, 1854.

Sir,

Fort William, January 13, 1854.

I am directed to acknowledge the receipt of your letter No. 1,309, dated the 24th of November last, with enclosure, relative to the effect on the monopoly sales which would be produced by the admission of Goa salt by sea into the territories under the Madras Presidency at an import duty of 12 annas per Indian maund, under the general sanction accorded by the Government of India under date the 5th of August, 1853, and submitting the recommendation of the Government of Madras that the Sea Customs Duty on Goa salt on import into the Madras ports may, until further orders, be fixed at 14 annas per Indian maund.

2. The object proposed by the Court in their despatch to the Government of Madras, No. 6, of 1851, obviously was to introduce at Madras the same principle which has for some years been observed in Bengal and Bombay, namely, having ascertained as nearly as possible the actual cost per maund to the Government of the salt manufactured for them in the Madras territory, to add thereto a certain duty (which in Madras was assumed at 12 annas per maund), and fix the sale price of such salt at the aggregate of the two sums, i.e., the cost of manufacture plus the duty, at the same time admitting all foreign salt on payment of a similar duty, so that the two salts might enter into free competition with each other in the markets of the Madras provinces.

3. This is what is actually done in Bengal and in Bombay, and the result is, that while the Government revenue remains entirely unaffected, the consumers benefit by obtaining more, or better, salt for their money by means of the competition.

4. According to this principle it matters nothing at all to the Government whether the Government manufactured salt be undersold or not, the object being not to keep up any monopoly of Government salt, but to levy equal duty on all, and let that article prevail in the market which, after paying duty, can be brought there and sold on the cheapest terms.

5. If the President in Council rightly apprehends the proposition now made on the subject, it is to prevent the Government salt of Canara from being undersold, as it is expected to be, by reason of the cheapness of Goa salt, and this (as the President in Council understands it is intended to do), not by reducing as much as possible the actual cost of the Government Canara salt, which would be a perfectly legitimate measure, but by raising the duty on Goa salt two annas over that levied on the Government salt, making the latter 12 annas, and the former 14 annas per maund.

6. Unless, therefore, the present proposition has been misunderstood, the Governor in Council will perceive that it could not be assented to without a wide departure from the essential principles of the Court's instructions in this matter; for the proposition of the Governor in Council would seem to be the imposition of differential duties to keep foreign salts out, while that of the Court is clearly to levy equal duties in order to let them in.

I have, &c.,

GEO. PLOWDEN.

Appendix J.—No. 10.

Minute by Sir Henry Pottinger, dated the 25th of February, 1854.

Letter from the Government of India, dated the 19th of January, 1854, negating the proposal of the Madras Government to levy a differential duty of 14 annas per maund on salt imported into the province of Canara from the Goa territory.

2. I have given my very best attention to the above letter.

3. It strikes me that the Government of India have not perfectly understood the object proposed in Extract Minutes of Consultation of the 24th of November, 1853. The simple object therein proposed was to levy 14 annas per maund on salt imported from Goa, whilst all other foreign salt was to be admitted at 12 annas per maund.

4. It seems clear, however, that this differential system cannot now be introduced; at least not without the previous approval of the Court. Though I confess I still think, for the reasons before assigned, that that measure would be equally desirable and fair.

5. The alternatives which now present themselves are to reduce the price of home made salt to a level with that brought in from Goa, which must, I conclude, be applied to all other places, or to introduce the excise system.

6. The former, I see, can only be done under the orders of the Governor-General in Council, and will apparently lead to a considerable defalcation of revenue. The excise system is surrounded with many serious difficulties, as described at length in the Collector's letter of the 10th of November, 1852, and should it be eventually decided on, which I admit would be, in my estimation, the best of the two, as assimilating the practice of Madras with that of Bombay and Bengal; it can obviously only be carried out after full consideration, and the receipt of information to be obtained through the Board of Revenue from the local revenue officers in all parts of the Presidency which the change would affect.

7. The question for primary consideration is what is required to be done immediately, and I see nothing else for it but to place the Goa salt on the same footing as that from other foreign countries for the present. In the interim reference should be made without delay to the Board of Revenue and the Collectors, and their earliest sentiments requested. By the period they are received, Mr. Plowden, the Bengal Salt Commissioner, will probably be back at Madras from his deputation to Bombay, and we shall have the benefit of his investigations and advice.

8. In conclusion I may observe, that my apprehension as to an excise system (exclusive of the objections pointed out by the Collector) is, that its introduction will prove a great encouragement to smuggling, and that it will call for a vast increase to the present preventive establishment, thereby greatly augmenting the charges on the salt revenue, and, which is of greater moment, subjecting the manufacturers and dealers to extortion, the bad effects of which will, in the end, fall on the poor consumers. I agree also with the Collector of Canara that the change may operate disadvantageously on the supply being at all times proportionate to the demand, but this point can be carefully considered previous to any steps being taken to introduce an excise.

Appendix J.—No. 11.

Minute by the Hon. Mr. THOMAS, dated the 1st of March, 1854.

I suppose the Government of India clearly perceive, that by their refusal to sanction the differential duty upon Goa salt, they virtually give the command of the Canara market to Goa. They place Arabian and Bombay salt under a disadvantage, and so long as the home manufacture cannot be brought into the market under 7 rupees, and Goa salt cost only 5 rupees the garce, they also even shut out the home produce.

2. It appears to me that the best remedy is at once to relieve the home manufacture from its shackles as a government manufacture, and to establish an excise.

Appendix J.—No. 12.

Extract from the Minutes of Consultation of the Madras Government, dated the 9th of March, 1854, No. 281, on the Letter from the Government of India, dated the 13th of January preceding.

Ordered, that the Letter above recorded be communicated to the Board of Revenue in reference to their Acting Secretary's letter of the 17th of October last.

The Government of India having declined to authorize the levy of a differential duty of 14 annas per maund on Goa salt imported by sea into the Province of Canara, there would seem to be no course but to place that salt on the same footing as salt from all other foreign countries. The Board of Revenue will therefore submit for publication in the "Fort St. George Gazette" the draft of a notification, announcing that Goa salt will be allowed to be imported at the ports specified in the notification of the 6th of December last, on payment of 12 annas per Indian maund import duty.

2. The date from which this concession is to take effect will be determined by Government. Meanwhile, the Governor in Council requests that the Board of Revenue will place themselves in immediate communication with the Collectors of the several maritime districts, in view to ascertain their sentiments on the subject of the introduction of the excise system. By the time their replies, which should be furnished without delay, are received, Mr. Plowden, the Bengal Salt Commissioner, will probably have returned to Madras from Bombay, and this Government will have the benefit of his investigations and advice.

APPENDIX K.

Correspondence and Papers relating to the Rate of Duty.

- No. 1.—Extract of a Despatch from the Court of Directors to the Government of India, dated July 3, 1844.
 No. 2.—Ditto from ditto to the Madras Government, dated December 31, 1847.
 No. 3.—From the Madras Board of Revenue to the Government of Madras, dated the 4th July, 1850.
 No. 4.—Minute by Sir Henry Pottinger, dated the 20th July, 1850.
 No. 5.—Minute by Mr. Elliot, dated the 25th July, 1850.
 No. 6.—Minute by Mr. Thomas, dated the 17th August, 1850.
 No. 7.—Minute by Mr. Elliot, dated the 2nd September, 1850.
 No. 8.—Minute by Mr. Thomas, dated the 2nd September, 1850.
 No. 9.—Extract from the Minutes of Consultation of the Madras Government, dated the 6th September, 1850.
 No. 10.—Extract of a Letter from the Court of Directors to the Madras Government, dated the 31st August, 1852.

Parliamentary Papers. Select Committee of the House of Commons in 1832.

- No. 11.—Evidence of David Hill, Esq.
 No. 11 A.—Ditto of Robert Alexander, Esq.
 No. 12.—Extract of a Letter from J. A. Dalzell, Esq., in reply to a Letter dated the 17th January, 1832. Circulated by the Commissioners for the Affairs of India.

Appendix K.—No. 1.

Extract of a Despatch from the Court of Directors to the Government of India, No. 9, dated 3rd July, 1844.

Paragraph 1. We now reply to your letters of the dates noted in the margin,* which report your proceedings connected with the enactment of Act VI, of 1844, for Abolishing the levy of Transit or Inland Customs Duties, for revising the duties of Imports and Exports by Sea, and for determining the Price at which Salt shall be Sold for Home Consumption within the Territories subject to the Government of Fort St. George.

2. By this enactment you have entirely freed the internal commerce of Madras from the restrictions and annoyances to which it has hitherto been subject, through the continuance of the Transit Duties, and you have assimilated the rates of duty on imports and exports by sea to those in force at the other Presidencies.

3. Of these measures, by which the internal and external commerce of Fort St. George is placed on the same footing as that of the rest of the Company's possessions, we entirely approve.

4. With the view of making up the loss of revenue which will be occasioned by the entire abolition of the Transit Duties and the reduction in the rates of Sea Customs, and in consideration of the relief to the people which will be thereby afforded, you have resolved to raise the price of salt sold for consumption within the Madras territories from 105 rupees the garce (the highest amount which it has ever borne, and at which it has been fixed for the last sixteen years) to 1 rupee 8 annas the maund, or 180 rupees the garce.

5. On the receipt of the letter intimating your intention to raise the price of salt to this extent, the Madras Government remonstrated against it, stating their conviction that "a sudden rise in the present monopoly price to the extent of 75 rupees per garce would have a most serious influence on the home and inland trade, and would be an inducement to the inhabitants to procure salt illicitly, or to use the unwholesome earth salt which is easily produced in every district."

6. The Madras Government admitted that the relief afforded to all classes of the community by the abolition of the Inland Transit Duty might justify some increase in the monopoly price of salt, but they were of opinion that the highest amount which it would be safe or reasonable to impose would be 127½ rupees per garce, or 1 rupee 1 anna per maund.

* Financial Letter, dated 15th September, No. 42, 1843
 Ditto Ditto 16th February, No. 10, A, 1844.
 Legislative Ditto 16th March, No. 7, 1844

That Government also submitted a statement, exhibiting the consumption of salt and the revenue derived therefrom, from the year 1806-7 to 1841-2. From that statement we give the results, which are shown in the margin * from which it appears that on each occasion when the price of salt has been raised the consumption has immediately fallen off. In the four years from 1806-7 to 1809-10 when the price was rupees 70 per garce, the average consumption of salt was 27,296 garces per annum. On the price being raised to rupees 105 per garce, at which it remained for the next ten years, the average consumption fell to 26,701 garces. As it was believed that the high monopoly price led to extensive smuggling, and to the illicit manufacture of salt, the price was in 1820-21 reduced to the former amount of rupees 70 per garce, and the consequence of this measure, and the reforms which were at the same time effected in the salt management, was, an immediate increase in the sale of Government salt to the large extent (on the average of the eight years at which that price was maintained) of 12,357 garces, or 14,82,840 maunds per annum, sufficient, according to the best information which could be obtained as to the individual consumption of salt in Bengal,† for the annual consumption of upwards of nine millions‡ of persons, while the revenue derived from salt suffered to the comparatively insignificant extent of rupees 69,587 per annum. In 1828-9 it was stated that the arrangements for the protection of the salt revenue were sufficiently perfect to warrant the re-imposition of the price of rupees 105 per garce, which was accordingly authorized by the Madras Government, and at that price it has remained until the recent alteration. The average supply for the fourteen years from 1828-9 to 1841-2 has been below that of the preceding eight years, to the extent of 4,393 garces, or 5,27,160 maunds per annum, which, according to the former estimate for Bengal, would represent the annual consumption of more than three millions§ of persons. It thus appears, that whenever the price has been raised, a considerable falling off has been apparent in the consumption, and this must have been occasioned either by the mass of the population restricting their consumption within the narrowest possible limits, or, what is much more probable, by the poorer classes having recourse for this necessary of life to illicit sources, or to the manufacture of an unwholesome and inferior salt, which may be easily prepared from the saline earths common in the country.

8. Your determination to increase the sale price of salt in the Madras Presidency appears to have been formed rather with reference to the much larger comparative amount which is realized in Bengal from that source of revenue, than from any considerations arising out of the particular circumstances of the Presidency of Madras. But we have to remark that your Government, in 1831, reduced the fixed price of the Cuttack Abia salt, provided for the supply of the southern division of Cuttack, and of the adjoining countries to the northward of that district, from 1 rupee 12 annas to 1 rupee 4 annas, per maund, with the view of lessening the consumption of the Ganjam Kurkutch salt, in the territory dependent on the Presidency of Bengal; and, as we are not aware that any alteration has been made in the system which was established in the southern division of Cuttack, in 1831, it must follow that the salt of Ganjam, which was then admitted to be inferior in quality to the Abia salt, will be much more heavily taxed than that of Cuttack.

9. Upon a consideration of all the circumstances above adverted to, we are so strongly convinced that an increase to the extent ordered by you of the monopoly price of salt in the Madras Presidency, while it may prove unsuccessful in a financial point of view, will operate with extreme severity towards the poorer classes of the population, and will be morally injurious, by holding out to many persons a temptation too strong to be resisted to commit breaches of the law, by engaging in the contraband trade in salt from the sea coast, and in the illicit manufacture of it in the interior, that we cannot give our sanction to the increased duty which you have established.

	Price per Garce.	Average consump- tion per Annum	Average Revenue per Annum
1806-7 to 1809-10	Rupees 70	Garces 27,296	Rupees 21,19,195
1810-11 to 1819-20	105	26,701	28,03,699
1820-21 to 1827-28	70	39,058	27,54,112
1828-29 to 1841-2	105	34,665	36,59,900

† About 6½ millions per annum

§ 3 = 1000

‡ 9,125,000

10. We accordingly direct that on the receipt of this despatch, you immediately avail yourselves of the power reserved to you in the 44th section of the Act; and that you issue orders for the reduction of the price of salt under the Madras Presidency to 1 rupee per maund, which, by Act VI, of 1844, has now become the standard measure by which salt will be sold throughout India. We are aware that the Government of Madras have objected to the substitution of the maund, on account of its being a weight, and therefore inapplicable for the measure of a quantity of an article which absorbs moisture at times. There would, however, be little difficulty in providing a measure containing a maund of dry salt, which, while it would secure uniformity in the salt accounts of the three Presidencies, would, under an efficient system of local check, tend to prevent abuses in the receipt of salt into store, and its delivery to purchasers, similar to those which were in 1841 discovered to have been practised in the district of Vizagapatam, by the native officers in the salt department.

11. We shall transmit an extract from this despatch to the Government of Madras, with instructions to anticipate the receipt of your orders, by making the necessary communication to the Collectors in the maritime district for the immediate reduction of the price of salt to the amount which we have specified.

Appendix K—No. 2.

Extract of a Despatch from the Court of Directors, dated 31st December, 1847,
No. 29.

27. These statements exhibit the sales of salt, under the several heads of sales for home and inland consumption, meaning by these terms salt sold for the supply of the districts within which the salt is manufactured, and that sold for the supply of our own provinces and of the Native States in the interior. The distinction is not, however, maintained in practice, and we shall, therefore, consider the results of these statements in their combined form as exhibiting the supply of salt to all the inhabitants of the Madras Presidency, and of the Native States in the interior, who are dependent for their salt on the produce of the coasts of the Coromandel and Malabar.

28. We find that in the period from 1230 to 1237 (1820—1 to 1827—8), when the price of salt was rupees 70 per garce, the average annual supply was 39,266 garces; while, in the subsequent period, from 1238 to 1252 (1828—9 to 1842—3), when the price was rupees 105 the garce, the average consumption had fallen to 34,772 garces per annum. This decrease of 4,494 garces, or at the rate of 11·4 per cent., on the annual consumption, without allowing for the natural increase of population, is very unsatisfactory, and leads to the conclusion that the increased price has either rendered it impossible for the people to obtain a sufficient supply of this necessary of life, or that they have been supplied through illicit channels, or have had recourse to the impure and unwholesome article obtainable from the saline earths which are common in many parts of your Presidency. The further increase in the price from rupees 105 to 120 per garce, which has since taken place has, we fear, still further aggravated the evil.

29. It was partly with the view of obtaining the means of ascertaining the effect of the variations of price on the consumption of salt under your Presidency that, in our despatch of the 25th of August last (No. 21), we desired you to furnish us with periodical statements, showing the amount of the annual sales under different heads—we now desire that the Board of Revenue may be called on to supply a general report on the subject, exhibiting the bearing of the salt tax on the inhabitants of the different districts under your Presidency, and particularly, as far as circumstances will permit, the rate of consumption and the extent of population, whether in our own territory or in that of Native States who are dependent for their supply of salt on the produce of our coasts.

30. We may observe that the statements already referred to show that, while the price of salt has been increased from rupees 70 per garce to rupees 105 or 50 per cent., the increase in the gross collections has been only 30 per cent.*

* Average Gross Collections.

1230 to 1237 . . Rupees 27,07,302. 1238 to 1252 . . 36,10,597.

Appendix K.—No. 3

W. H. BAYLEY, Esq., Secretary to the Board of Revenue, to SIR H. C. MONTGOMERY, BART., Chief Secretary to Government.

Revenue Board Office, Fort Saint George,
July 4, 1850.

Sir,

Paragraph 1. I am directed by the Board of Revenue to acknowledge the receipt of Extract Minutes of Consultation, dated the 4th of April, 1848, communicating an extract from a general letter from the Court of Directors, dated the 31st of December, 1847, No. 29, in which certain information is called for, relative to the operation of the salt monopoly in this Presidency. The Court are apprehensive that the increase of price from rupees 70 per garce to rupees 105, has either placed this article beyond the reach of the people, or that they have been supplied through illicit channels, or have had recourse to the impure and unwholesome article known as earth salt, obtainable in many districts, and that the increase in the price, from rupees 105 to rupees 120, has further aggravated the evil.

2 The several Collectors were addressed by Circular on this subject, and their replies, as noted in the margin,¹ are herewith submitted. It appears unnecessary to review these in detail. It will be seen that the sentiments of the Collectors generally are in favour of a reduction of the monopoly price; but the views enunciated apply to the monopoly as such, rather than the monopoly rates of rupees 105 and rupees 120 per garce, at which salt has been sold for some years past. The Collector of Guntoor would deprecate a reduction if the loss of revenue occasioned thereby is to be made up in some other way. The Collector of Canara notices a remarkable increase latterly in the sales for inland consumption, which he attributes to the improvement in the communications and to the facilities afforded by the establishment of inland depôts for the sale of salt. In some districts, the Circars chiefly, the diminution in the home sales, after the augmentation in the monopoly price from rupees 70 to rupees 105, is very marked, doubtless the legitimate sales have been affected, as observed by the local officers, by illicit practices, but some allowance must be made for the want of care in distinguishing in the account home sales from salt sold for inland consumption, by which it would be shown that the diminution to some extent is apparent, and not real.

3 The accompanying Statements A and B, have been drawn up in this Office in the former from the periodical returns received from the Collectors, the latter from the statements which accompany the letters under submission.

Canara	Inlandsales.
Esqly.	Gares
1233, at Rs.	70, 1,929
1234	" " 1,709
1235	" " 1,752
1238	" 105, 1,197
1241	" " 823
1254	" 120, 2,049
1255	" " 2,226
1256	" " 2,265
1257	" " 2,698

From	Date	in Cons.	Date
Goujan	29th September	16th October 1848.	
Vizagapatam	6th "	16th "	
Rajahmundry	16th December, 1848	14th January, 1849	
Masulipatam	30th "	8th "	
Guntoor	13th "	18th September, 1848	
Nellore	11th "	9th November "	
Bellooy	15th "	26th March, 1849	
Chingleput	9th "	16th October 1848	
North Arcot	7th "	11th September "	
South Arcot	19th "	26th October "	
Triplicane	20th "	26th "	
Madurai	10th "	16th November "	
Tambravilly	11th "	11th January, 1849	
Combarboore	14th "	13th November 1848	
Canara	18th "	28th September "	
Madurai (received)	14th "	16th November "	
Malabar	20th "	8th January, 1849,	
Cuddalore	21st "	29th "	
Kannool	25th "	28th August, 1848	
Salem	10th "	23d November "	
Trichinopoly	12th "	28th September "	

Combined Sales.

Fusly.	at Rs	Garces.
1228	105	28,113
1229	"	28,442
1234	70	40,357
1235	"	42,810
1236	"	37,646
1238	105	34,724
1239	"	30,610
1240	"	33,935
1256	120	38,231
1257	"	38,294

Statement A exhibits the sales of salt from an early period, Fusly 1216 (A.D. 1806-7), to Fusly 1257 (A.D. 1847-48), or 42 years.* The sales of salt certainly rose with the price at rupees 70, and fell afterwards with the augmentation of the rate to rupees 105, but the sales latterly have increased, and are not materially below the sales at the most prosperous period when the price was at rupees 70. The favourable aspect of the sales during late years, is probably owing to improved roads, to the relief afforded by the abolition of the Sayer duties, and to greater efficiency in the management.

4. Statement B exhibits the average retail price of salt in the several districts under the different monopoly rates, with the difference between the general average of retail prices in all districts, and the monopoly rates; the former shows the price paid the consumer, the latter the sum accruing to the trader to meet carriage, &c., charges and profits. It will be seen that the consumer is not called upon to pay in proportion to the increase in the monopoly price, but the profits of the dealer are pro tanto reduced. The Collector of Bellary observes, that no portion of the capital of the district under his charge is employed in the trade in sea salt, and that officer goes the length of suggesting an entire remission of the monopoly price by means of a drawback. It must however be borne in mind that earth salt of superior quality has always been the staple of consumption among the lower classes in that district, sea salt being consumed by a very few, who purchase from traders (Brinjaries) passing through the district.

5. The relation borne by the actual sales to the population is next to be considered. The consumption per head is variously stated by the different Collectors, but 6 measures † as the annual consumption of each, old and young, is perhaps a sufficient approximation to the actual consumption. At this rate with a population of 20 millions in the Madras Presidency, which includes the army and persons who do not reside permanently, 37,500 garces ‡ would be required, but this quantity is only 564 garces less than the combined sales for both British territory and Native States.

6. Again, taking individual consumption at 6 measures, the consumption of a family consisting of six persons would be 36 measures or 4½ mercials, the price of which, at the present monopoly rate of rupees 120 per garce, is rupees 1-5-7; but the monthly earnings of most persons in the interior who subsist on wages, may be said to be represented by this sum; thus showing that, with charges of conveyance and profits of trade added, sea salt must be beyond the reach of many.

7. The Board would here advert to the discussion which took place when the monopoly price was raised from rupees 70 to rupees 105 per garce. † It was then argued that the improved condition of the salt sales which had taken place with a low price, was to be traced to greater efficiency, then recently introduced in the management, and not to the rate itself, that the increase in the demand for home consumption was general in all the districts, that the inland trade in other articles had not been affected when the monopoly price was at rupees 205 as was supposed, the imports from foreign territories having continued nearly at one standard throughout the whole period noticed, that the cost to a family was so little that it was a matter of little consequence whether the price be thirty or forty per cent. more or less, that the comfort of the inhabitants of our own territories was not affected by the higher rate, that the decrease in the inland sales was owing to causes irrespective of price, that the greater part of any reduction in the monopoly price would be intercepted by the merchant, and lastly that the Government price in Bengal was not less than 180 seca rupees the garce of 120 Bengal maunds, to which 20 per cent being added as traders' profit and other charges, the retail price in Calcutta and its vicinity would be 576 rupees, while in remote parts it would probably be rupees 700 and rupees 800, which, it was found, was not above the circumstances of the people in general, few only, and those in the most inferior station, and in particular parts

* For a complete statement of sales from 1806-7 to 1852-53, see Appendix C, No. 1, of Appendix B, No. 2, of the Report, Madras Part

† For a statement of retail prices from 1816-17 to 1852-53, see Appendix D of Appendix B, No. 2 of the Report, Madras Part

‡ Six measures of loose salt weigh about 18 lbs. In the United Kingdom the consumption of each individual is estimated at 22 lbs.—McCULLOCH'S Commercial Dictionary, article Salt

§ Average sales of the last three years, from Fusly 1255 to Fusly 1257 —	
Home Consumption	Garces 19,134
Inland	18,931
	38,065
Estimated Home Consumption at six measures per head	37,500

Difference 564

¶ From Government, 20th March, 1820. Proceedings of the Board, 9th June, 1828

of the country, being unable to purchase monopoly salt. With these views, rupees 100 per gauce of 120 Bengal maunds was finally fixed as the monopoly price. The Board have no information of the results of any changes which may have been made in the administration of the salt revenue in Bengal, since this letter was recorded, but they conclude that the retail prices would still bear a similar proportion to the Government price as existed in 1828. It may be proper to add, in order that all the bearings of the question may be brought under notice in this place, that the Board in their orders to the Collectors, apprizing them that the monopoly price had been raised from rupees 70 to rupees 105, seemed to think that the enhancement in the price might lead to smuggling.

Circular, 23rd June, 1828.

8 Revenue alone being had in view, it is obvious that a reduction of the present monopoly rate is not called for. The subjoined table exhibits the retail price of salt, and the average sales for the Home and Inland consumption during the last 3 years, compared with corresponding particulars for the periods when the Government price was rupees 70 and 105 respectively.

	Year.	Monthly Price	Retail Price	Per Cumbary	Home Sales	Inland Sales	Total Sales	Deriv.
From Fussy 1231 to F 1236	6	70	130 5 0	86	21,670	17,824	39,494	27,64,550
Do 1238 to F 1252	15	105	157 8 10	50	19,331	15,394	34,725	36,46,125
Do 1255 to F 1257	3	120	182 9 7	52	10,133	18,931	29,064	45,67,680

9. On the other hand, considering the evils, viz., illicit practices, and inconvenience to the people in greater or less degree, according to distance from the place of production, which must attend the monopoly, the Government price, it will be admitted, should be as low as circumstances will admit. The present rate of rupees 120 has been in operation since 1815—46 only, and sufficient data are not at hand to determine whether the increase from rupees 105 to rupees 120 has been attended with such effects as to call for a reduced standard; further experience appears necessary for the determination of this point, meanwhile it must not be passed over that the Home and Inland sales combined in Fusties 1256 and 1257, are not materially below the highest sales when the monopoly price was at rupees 70; that the country has obtained much relief by the abolition of the Inland and Frontier Duties, and of the Customs levied on the port and port trade, and that there is reason to believe that the price paid by the consumer of sea salt in the Bengal Presidency is at least 500 per cent. above the retail prices in the Madras Districts.

Statement A	Combined
Fussy.	Sales
1234	40,357
1235	42,310
1256	38,231
1257	38,231

10. The attention of Government has been for some time past increasingly given to the communications throughout the country, and it may reasonably be expected, other circumstances favouring, that the sale of salt will increase in proportion. In regard to the practicality of placing salt at a reduced price within the reach of the population inland, the subject, it will be remembered, has already engaged attention, but hitherto without success. Inland depôts on a limited scale, as in Canara, where the improvement in the sales has been most markedly already observed, may perhaps be established with advantage and without much loss to Government from wastage and fraud; but on a large scale the expense would be considerable, and, as the inducements to fraud would be multiplied, it would be necessary to provide trustworthy supervision at a heavy charge, in addition to the ordinary establishments, a system of drawback has been already deemed inexpedient.

I have, &c.

W. H. BAYLEY, Secretary.

On this subject, and on the effects of a reduction of the monopoly price, as stated in such in general and the employment of capital, the letter from the Collector of North Arcot under submission, contains some remarks worthy of notice.

Board's Proceedings on the settlement of extra sources of revenue in Madras for Fussy 1252, (p. 1812-43.)

Ltr. January 1844, paragraph 3.

Extract Minutes Consultations, 16th February, 1844, in Consultations 29th February, 1844

Appendix K.—No. 4.

Minute by SIR HENRY POTTINGER, dated the 20th July, 1850.

I do not think there is anything in the Board's proceedings, or in the different Collectors reports, so far as I have been able to spare time to look into them, that would authorize a recommendation for a reduction of the present monopoly price of rupees 120 per garce, nor does it appear to me to be by any means asserted or admitted that even a reduction to the old rate of 70 rupees per garce would increase the sale and consumption. In Bellary the manufacture of earth salt seems to entirely supersede the use of sea salt, except amongst a few of the most wealthy inhabitants, and the same circumstance doubtless holds to a greater or lesser degree in many other provinces. On the whole, I am disposed to concur with the Board of Revenue, that a larger trial of the existing regulations is necessary to judge of their effects, and I would propose that the present report be forwarded to the Court with that opinion.

Appendix K.—No. 5.

Minute by the Honourable Mr. ELLIOT, dated the 25th July, 1850.

It appears that since the monopoly price was increased from rupees 105 to 120 per garce, the quantity of salt sold has also considerably increased,* and that the quantity sold in Fusly 1257, the last year of which the sales are noted the price being at 120 rupees, actually exceeded the quantity sold in Fusly 1236, the last year in which the price was at 70 rupees. It is to be observed that the average of the period when the price was at 70 rupees, referred to by the Court of Directors, and contrasted with the average of the subsequent period when the price was at 105 rupees, is raised to an extreme height by including two years, Fuslyes 1234 and 1235, in which, from some extraordinary impulse, the former sales suddenly rose from 20,880 garce in 1233, to 23,665 garce in 1234, and 24,086 garce in 1235, but fell again in 1236, the price remaining the same, to 21,641 garce.

2. When the monopoly price was increased from 105 rupees to 120 rupees, the addition being 15 rupees, or 14 per cent, the retail price, taking the average of the districts, was raised from 157 rupees to 182 rupees, or something under 16 per cent., the excess over the monopoly price being in the ratio of 52 per cent., whereas the excess of the retail over the monopoly price, when the latter stood at 70 rupees, was in the ratio of 86 per cent.

3. When the monopoly price was so low, it is clear that the merchants intercepted a very large part of the benefit that was intended for the consumer.

4. There having been an increasing demand since the monopoly price was raised to 120 rupees, tends to prove that the augmentation has not put it beyond the means of the ordinary salt consumers to use salt to the same extent as they have been accustomed to do.

5. The consumption of salt per head, estimated by the Board at 6 measures, very much exceeds that made by Sir T. Munro, when Collector of the Ceded Districts, referred to by the Board of 1828, in their proceedings dated the 9th of

* Average at 105 rupees, from Fusly 1238 to Fusly 1240	Garces 35,118
" 120 " " 1256 and 1257	" 36,262
Increase	1,144

June of that year, which they remarked corresponded nearly with that given by Mr. Colbrooke in his work on the husbandry and internal commerce of Bengal. Sir T. Munro's estimate comprehended every article in the consumption of a family of brahmins, of vots, and of labourers, and was no doubt made with great exactness on the best information. His allowance for salt for a brahmin's family is much higher than for families of the other classes,* but it appears to be less than half of what the Board now put down as the average consumption of families in general. I do not know the data upon which the Board assume the population of the Madras Presidency to amount to 20 millions, this is an estimate far exceeding what I have been accustomed to rate it at; I have not at hand any account of the population later than 1824-25, when it was computed as being under 11 millions. In a minute of Sir T. Munro, on native education, I see that following the Board of Revenue in the report to which he was referring, he takes it at 12½ millions. I must confess that I am therefore sceptical of the correctness of the above estimate, and of the calculation founded upon it.

6 I have observed that the quantity of salt sold at 120 rupees in 1257, exceeded the quantity sold in 1236 at 70 rupees. The revenue derived from salt, including salt exported by sea,† (which I have not at hand the means of distinguishing) in Fusly 1236 was rupees 28,67,280, was increased in Fusly 1257 to rupees 47,00,004. The abstract given by the Board in paragraph 8, I apprehend, excludes the export by sea; according to this, the revenue when the price was at 70 rupees amounted in the average to rupees 27,64,580.

At 105	..	..	86,46,125.	Increase, 8,81,545, near 32 per cent.
At 120	..	..	45,67,680.	„ 9,21,556, „ 26 „

7. On the whole, I must say that it does not appear to me that there is any reason to conclude that the late augmentation of the monopoly price which has so largely enhanced the revenue, has been attended, to use the words of the Board, with such effects as to call for a reduced standard. It is always to be remembered that the additional tax upon salt was imposed as a means of recovering a part of the revenue lost by the abolition of the Sayer. The amount realized under the head in 1252, the last year in which the Transit and Town Duties were collected in full, was rupees 36,48,761, in 1257 the sum derived from the Frontier Duties, which alone continue in force, was rupees 1,88,650.

8. On the question of allowing a drawback on salt conveyed inland, adverted to by the Board at the end of this report, (which they observe has been deemed inexpedient) I have already expressed my sentiments in a minute recorded in Consultation, under date the 22nd of July, 1848.

Appendix K.—No. 6.

Minute by the Honourable MR. THOMAS, dated the 17th August, 1850.

These proceedings with the Correspondence and Statements‡ annexed, bring this most important question fully before the Government, and they go far in my judgment to prove, that the Court's apprehensions§ are well founded viz, that the increase of the monopoly price of salt in this Presidency, has placed this first necessary of life, in a great degree, beyond the reach of

- 26 seers, which at 3 seers for 3 measures* = 17½ measures, whereas the Board's estimate is 36 measures.

* Pharoah's Almanac, p. 380.

‡ Greater in 1236 than in 1257, being garces 6,852 in the former, and only 4,073 in the latter.

‡ A and B

§ Despatch 31st Decembcr, 1847, paragraphs 27-8-9.

large classes of the people, and has induced them to seek the supply of their wants through illicit channels, or driven them to the use of the impure and unwholesome earth salt of the country.

2. From the Table B it will be seen, that the market or selling price to the consumer, has very generally risen nearly to the full extent of the several additions to the monopoly price. I do not consider the "average" as given by the Board, drawn from the retail prices in the districts, and not calculated upon the quantity sold, to justify any general conclusion, and when the Table B is examined as a whole, it appears to me to evidence, that every addition to the prime cost is thrown very largely upon the consumers, and of course proportionately lessens their power to command monopoly salt, and tends to diminish the quantity consumed.

3. But Table A affords the most conclusive proof upon this point.

This Table contains a statement of the annual sales of salt for 40 years, from 1806 to 1846, and it exhibits the following results. In 1807 and 1808, salt being then at 70 rupees the garce, the sales for home and inland consumption, as distinguished from those for export by sea, were

In 1807	. . . . .	30,421 garces
In 1808	. . . . .	31,013 "

In 1809, the monopoly price was raised to 105 rupees, and the sales instantly fell to 23,624 garces, and they never rose again to the quantity sold in 1807 and 1808, during the whole of the ten years (1809—1819) during which the increased price was demanded.*

4. But no sooner was the price again lowered to 70 rupees in 1820, than instantly the consumption increased, and the sales were 30 per cent. in excess, rising from 28,000 garces in 1819 to 39,000 in 1821, the second year after the reduction of price.

The following extracts will show this still more clearly.

In 1818, price 105 Rupees sales 28,113 Garces	
1819, ,, 105	.. .. 28,142 .
1820, ,, 70	.. .. 36,405 ..
1821, ,, 70	.. .. 39,797 ..

and the sales continued large during the six years (1820—1826) of this reduced price, although 1823 and 1824 were years of scarcity, and even of famine, in several of our provinces.

5. The price was again raised in 1828 to 105 rupees, and immediately the sales went down to 31,724 garces, and during the whole period of 18 years from 1828 to 1846, they have never exceeded 38,494 garces, that is 4,770 garces below the sales of 1823, 20 years before. In several of the intermediate years also, the sales have rallied but little, and have even been below those of 1828, whilst under the head of "home consumption" they have retrograded rather than advanced. Again, if we compare the entire inland sales for the six years 1820—26, when the price was 70 rupees, with the six following years 1826—31, when it was 105 rupees, we shall find that consumption in the first period exceeded that in the latter by 30,000 garces, or to give its equivalent, by above 1,20,000 tons.†

6. But one inference can, in my judgment, be deduced, from the consideration of this Statement (A), that the people have been largely debarr'd for a series of years the use of marine salt in consequence of the high monopoly price.

This is also the view (as shown by the correspondence) of all the local officers of the inland districts without exception, as well as of the majority of the Collectors of the maritime provinces.

7. I can see no other cause for the uniform large average sales 1820—1826, than the reduction of the price to 70 rupees, nor why the people should take 42,000 garces in 1825, and that their demand in no one year subsequently,

* The highest amount sold for home and inland consumption was in Fusly 1229, and was 2,000, 3,000 garces below 1807 and 1808.

† One garce = 4½ tons
Do. of salt 120 maunds = 1 ton 4 cwt
1850 Almanac, Pharaoh, p. 330

‡ Average of six years, 1820-6 sales 39,400 garces
Do six years, 1840-7, including the two years at 110 rupees, sales 36,700 garces

has exceeded 38,000 garces, nor why also, if this be not the true explanation,* should the Table A exhibit an immediate diminution of sale, upon each augmentation of price, and also, show a very slow ratio of increase throughout later years, and an absolute failure of the sales to recover themselves during nearly 20 years, notwithstanding that there must have been a very large addition to the population, as peace and security have reigned throughout the whole period, whilst there have been, at the same time, greatly increased facilities of intercommunication.

8. Further, if we even contrast the sales of 1807—8,† with those since 1840, it will be seen that the sales in several recent years are but little in excess, and much it is probable of the excess shown is the result of better management.

See Board of Revenue proceedings, 1828, circulated

9. Another proof of the effect of the high monopoly rate, deserving of special attention, will be found in the following statement, drawn from the report of the Collector of Canara. It affords a striking illustration of the manner, in which the high monopoly price has worked in our provinces (for there is nothing peculiar in the state of Canara,) in decreasing consumption, notwithstanding a largely augmented population.

With Board's proceedings.

Fuslies.	ENTIRE DISTRICT.			Average Consumption per Head.	VALUE.		LOWER CANARA.		
	Population.	Home Consumption.			Rate per Garco	Amount.	Population.	Average Consumption per Head.	Value.
1237-38	6,65,652	GE. M. P. ¹	M. P.	RS.	RS. A. P.		M P	RS. A. P.	
		1,581 390 3½	0 7½	87½	0 3 2½	579,567	1 2½	0 3 8	
1252-51	8,67,061	1,595 368 2	0 5½	106	0 2 11	754,281	0 6½	0 3 4½	
1257	9,84,656	1,470 333 3	0 4½	120	0 2 10	858,185	0 5½	0 3 3½	

¹ Paddi or Puddee, ½ of a Mereal.

“From this statement it will be observed, that while the increase of the population in the whole Province since Fusly 1237, has been 329,000, the actual quantity of salt sold for their consumption has decreased from 1,531 garces to 1,470. The increase in the population of Lower Canara, by whom this was consumed has been 273,000. In 1237, the rate of consumption per head appears to have been 12 seers, 38 tolas per head, and 1257 only 8 seers 21 tolas per head, but owing to the increase of the price, the amount expended by each person appears nearly the same for the two periods, being 3a. 8p. in the former period, and 3a. 3½p. in the latter.”

Collector of Canara, 18th September, 1848, paragraph 4. Enclosure with Board's proceedings.

10 I think also that the great pressure of the monopoly rate, is even further shown by the almost stationary condition of the tax, during the three

	Rs	Garces.
1218 Fusly	Price 70	Sales 31,013
1219 .. .. .	.. .. . 105 .. .. .	.. .. . 23,824
1236 .. .. .	.. .. . 70 .. .. .	.. .. . 37,646
1237 .. .. .	.. .. . 70 & 105 .. .. .	.. .. . 39,105
1238 .. .. .	.. .. . 105 .. .. .	.. .. . 34,724
† 1807 . . . . .	.. .. .	Sales 30,424 Garces.
1806 .. .. .	.. .. .	.. .. . 31,013 ..
1840 .. .. .	.. .. .	.. .. . 35,061 ..
1841 .. .. .	.. .. .	.. .. . 35,645 ..
1842 .. .. .	.. .. .	.. .. . 35,550 ..
1843 .. .. .	.. .. .	.. .. . 33,454 ..
1844 .. .. .	.. .. .	.. .. . 35,734 ..

last years of the series, viz., 1844—45, 1845—46, 1846—47. For in 1844 not less than 20 lacks of taxation which was drawn in great part from the lower classes, being chiefly on the necessaries of life, was removed, and yet, notwithstanding this very large relief, the consumption of salt, the price being raised to 120 rupees has not increased in any proportionate degree.

11. That the sales did not fall off upon the augmentation of price, as was the case in every instance of former addition, was wholly owing, it can be scarcely doubted, to this relief from the 27 lacks of Sayer and Town Duties, and to the fact, that roads have been formed, and there has been at the same time no famine, nor other cause to affect the sales.

12. I am, therefore, wholly unable to agree with the Board of Revenue, that a further trial should be given to the present rate. The injury inflicted upon the bulk of the people by depriving them of this article of the very first necessity to health* and life is so great, that I think no time should be lost in modifying the tax, and in bringing marine salt within the reach of the mass of the inhabitants, especially in the inland districts.

13. That this is far from the case at present, is testified, as already observed by all the local officers with few exceptions,† and further proof will be seen also in the reports from Salem and other districts, on the extensive use of the impure earth salt, and upon a reference to the Table B, showing the high market price of salt.‡ The Revenue Board themselves even fully admit, that under the existing system, the people cannot purchase monopoly salt. They observe, paragraph 6, "Again, taking individual consumption at 6 measures, the consumption of a family consisting of 6 persons, would be annually 36 measures or 4½ mercials, the price of which at the present monopoly rate of 120 rupees per garce is rupees 1-5-7. But the monthly earnings of most persons in the interior, who subsist on wages, may be said to be represented by this sum, thus showing that, with charges of conveyance and profits of trade added, sea salt must be beyond the reach of many."³

14. The same fact was strongly brought to notice by the Acting Collector of South Arcot, Mr. Hallett, in 1841, (See his letter of June 6, and the Board's Proceedings of April 13, 1843, "On the extra sources of Revenue.") Mr. Hallett there stated,§ that whilst the consumption of sea salt in the French settlement of Pondicherry was 10½ measures per head, it was only 1½ per head in our own province adjoining, and, although the proceedings of the Board give grounds to conclude that the difference was not to the full extent calculated by Mr. Hallett, it was clear that there was a very great disproportion, and that our own subjects did suffer severe privations compared with the French population.||

15. The extreme pressure of the high monopoly rate upon the country at large cannot then, I think, be questioned, and it is not to be overlooked that this pressure falls most unequally, and on the poorer inhabitants most heavily, compelling large classes residing even at a short distance from the pans to resort to saline earths and inferior saline substances, and limiting the lower classes generally to a consumption far below their wants,¶ and leading to much smuggling and illicit practices, I cannot therefore, with these facts before me, regard the tax as now imposed in any other light than as a grievous hardship to the mass of the people, and peculiarly open to objection as pressing chiefly on the lower classes, the rich, from the small quantity consumed per head, scarcely feeling it.

16. The price should therefore, I think, be at once reduced to 70 rupees, the original monopoly rate, to bring it within the means of the population generally. The table A shows that it is only when at this price, as seen by the sales from 1820 to 1826,** that the consumption largely and steadily increases,

* I am credibly informed that the want of salt is the cause of worms, and of consequent low fevers, extensively prevalent in Bengal, affecting the general health of the people; and the same, I can scarcely doubt, must follow in this Presidency.

† See the Reports of the Collectors submitted by the Board, with their proceedings, especially those of the Collectors of Salem, South Arcot, Bellary, Cuddapah, Kurnool, Trichinopoly, and Canara.

‡ Paragraph 13

§ See also his letter to the Board, 6th December, 1842, paragraph 5

|| In the Report from the same district, now submitted by the Board, the consumption, it is stated, is not one-fourth of the natural demand. Collector of South Arcot's letter, 19th October, 1848, to Board of Revenue.

¶ The Collector of Rajahmundry also states, paragraph 3, iii, "The people used to give a quantity of salt to their cattle, but since the rise of the (monopoly) price this practice has been discontinued. Letter 16th December, 1848, with Board's Proceedings.

** See paragraph 5, above.

and upon reference to this table, we shall find the "home consumption," in 1824 and 1825, to have been 23,000 and 24,000 garces, whilst in no one year afterwards, from 1834 to 1846, has it reached 20,000 garces.

17. Should the price be reduced to this extent (70 rupees), there is, I think, little ground for the apprehension that the revenue will not recover itself gradually. Some years may elapse before this point is reached, as it may now take time to warn the people from the use of the cheaper earth-salts to which they have been driven, but the great general principle will assuredly manifest its force in this country as in every other, that when the cost of a prime necessary of life is diminished, an increased consumption immediately, and certainly, ensues, and by it the revenue will eventually be made good. I should, with confidence, leave this source of revenue to the action of this general principle as certain to secure the State against heavy loss.

18. I may however add that I can see no cause for any sacrifice of revenue, as a compensation may be immediately found in the re-imposition of a tax on betel and gunjah, &c., articles of the veriest luxury; only abolished in 1844. This would be in effect but a transfer of a tax on a necessary of life to one upon a superfluity.

19. I can also see no difficulty in the extension of a light veesabuddy of 2 or 3 per cent. (such as is now imposed in the Ceded Districts) throughout the Presidency. The Sayer having been abolished, this tax on the profits of trade could be collected in other districts as easily as in Bellary or Cuddapah, and would not interfere from its lightness with future production.

20. I would, however, chiefly counsel the formation of salt depôts at all the large towns in the interior, under the eye of the European officers, as the main source of improved revenue. If this be done, and the monopoly price reduced, no substitute, or compensation, to any large extent for the revenue relinquished will be required. The advantages of inland depôts are stated by Mr. Blanc, in his recent report of the 18th of June, 1850, paragraph 3,† and their necessity is I think shown by the high market-prices of salt in the interior, as shown in the table B, E, G. In Salem, 122 per cent.; North Arcot, 98 per cent.; Trichinopoly, 82 per cent. &c. The first of these districts, North Arcot, with pans within its own limits, and the other not 70 miles from the coast, easily accessible.

21. I cannot deem it of sufficient consequence to preclude a trial of these depôts that they offer facilities for speculation and fraud not now open. It must be borne in mind that the undue gains of the servants of Government and others will not be obtained by exactions from the people, adding to the oppressiveness of the tax, and that no increase of revenue can be secured in any branch without, in all probability, increasing the sources of private gain, and that there is nothing peculiar, therefore, in this respect in the salt revenue.

22. It merits also consideration that the salt now sold at the pans on the coast, at a monopoly price of 120 rupees the garce, costs the Government on an average but 15 rupees,‡ and can therefore well bear reduction and the cost of transport to the interior.

23. It appears unnecessary to enter at length into the question of the amount of the population as given by the Board, or of their estimate of the consumption per head. Personal inquiry at different times would lead me to think that the estimate of 6 measures per head annually is not too high; but I much doubt if the data for the population are such as can be safely relied upon. Yet as the population of the Presidency was given 25 years back§ at 13,508,535, and there must have been a considerable addition, the number may be at present 15,000,000 to 16,000,000; but, whether this, or the larger number given by the Board is correct, the views expressed above will not be materially affected.

24. Considering, then, the whole of the facts brought under review by the Board, and adverting to the character of this tax, which, though an eligible one so long as it is moderate and adapted to the circumstances of the people and their ability to meet it, but, so soon as it passes this limit, and prohibits their obtaining the necessary quantity of salt for their subsistence, becomes immediately one of the most injurious and burdensome of imposts; and looking also to the great general principles which should guide the Government in

† Board of Revenue letter, 15th July, 1850 — "Referring in the first place to the financial result of the establishment of the four new Inland salt cotays, I have the honour to state that there appears an increase in the takings in which they were placed, in the sales of salt since they were brought into operation, of 424 Garces above the average of the three previous years, which has yielded a net revenue, after deducting all charges, of 34,973 rupees"

‡ Letter from the Board of Revenue, 30th October, 1845, paragraph 4.

§ Revenue Letter, Fort St. George, 31st January, 1824

dealing with this monopoly, I am strongly of opinion that sound fiscal policy, and a just and humane consideration for the people, call for an immediate reduction of the present monopoly rate, so as to bring sea salt within the reach of the great mass of the inhabitants.

25. If a doubt should be entertained whether any large proportion of the population will be benefited by this reduction, under the impression that the demand from each individual is now so small as to be of little moment, it will suffice to record the fact that of the 1,209,413 ryots* who hold pottahs at the ordinary rate of assessment, estimated from 30 to 45 percent. of the produce, and who contribute to the inland revenue 243 lacks of rupees, not less than 593,000 ryots, or one-half, pay under 10 rupees annually, and their average payment is about 4 rupees each per annum, or about 5 to 6 annas per mensem. That a high price of salt must be severely felt by them, and by the numerous class below them, is certain, and it is as certain that a reduction of price will be a most important relief, felt almost universally by the ryots and by the labouring classes, and which should not, I would venture to urge, be delayed, even should it entail the temporary loss of a portion of the Salt Revenue.

Appendix K.—No. 7.

Minute by the Honourable Mr. ELLIOT, dated the 2nd of September, 1850.

I have read Mr. Thomas' Minute with serious attention, and I cannot but admit that the facts he brings under review deserve grave consideration. I question not that much more salt would be consumed if the price were reduced to 70 rupees, but I hardly think that, even at that price, it would be available to all to the extent that would be desirable. Some would use salt more freely, and some who do not use it at all now might, then, be induced to use it partially, though there is reason to believe that not all who abstain from the use of marine salt do so from want of means to purchase it, but from a positive preference for the earth salt, which it is a mistake to consider injurious to health. The inference that I draw from the statements before us is simply that the increase of the monopoly-price from 105 to 120 rupees has not diminished consumption; that those who were in the habit of consuming salt before have not been obliged to contract their consumption to content themselves with less than they were before accustomed to use. Comparing the first year of the series in Statement A with the last, I find that the consumption has increased from 23,925 garces in Fusly 1216 (A.D. 1805-6), to 38,394 garces in Fusly 1257 (A.D. 1846-7), which is greatly more than can be accounted for by increase of population. Therefore, allowing largely for gain by better means of preventing smuggling, there seems to be still room to conclude that the classes who have always used marine salt now use more than they did, or that it is more used by persons who did not use it before, or that there has been an increase of consumption in other ways.

2. Mr. Thomas, in contrasting the large quantity of salt sold in 1825 (Fusly 1235) garces 42,000, with the maximum of late years which he sets down at 38,000, and attributing the difference in quantity to the difference in price, appears to me to have overlooked the fact that in the very next year 1826 (Fusly 1236) at the same price the quantity sold fell to 37,646 garces, which has been exceeded in every year since the price has been raised from 105 to 120 rupees.

3. While I have no doubt that there would be an increased consumption of salt if the monopoly price were reduced to 70 rupees, my apprehension from

* See Statement appended, received from the Board Revenue under date 15th instant.*

* It has not been thought necessary to append this statement.

experience is that much of the benefit would go to the merchant instead of the consumer, and that while Government would in the first instance sacrifice $\frac{1}{7}$ of the revenue now so easily derived from this source, or about 19 lacs, perhaps a third would be intercepted by the dealers by keeping up the retail prices unduly in something like that proportion. Although I believe that part of the revenue thus relinquished would be gradually recovered by increased sales, yet I very much doubt that it would be the major part.

4. I long ago advocated the establishment of a salt depôt at Wallajanuggur in connection with the formation of the railway.* And if a railway were carried out to that point according to the plan that has been so strongly recommended, there could be no question of the expediency of establishing one there, to be supplied from the coast by the railway. I see weighty objections to a *system* of depôts in the interior; yet I am inclined to think it would be the best means to make the consumers of salt in the inland provinces in some degree independent of the dealers; and at all events I would try it before resorting to a general reduction of the monopoly price.

5. As to the re-imposition of the Duties on betel, tobacco, &c., that is, the Town Duties, abolished in 1844 as a means of replacing the revenue that would be lost by reducing the price of salt, I would observe that the abolition of the tobacco *monopoly* in Malabar and Canara is in contemplation, and that a substitute must be provided for the revenue derived from that source; also, for any abatement that may be made in the revision of the Moturpha revenue.

Appendix K.—No. 8.

Minute by the Honourable Mr. THOMAS, dated the 2nd of September, 1850.

I merely observe to guard myself from the misapprehension that the tobacco tax to which I refer is that abolished as stated in my minute in 1844. The tax then in force as a Town Duty, and on this coast a wholly unobjectionable import, as the article is here a luxury; whilst the tobacco tax in Malabar and Canara is upon what is there a necessary of life, and presses peculiarly, I fear, upon the lower classes, as the salt tax; it is one, therefore, I would not advocate, and need scarcely add, that I dissent from the views recorded in these Minutes of Consultation, and I would gladly see trial of depôts as proposed by the Honourable Mr. Elliot, though I think it but a half measure, so long as the high rate of 120 or even 105 rupees is maintained.

* Minute by Mr. D Elliot, Third Member Board of Revenue, dated 9th November, 1836, submitted with Ex. Pro. Board of Revenue, dated 5th December, 1836.

Appendix K.—No. 9.

Extract from the Minutes of Consultation of the Madras Government, dated the 6th September, 1850, on the Letter from the Board of Revenue, dated the 4th July, 1850.

Paragraph 1. In the letter above recorded the Board of Revenue submit the general report called for by the Court of Directors in their Revenue Despatch of the 31st of December, 1849, No. 29, upon the operation of the salt monopoly in the Madras Presidency. In that despatch the Court desired to be made acquainted with the bearing of the salt tax on the inhabitants of the different districts under this Presidency, and required particular information, as far as it could be obtained, regarding the rate of consumption, and the extent of population, whether in our own territory, or in that of Native States who were dependent for their supply of salt on the produce of our coasts.

2. With their report the Board have forwarded communications from the several Collectors in the provinces, as well of the inland, as of the maritime, districts, expressive of their views upon the subject of the monopoly. They have likewise submitted two statements, A and B, prepared in their office, the former exhibiting the quantity of salt sold respectively for home consumption, for inland consumption, and for export by sea for each year from Fusly 1216 (A.D. 1806-7) to Fusly 1257 (A.D. 1847-8), both inclusive, or for the period of 42 years; and the latter showing for each district the market price of salt, in the last Fusly of each of the series of years during which the different monopoly rates have prevailed.

Paragraph 3. In commenting upon these tables, the Board remark that the sales of salt certainly rose in Fusly 1234-5-6 with the price at 70 rupees per garce, and fell afterwards with the augmentation in the rate of rupees 105, which took place in Fusly 1238; but they observe that the sales have latterly increased, and are not now, i.e., according to the returns of Fusly 1257, below the sales at the most prosperous period when the price was at rs. 70. This result they attributed to improved roads, to the relief afforded by the abolition of the Sayer Duties, and to greater efficiency in the management. They likewise show from Statement 1 B, that on a rise in the monopoly price the consumer has not been called upon to pay in a corresponding proportion, but that the profits of the dealer have been *pro tanto* reduced.

Paragraph 4. The Board next review the relation borne by the actual sales of salt to the population, comparing the quantity, at the assumed rate of 6 measures, or 18lbs. of salt per head, required for the consumption of the inhabitants of the Madras Presidency, who, inclusive of the army, are estimated by them at 20 millions, with the average sales which have taken place during the three Fuslies 1255-6-7, for the supply both of the British territory and Native States; and contrasting the value of the salt required for the use of a native family, reckoned by them at 36 measures, or 4½ mercials, yearly, with the average range of wages among the lower orders. These calculations lead them to the inference that the sales of marine salt are not in proportion to the due consumption, and that it "must be beyond the reach of many."

Paragraph 5. The Board now advert to the discussions which occurred in 1820, when the monopoly price was enhanced from rupees 70 to rupees 105, and recapitulate the arguments employed in favour of the measure, and they notice the much higher price of salt which obtains in the Bengal Presidency.

6. If the question were to be decided by fiscal considerations only, a reduction of the present rate is, the Board observe, obviously uncalled for, as the average revenue rupees 45,67,680 for the last three years that the price has been at rupees 120, is largely in advance of the average of those series of years in which it has been at Rupees 70 or 105. It is, they remark, evident that the

Government price should be as low as circumstances will admit; yet, considering that the existing rate of rupees 120 has only been in operation since 1845—6, that the joint home and inland sales in Fusly 1256 and 1257 are not materially below the highest sales when the monopoly price was at 70 rupees, and that the country has obtained much relief by the abolition of the Inland and Frontier Duties, and those upon the Coasting Trade. The Board give it as the result of their reflection and inquiry, that sufficient data are not available to determine whether the increase in price from rupees 105 to rupees 120 has been attended with such effects as to call for a reduced standard, and that further experience is necessary for the decision of the point.

7. In the conclusion at which the Board have thus arrived, the Governor in Council concurs. The space of time which has elapsed since the price of salt, after having been suddenly raised from rupees 105 to rupees 180 per garce, was again partially lowered, and fixed at the present standard of rupees 120, seems to him too brief to admit of any conclusive inference being drawn in respect to the effect of the measure or the expediency of making any further change. The Government will, however, continue to watch the operation of the present monopoly rate with the attention befitting the great importance of the subject, and for this purpose the reports upon the salt revenue which the Board have been directed to furnish annually, will afford valuable data; meanwhile, they resolve to forward to the Court of Directors, in reference to their despatch of the 31st of December, 1847, the present report of the Board of Revenue, with its accompaniments; and at the same time to submit this Extract Minutes of Consultation, and the minutes recorded by the several members of Government, upon the question.

Appendix K.—No. 10.

Extract, Paras. 2 to 12, of a Letter from the Court of Directors to the Madras Government, No. 13, dated the 31st of August, 1852.

2. The information furnished to us in reply to the call made on you in paras. 27 to 30 of our despatch of the 31st of December (No. 29), 1847, is satisfactory, inasmuch as it affords evidence that the increase of the monopoly price from rupees 105 to rupees 120 per garce, of 120 Indian maunds, has not been followed by any decrease of consumption; but, on the contrary, that the quantities of salt disposed of in the maritime districts have been steadily increasing since the change.

3. The average quantity of salt annually delivered* in the period from Fusly 1231 to 1236 (1821—22 to 1826—7) was 39,494 garces, equal to 47,30,280 Indian maunds. In Fusly 1837 the price was raised to rupees 105 the garce, and so continued till 1253. During that period the largest quantity sold in any one year was 37,562 garces (in Fusly 1249), the annual average being of course considerably less. In Fusly 1253 (1843—44) the price was suddenly raised by Act VI, of 1844 to rupees 180 the garce, but in the following year was reduced, under our orders, to rupees 120, or 1 rupee the Indian maund, at which price it still remains. Since that date, the deliveries of salt for home and inland consumption have been as given in the table in the margin,† from which it will be seen that they exhibit a steadily progressive increase, exceeding the largest quantity ever delivered when the price was rupees 105 the garce; and, in the last year (1849—50), exceeding the average annual quantity delivered during the period when the price was rupees 70 the garce.

* At the price of 70 Rs. per Garce:—

Fusly.	Garces.
1231	39,797
1232	38,209
1233	38,146
1234	40,357
1235	42,810
1236	37,646

† Fusly	Garces.	or	Indian Maunds
1255 (1845—46)	37,664	..	45,19,680
1256 (1846—47)	38,231	..	45,87,720
1257 (1847—48)	38,294	..	45,95,280
1258 (1848—49)	38,930	..	46,71,600
1259 (1849—50)	39,876	..	47,85,120

4. Under these circumstances, and regarding the apparent tendency to an increase of consumption at existing prices, we concur with your Government in opinion that there is no necessity for any alteration.

5. It appears to us, however, that the system of local management in respect to the manufacture, storage, and supply of salt to purchasers at the *cotaurs*, is susceptible of improvement.

6. The proceedings of the Board of Revenue, dated the 14th of October, 1850, show that the rules of 1849, by which the minimum quantity of salt to be delivered to purchasers was fixed at 40 mercials,† had been very generally disregarded in the maritime districts, and that it had become the practice to issue salt in smaller quantities without the sanction, or even knowledge, of the controlling authority. The reduction of this quantity to 5 mercials, and in some districts to less, will, we doubt not, prove a boon to the poorer classes, and has our approval.

7. We have long been of opinion that the Indian maund, which, both in Bengal and Bombay, regulates the Excise and Customs' Duty on salt, should be the only measure for regulating the sale and delivery of salt, whenever a revenue is derived from that article in British India, and that it should be adopted in the accounts of the Salt Department in the districts under your Presidency, the more especially as it has been declared by law that there, as elsewhere, that mode of measurement shall be applied to the sales of salt.

8. Considering that the manufacture and sale of salt is practically a strict monopoly under your Presidency, we are of opinion that all practicable means should be taken for securing to the consumers in the interior a supply of that article in the purest possible condition.

9. We consider that there is much weight in the observations contained in Mr. Thomas's Minute of the 17th of August, 1850 (paragraph 20, and subsequently), on the establishment of salt depôts at important stations, so as to render the consumers in the inland provinces in some degree independent of the dealers. These latter are stated by the Collector of Trichinopoly to dispose of portions of the salt covered by the rowannahs while in transit, and to make up the quantity specified in those documents by mixing the pure salt with the untaxed earth salt produced in the districts through which they pass.

10. We notice with satisfaction the increased sales which have resulted from the establishment of depôts in the interior of the district of Canara, and we look with confidence to still larger sales from the improvement of the Devamany Ghaut, sanctioned by us in 1849, which will admit of the conveyance of salt in the return carts which carry cotton to the coast by the Sreece road.

11. The removal of the chowkeys in the interior, consequent on the abolition of Transit Duties by Act VI of 1844, must, we apprehend, have exposed the salt revenue to the risk of considerable loss by withdrawing the checks which formerly existed on its illicit transit. Considering the nature and weight of the duties which the Collectors and Magistrates are primarily required to discharge, we fear that it would be vain to expect from them that scrutinizing control over the native officers employed in the salt and abkaree departments which is essential to the efficient administration of those branches of revenue.

12. You are aware that the management of the salt department in Bengal has long been conducted by a distinct class of covenanted officers, and that by Act XXV of 1839 the Collectors of land revenue have been relieved from the management of the abkaree revenue, which is confided to Commissioners expressly appointed for that duty. It has occurred to us that it would be worthy of consideration whether the control of these branches of revenue under your Presidency might not with advantage also be withdrawn from the management of the Collectors, and entrusted to that of separate officers, to be designated Superintendents of Salt and Abkaree Revenues; but as such a measure would necessarily be attended with some increase of expense, we should not be disposed to sanction it without being fully satisfied that that expense would be counterbalanced by the greater efficiency of the administration. We desire that you will take the question into your consideration, and, if you should be of opinion that some such arrangement would be advisable, you will place yourselves in communication on the subject with the Government of Bengal, from whom valuable information might also be obtained in regard to the working of the system of retail sales of salt in the coast districts of that Presidency.

† 1 Maund = 3½ Mercials

 Appendix K.—No. 11.

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. Vol. VI, Report and Evidence, Part III, Revenue.

Evidence of DAVID HILL, Esq.

1371. Do you imagine that the consumption of the article could be carried much further in those territories, provided the price were lowered?

I suppose if there were no duty it would be considerably increased, and, in the degree the duty was reduced, the consumption would be increased; but it is understood that there is no hardship to the people from the want of a supply of salt. It is strongly urged on the Government by the revenue officers that there is no material hardship; that it is an easy tax, considering how productive it is.

1372. Has it been a steady tax on the whole?

Yes, it has. It was first 70 rupees, then raised to 105, then reduced to 70, and then raised again to 105, where it now stands.

1373. Are you aware whether the natives are in the habit of using salt much for purposes besides their personal consumption; for administering it to their cattle, for instance?

I am not aware; it is not used for purposes of agriculture, or for salting provisions.

 Appendix K.—No. 11 A.

Evidence of ROBERT ALEXANDER, Esq.

1633. Was the salt manufacture carried on on the coast of the Northern Circars? Were you at all acquainted with that district?

Yes: I was acquainted with the manufacture very well; I forgot the amount though. I was there when the salt monopoly was established, and it was surprising the little effect that the collection of that very large revenue had, the very small pressure that it seemed to have on the inhabitants, and the few complaints made by them when it was established.

1636. But notwithstanding the levy of a new revenue it did not appear at all a measure that excited complaint, or was felt as oppressive by the inhabitants?

No.

1637. Was the price much raised by the establishment of the monopoly?

Greatly.

1638. What should you say was the effect on the consumption; the raising of the price?

It affected the consumption very little.

1639. Do you conceive, from what you know of the natives, that their consumption of salt was nearly as large as they would require under any circumstances?

I believe so, perfectly.

1640. And you think there is no reason to suppose, even if the price of salt was lowered in those districts, that the consumption would be much extended?

No, I do not.

1641. Is there much smuggling on that coast?

Not a great deal.

Appendix K.—No. 12.

Extract from Letters in reply to a Letter in the Revenue Department, dated the 17th January, 1832, circulated by the Commissioners for the Affairs of India. See Inquiry of the Select Committee of the House of Commons in 1832. Vol. VI, Report and Evidence, Part III,—Revenue, pages 455 and 456.

From J. A. DALZELL, Esq.

It would certainly appear desirable if it could be effected, to equalise, or approximate, the market price of salt to consumers in the interior to that at which it is procurable by the inhabitants on the coast, but it is very difficult to suggest a satisfactory arrangement for the accomplishment of this object. A system of drawbacks on the monopoly price would hardly be effectual, even if they were no obstacles to its execution; because, from the bulkiness of the commodity, the cost of carriage must enter so largely into the price in the interior as to neutralize the effect of almost any drawback that could be granted without material detriment to the monopoly. The establishment of public depôts in the inland districts, whence issues of salt might be made, with a view to regulate the market price, besides being expensive, would, probably, have a pernicious effect on the Salt Trade, by rendering those engaged in it afraid to risk speculations, when their gains might be shared or precluded by Government interference; and thus the general supply being inadequate to the demand, serious injury might be inflicted on the people at large. The monopoly price of salt at the pans on the Madras establishment is 105 rupees a garce; and its sale price in the markets of the Cuddapah province in Fusly 1239 (1829–30) was, on average, 221 rupees for the same quantity. The monopoly price was reduced some years back to 75 rupees per garce, but the former price has now been re-established.

Appendix L.

STATEMENT showing the Quantity of Salt on hand at the beginning of each Year, and the Quantity Manufactured and sold during the Year, with the Financial Results, from Fyso 1232 to 1262, corresponding with A.D. 1822—23 to 1852—53.

YEARS	SALT RECEIPTS							SALT DISBURSMENTS.											Product Charge of all Descriptions exclusive of Recoverable Advances	Remaining Not	Increase	Decrease.	REMARKS
	Balance of Salt on hand at the beginning of the year	Manufactured during the Year	Total.	Sales for Home Consumption.	Sales for Inland Consump.	Quantity of Salt transmitted to other Districts for Sale.	Total.	Expatriation by Sea.				Wastage	Total.	Gross Revenue	Net	Increase	Decrease.	REMARKS					
								Under Acquisition from Bengal.	On private account, whether to Calcutta or other Places.	Total.	Total.												
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20				
Fyso 1232	A D 1822-23	67,94,548	65,24,797	1,33,19,345	155,03,040	20,96,597	45,83,997	39,072	9,81,608	18,188	9,47,908	2,41,269	54,14,123	39,43,100	7,37,597	31,74,570	Column 7 exhibits the quantity transmitted, where necessary, from one district for the supply of another				
1233	1823-24	76,16,901	71,06,365	1,47,23,266	186,06,627	30,71,910	46,77,547	45,995	10,85,851	18,878	10,97,407	63,49,928	29,47,303	6,94,867	20,62,646	...	...	...		
1234	1824-25	60,83,477	65,04,927	1,25,88,404	159,38,437	39,04,109	48,42,906	37,764	10,00,702	30,718	10,30,415	80,416	49,81,501	30,56,763	8,07,148	25,29,621	1,76,976	...					
1235	1825-26	80,16,928	41,21,257	1,21,38,185	158,89,523	42,45,949	51,37,271	28,756	6,26,114	31,680	7,29,139	99,670	69,05,861	31,89,584	6,96,939	35,30,658	2,00,404	...					
1236	1826-27	64,93,691	35,64,197	1,00,57,888	139,92,121	30,04,573	45,17,184	58,579	7,77,954	17,160	7,94,114	1,91,854	55,45,411	38,39,583	6,04,992	21,36,493	3,83,538	The wastage shown in Column 18 is only the wastage belonging to the delivery of the year					
1237	1827-28	51,14,478	71,65,256	1,22,79,734	156,56,710	20,53,988	40,09,974	35,218	11,09,889	412,293	15,22,183	5,91,997	60,15,979	30,95,589	7,38,750	23,60,839	2,20,938	...					
1238	1828-29	56,60,989	51,691,235	1,08,30,118	144,47,118	17,25,288	41,66,861	33,553	4,11,999	7,69,023	3,80,783	1,61,616	39,00,542	47,47,480	7,23,233	30,93,987	6,67,128	...					
1239	1829-30	46,25,166	58,16,417	1,04,41,583	134,40,108	19,77,895	44,04,063	46,459	3,94,242	2,61,778	6,58,820	1,47,771	61,30,140	49,14,619	7,54,568	32,69,081	3,20,834	...					
1240	1830-31	61,79,674	46,96,654	1,08,76,328	157,66,191	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1241	1831-32	48,76,704	62,96,932	1,11,73,636	135,67,481	19,49,539	41,16,956	38,049	3,44,880	2,06,110	5,53,390	2,48,550	49,56,989	38,12,931	7,57,480	30,64,781	1,05,735	...					
1242	1832-33	52,98,440	114,87,117	1,67,85,557	203,76,101	14,85,437	50,26,118	33,900	4,11,738	8,49,187	1,49,955	1,91,049	61,04,193	43,86,969	6,57,392	39,06,787	5,67,954	...					
1243	1833-34	65,82,924	65,80,738	1,31,63,662	184,45,115	17,03,922	43,16,187	37,693	12,97,380	10,86,996	33,90,374	1,29,016	67,09,980	41,92,561	7,58,946	34,35,705	6,68,938	...					
1244	1834-35	48,46,698	48,46,698	96,93,396	96,93,396	17,22,194	40,95,568	40,988	2,37,698	1,44,131	18,80,569	7,46,439	69,71,556	40,70,632	7,61,177	33,08,165	1,56,735	...					
1245	1835-36	37,18,777	87,13,359	1,24,32,136	152,73,574	15,85,276	38,18,253	30,968	1,95,695	1,03,299	6,06,164	4,10,070	47,36,454	33,90,767	6,53,866	30,41,701	3,07,454	...					
1246	1836-37	64,81,023	64,81,023	1,29,62,046	162,42,822	16,22,662	39,01,073	38,527	1,00,040	5,84,731	6,64,761	2,91,260	48,93,021	30,42,403	7,38,880	29,04,897	38,334	...					
1247	1837-38	65,72,661	65,72,661	1,31,45,322	166,64,333	19,92,975	43,99,631	44,708	44,708	62,977	62,977	1,19,638	46,89,920	30,60,866	6,41,809	35,19,056	4,16,989	...					
1248	1838-39	61,54,168	61,54,168	1,23,08,336	154,62,504	19,03,164	44,87,292	62,904	...	...	...	...	...	...	...	...	1,11,250	...
1249	1839-40	61,54,168	61,54,168	1,23,08,336	154,62,504	19,03,164	44,87,292	62,904	...	...	...	...	...	...	...	...	1,11,250	...
1250	1840-41	46,97,809	46,97,809	93,95,618	93,95,618	17,22,194	40,95,568	40,988	2,37,698	1,44,131	18,80,569	7,46,439	69,71,556	40,70,632	7,61,177	33,08,165	1,56,735	...					
1251	1841-42	52,54,955	127,130	1,05,26,994	139,41,117	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1252	1842-43	40,19,111	59,96,283	1,00,15,394	139,49,410	20,16,604	40,26,198	47,076	0,08,198	3,16,029	1,49,769	9,60,689	31,46,959	24,64,944	6,60,939	25,44,814	1,38,965	...					
1253	1843-44	55,86,145	55,86,145	1,11,72,290	147,58,435	18,03,635	42,88,001	43,636	3,18,970	1,89,982	6,08,969	1,92,737	60,27,663	4,82,793	7,00,176	38,85,691	3,87,091	...					
1254	1844-45	47,25,641	47,25,641	94,51,282	94,51,282	17,22,194	40,95,568	40,988	2,37,698	1,44,131	18,80,569	7,46,439	69,71,556	40,70,632	7,61,177	33,08,165	1,56,735	...					
1255	1845-46	52,14,061	52,14,061	1,04,28,122	134,40,108	19,77,895	44,04,063	46,459	3,94,242	2,61,778	6,58,820	1,47,771	61,30,140	49,14,619	7,54,568	32,69,081	3,20,834	...					
1256	1846-47	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1257	1847-48	41,09,724	41,09,724	82,19,448	82,19,448	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1258	1848-49	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1259	1849-50	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1260	1850-51	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1261	1851-52	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					
1262	1852-53	46,25,166	46,25,166	92,50,332	119,75,498	16,06,132	40,76,236	44,101	3,67,260	2,86,744	6,54,114	5,42,963	50,02,654	1,80,700	6,19,414	31,61,446	96,605	...					

MADRAS.

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Revenue Board Office, Fort St. George, March 30, 1854.

W. H. BAYLEY, Secretary.

GEO. PLOWDEN, Commissioner.

APPENDIX N.

GENERAL STATEMENT showing the Population of the several Districts of the Madras Presidencies, compiled in the Office of the Board of Revenue, from the Returns of the Census taken in Fussy 1260 (A.D. 1850—51),

DISTRICTS	HINDOO.																		MAHOMEDAN AND OTHER NOT HINDOO									
	Agricultural.						Non-Agricultural						Total						Agricultural									
	Males			Females			Total			Males			Females			Total			Males			Females			Total			
	Adults	Children		Adults	Children		Adults	Children		Adults	Children		Adults	Children		Adults	Children		Adults	Children		Adults	Children		Adults	Children		
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
Chennai	1,41,044	1,04,762	1,65,242	83,057	5,07,896	1,57,919	1,28,696	86,972	1,41,858	70,681	2,70,674	1,68,253	2,62,650	1,90,841	2,98,110	1,58,738	6,21,882	27	17	43	9	59	26					
Vengalpet	2,78,849	1,46,134	2,92,279	1,16,196	4,76,768	3,64,811	1,58,574	91,985	1,75,490	72,967	2,41,010	1,64,582	1,97,685	2,40,019	4,11,715	1,45,884	12,78,560	1,697	753	1,197	540	2,284	1,392					
Bahadurpore	1,97,254	1,08,250	1,92,032	67,683	8,89,286	1,98,591	1,25,482	75,922	1,47,581	69,750	2,75,648	1,92,778	2,22,816	1,81,672	3,40,613	1,17,490	9,91,210	1,760	934	1,746	898	3,611	1,731					
Mysalpatam	1,09,758	52,211	95,534	38,823	3,07,787	94,885	66,629	56,416	86,252	35,271	1,41,842	61,047	1,76,167	91,049	1,06,497	61,048	4,87,796	2,455	1,247	2,450	938	4,876	2,585					
Chingleput	1,10,171	68,846	1,01,698	80,464	2,14,873	1,37,354	86,200	57,138	64,969	33,885	1,21,708	70,810	1,68,594	1,08,911	1,68,067	99,253	5,14,735	5,491	3,726	1,670	3,333	10,561	5,729					
Nellore	1,32,673	73,339	1,21,816	60,748	2,67,194	1,55,144	88,601	39,514	69,131	25,202	1,17,732	56,346	1,91,239	1,62,649	1,98,917	86,740	6,04,575	5,415	1,609	4,197	1,760	6,553	3,729					
Madras	2,76,873	1,54,497	2,69,064	1,14,112	6,66,900	3,67,559	1,04,113	30,213	1,16,750	52,901	2,17,583	1,12,114	3,99,946	2,12,700	3,85,415	1,87,013	11,04,070	7,083	1,796	2,901	1,482	5,074	2,708					
North Arcot	1,57,415	75,007	1,70,099	70,911	8,57,513	4,58,828	74,801	98,981	92,696	55,071	1,57,809	74,662	2,62,214	2,65,968	3,52,757	2,90,982	15,04,231	89,477	80,148	40,628	17,750	80,395	36,276					
South Arcot	1,76,285	79,081	1,75,896	69,090	3,79,482	1,68,631	1,85,427	72,922	1,62,021	69,494	2,77,661	1,58,876	3,12,273	2,14,435	2,91,639	1,36,176	6,91,681	1,759	2,538	3,719	1,998	8,477	4,431					
North Arcot	2,99,962	1,71,904	2,99,140	1,01,950	6,19,651	3,30,204	1,41,718	83,163	1,62,147	74,966	2,97,462	1,68,058	4,65,639	2,91,990	4,50,880	2,36,262	11,18,874	6,435	3,953	5,798	3,580	13,232	7,231					
South Arcot	9,96,332	1,76,713	2,73,184	1,07,614	6,68,718	2,543,327	63,209	23,880	52,324	20,152	1,18,623	46,322	2,91,681	1,65,283	3,27,598	1,27,756	5,05,966	9,218	4,781	5,795	3,917	19,015	6,728					
Madras	7,47,685	1,69,548	8,16,199	1,46,961	6,77,733	3,19,959	1,86,885	84,846	2,07,283	76,106	3,94,167	1,60,331	5,21,070	2,49,974	3,42,791	2,12,656	15,94,191	20,228	11,064	20,863	6,280	41,181	20,384					
Chingleput	1,40,168	67,116	1,40,397	66,817	2,81,269	1,23,932	44,773	21,710	47,630	20,044	82,303	41,754	1,04,441	86,121	1,98,627	70,861	6,39,054	41,249	20,081	40,016	18,162	81,866	39,433					
North Arcot	2,01,427	1,07,906	2,07,217	1,02,275	5,29,675	2,75,526	1,09,489	69,885	1,23,018	60,650	3,30,094	1,95,644	3,61,946	2,07,198	3,87,680	1,78,944	11,38,648	11,788	9,561	14,442	8,146	28,225	18,146					
Madras	2,40,182	1,24,697	2,31,006	1,02,166	6,67,519	2,56,768	1,17,381	77,849	1,53,983	66,637	3,01,518	1,46,886	5,94,108	3,02,446	3,74,429	1,69,393	11,89,216	6,849	4,882	7,365	3,670	15,467	8,261					
Chingleput	1,10,000	1,00,789	2,90,985	1,19,940	6,01,971	3,30,824	1,30,959	80,132	1,20,909	66,600	2,76,929	1,48,720	4,67,959	2,61,011	1,90,263	3,16,531	11,67,804	12,794	8,298	11,927	6,588	24,321	16,181					
Chingleput	2,11,200	1,05,944	2,15,707	1,09,779	4,39,988	2,35,117	86,669	1,65,943	78,865	3,08,816	1,65,943	3,77,674	2,06,084	3,81,200	1,82,698	1,87,814	8,941	1,662	2,944	1,686	4,676	3,688						
Chingleput	2,77,721	1,05,239	2,73,176	1,05,489	6,46,977	2,78,278	89,399	2,196	84,227	19,111	88,137	43,680	3,14,921	1,71,717	3,11,945	1,68,663	6,67,063	29,254	16,724	26,639	14,579	54,043	31,688					
Chingleput	1,93,907	1,06,748	1,87,888	96,169	3,91,746	1,61,451	91,930	1,71,066	85,606	3,38,849	1,73,860	3,36,861	3,06,823	3,71,033	1,81,005	11,12,310	67,961	12,447	66,882	36,271	1,38,733	79,518						
Total	14,49,453	8,28,886	14,49,453	4,814,708	20,45,712	87,63,600	44,94,598	30,82,779	11,87,470	22,61,825	9,95,394	18,84,704	21,80,764	65,92,281	35,44,856	65,06,133	30,31,006	1,06,73,726	2,72,008	1,97,839	2,66,011	1,36,564	5,87,618	2,68,405				
Madras	31,848	29,565	19,408	25,560	1,01,361	66,115	28,882	19,492	24,271	11,391	46,464	24,703	74,223	48,097	73,079	36,841	3,28,082	5,722	3,499	5,024	2,865	10,746	6,454					
Grand Total	15,01,395	8,48,444	15,01,395	5,081,272	20,85,011	44,77,713	21,05,361	11,68,892	22,76,196	10,08,676	18,81,557	21,78,992	66,00,766	36,87,383	66,39,213	30,67,847	1,08,01,848	2,77,732	1,91,338	2,70,685	1,36,510	5,48,620	3,09,657					

MADRAS.

[continued.]

General Statement showing the Population of the several Districts of the Madras Presidency, &c.—continued.

Districts.	MAHOMEDAN AND OTHER NOT HINDOO—continued.										Grand Total of Mahomedans, &c.	Grand Total of Hindoo and Mahomedan.	As per Return transmitted to Government on the 28th January, 1859.	Increase.	Decrease.	Area Square Miles.	Number of Persons to each Geographical Mils.	
	Non-Agricultural.						Total.											
	Males.		Females.		Total.		Males.		Females.									
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.								
25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41		
Genjam	1,889	626	1,952	644	3,841	1,473	1,016	848	1,084	658	5,198	2,26,930	4,38,174	4,68,736	...	6,400	173	
Vizagapatam	3,778	2,274	4,238	1,976	7,956	4,150	4,818	3,938	5,625	3,416	12,622	24,4373	26,47,314	2,90,648	...	7,650	321	
Rajahmundry	4,950	2,868	5,426	2,853	10,346	5,197	6,728	3,796	7,171	3,140	20,426	10,12,656	6,50,016	8,17,093	...	6,990	167	
Triplichotham	4,968	3,419	5,319	2,945	10,767	5,235	7,385	1,685	7,679	3,443	23,070	5,20,406	5,44,672	...	5,000	168		
Guntur	5,007	3,197	5,525	3,301	10,333	7,058	10,108	1,551	10,055	6,094	35,188	5,70,085	5,67,426	8,04,667	...	4,960	120	
Chingleput	2,729	1,794	2,791	1,902	4,720	3,068	4,144	3,674	5,026	3,142	18,867	6,28,622	6,21,611	...	2,005	177		
Nellore	6,993	4,406	7,981	5,230	11,969	6,065	9,365	6,262	9,072	6,102	31,201	11,93,377	8,28,233	2,97,144	...	8,200	147	
Madara	1,123	775	15,476	6,462	20,704	14,653	23,705	26,206	34,354	6,646	1,05,600	17,50,791	5,52,277	12,14,314	...	10,700	219	
Nellore	9,501	6,397	6,738	4,973	16,529	10,419	14,660	7,120	12,946	6,990	41,666	9,14,000	8,25,726	6,06,864	...	7,000	118	
North Arcot	16,856	8,742	18,562	8,482	24,398	16,194	22,501	13,474	21,159	11,841	73,685	1,18,873	5,23,148	6,27,635	...	5,790	257	
South Arcot	4,419	1,943	3,597	1,933	8,366	5,360	7,037	6,726	12,742	5,302	39,997	10,06,006	4,94,940	5,11,205	...	7,600	310	
Tanjore	23,898	12,116	20,454	10,953	33,962	22,088	44,056	23,160	50,467	29,172	1,27,693	16,78,980	11,28,700	2,47,856	...	8,000	450	
Triplichotham	16,101	8,788	17,462	8,114	24,515	16,391	27,701	20,769	37,418	20,565	1,71,118	7,69,196	4,65,242	2,28,942	...	3,245	147	
Tameredy	26,062	17,853	20,543	14,785	38,601	22,636	35,785	27,608	45,491	18,917	1,85,668	15,00,216	8,50,961	4,18,125	...	5,700	225	
Trichy	21,095	13,621	21,301	11,669	48,456	28,099	38,494	17,418	36,619	18,917	1,00,255	12,25,990	11,29,967	74,622	...	13,050	94	
Cuddapah	16,968	12,006	17,346	10,306	28,401	20,705	20,360	20,360	28,774	17,193	90,117	1,61,921	10,81,361	3,70,600	...	12,070	115	
Conjathure	4,915	3,962	5,258	3,666	10,199	6,546	8,267	4,944	8,847	4,160	25,848	1,85,868	7,28,292	3,76,470	...	6,280	172	
Canara	7,841	4,654	8,027	3,983	17,866	8,617	14,777	21,468	31,846	18,302	1,00,251	10,65,538	7,08,125	2,86,210	...	7,720	111	
Malabar	57,571	20,869	62,801	23,293	1,20,872	60,164	1,26,432	70,316	1,26,083	60,206	4,62,607	15,14,900	11,64,791	3,46,118	...	6,000	250	
Total	2,47,726	1,42,445	2,71,606	1,51,927	4,19,864	2,64,369	4,19,791	2,10,292	3,27,967	2,67,491	16,84,781	5,18,78,507	1,26,05,844	78,26,390	28,600	...	27,692	
Madras	8,297	6,449	9,060	4,618	17,047	9,961	14,010	8,948	14,674	7,407	46,108	2,70,400	4,02,061	2,67,940	...	27	27,692	
Kurornal	163
Grand Total	2,60,028	1,77,000	2,81,806	1,56,689	4,37,821	2,74,341	4,33,780	2,19,240	3,42,641	2,74,898	16,70,889	5,23,01,697	1,29,07,598	86,58,109	28,600	1,80,878	...	

N.B.—All Males above the age of 15 years and all Females above 10 years are classed in the above Statement as adults.

* These have been inserted from a Calculation made in the Board's Office.

28,600	Product Decrease
83,84,302	Net Increase.

ABSTRACT, exclusive of Madras, for which there are no Details.

Males	1,10,47,150
Females	1,08,54,548
Adults	1,43,42,859
Children	72,49,438
Agricultural	1,41,82,941
Non Agricultural	78,88,710
Hindoo	1,09,01,808
Others	16,79,869

Revenue Board Office, Fort St. George, July 19, 1852.

W. H. BAYLEY, Secretary.

GEO. PLOWDEN, Commissioner.

APPENDIX O.

Glossary of Madras Native Terms.

Albarnvees	..	A news-writer; a reporter
Allum	..	A complete salt pan.
Ameen	..	A chief officer of police or revenue. An inspector.
Amildar	..	Native revenue officer at the head of each talook. A tehsildar.
Anpattee	..	Male bed, applied to the beds of an allum or salt pan in Tanjore, in which the brine merely condenses without crystallizing.
Bandy	..	A bullock cart.
Banghy	..	Parcel post.
Beriz	..	The gross assessment of a village, or given area of land.
Brinjaries	..	A wandering tribe, carrying grain for sale on bullocks.
Cadjan	..	A palm leaf, on which rough accounts are written.
Calway	..	A channel.
Cash	..	A small coin, equal to about $\frac{1}{4}$ of a Bengal pie.
Cavadies	..	Baskets slung on each end of a pole carried over the shoulder.
Caylmanniem	..	A grant of land for performance of the duties of guard or watcher.
Cawney	..	6,400 square yards, or 1.32 acres. In the town of Madras it is divided into 24 grounds or munnees. In the provinces it is divided into 100 coolies or goolies, or into sixteens, called annas, the anna being a square of 60 feet each way.
Chatty	..	A large earthen pot.
Chovkey	..	A guard house.
Circar*	..	The government; the chief authority. The term is used in regard to land paying full teernah to Government in contra-distinction to enam.
Circarwarum	..	The government share, as distinguished from coodewarum.
Condum	..	A reservoir for holding brine or salt water
Coodewarum	..	The share of the net produce of land, or of salt pans, that accrues to the labourer. In the latter case, as salt is a Government monopoly, it is always paid in money.
Cooly	..	A hired labourer.
Coopum	..	A village.
Coorivers	..	A low caste of people who deal in salt.
Cotaur	..	A depot for the sale of sea salt.
Cotay	..	A depot or warehouse.
Curnum	..	The village accountant holding office under Government. <i>Vide</i> Regulation XXIX of 1802.
Cutcherry	..	Public office of the Collector or tehsildar.
Darogah	..	A superintendent or overseer of any department, as salt, stamps, &c.
Davustanum	..	What relates to pagodas or Hindu temples.
Deloyets	..	A superior class of peons attached to the person of a chief European officer.
Dittum	..	Fixed. The account of the probable out-turn, ascertained early in the season by taking from each ryot a memorandum of what he intends to manufacture.
Doorgapooloo	..	A salt measurer.
Duffidar	..	Head peon.
Dukhast	..	An application in writing.
Enam	..	A gift. Usually applied to a gift or grant of land; some quite free of rent; some bearing a small quit rent or jodee.
Enamdar	..	The holder of an enam.
Fakeer	..	A Mussulman devotee.
Fanam	..	A coin of the value of 1s. 3p. nearly.
Fusly	..	The agricultural and official revenue year, beginning the 12th of July.
Golan	..	Peons employed in the treasury or salt depots.
Goomastah	..	An agent; a native accountant in the revenue department.
Grama-Sookawasi	..	Persons living in the village, but having no cultivation.
Gryput	..	District Talook, in distinction to Hoozoor
Halut, or Halut Duty.	..	Duty formerly levied in Canara on the transit of pepper, betel nut, cardamoms, and sandal wood, under Section XIII, Regulation I, of 1812. Abolished with other Transit Duties under Act VI of 1844.
Hoozoor	..	The presence, the chief officer (European) of the district.
Huggamee	..	Temporary.
Jaidmalay	..	Sweeper.

* [Spelt "Circar" in general throughout these papers.]

Jawab-nuyes	. A native cutcherry officer, whose duty it is to read out reports, petitions, &c
Karkoon	. A native overseer—a subordinate revenue officer
Karam	. Concentrated, applied to brine in a highly condensed state.
Khoakce	. Substantive allowance
Komaties	. Traders
Koonopoo	. A detailed account—a memo-andun
Lubbays	. A tribe of Mahomedans; they are called Moplays, on the Malabar coast
Lumbades	. A tribe closely resembling the Binjarries
Mailwarum	. The Government or owner's share of the produce of a field, either in kind or money
Mamoolwarum	. Customary share
Maniem	. Land granted on fice tenure to revenue or village servants. The word is often used for enams in general
Maramat	. Repairs
Ma-sandun	. Monthly account.
Mashalehee	. Lamplighter
Meerassy	. The proprietary possession or usufruct of the soil. Also the right to official emoluments, as mamom lands, mecrabs, &c
Meerassyedat	. A mecrassy holder
Mereal	. A measure of 8 Madras measures or puddees, containing 800 cubic inches. The salt mereal is 828½ cubic inches, and contains 12½ seers, Indian weight
Modah	. A hillock, artificially raised for the manufacture of earth salt in the inland districts of Madras
Metassil	. Interior of the country
Memagar	. The head man of a village, employed as a revenue officer of the place for which he holds a maniem, or receives payment
Meerbie	. A duty or bookkeeper &c
Mouchulka	. A penalty bond, the counterpart of a lease or license from Government
Moodyny	. Permanent fixed
Mooccepunrika	. A form of account, showing the items sold to each purchaser, and the particulars of the cons in which its cost was paid
Moora	. The same as modah, which see.
Moora	. A gram measure, containing about 40 seers of rice.
Mooshruft	. A treasury accountant
Moosuddes	. Writers, accountants, clerks in public offices
Multupla	. A tax levied on trades and professions.
Moyanzabalah	. Generally applied to the roll of the fixed and sanctioned establishment of a revenue or judicial officer.
Muddatgar	. A writer of native accounts in the cutcherry
Muttum	. A convent or monastery
Muttum Dinnacurtu	. The head of a muttum, which is a kind of convent or monastery.
Nauk	. A Sepoy corporal
Nevisndah	. An accountant or writer
Nottagai	. A shuff of accountant
Nullah	. Cool, or, when applied to water, fresh.
Oopoopattee	. The salt beds of an allum or salt pan
Pacotta	. A native contrivance for raising water, consisting of a transverse bamboo beam, with a pot attached to it, working on a perpendicular one inserted in the earth
Pagodah	. A Madras gold coin of the value of 3 rupees 8 annas.
Pandal	. A shed
Pariah	. A person of no caste
Pattana	. A native coasting craft.
Pe-shikar	. Generally the second officer of a native establishment, immediately subordinate to the sberistadar or head officer
Penpattee	. Female beds applied in Tanjore to the brine evaporating beds, in which salt crystallizes
Poyakarries	. Ryots holding lands of a meerassyedat, to whom they pay the savyiny bhugum or meerassyedat's right or share in the produce, after the liquidation of the mailwarum, or teernah or tax to Government
Palleis	. A low caste of people in Tanjore, serfs or labourers
Pundarua	. A travelling religious mendicant of the Sira caste
Pygusties	. Overseers, porters
Rahdari	. A passport—a custom-house pass
Roosooms	. Customary fees or perquisites, either in kind or money.
Rowannah	. A permit to pass woods free of duty
Roynum	. A native writer of rough papers or cadjans
Ruktavan	. Indian ink maker
Ryot	. An agricultural labourer or tenant
Saderward	. The petty mendicant charges for office stationery, oil, &c
Sayer	. Revenue derived from miscellaneous sources
Sebandee	. Irregular native soldiers or peons, employed in the revenue and police departments—an extra establishment of peons, with a superintendent to take charge of a line of road, &c

* [Spelt also "Sibbendy" in these papers.]

Seer	..	. The bazaar seer of Bengal and Madras is a weight of 80 tolas, or 2 06 lbs., 40 seers make one Indian maund. When a seer is spoken of as a measure of <i>capacity</i> , it equals $\frac{1}{2}$ of a Madras measure.
Sheistadar	..	. The head native officer of the Hoosoor evilderry or court, also a native talook officer, under the tehsildar.
Shroff	..	. An examiner or sorter of coins, a money changer.
Siv Karloon	..	. A head karloon.
Sodoo	..	. Warm, used in reference to lime in a weak state.
Sookavasi	..	. A village inhabitant not a cultivator.
Sudder	..	. Chief, principal. Used with reference to a town or an office.
Sumpretty	..	. An accountant.
Tahar	..	. The village watchman, whose duty it is to give information of offences, guide travellers, &c.
Taked	..	. An order from a superior, calling attention to a previous requisition.
Talook	..	. A division of a district, under the management of a tehsildar.
Taragoo	..	. A salt measure.
Teernah	..	. Tax to Government.
Tehsildar	..	. Native revenue Collector; head of talook.
Teripady	..	. Arranged according to turiums or classes.
Thanah	..	. A police station.
Thanadar	..	. A police officer.
Tola	..	. A weight of 1 rupee, or 180 grains.
Tookrey	..	. Village watcher; a tahar.
Toty	..	. The inferior village public servant, a kind of under-tahar.
Tuceavee	..	. An advance of money.
Tunny	..	. Water.
Turram	..	. Order or class.
Ungasalay	..	. The village servant, whose duty it is to let off water from the tank into the paddy fields, and regulate the supply.
Urzee	..	. An address or application in writing, a petition.
Vaikal	..	. A channel, passage.
Vellalabs	..	. A tribe of cultivators.
Vettyan	..	. A village servant, performing menial duties.
Warum	..	. Share cultivator's share of the produce.
Yeddyputte	..	. The water or lime beds of a salt pan.
Yekkuu	..	. A heap or ridge.
Yeomah	..	. A money allowance or pension, calculated originally at so much per dhun.
Yerkalawars	..	. Men of low caste, acting as pedlars of salt.
Yuzeebag	..	. Garden land.

GEO. PLOWDEN,
Commissioner

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 aurungs 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 Molunghees, 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 F. 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 passed on 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 Bullooh 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 Bullooh 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 Jelasore 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 inst.

† " " " 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 "Kuttak" 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 Jellalore 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 $2\frac{1}{2}$ 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 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 Sulkea, warrants the belief that they have been pretty successful.

15. The Board have no reason to suppose that any smuggling goes on at Sulkea, 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 1s. 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 Bulloah, 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 1½ 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 Kedgerce. 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, Aurungnuggur, 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.
 „ Aurungnuggur.
 „ Goomghur.

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

Salt, where manufactured.

* 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	2,03,154
Jellamoottah . .	65,000	1,50,000	1,20,000	1,23,066	1,47,142	1,12,605
Aurungnuggur . .	65,000	1,50,000	1,00,000	1,22,208	1,21,300	1,00,175
Goonghur	50,000	75,000	80,000	74,318	1,02,396	80,736
Total Mds.	5,50,000	9,00,000	8,00,000	8,43,260	9,21,835	7,06,605

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 Tengreekbally. 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 "chattr," 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 "chattr" 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
Aurungnuggur	1,00,000
Goonghur	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 Moshahreh 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 aarungs, is represented to be :

		acs.	c.	f.
In Pergunnah Tumlook	.. ..	16,867	1	0
" Mysaudul	.. ..	29,787	10	0½
" Jellamoottah	.. ..	10,178	0	0
" Aurunganugur	.. ..	6,699	14	0½
" Goomghur	.. ..	17,646	10	0½
Total	.. ..	81,178	16	0½

12. In pergunnahs Tumlook, Mysaudul, Aurunganugur, 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 aarung is rupees 15,671, and to the Raja of Mysaudul for those comprised in pergunnahs Mysaudul, Aurunganugur, and Ghoomghur, rupees 22,121.

Amount Khullaree rents and Moshahreh 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 molungbees, 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 aarungs appears to be beegahs 24-14-3 per khullaree.

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

APPENDIX TO SALT REPORT.

Pergunnahs.	Specification of Julyppe lands				Revenue derived from Julyppe salt, including balances, for- wards, &c.	Average Quantity of Julyppe land allotted to stalunghees calculated on their																			
	Distributed among Moolunghees.		Cultivated and otherwise appropriated.			Put to waste.		Total Julyppe		Khalarees		Choolahs													
	Bgs.	C	P	Bgs		C	P	Bgs	C	P	Total Khalarees	Average Bgs.	C	P											
Tumlook	14,397	10	0	339	9	0	3,330	2	0	16,807	1	0	390	15	6	698	20	15	4	0	833	17	7	0	
Mysaudul ..	10,809	11	0	9,977	10	12	39,787	10	12	697	28	7	15	0	765	25	15	11	0	84
Jellamoottah	8,623	0	0	879	4	0	2,670	16	0	10,178	0	0	486	0	10	395	23	5	0	0	982	23	0	0	
Aurunganuggur.	6,885	17	10	227	7	10	86	9	2	6,599	14	5	148	3	8	371	21	18	14	0	991	21	18	14	
Goomghur	7,012	0	0	8	14	12	9,725	15	5	17,646	10	1	10	11	0	270	29	6	0	0	370	29	6	0	
Total	55,632	18	10	1,454	15	5	24,691	2	3	81,178	16	8	1,530	14	0										
																	2,540	123	10	15	0				
																		5,434	117	18	0	6			

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 julyppe within their respective divisions. The whole of these establishments are subjected to the control of a pokhtan 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 superwise 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 "shukarees," their duty being to destroy wild buffaloes and wild pigs, which are most destructive to the "julyppe," and abound throughout the aurungs.

Mofuseil 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 cutcherry, is entertained at them.

Salaries.

18. The salaries of the pokhtan, 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.	Darogs.	Karkoon and Mohurirs.	Chuprassees and Sardars	Arye Pykes.
Tumlook	1	1	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 Mysaulul		Pergunnah Jellamoottah.		Pergunnah Aurungnuggur		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
Jalye Mohurr	1	R. A. P. 60 0 0	..	..	..	..	..	..	..	..	1	R. A. P. 60 0 0
Arye Pyke or Shikarce	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
Datto 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
Mohurr	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	15	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
Adular	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 Mohurr	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
Bandary Mohurr	1	50 0 0	1	60 0 0	..	..	..	..	..	..	2	120 0 0
Naib ditto	1	30 0 0	1	80 0 0	..	..	..	..	..	..	2	60 0 0
Charrundars	9	112 8 0	12	150 0 0	9	112 8 0	8	100 0 0	10	125 0 0	48	600 0 0
Roojoooveesh	3	135 0 0	3	135 0 0	2	90 0 0	2	90 0 0	2	90 0 0	12	540 0 0
Golepaburry	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
Chuprassee	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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BENGAL.

- 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 mohurrir, who passes it on to the daroga. These mohurrirs 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 chupiassee 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 mohurrirs. The pykes and chowkeydars are variously employed. The diaries sent in by these mohurrirs 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 Tamlook as soon as the salt is all stored at Ghaut Naranpore, 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 motussil 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, Jellainootah, and Auringanuggur, 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 weightings are going on, and each manufacturer's stock in hand is tolerably well known. The last, or tazil, 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-chitta† 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 to 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 *soudapultur* 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-chutta is then made over to the treasurer, who notes it down and gives it to the poddai to be cashed. The sheristadar or peshcar, 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-chutta 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-chutta, which he retains in his own possession as a check against the agent, no other account or payment being valid or binding upon him or Government.

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

29. The manufacturer is commonly called the molunghee, but the terms Etimanda, Chooleah, and Muzzoor or Coolee, 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.

Descriptions of manufacturers.

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.

The number of molunghees and coolies employed.

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

Mofussil weighment establishments.

32. In transporting the salt from the mofussil to the golahs or stores at Ghaut Naranpore, 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.

Boats and bullocks employed in our transport.

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 tides not rising sufficiently high to fill the *pooves* (reservoirs), and to afford a supply of water for filtration through the *mandulis* (filters). Again at the *sojan*, (the season during which the salt lands are prepared), should the spring-tides fail to rise sufficiently high to flood the chuttars, or should rain fall before the submerision 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.

Operations, how likely to be affected.

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 Naranpore) across the Roykhally and another small river, the Kallenghye.†

Precautions taken.

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

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

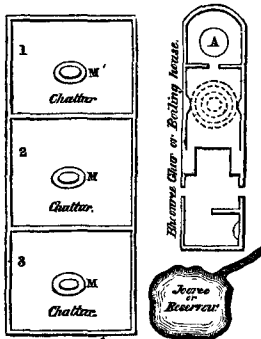
This is done at an expense yearly of about 700 rupees, but often to no purpose, for, should there be heavy rain in January, this bund is very liable to be carried away, when considerable interruption and injury occur to the department. The agent, however, guards against this danger to some small extent, 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 maddahs, 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 *moye*, or lump-crusher, which is drawn over them by two bullocks with the molunghee or his cooly standing on it. By means of this *moye* 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.

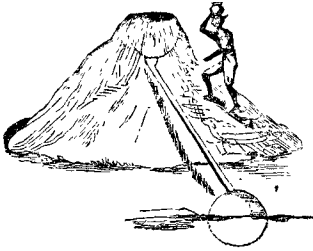
38. About seven or eight days after this process, and a further exposure to the solar rays, all the moisture of the ground is evaporated, and the saline earth becomes as dust on the surface, impregnated with salt, and forms the material from which the salt is manufactured.—*Vide* paragraph 43.

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.

41. The chattr having been explained, the *maidah* next requires to be described. It is prepared in the following manner:—The molunghee constructs a primitive filterer on each chattr, composed of a circular mud wall four and half cubits high, seven and half cubits broad at top, and twelve and half cubits at its base; at its summit is a basin of about one and half cubit's depth, and five cubits' diameter; the bottom is prepared of clay, ashes, and sand; it is extremely clean and hard, and quite impervious to water; a hole is pierced in the centre of this basin, and an earthen pot or *kooree* is carefully fitted thereto, so as to admit of the insertion of a hollow

The *maidah* or filterer with its *kooree* and *nād* 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 *kooree* is laid a light bamboo frame, upon which is placed a layer of straw, and on that again a stratum of the chattr 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 chattr, or salt field, with a scraper called a *khoorpu*, 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 *ghoolahs*, 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 chattr, 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 banyah 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 nād or brine receiver

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

The *doora sayun*.

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

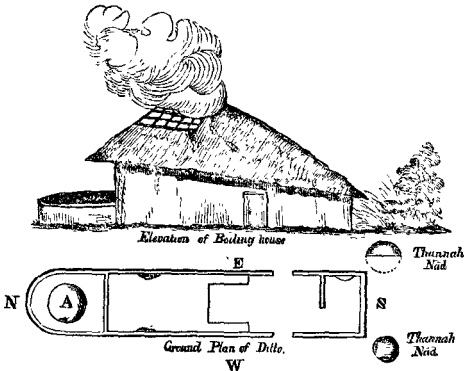
The *chatturs* then require to be renewed, in order that fresh salt earth may again be collected for replenishing the *maidah*; and then commences that part of the season called the *doosra sayun*, which signifies the re-preparation and re-impregnation of the *chattur* lands with salt through the medium 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 *sayun* 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 sayun* 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.

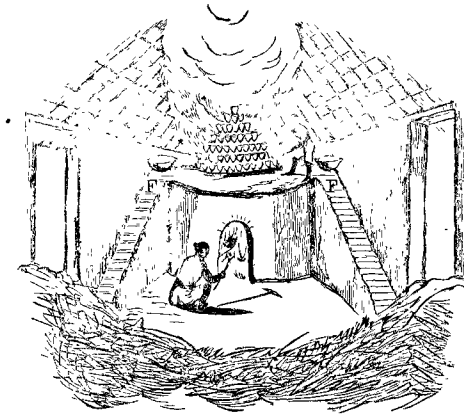
48. The *bhoonree ghur* or boiling-house, requires to be noticed as next in order. It is generally situated close to the *chattur* or salt-fields, and is built north and south. In length it is usually twenty-five or twenty-six cubits, and in breadth, seven to nine cubits; the south wall being about three 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 *moulinghee* 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 *ghant*.

49. The *choolah* or fire-place, with its curious and conically shaped boiler or *ghant* 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 *ghant*, the diameter of which is about five cubits, it is made quite circular and is usually called a *ghant chukku*.

* One maund equals 80 lbs.



Interior of a Boiling house.
North Sacturu.

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 *jhânt 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 *jâl*, and the fire-place, or *choolah*, is immediately under the *jhânt*.

51. These little earthen pots, or *koonrees*, are filled with brine brought from the outside *thunnah nâd*; 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 coconut fixed to a piece of bamboo, which he dips into the *ghurra* of brine placed near the *jhânt*, 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.

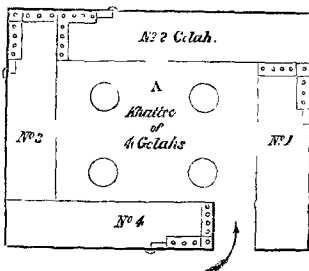
* See paragraph 48.

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 *adullars* 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.

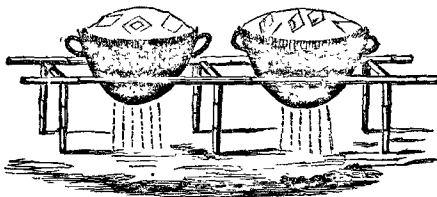
A *khuttee* or compound enclosure.

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, $4\frac{1}{2}$ 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 Chuttur lands, serving the purpose of manure.

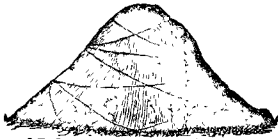
Precautions taken before salt is stored.

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 Chuttur 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 *baharkundy*.

Baharkundy.



A Bahur-kundy or heap of Salt thatched over pending Weighment.

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 *jaon* 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

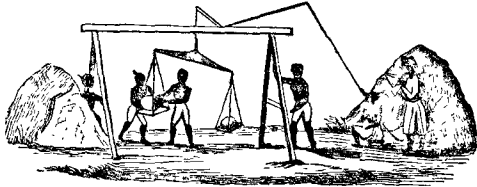
the moisture from the salt, and this layer of clay is changed and renewed three or four times, or as often as it appears to have become moistened. It remains in this state *baharkundied*, for the purpose of drying, for about a fortnight, and on the orders of the agent being received, it is weighed. Then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

Bhanganah weighments.

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

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 *kundy* or heap, a coarse *chuttee* or gunny-cloth being spread near the scales to preserve the salt from dirt. A *kyal* or weighman, with a proportion of men called *Chappadars* (five or six to each scale); a *bhanganah mohurir**; a man on the part of the *Pokhtan 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 *Pokhtan amla* 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

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* This officer checks and writes down the weighment 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
Mal deeté hobé Punjaré
Jaldee chulo, Bbueyará
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 bath-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 bath-chitta, in juxtaposition with the amount of cash he has received from Government as advances for the manufacture, and his *fazil dadon* 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 ..	16,497 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	798 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 Naranipore. 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 Kedgeree 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 golahs 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	7,363 12 5	21,525 13 11

The Hooghly route.

71. Independent of the aforementioned two canals, viz., the Pertaubkhally and Bankah Nullah, the Goombur darogah transports to Ghaut Naranpore 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 Naranpore 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.			1851-52.		
Number of Tides.	Salt.	Boats.	Number of Tides.	Salt.	Boats.
1st Tide, ending 25th March, 1851, including Goomghur salt	1,12,248	493	1st Tide, ending 17th April, 1852, including Goomghur salt	3,02,079	978
2nd Ditto ditto 7th April, 51.	1,49,384	725	2nd Ditto ditto 1st May, 52	1,25,147	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.	1,50,283	526
5th Ditto ditto 20th ditto 51.	1,17,587	626	5th Ditto ditto 15th June, 52.	48,856	266
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.
By the Hooghly and Roopnarain rivers route	27,690	70
Up the Huldee and through the Pertaubkhally ditto	5,90,538	3,333
Up the Huldee and through the Bankah Nullah ditto	83,393	266
Total	7,01,641	3,669

The doolys, or transport operations.

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

Boat contractors and advances.

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.

Transport contract rates.

* 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	89	85
Aurungganugur	62	74	81
Goonghur	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 khutwahs, 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 Aurungganugur) 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 adults of the local officers; the boats are placed in charge of churrundars, 8 or 10 boats to one churrundar or chuprassee, and despatched to Ghaut Narainpore. The manjee of each boat holds

Churrundars, and boats in transit, how guarded.

* Pergunnahs.	From Hoodah to Ghaut Narainpore.	Rate allowed on 100 Maunds transported.
Tumlook	Sowrabereah	Rs. A. P. 1 4 0
	Burgodah	
	Lyechnepore	
Mysaudul	Ausan on the Tengreekhally	2 11 0
	Ditto at Chundyahall	2 15 0
	Teeroorah, including Teeroorah and Western and Eastern Goomy	3 0 0
	Kauchuspore and Teeroorah, including Etamugrah and Koa- subpore	2 14 0
	Esaurah	3 4 0
Jellamoottah	Baoh, Isanah	2 15 0
	Joychenderbar	2 11 0
	Boora-Boore	3 0 0
Goonghur	Tengreekhally and Bhogobankhally	4 8 0
	From Talpatykhall to Sowrabereah, including 1st and 2nd Divi- sions of Goonghur	3 8 0
	From Sowrabereah to Ballyghattah, including 1st Division	3 8 0
Aurungganugur	From Ballyghattah to Teeroopakh Chuch Markhutti, including various Divisions	3 4 0
	From Teeroopakya 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.

Roogoonveees, their duty.

80. Each Pokhtán darogah is permitted to nominate and employ at Ghaut Narainpore, at the expense of Government, two or three confidential men as *roogoonveees*, 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 Pertaubkhaily 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 *roogoonveees* or confidential agents of the Pokhtán 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 kjal, six ebapndars, one goolpahurry, one teepanovees, one roogoonveees, 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 *khutte*, 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 *khutte* 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 intendand'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 intendand'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 intendand, 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 intendand 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 intendand 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 intendand) 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.

* £25 sterling

† See Enclosures Nos. 3 and 4.

‡ There are nine retail vendors 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.

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 intendand.

Salt how sold.

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

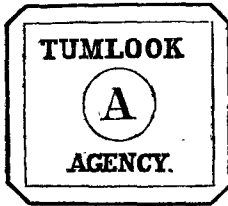
Delivery orders.

Period merchants may keep their salt in the Government Golahs

ad

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.



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

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 cheilauns 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.

Superintendent of salt chowkey establishment.

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 chaprassees and 74 chowkeydars, is entertained in this division for the suppression of smuggling, and to prevent the vend of contraband salt.

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 1852.

Pergunnahs.	Lost coal rendered to Board in			Salt actually manufactured.			Net Salt delivered at Ghaut, Narnainpore 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 ...	2,21,568	2,39,372	1,75,909	2,55,714	2,85,184	2,09,725	2,53,785	2,33,422	2,08,685	1,362	189	186	567	1,573	854	1,929	1,702	1,040	Rs. A. P.	Rs. A. P.					
Myandul	2,25,101	2,39,227	1,74,706	2,67,960	2,65,173	2,03,454	2,58,843	2,63,567	2,08,009	12,946	587	..	1,169	1,018	445	14,115	1,605	445	1,27,232	14	8	1,16,012	12	0	89,102
Goomghur	70,937	86,446	73,088	74,318	1,02,996	80,786	61,448	1,02,321	80,010	12,825	..	665	44	175	51	12,870	175	724	32,514	6	1	45,060	12	0	35,362
Aurangnuggur ..	1,13,473	1,12,597	88,809	1,22,208	1,21,890	1,00,175	1,21,130	1,21,271	99,942	895	..	48	163	119	185	1,078	119	233	53,466	5	3	53,108	9	0	45,826
Jellamootah...	1,10,844	1,28,903	96,666	1,23,066	1,47,142	1,12,605	1,22,861	1,46,716	1,12,159	..	350	228	305	175	222	205	425	446	53,841	11	3	64,375	0	1	49,264
Total . . .	7,41,912	8,16,645	6,09,380	8,43,269	9,21,685	7,06,695	8,18,069	9,17,798	7,08,805	28,029	976	1,138	2,170	3,061	1,767	30,200	4,087	2,890	3,66,930	3	3	4,03,302	13	10	3,06,322

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 Mysoudal.							Pergunnah Jellameottah.								
	Hoodahs.				Hoodahs.							Hoodahs.								
	Shamshereah.	Bongodah.	Kyehumpoor.	Ausann.	Western Goomye.	Eastern Goomye.	Terroyarah.	Conchunpoo.	Casulpoo.	Kamulah.	Banakkannah.	Joychunderbar, 1st Division.	Joychunderbar, 2nd Division.	Joychunderbar, 3rd Division.	Boorabooro, 1st Division.	Boorabooro, 2nd Division.	Boorabooro, 3rd Division.	Pengrakhallee, 1st Division.	Bhogobankhallee, 1st Division.	Bhogobankhallee, 2nd Division.
Khullarees, or spot of ground appropriated by the molunghee for his manufacture	1834	674	1264	319	1428	116	1464	844	864	964	564	31	29	35	29	81	87	27	36	35
Choolahs, or furnaces, including boiling houses	230	89	146	257	128	112	161	88	98	78	60	81	29	34	29	81	86	27	34	35
Maidah, or filterers	506	182	346	888	356	292	853	321	282	175	175	122	110	131	117	132	125	141	180	187
Molunghees, manufacturers	206	82	118	293	169	110	160	86	92	78	60	31	29	34	26	31	86	27	35	35
Coolies, labourers	1,222	491	896	2,132	917	626	832	627	511	412	332	222	206	217	215	238	261	234	272	269
Sowdah, or quantity of salt to be manufactured in each Hoodah	64,000	19,000	48,400	1,18,800	65,750	34,800	32,400	32,950	34,000	21,500	18,800	12,300	10,825	8,425	10,725	15,775	15,800	14,350	17,450	14,550
Boats	..	131	..	..	..	..	128	..	..	..	..	..	..	85	..	..	..	..	..	..
Bullocks	..	..	..	..	..	..	150	..	..	..	..	..	..	..	..	..	..	..	..	..
Temporary establishment	..	168	..	..	..	..	988	..	..	..	..	..	..	82	..	..	..	..	..	..

Inclosure No. 2—Statement continued.

Specification of Khullaree, &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.	Natlan Eastern, 1st Division.	Ditto, 2nd Division.	Ditto, 3rd Division.	Natlan Western, 1st Division.	Ditto, 2nd Division.	Arasball, 1st Division.	Ditto, 2nd Division.		Debakurpoor.
Khullaree 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	46	2,344½
Choolahs or furnaces, including boiling houses	30	17	36	37	32	38	47	33	32	34	35	32	32	26	29	23	46	2,439
Maidahs or filterers	108	72	121	152	97	110	167	122	137	145	167	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	46	2,308
Coolies, labourers	173	108	192	242	188	211	304	186	207	204	228	205	221	189	204	112	246	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	675

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BENGAL.

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Tumlook Salt Office, September 23, 1852.

HENRY C. HAMILTON, Agent.

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	0
5	" 18th May to 22nd June, 1851	26th 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	42,498	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	38,000	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

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.	6th October, 1852	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	27th July, 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	26,649	0 0	51	0 0	7	10 1
16	" 9th to 27th May, 1852	10th Sept., 1852	29th September, 1852	23,900	0 0	23,278	0 0	22	0 0	3	12 8½
17	" 6th to 26th April, 1852	Not yet opened.	2nd August, 1852	23,700	0 0	23,643	0 0	57	0 0	9	9 3
18	" 14th to 27th April, 1852			20th July, 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..				698,758	0 0	698,213	10 0	339	30 0	3	1 1½

Tumlook Salt Office, September 23, 1852.

HENRY C. HAMILTON, Agent.

BENGAL.

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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 Aurung or District.	Number and Name of Hoodahs or Division in each Aurung.		Number of Khuttees in each Hoodah or Division.	Number of Molunghees or Salt Manufacturers in each Hoodah.	Number of Choolas 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	85	205	221	179 12 0	484	205	65,484
	2	Burgodah	8	82	83	84 12 0	137	82	20,855
	3	Lychumpore	21	107	149	126 0 0	371	136	30,153
	4	Ausman	21	134	141	150 8 0	400	141	55,094
		Ausman Nasikaldoy Ausman Khotakhaljy	12 11	102 81	107 91	92 4 0 71 0 0	256 195	102 95	30,328 30,158
			108	711	792	684 4 0	1,793	761	2,50,000
Mysandul	1	Goomye Western	21	170	174	142 18 0	375	170	29,170
	2	Goomye Eastern	16	101	113	117 4 0	262	113	37,525
	3	Tharapanah	23	142	153	180 12 0	389	152	24,384
	4	Conchanapore	11	79	90	82 12 0	202	80	32,365
	5	Kasulpore	12	87	87	85 8 0	228	87	35,780
	6	Esordaha	12	65	66	66 4 0	144	66	21,795
	7	Banakhana	8	49	51	47 0 0	105	51	15,775
			108	693	724	666 5 0	1,653	719	2,50,744
Jellamootah	1	Joychunderbar 1st Division	10	31	31	0 0 0	80	31	11,425
		Joychunderbar 2nd Division		26	26	10 0 0	100	26	17,725
	2	Joychunderbar 3rd Division	13	32	32	6 0 0	95	32	11,100
		Boora-booree 1st Division		28	28	10 0 0	70	28	20,125
	3	Boora-booree 2nd Division	18	31	31	15 0 0	85	31	14,050
		Boora-booree 3rd Division		36	36	10 0 0	125	36	18,125
	3	Tengrakhaljy	18	26	26	15 0 0	85	26	18,375
		Bhogobankhaljy 1st Division		33	33	15 0 0	130	33	17,075
		Bhogobankhaljy 2nd Division	35	35	6 0 0	80	35	16,500	
				36	278	278	83 0 0	850	278	1,25,000

Inclosure No. 5.—Statement continued.

Name of Aurung or District.	Number and Name of Hoodahs or Division in each Aurung		Number of Khuttees in each Hoodah or Division.	Number of Molanghees 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	20	11,050
" . . .	2	Southern 2nd Division . . .	4	89	17	17 0 0	64	18	8,000
" . . .	3	Eastern 1st Division . . .	5	205	36	36 0 0	112	26	14,725
" . . .	4	Eastern 2nd Division . . .	5	191	38	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 . . .	3	226	44	44 0 0	157	44	16,825
" . . .	8	Western 2nd Division . . .	4	156	30	30 0 0	71	32	12,650
			40	1,390	258	258 0 0	784	268	1,00,000
Aurungnugur . . .	1	Aurungnugur . . .	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	32	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	Arrushail . . . 1st Division . . .	3	34	34	34 0 0	87	34	10,000
" . . .	8	Arrushail . . . 2nd Division . . .	6	32	32	32 0 0	133	32	13,000
" . . .	9	Arrushail Debakurpore . . .	5	31	31	31 0 0	58	31	7,100
			54	182	298	285 0 0	990	285	1,26,000
		Grand Total . . .	841	3,264	2,346	1,983 0 0	6,070	2,306	6,66,744

BENGAL.

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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 Singbhoom.
- 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 Kotal, 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 Soobunreeka 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 map² of the agency, in combination with the Tumlook Agency, accompanies, in which the manufacturing and fuel localities of the agency are exhibited.
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.
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 Kedgerie, on both sides of the Russoolpoor, Preehabong, 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.
4. The 6 aurungs, in a favourable season, are capable of yielding from 8 to 11 lacs of maunds of salt.
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 5½ 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., 5½ annas.
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 julype, 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 julype, 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. 10½p.
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 Bulloolah, and quite distinct also from the allowance paid under the same designation (Moshareh) 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.

² Map No 6

† Bahareool, Bahareemootah, Nurtoohmootah, Errinch, Majnamootah, Bograi

13. These deductions are the khullaree remissions still granted in the 24 *pargannahs* 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 *moshareh*, 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 *moshareh* 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 *moshareh*, 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 *moshareh* 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 *moshareh* 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 *moshareh* 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 *malik*; 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 *moshareh* 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 *moshareh* 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 *moshareh*, 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 *moshareh* of the Hidgellee and Tumlook estates, and the khullaree remissions of the 24 *pargannahs*, 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 21 to 24.

25. In addition to the moshareh 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	.. .. .	16
Nurroohmootah	.. .. .	15
Errinch	.. .. .	9
Majnamootah	.. .. .	9
Bogra	.. .. .	14
Total	.. .. .	83

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

Jergunnahs or Aurungs.	Number of Darogahs	Number of Karkoos or Accountants	Number of Chuprassees, &c.	Number of Ootah Mohurrirs
Beercool and Kaludee	1	5	13	1
Bahareemootah	1	4	12	1
Errinch	1	4	11	1
Nurroohmootah	1	3	8	1
Majnamootah	1	3	6	1
Bogra	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.

Description of Establishment	Beercool		Bahareemootah		Nurroohmootah		Errinch		Majnamootah		Bogra		Grand Total	
	No. Employed	Total Salary during season	No. Employed	Total Salary during season	No. Employed	Total Salary during season	No. Employed	Total Salary during season	No. Employed	Total Salary during season	No. Employed	Total Salary during season	No. Employed	Total Salary during season
Head Quarters	21	580	15	680	9	560	9	560	9	560	11	580	85	5,320
Sub-stations	1	115	3	120	6	750	1	50	1	50	14	225	31	576
Advanced	6	170	2	75	47	750	30	600	20	480	3	600	256	4,066
Others	1	15	1	150	4	180	8	192	8	192	5	102	45	1,144
Reserve	7	210	2	300	2	300	1	210	1	210	14	440	82	1,211
Private	1	15	1	150	1	150	1	150	1	150	1	150	1	150
Total	48	1,155	24	1,800	87	3,030	54	1,552	48	1,552	44	1,778	441	9,594

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

Designation of Officers	Beerool			Bahraemootah			Nuroonmootah			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
Biknagh	10	6	300	8	6	388	8	6	288	6	6	216	5	6	180	7	6	213	4	6	1,584
Moharrirs	10	5	300	8	5	240	8	5	240	6	5	180	5	5	150	7	5	168	4	5	1,278
Kovals	69	24	900	48	24	720	48	24	720	36	24	440	30	24	480	12	24	301	26	24	3,804
Chappodars	20	21	254	19	21	180	13	21	165	8	21	120	8	21	130	14	21	300	8	21	1,104
Charwadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Golpatarees	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	109	..	1,864	76	..	1,428	70	..	1,428	59	..	1,092	..	..	924	20	..	1,154	49	..	7,840
Grand Total	207	..	4,168	150	..	3,056	155	..	3,247	106	..	2,126	88	..	1,976	156	..	2,962	272	..	17,404

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.*

Advances to molunghees and settlement of their accounts.

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.

Manufacturers and manufacturing process.

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.

Mofussil weighments.

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.

Transport of salt to the Government golahs.

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 drayage, until the salt is re-weighed and stored in 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.

Aurunga.	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.
Beerool	50 0 0	138 6 3	52 8 0	50 0 0	60 0 0
Bahraemootah .. .	74 0 0	57 6 0	50 4 0	..	..
Nuroonmootah .. .	..	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 11 3
Bogra .. .. .	..	..	..	..	359 13 0
Total	274 11 6	893 12 3	424 11 0	217 7 8	748 3 0

* 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 Koojypore 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		Estimated quantity of Salt each Gohah 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.
	Number of Gohahs in each inclosure					
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 Errinoh.
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.
Behnuggur ..	1	6	55,000	3,30,000	2,01,788	The remaining produce of Beercool.
North Kilanuggur ..	1	6	50,000	3,00,000	2,47,233	The remaining produce of Behareemootah and Errinoh and the whole produce of Narroahmootah.
Poorceghatta ..	1	9	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 ..	2,306	5 11	1,215	0 0
1850-51 ..	..	..	1,215	0 0
1851-52 ..	1,158	1 11	1,215	0 0
1852-53 ..	..	..	492	8 6
1853-54 ..	..	..	901	0 0
Total ..	6,661	7 10	4,998	8 6

* See paragraphs 53 to 89 of the notes on the Tumlook Agency, Appendix B.

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

Salt how sold and delivered.

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 retained 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 30rs. per 100 maunds, of which 25rs. is the duty or profit, and the remaining 5rs. 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 Moorooosay, 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 Karnafulee 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 aarungs 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.

Aarungs and their subdivisions.

4. Aarung Jooldeeah 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 Soonoah 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 kitabuts. The chief manufacture is carried on along the banks of a large creek called the Julkudder 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 Nees Bullooh Dukhun Shabazpoor Dhunneea Munnea Baminee Sundeeep Hatteeah Chur Hazaree Jugodeeah Durrah.

‡ Bhallookhallee, Shurrul, Kuonneeah, Loodeer Ghaut, Khodye Goozah, Julkudder, Boli Tallee, Chota Soonoah, Burra Soonoah, Aikudeeah.

§ 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 auring 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. Auring Barchur lies to the south west of the Jooldeah auring, from which it is separated by the Kotubdeah channel, the manufacture being generally confined to two islands, viz., Kooṭubdeah 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 Mascaal, and about 15 miles further south, to the shores of the main land, opposite to that island, near Cox's bazaar.

6. This auring contains 21 subdivisions, viz.:

Kootubdeah Island.. .. .	Khoodeeah Theko. Kawn Khallee. Hum-bollah. Pillut-cottah. Abacheeah-Cottah. Goyner-Cottah. Noa Colly.
Mutturbarree Island	Raj Ghaut. Soosamah. Moor Khallee. Sakorndeah. Doskanneeah. Thakoormeeah. Khan kattee. Banniah kattee.
Mascaal Island	Kandeeah khattah. Goruck Bhattah.
Main land near Cox's Bazaar	Koorooscool. Poke Khallee. Gomah Tullee. Chowpuidundee.

This auring 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 aurings, 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 Mascaal and the Mokám, 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 auring 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 Hidgelee 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., Khallarees rents

To zemindars	3,630	2	0
To the Collector of the district for land belonging to Government	698	12	7
Total	4,337	14	7

12. Each auring 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 3½ cubits, and containing about 250 solid cubits.

Office establish-
ment.

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	16	16	..	..	..	2	14	28	..	..	..
"	..	..	..	..	1	20	20	..	..	..	..	..	..
"	..	..	..	..	1	14	14	..	..	..	..	..	..
"	..	..	..	..	3	10	30	..	..	..	2	10	20
Burkundazees	..	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 estab-
lishment.

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 mokims, 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 chelun 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 Bullooh 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 perrah 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 perrah 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 *ját*, and the other *telinneah*. Of the total quantity made, about three-fourths is *ját*, 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 *ját* salt. 29. *Ját* salt is made by the molunghees who come from the districts of Bulloah and Tipperah, and that part of the district of Chittagong which lies to the north of the Kurnafullee 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 Kurnafoolee river.

31. The *telinneah* choolah, or furnace, is not raised above the ground, but sunk, and over it is constructed a cone, called *kandah*, 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 *ját* 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 *ját* 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 *ját* 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 telmneah 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 telmneah over it is not now so great as it used to be.

Relative qualities of jât and telmneah.

36. The brine used for the telmneah choolahs being allowed to stand longer, the impurities are more completely precipitated; but the chief cause of the superiority of the telmneah 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 telmneah 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 telmneah 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 kitábüt or beat, as it lies, in the case of the jât salt, in the conical heaps before the golahs, and in that of the telmneah 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 kitábüts within his mokám or subdivision, to see that the quantity of salt entered as manufactured has been *boná 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 weight, 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 weight 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 kitábüt, is separately transported and weighed into store, and the account of the molunghees is finally settled upon such weight by kitábüts, it is obviously very essential that all the salt of each kitábüt 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 aurangs 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 Sandeep, 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 *maunjees* of the boats furnish security for the due fulfilment of their contracts; the *maunjees* 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 *maunjee* at the rate of 20 rupees for each Sandeep 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 *maunjee* is furnished with a *hath-obittah*, 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 *maunjee* 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 *teinneah*, 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 *churrandar*, 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 kitábüt 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 Hidgellee 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 kitábüt, 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 kitábüt 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.

Weight 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 kitábüt is rateably apportioned to the number of pherrah measures received at the works from each molunghee of the kitábüt.

Final settlement of
the accounts of
the molunghees
and boatsmajees.

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 Kyala, at 10 rupees each	20
5 Ditto at 8 rupees each	40
1 Office mohurrir	8
1 Jemadar of guard	15
1 Neeb Ditto	6
1 Ditto	6
15 Burkundazes at 4 rupees each	60
1 Sirdar or chief goldar	5
19 Goldars at 4 rupees each	76
1 Aduldar or stamper	8
Total per mensem	569

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	$\frac{5}{16}$
Seven kantah mohurrirs	$\frac{1}{16}$
„ kyals	$\frac{1}{16}$

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

First 3 months	2½ per cent.
„ 6 „	3½ „
„ 9 „	3¾ „
„ 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 naeebs 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 Adular 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 Narangunge, 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 Bulloah.

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 Bulloah. 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 Bulloah, 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 Bulloah 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 Bulloah 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 Auring Barchur, and on the mainland coast on the opposite side of the Kootubdeah channel, in Auring 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 Golsahs.	Total cost of the Salt, including Transport and Storage charges.	Rate of cost per 100 maunds.	REMARKS.
1827-28	1,732 0 0	Δ.	1,080 0 7	..	35 10 1	1,115 10 8	R. A. 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	1,481 3 3		
1828-29	28,623 20 0	7	12,622 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	18,661 11 12	6	5,887 14 6	1 11	315 3 10	6,168 2 4	38 0	
1831-32	70,550 10 0	5	22,046 15 3	1 9	1,102 5 8	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 if 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 of 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 Balaore, 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.
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.
- Introduction of the salt monopoly in the province.** 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 uncensored 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 $1\frac{1}{2}$ 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 translation† 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 mooshaireh, 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 moshairi 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 alias*, of the Board of Trade, to whom the agent thenceforward became subordinate.

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, thus 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 Sulka, 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.

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 aurings, or manufacturing tracts, extended in an

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 Bhoosondpore 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 Bhoosondpore aurung is situated in the Khoordah estate, which is the property of Government.

Compensation in the event of cessation of manufacture.

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 regards the salt moshareh claims of the zemindars.

24. The state of the case as regards the salt moshareh 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 mahkana, or compensation for their fair assumed profits, to be limited however to one-third in excess of the jumma remitted.

Case as regards temporarily settled 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 moshareh 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 moshairch 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 moshairch charges amounted in the past year 1853—54 to rupees 1,21,982 7a. 11½p., distributed as follows,

Balasure	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 aurgings at present, viz. 5 annas per maund. In the Chilka aurgings, 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 aurgings to depôts in the interior, of which there are two in each of the districts of Balasure 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 aurgings 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 salt depôts should be established at places generally accessible to the trade, but that the auring 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 auring 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.

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.

Proposition to treat
the whole pro-
vince as one
agency

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, it is supposed, to the long journey the 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 Hurriddass 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.

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.

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.

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.

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.

* Appendix C, No. 6, paragraphs 40 to 39, 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

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 Salkeas.
- 2nd. The management of the sales for local consumption.
- 3rd. The prevention of smuggling.

53. He is assisted by two uniconvenanted 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. 5 a. 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 auruings, or manufacturing districts:—

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

Subdivisions of auruings.

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

Manufacture and establishments of each auring

57. Each auring has an establishment of 1 darogah, 2, or sometimes 3, mohurrirs, and a certain number of zilladars or supervisors of bhoorees, chattee palks or overseers of chattees, and a few chuprassees, palkee bearers for the darogahs, boatmen for ferries, &c. The pay of the auring 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 palks are entertained for the 8 manufacturing months only. The following table exhibits particulars relating to the manufacture and establishments of each auring for the current season 1854-5:—

Names of Auruings.	Quantity of Salt contracted for	Number of Contractors or Choolahs.	Number of Molungees	Establishment.				Cost of Establishment
				Number of Darogahs	Number of Mohurrirs	Zilladars.	Chattee Palks and Chuprassees, &c.	
Ruttai	50,000	469	1,529	1	2	7	43	1,928
Sartha	1,20,000	746	3,166	1	3	13	63	3,184
Chenovah ..	60,000	340	1,321	1	2	3	31	1,632
Dusmolung ..	1,25,000	423	1,897	1	2	9	42	2,426
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	47	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.	As.
* Agent	9,333	5
Assistants	5,400	0
Sudder establishment	7,380	0
Total per annum	22,118	5

the auring 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 molungbees 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 aurings 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.

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.

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

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.

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 aurings to the north of the Balasore river, and 1 r. 12 a. per 100 maunds for every coss in the aurings to the south. The difference arises from the greater scarcity of bullocks in the northern part of the district.

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 auring 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-bojate* 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.

66. The freight paid varies from 12 r. 4 a., at the most southern depôts, to 9 r., exclusive of the hire of cargo-boats, which are procurable at 1 r. 4 a. to 1 r. 5 a. 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 19 r. to 26 r. per 100 maunds; were reduced in 1840 to 11 r. and 14 r., and again, in 1847-8, to the present rates.

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 31 r. 9 a. per 100 maunds in 1825-6 to about 18 r. per 100 maunds at the present time. This, added to the cost of manufacture (about 48 r. per 100 maunds), gives for the selling price at Sulkea, inclusive of the duty of 250 r., 316 r. per 100 maunds; but the actual price at present fixed, calculated on an average of three former years, is 313 r. per 100 maunds.

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.

69. *Central Cutlack.* 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 *Poorah* 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*.

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

Advances.

Final settlement of contractor's accounts.

Cost of manufacture.

Cost of production — contractor's profit.

Transport of the salt to the depôts

Export of the surplus-produce.

Export freights

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

Contemplated manufacture of *kurkutch*.

Situation of the agency

Agent—his establishment and duties.

For consumption in the manufacturing neighbourhood ..	13,342
in the interior of the district ..	70,260
in the tributary melahs 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 Moharrirs.	Zillahars	Charter Pank and Chub-prases, &c.	
Moondamlung ..	97,345	171	575	1	2	7	36	1,828
Sathbhyah ..	38,800	96	382	1	2	5	21	1,368
Northern Kaupore ..	56,100	90	486	1	2	6	24	4,276
Southern Ditto ..	1,30,500	154	900	1	2	7	35	1,864
Bakood ..	38,600	99	408	1	2	5	21	1,148
Southern Dhobye ..	74,320	264	740	1	2	7	34	1,556
Harrichpore ..	1,90,680	372	720	1	2	10	33	1,956
Total ..	5,36,345	1,246	4,253	7	14	47	207	10,946

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.

Process of manufacture

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.

Price paid to the molunghees.

74. The price paid to the molunghees is the same as in Balasore, 31 r. 4a. 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. 8p. per 100 maunds, or 8a. 2p. per maund.

Transport of the salt to the depôts.

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.

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

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.

* Agent	R.	4
Assistant	9,333	5
Establishment	3,600	0
	7,068	0

Total 20,001 5

† Moondamlung, Sathbhyah, North Kaupore, South Kaupore, Bakood, South Dhobye, Harrichpore.

‡ 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.

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 Juggernaith, 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 auruings 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 auruings, 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 auruings 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 auruings, 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 auruings except Sauthparrah. The manufacture of kurkutch or abrah is confined to auruings Sauthparrah and Goorbae.

Process of Pungah manufacture.

84. The system and process of pungah manufacture in the Astrung auruings is precisely similar to that of the Bengal Agencies. In the Chilka auruings, 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 "Mothoo matta," 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 "Saimuttee," 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 3½ 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.

85. The supply of the saline earth is inexhaustible, and the capacity for production of these auruings 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 Goorbae, which is a kurkutch auring, 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 auruings, was originally common to them all, except Boosoonpore 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 Boosoonpore and Hurridass auruings lie away from the sea on the north and east sides of the Chilka lake. All the remaining auruings, 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	..	..	..	6,601	15	3½
Total	..	..	..	19,435	4	3½

} North-east of the district—	
North Astrung	South Astrung
Chilka lake—	
Boosoonpore	Malood.
Hurridass	Goorbae
Paricklood	Sauthparrah.

[*Spelt Boosoonpore 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.

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 Choolacs	Number of Molunghees.	Establishment.				Cost of Establishment.
				Number of Dargahs	Number of Moharras.	Zilladars	Chustge-Palka and Chuprassee, &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
Mitosondpoor ..	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
Parrookod ..	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
Karkutch 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	5,593	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 Chikka aurungs. The price originally was 8 annas per maund, and the rent to the zemindars, including julpur 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 the 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 salt in the Chikka aurungs.

92. The price originally paid to the molunghees for pungah salt in the Chikka aurungs, owing to the difficulty in procuring fuel, was 10 annas per maund, and the rent to the zemindar, there being no julpur 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 karkutch salt.

93. The price paid to the molunghees for karkutch 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 karkutch, 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 karkutch manufacture, the molunghees come from the neighbouring pergunnahs, and a small proportion from the Madias territories. Many of the poorer molunghees contract

for quantities of salt not exceeding 15 or 20 maunds (a practice which is however discontinued 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 laes 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. per 100 maunds, which being added to the cost of manufacture, 17r. 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 bhangsh 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 BHOORAH 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 dustvorv, &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 hetaul 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 Jagheerदार 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 Jagheerदार, of Mehals, Manickpatum, Undharec, Farreecoodh, 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 Keearce and Baree, &c., the whole of the arable and unculturable salt lands situate in the above mehals, where kurkutah salt is, has been, or may be manufactured, for the purpose of making the Government khas salt, save the villages Jumoonah, &c., in Killah Farreecoodh, which are Umrulmondhee, or endowment of Sree Juggunnath Jew, under the muth of Poorsotum 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 Keearce and Baree, &c., wherever it may be convenient, of its own free will. Government will receive the revenue from the molunghees for Keearce and Baree, &c., situate in the salt lands, with which I have, or shall have, no concern, and the thatching over the kurkutah salt annually manufactured in my Jagheer mehals, will be made with the straw grown in the above island. On the whole quantity of kurkutah 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 blaughah, or weighing of salt, manufactured by molunghees in their respective aurangs, 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 Bhanganah, the salt amlahs, without waiting for him, will weigh the salt manufactured by the molunghees, 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 lakhradj lands in the Keerece and Baree, &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 lakhradjars.

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 Soonderbans, 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 12 miles south-south-east, from Calcutta. Situation.
3. The Narainpore works cover a space of 1,618 beegahs; the Goordah works, a space of 1,875 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 funaces. 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 funaces, 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 funaces 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 Hidgelee 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	Adulkar or stamper	.. .. .	1
	Total per mensem	.. .. .	27

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 gojah, or storehouse, being in the immediate neighbourhood of the boilers. As soon as the salt is stored it is stamped over. The hoodadar holds one key of the gojah, 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 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 weight, in the presence of the excise officer.

GEO. PLOWDEN,
Commissioner

	Maunds.
1849-50	28,360
1850-51	35,000
1851-52	18,600
1852-53	19,600
1853-54	31,500
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 Caramassa. 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, inasmuch, 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 60 lacs of maunds, the serious losses sustained by Government in salt reported to have been destroyed in the aurgung 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 Ghazee pore. 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 Ghazee pore 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

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 Goontee; 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 Roopnaran 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, 1
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. Bulloeah
3. Backergunge.
4. Jessore
5. Bugundee
6. Barreepoor.
7. Western.
8. Midnapore
9. Jellasore
10. Calcutta

Under the salt agents:—

1. Tumlook
 2. Balasore*
 3. Central Cuttack.
 4. Pooree
- 3 T

extended to Tumlook, 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 molunghees 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.

ry and allowances of
e 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.

ent salaries and
allowances of superin-
tendents 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 Jellalore divisions. These receive a travelling allowance of 3 rupees per day when on circuit.

agents in charge of
chowkeys receive no
additional remunera-
tion.

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.

t 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.

s 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.

s and present
powers of the superin-
tendents 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 XXIIX, 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.

tion of smuggling
in the Government
shops, and importing
ps.

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.‡

ng 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. Duty 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 chowkey limits, and 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 Ballaghatta and Coolneah, at both of which the document is examined and endorsed 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 atracee 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 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 *atrafes 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.

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.

ies of the burkundazes, or chupprassees.

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 *Hidgelee* 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.

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

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

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.*

wers of the preventive force.

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.

preventive rules in the province of Cuttack.

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.

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.
						Rs.	A. P.		Rs.	A. P.					Rs.	A. P.
1	Chittagong	9	2,879	972	7,13,332	700 0 0	129 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 Bangundee 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 Jellassore 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 Balassore, Central Cuttack, and Pooree, where also separate office establishments are not entertained.</p>		
2	Bulloosh	8	2,199	1,657	8,10,900	700 0 0	294 8 0	1,892 13 4	61 0 0	2,915 5 4	35,020 0 0			
3	Backergunge	12	4,900	2,250	7,57,594	500 0 0	189 10 0	890 4 3	49 0 0	1,598 15 0	19,187 4 0			
4	Jessore	11	3,400	1,794	4,90,295	500 0 0	177 10 0	919 3 3	75 0 0	1,771 13 3	17,661 15 0			
5	Bangundee	11	1,400	1,530	3,84,648	400 0 0	169 8 0	893 10 9	53 0 0	1,516 6 9	18,197 1 0			
6	Barreepore	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	541 0 0	106 8 0	1,299 0 0	16,888 0 0			
8	Western	15	1,238	1,479	6,95,000	400 0 0	231 10 0	1,103 13 8	78 12 0	1,614 3 8	21,779 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	441	784	1,14,594	41 10 8	623 8 0	39 7 3	604 9 0	7,255 5 0	7,255 5 0			
11	Jellassore	13	1,690	2,871	2,14,096	480 0 0	189 8 0	1,245 8 6	258 0 0	2,121 0 0	25,452 0 0			
12	Balassore	20	1,010	4,038	5,96,090	.....	1,475 0 0	10 0 0	10 0 0	1,485 0 0	17,820 0 0		
13	Central Cuttack	8	3,062	4,292	5,53,073	.....	700 0 0	.....	.....	700 0 0	8,568 0 0
14	Pooree	7	2,698	3,165	5,01,980	.....	790 0 0	.....	.....	790 0 0	9,480 0 0
Total		166	30,426	30,492	78,11,369	4,890 0 0	1,936 6 10	14,587 8 10	1,016 15 3	26,419 14 11	2,69,039 3 0			
Add Charges on account of Controller, viz.														
Salary										2,338 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										63 0 0	996 0 0			
Total										3,093 5 4	37,180 0 0			
Grand Total										25,318 4 3	3,06,219 3 0			

GEO. PLOWDEN, Commissioner.

BENGAL.

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.
 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.
 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.
 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.
 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.
 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 chowkery, but distinctly from his chowky 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.
 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.
 8. A char-chitty or pass, is granted for the protection, within 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.
 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.
 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.
- Wholesale price how fixed, and smallest quantity in which salt is supplied wholesale from the Government warehouses.**
- In the manufacturing localities and their neighbourhood, salt is retailed from Government shops at reduced prices, and in smaller quantities.**
- Objects of the retail system.**
- Retail prices how regulated.**
- Retail limits.** The salt preventive superintendents manage the sales. Duties of the preventive force in respect of salt sold by retail.
- Location of the retail shops, how regulated.**
- Salt purchased from retail shops, how protected.**
- Law providing for the retail sale of salt by the officers of Government.**
- Districts and tracts within which salt is retailed, and the prices 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	
			R. A.	R. A.	
Chittagong	The whole superintendency or district of Chittagong.	Robertgunge	3	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.
		Sloobohur			
		Hat Hazaree			
		Ruojan			
		Rauzonea			
		Kristnacolly			
		Hos-en Faket's Hat			
		Satkamneeah			
		Bajallea			
		Chuekooorea			
		Koonosree			
		Cox's Bazaar			
		Ruoostom's Hat			
		Naryun's Hat			
Echnopore					
Kaloo's Ghat					
Moi-khalee					
Durbesh Hat					
Futtickcharee					
Jalukhalee					
Julkudder					
Balioeah	Chowkey Hattea Chowkey Soondeep	Baug's Hat	3	4	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.
		Fotoyah	2	8	
Kartreepoor	Chowkays Howree, Hajepore, 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	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.
		Sourahburriah			
		Mysuddal			
		Gewah Khalee			
		Doroo			
		Goongarh			
Jellooze	The whole superintendency, which includes the Hidgellee salt agency, excepting chowkeys Gopebulbopore and Coolbunnee.	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
		Jillassore			
		Kofftal			
		Tkrash			
		Gowndpore			
Balasore	The whole district of Balasore.	Balasore	2	2	These are depôts for the supply of the interior consumption.
		Bhuddruck			
		Bolung	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 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
		Pertanbopore			
		Gopeenathpore			
		Fodumpore			
		Kurungee			
		Sankooza			
		Lukneedsapore			
		Kurranpookoome			
Central Cuttack	The whole district of Central Cuttack.	Kyeparrah	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	Kirkatch or Kurkatch	
			R. A.	R. A.	
Pooree	The whole district of Pooree.	Singaree ... Rajuzzer Rahanah ... Dolejanah ... Sungaree ... Panchully	1 3		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 3, and from the latter at rupees 1 8 3, per maund, below the full price, which is rupees 3 0 4 per 100 maunds, or rupees 3 0 8 per maund.
		Pooree Tanghee	1 14	1 8	These are depôts for the supply of the interior consumption.
		Talgaon Kanauack Joonye Burrungeer ... Goelhae Bajpore Pharve Kurmas Pharve Tanghet Sahparwah Pareehood Malood	1 8 1 0 1 0		These are shops for the supply of the manufacturing localities and their immediate neighbourhood. Both pungah and kirkatch salt, the produce of the district, is sold, the full price of the former being rupees 2 6 8 per 100 maunds, or rupees 2 15 8 per maund, and of the latter rupees 2 7 3 per 100 maunds, or rupees 2 11 8 per maund.

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

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.

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

12. In the year 1826, it was determined, for the better prevention of smuggling, by supplying a cheaper description of salt, that only Madras kirkatch, 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 kirkatch is now again exclusively retailed.

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

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.

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

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.

Establishments.

17. The following establishment is entertained for each shop—

1 Darogah	10 to 16 rupees
1 Koval or weighman	4
1 Teerunduz 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 dépôt for the wholesale and retail sale of salt is to be maintained at Dowlu Khan.

25. The salt delivered from these dépôts 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 dépôts 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 dépôts 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 dépôts, 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 Hudgelee 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—

1 Mohurrir	Rs.
1 Koval	5
2 Chuppaders 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.

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.

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 1½ anna per maund on his 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 vendors, at an advance of 1½ 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 vendors, who retail it, unrestricted as to price, in the public markets and villages of his jurisdiction.

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.

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.

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.

37. *Jellalore*.—Salt, the produce of the Hidgellee Agency, is retailed at reduced prices throughout this superintendency, excepting the portion comprised within the limits of Chowkeys Gopeebullupore and Koolbunnee. 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.

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.

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.

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

Establishment at each shop.

System of supply and sales.

The salt supplied is the produce of the agency.

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

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

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

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.

Establishments.

1 Mohurr	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 Sumbhulpore, 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 punghah 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 punghah. 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 Sulkeen 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 Sulkeen 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 hatched 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 Biant, 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 punghah, 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 punghah, 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.

	R.
1 Mohurrir	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:—

	R.
1 Darogah	50
1 Mohurrir	16
1 Poddar, or money examiner	5
10 Burkundauzes, as a guard, at 4 rupees each ..	40
2 Chuprassees at 3 rupees each	6
1 Golpaburee, 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 shops:—

Establishments.

	R.
1 Mohurrir	10
3 Burkundauzes 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 Burkundauzes 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 Sulkea 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
	<hr/>
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 Datto	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
Barkundazes—4 at Tanghee .. ..	..	20
Stationery	1	1
	<hr/>	<hr/>
Total per mensem ..	148	137

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, Pureekood, Malood.

‡ Since this was written, the abolition of a third interior sale depôt at Kumas has been suspended. The establishment entertained there costs 160 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.			Average Prices which would have been realized per maund if the Salt had been sold at full, or Wholesale, Prices.			Average reduction from the Full Duty of Rs. 100 per 100 maunds on the basis of prices realized per maund if the Salt had been sold at full, or Wholesale, Prices.			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 as difference between the amounts in cols. 3 and 10			Net Revenue from Retail Sales, being the difference between the amounts in cols. 3 and 12	REMARKS.
		Ra.	Rs. A.	P.	Rs. A.	P.	Rs. A.	P.	Rs.	Rs.	Rs.	Ra.	Ra.	Ra.	Ra.			
Chittagong Agency	Mds. 1,25,508	Ra. 2,52,219	Rs. A. 2 0 2	P. 3 4 4	Rs. A. 1 4 2	P. 3 4 4	Rs. A. 1 4 2	P. 3 4 4	Rs. 291	Rs. 327	Rs. 129	Ra. 4,10,395	Ra. 1,55,176	Ra. 6,175	Ra. 6,195	Ra. 11,570	Ra. 2,49,649	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.
Tumlook Ditto	19,059	52,412	2 12 0	3 0 6	0 4 6	0 4 6	0 4 6	0 4 6	375	308	28	57,749	5,337	1,440	1,601	8,041	49,371	Col. 12 The charges beyond the cost of establishments consist of transportation charges, commission on sales, golah repairs, &c. Fractions have been omitted, except in columns 4 to 6.
Balsore Ditto	1,04,375	2,18,118	2 1 3	2 15 8	0 14 5	0 14 5	0 14 5	0 14 5	208	298	20	3,11,038	92,220	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	1 2 11	1 2 11	1 2 11	186	304	118	6,06,462	2,35,467	2,924	14,512	17,496	5,53,499	
Pooree Ditto	2,49,699	3,68,764	1 7 8	2 15 6	1 7 10	1 7 10	1 7 10	1 7 10	148	297	149	7,41,606	3,72,852	4,212	14,807	19,100	3,49,645	
Bullooh Chowkeys	1,29,168	3,56,642	2 12 2	3 2 3	0 6 1	0 6 1	0 6 1	0 6 1	276	314	38	4,05,587	48,645	5,043	17,424	22,467	3,34,175	
Barreepoor Ditto	16,270	48,794	3 0 0	3 0 2	0 0 2	0 0 2	0 0 2	0 0 2	300	301	1	49,174	380	372	1,143	1,515	47,279	
Jalassore and Hidgellee Do.	21,968	68,711	3 2 0	3 5 11	0 3 11	0 3 11	0 3 11	0 3 11	312	337	25	74,015	5,304	864	7,453	8,317	60,394	
Total	8,65,581	17,36,645	2 6 1	3 1 7	0 11 8	0 11 8	0 11 8	0 11 8	288	310	72	26,56,026	9,19,891	24,242	84,362	1,08,004	70,23,041	

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 $\frac{1}{2}$ ths proportion of the Government wholesale deliveries, and to about a 5 $\frac{3}{4}$ 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 neighbourhood 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. 15,544 11 44	Mds. S. C. 70,300 2 10	Mds. S. C. 85,601 13 144	Mds. S. C. 20,773 0 0	Mds. S. C. 1,04,578 15 144
Central Cuttack .	8,159 5 34	59,898 33 15	68,027 33 24	1,25,387 0 0	1,83,504 33 24
Pooree . . .	11,888 14 14	68,070 0 4	82,758 15 2	1,66,464 10 0	2,51,323 25 2
Total . . .	36,168 32 6	1,98,218 35 13	2,54,867 38 3	3,14,678 10 0	5,46,960 38 2

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.

I. 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 pungan 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 Sumbhulpore, viâ the Burmool Pass. Any pungan salt, which may be found in transit through the Gurjaut Estates, proceeding to Sumbhulpore 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 Sumbhulpore 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 by 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 adduled to retail dealers or pberriahs, 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 pberriahs, 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 pungan 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 depot 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 account 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. w., 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 aurgings.

17. The local limits of the line of salt chowkeys established on the borders of the manufacturing aurgings 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 aurgung.

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 aurgings, for the supply of the Government sale golahs in the interior of the district, shall be accompanied by a pass from the aurgung darogah, and the chowkey darogah within whose limits such salt may pass will compare the same with the pass of the aurgung darogah and, if correct, will certify the same on the back thereof, attested by his signature, but, should there be any excess, the chowkey 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 aurgings, 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 auring 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 *bonâ 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 Burrupuddah, 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 Singhoom, 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 Singhoom.

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 Nedbeeram 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 molunghees, 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 superintendance 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 superintendance 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 superintendance 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 goluhs, 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.

600. In respect to the difficulty of substituting an excise superintendance 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 superintendance 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 exactness and annoyance, and I believe that the circumstance of the manufacturer 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 salt 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 probably 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.

1616. 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.

1634. 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.

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 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 in view (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 PRACOCK, 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 Chulka 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 poketaunmy officers visit the khalaiv 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 khalaiv 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 khudaries and the places of the khudaries 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 khudaries 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 analogous 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 delinquencies 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 some here. 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 places 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.

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.

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.

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 moulungees—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 premises 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.

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 moulungee, 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.

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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.

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938. Have you anything more to add respecting the project of the excise system?—I stated that the poketanny 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.

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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 golabs 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 golabs; 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.

* * * * *
Answer * * * * *

1134. 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 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 $2\frac{1}{4}$ 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's 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 1,630,000*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 “*fiac 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.* 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 premises 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 aurgings 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 molunghees 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."^{*}

53. 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*."

55. 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 mound.

‡ 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 arurings, 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 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. Thus, 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 godahs 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 auring darogah, who has all the churs of the auring 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) should 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 is 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 "faïlle" in the provinces of the "grandes gabelles," were enrolled, and their consumption, for the "pot," and "salere," (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 lbs. per head per annum.

price of 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 alluring 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 dreamed 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

* Six 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 punganah 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 62,50,000 maunds' weight."

73. Now, according to this showing, the consumption of the people would amount to $7\frac{1}{2}$ 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 rowanah provinces.

75. Admitting it however, for the present, merely for the sake of the argument—admitting that $7\frac{1}{2}$ 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 most 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	£3	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 bauth.

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. AN. 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, &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 7½ 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 7½ seers would cost the ryot 14½ 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 1½ 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.

upon one like salt, the consumption of which for alimentary purposes* must be limited by a taste or distaste common to all men.†

86. The only possible reply to this is an admission of its truth,—but followed by a protest that the salt duty, though it must in this country of necessity fall to the same extent per head on poor and rich, need not be so high—I cannot admit that what may be called an indirect poll tax, somewhat analogous to the English corn laws, can be deemed immoderate, while it only takes from a ryot paying no other tax‡ less than 2 per cent. upon his annual earnings. Still I am certainly not at all disposed to maintain so desperate a position, as that a duty of 2 rupees per maund would abstract as much from a ryot's earnings, insignificant as that abstraction is at present, as a duty of 3 rupees per maund. But here the question again becomes a purely political one, can the British Indian Government dispense with that rupee per maund, which would be equivalent to *dispensing with rather more than thirty lacs of rupees per annum, net revenue?* For I must again repeat my conviction, that a decrease of 33 per cent. in the tax would not, under any circumstances, be followed by an increase of 33 per cent. in the consumption.

87. But to return to the evidence already referred to, and to which weight is manifestly attached in England, as it is specially quoted at length in a work of no great reputation indeed, but bitterly hostile to the Company—Mr. Reid says, “The manufacture of salt is of such a description as to make it comparatively easy to levy an excise duty upon it. I conceive, in the manufacture of salt, even situated as it now is under the Company's regulations, the Company could turn round to the levy of a duty much more easily than they can regulate the manufacture and the sale.”

88. Unfortunately (or rather fortunately for himself) Mr. Reid has never been in a salt agency, or he would have seen that the manufacture of salt (as at present conducted) is exactly of that description which renders it the very last manufacture in the world upon which an excise duty could, with any certainty, be levied.

89. Mr. Reid goes on—“I think that, if the Company were to regulate a certain rate of duty upon salt, whether manufactured in India or imported, it would improve the revenue, and that it would be very easily accomplished. I think that the regulations under which the salt duty was collected in England would apply partially to the state of circumstances under which the salt is manufactured in Bengal.” My reasons for differing from Mr. Reid's opinion have been fully detailed in this minute, and I have only to repeat my impression, that if our regulations for collecting the salt duty in Bengal were no more complete and efficient than those rules under which it was collected in England, we should only collect about one-third of the revenue we collect at present. But let it never be lost sight of that, in the western provinces, *one portion of the contemplated system, viz., a custom duty upon salt and no monopoly, has already been tried, and with what result?* Let it be given in the words of Mr. Trevelyan's report upon the custom and town duty system. “The average quantity of salt which each individual consumes in the course of the year, is generally, and I believe correctly, calculated at six seers, at which rate the annual consumption of the above tract§ would amount to 46,07,396 maunds; but the quantity which paid duty last year was only 15,18,601 maunds, yielding a sum of rupees 15,84,237 to Government, only *one-third of the population* therefore consumed salt, which had paid duty! The population of Bengal and Behar is estimated at 37,577,929, on an area of 149,217 square miles, which gives 253 to the square mile. The total quantity of salt cleared from the Government go downs in 1832 was 48,67,808 maunds. The population of the lower provinces, therefore, exceeds that of the western tract only in the proportion of 37 to 30; but the quantity of salt which yields revenue to Government in the former, exceeds that which pays duty in the latter in the proportion of more than 48 to 15.”

“Whence arises this great difference? Bengal and Behar always yield considerably upwards of a crore of rupees, while the western tract, with nearly an equal population, yields less than 16 lacs. The cause to which the small amount derived from the duty on salt in the Upper Provinces, compared with what might reasonably be expected from this source, is to be attributed, is that the article is smuggled across the western frontier to an enormous extent.”

90. The reason assigned for the above results is the weakness of the custom line on the western frontier. No doubt it is the true one, and when that line is strengthened, the customs revenue upon salt will materially improve; but the line can only be strengthened at a very great expense. Place the same amount at our disposal for strengthening the

* And let it be remembered it is only for those purposes it will be used here for a very long period.

† It need hardly be shown that it is only theoretically and in one sense, that the tax upon either salt or bread can be said to draw an equal amount per day from the poor man and the rich, or that *literally* speaking, the salt tax in India and the corn laws in England, impose a poll tax of equal amount upon the poor man and the rich man. As in England, the wealthy man provides the bread for his servant's table, so in Bengal, the wealthy man provides salt for his domestics and retainers and hangers on, of which last, “the parasite class,” there are always more than enough in a great Bengal's family. My admission, therefore, that the salt tax operates as a poll tax of the lightest and least obnoxious kind must be taken with very large allowance.

‡ *Id.* paragraphs 77, 78, 79, 80, 81 and 82 in report of January 26, 1832, pages 98 and 99 of the printed collection of salt papers.

§ The provinces supplied with the western salts brought from beyond our frontier.

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 (choulas) 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.

† 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-rips mangoes. I merely state the fact:—

Sale of May, 1833; Price per 100 Maunds.

	SA.	RS.	A.	P.
Cuttaek boiled Salt {	Cuttaek	..	..	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
	Cuttaek	..	..	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 1
Jessore	..	..	..	386 3 8
Chittagong	..	..	..	372 13 2
Narraingunge seized salt	..	..	..	363 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	..	..	..	..
Tumlook	..	..	..	..
	382	13	4	
	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.

Cuttaek boiled salt at Sulkeah	{ Cuttaek	..	..	..	..	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
Cuttaek, ditto	..	..	..	..	..	431	9	7
Khoordah, ditto	..	..	..	..	..	436	14	5
Balasore, ditto	..	..	..	..	..	436	14	3
Liverpool salt	..	..	..	..	..	393	0	0
Marselles salt	..	..	..	..	..	382	11	2

† A plan which is materially simplified by the recent reduction in the number of the ghaats where ghaats 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 necessaries 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 system. 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.—He is heard.

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 two 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, 1835).

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 Dieman'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. 6oz., 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 stunted 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	3
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 Nedheeram Mundle and others, (150 in number,) Molunghees of Aurrungs 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 aurrungs 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. F.

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 molunghees. 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.

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.

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.

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 kalaries 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 24th 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 33,000*l.* covered the whole expense, and the revenue received was about 1,500,000*l.*, 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 Lynton 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 Lynton, 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 CRAWFURN, 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 chowky 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 60,00,000 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 ascertained 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 1858.

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 Akyah.

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.

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.

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.

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.

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.

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.

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.

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.

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 in 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.

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 unsealable 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.

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.

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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.

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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 Mowkhalice 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 Issui Motee River.
- No. 3 Statement of the Estimated Expense that would be incurred at Baugundee for an Establishment of (5) Excise Storage Golahs.
- No. 13. From the Board of Revenue to the Government of Bengal, dated September 6, 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 total 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. Thus 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 aungings 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

*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

Salt
H. Ricketts and
E. Currie, Esqrs.

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	33,83,633
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	15,61,036	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 13,00,000, 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 19,00,000 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 taddad, 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 Kyook Phyoo 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 workings 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 Bangalore 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 dépôt, 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 dépôt 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 sijoonehs 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 21th *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 manje, 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 34s. 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 25s. per 100 maunds, reducing the price at once to 320s. 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

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.

Miscellaneous
Revenue Salt.

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 Cool 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 aurgungs 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 aurgungs of the 24 Pergunnahs Agency are the best possible field for the experiment."

4. But the Board consider at the same time, adverting 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 indentured 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 Sunderbunds 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 Re-
venue. 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 godahs 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 arangs 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 undetined 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 kholary land of these hoodahs be taken up, allotments might be continued in hoodah Gochohah, 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 bona 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 cool darogahs as 25 and chuprassees at 4, as, from the extent of the manufacture, may prove to be necessary.

8. The cool 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 ailing establishment will be required for 7 months from December to June.

9. As regards storage, the Government undertakes to provide store goahs, and the Lieutenant-Governor is of opinion, that there should not be less than two places of store, suggesting Baugundee or Bussuntpore, and Narampore. Narampore is very far from the manufacturing grounds, it was never used as a depot 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 Mar 31, 1854, paragraphs 3 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 Debutta (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 honts passed by the auring 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 weighing entered in the chellaun register, as well as in a store account to be kept by the darogah. As this weighing 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 auring 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 aurgings, 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 super-
vising 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.

					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.

For each 1,000 beegahs occupied—

1 Darogah at 40 rupees per mensem	.. .. .	R
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

20th. 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	.. .. .	R
6 Jemadars at 10 rupees	.. .. .	2,880
60 Chuprassees at 4 rupees	.. .. .	720
30 " 5 "	.. .. .	2,880
2 Assistants at 150	.. .. .	1,800
Travelling allowance at 50 rupees	.. .. .	3,600
Boats for darogahs	.. .. .	1,200
Dinghees attached	.. .. .	4,320
		288

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 aurgings. 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 auring 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 chellaun, 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 chellaun shall specify the name of the manufacturer, the name of the mokam, the name of the dispatch mohurri, the name of the hired chuprassee in charge, the quantity of salt by coot, and the date of dispatch from the auring.†

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 aurgings, 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 aurgings would afford great

To the Officiating Secretary to the Board of Revenue.

* This expenditure is about 2½ 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.

† Mr. Ricketts calculates that the cost of this superintendency will be a dispatch mohurri 1 day, or chuprassees 4 days, for each 400 maunds, or 1 : 8 : 0, or fractions rejected, about 1,300rs. on 8,00,000 of salt, or something under ½ 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 aurrings, 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 cargoes 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 kads before leaving the aurrings, 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 Storage. 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 auls, 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.

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 labourous 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 aurrings 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 Barrapore Salt Chowkies,
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 aurlungs 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 aurlung. § Such a measure would also render the transport of salt from the aurlungs 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 aurlungs 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 Naranipore 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 Naranipore 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 aurlungs, 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." Thus, 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 drayage 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, Assasoonce, or Chundkally; the latter named is close to Goragath chowkey, to the south of the Jessore Division, and it stands on the Kuppadak river. It is about equidistant with Baugundee from the Mowkhallee aung. Assasoonce is somewhat nearer to Baugundee adjacent to the Chuprah khaul, in the route from Bussuntore to Chundkally.

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 amlahs, 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 Dulloah, and other chowkeys, would be similarly benefited. The ryots, and others, of those thickly populated districts extending along the banks of the Kuppadak river, would be furnished from the golahs I propose to establish at Chuadkhally, or Assasoonce. 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 hest 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. Bussuntore** (Hinklegunge) is also a commodious spot, but the benefit arising

* In the storing golah.

† 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 Ryals at 7 rupees each per mensem	14
4 Golepalarees, who would act as cheppardar	16
Additional salary to sudder amlahs, say per mensem	30
(Thus 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. 29½.

** It would make little difference to the beetaries 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 Bauddee salt chowkys makes the latter place more desirable for a salt depôt, and would considerably reduce the annual expense of maintaining it.

16. Narampore 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 aung, on a salary of rupees 100 per mensem, with travelling allowance of rupees 25, and an establishment of as many cool 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:—

1 Darogah at 40 rupees per month	..	..	..	11.
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
Traveling 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 condence 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 chowky 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 aung 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 khails, 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 khails, 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 auring. 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 revision.

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 gomustah) 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 tica 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 tica mohurrirs he (the intendant) endeavours to cover by taking excess weight from the sajooneahs. The tica 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 sajooneah does not possess when manufacturing for Government by Government money. Any restrictive measure of this nature, will therefore throw the exclusive 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 (sav) 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 5,00,000 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 Assasoneef (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‖ devoted 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.

14 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.

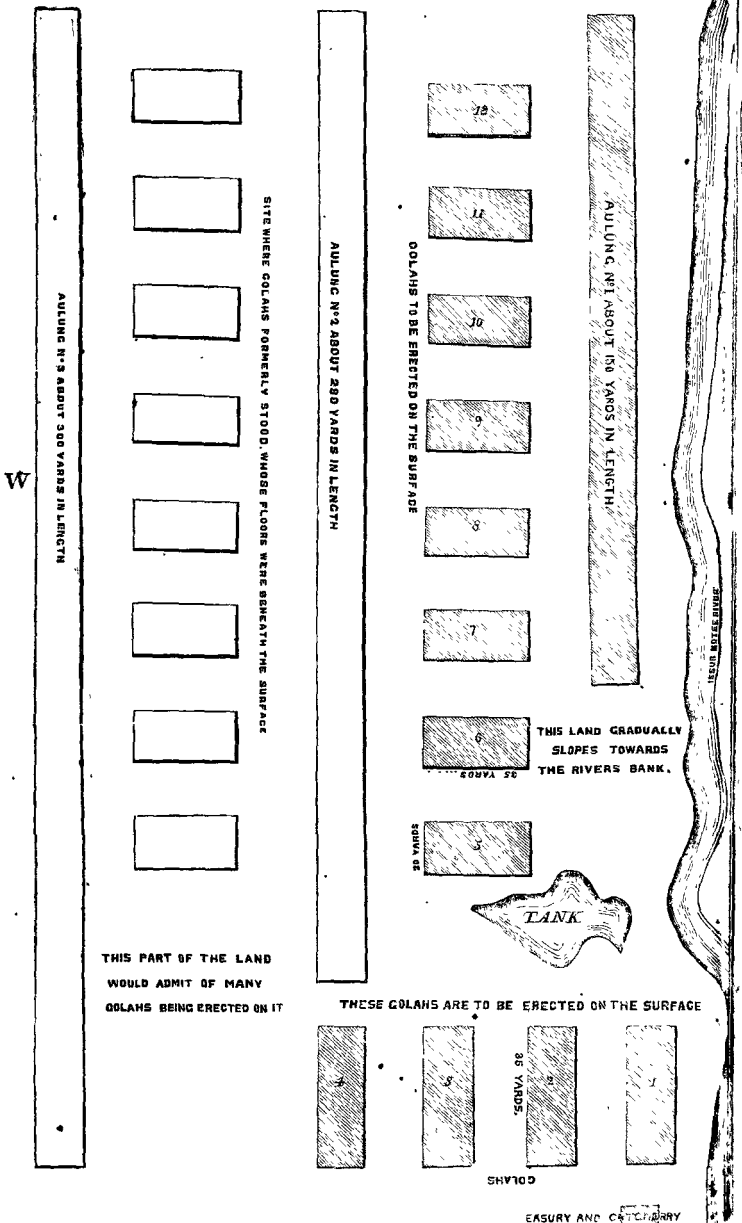
MOWKHALLEE		Per annum.
		Rs.
1 Assistant superintendent of excise at 120 rupees for 7 months		840
Ditto ditto for remaining 5 months at 80 rupees		400
Boat hire at rupees 50 per month for 7 months		350
1 Darogah at 40 rupees per month for 7 months		240
Ditto ditto 5 months at rupees 20 per month		100
1 boat at rupees 30 per month		360
1 Jemadar at rupees 10 per month		120
6 Chuprassees at 4 rupees per month		288
Stationery		10
Total per annum, rupees		2,708
Deduct salary, boat hire, &c., of assistant superintendent of excise }		1,590
in the Patankhally auring		
Total amount of expense for Patankhally auring, 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 Golahs at 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 golepahanees for every 4.
8 Kyals at rupees 6 each	48	
1 Cash mohurrir	15	
6 Golepahanees, who would serve as chup-pidars	24	
1 Pottlar	8	
1 Chai mohurrir	12	
1 Writer	25	
1 Jemadar	8	
	Rupees 260	
	75	
8 Golahs	2,360	A guard of the Allipore Militia would, as formerly, be required.
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	The expense of erecting the golahs and aulungs would be—
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 Ropporie 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. Sumden, 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 2,100 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 this 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:—

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 2½ 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 unlahs* 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 Barreppore 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 Chuprassces, 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 Bengal.

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. H. 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	60	
Boat hire for ditto	50	..	
2 Darogahs	80	40	
2 Boats, at 30 each	60	60	
2 Jemadars, at 10 each	20	20	
12 Chuprassacs, 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 *bona 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 khalaria 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 weight 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 weightment 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 darogh. 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 darogh.

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, Esq's.

	MDS.	SRG.
* First Quarter, after storage, per 100 maunds	..	..
Second „ „ „ „ ..	..	..
Third „ „ „ „ ..	..	..
Fourth „ „ „ „ ..	..	..
	2	10
	3	10
	3	80
	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 Barepore 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 Tufal aung, 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 Takee, 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 molungees.

6. As regards the first reason, the Board think it quite possible that the "sajoneahs" 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 sajoneahs 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 sajoneahs, 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 molungees 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 mooniffs.

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 Bulloah, with respect to one of the islands at the mouth of the Megna.

12. The expense of the small establishments entertained in the Tuffal auring, 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 $2\frac{1}{2}$ per cent.

I have, &c.,
H. V. BAXLEY, *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.

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.

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.

Salt.
E. Currie and
J. Dunbar, Esqrs.

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 tadads. The reports from Arracan are also disappointing. The Commissioner himself went down to Kyouk Phyou 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 nt Chittagong	2,00,000
Balasure	4,00,000
Cuttack	1,00,000
Pooree	3,00,000
Ditto kurkutch	2,00,000
	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
Balasure	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
	55,00,000

Exclusive of the quantity for local sale in the Province of Cuttack, which will be about

Mds
1,00,000 for Balasure.
2,00,000 for Cuttack,
3,00,000 kurkutch for Pooree,
6,00,000.

* Dated April 17, 1855: dated May 11, 1855
 † Dated 14th instant
 ‡ It would be useless to fix the 24 Pergunnahs standard 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 2,77,359; 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.,

HOBSON 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 ownutcherry, and those of your subordinates, and cause the same to be affixed in those districtutcheries 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
Balsore	3,50,000
Cuttack	2,50,000
Pooree { pungah	4,00,000
{ kurkutah	2,00,000
Artacau	2,00,000
	44,00,000
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 Pergunnahs.

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.

Sir,

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 77 636
	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 tadda 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	18,23,608	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 molanghees 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.

2. The measures for encouraging an excise system are detailed in the notification of the Board of Revenue, dated the 23rd of September, 1851, 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 beccahs each were offered at a rent 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 18 2 S 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.

Home Department,
Separate Re-
venue.

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 sajooneahs 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 21 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 of 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 assume 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 hooah 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 Naranpore, 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 to be done 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 aurangs, 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 moulughces 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.

CRCIL 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.

Miscellaneous
Revenue.
Salt.

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.

Salt,
Dunbar and
W. Dampier,
Esqrs.

Sir,

Fort William, July 21, 1855.

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 Dessee and Baherboonee aarungs for the manufacture of salt on account of Government, and endeavour to induce the old sajooneahs and molungees 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 total 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 CRAWFORD, 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. MANOLES, 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 CRAWFORD, Esq.
Extract from the Evidence of HUGH STARR, 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 CRAWFORD, 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 CRAWFORD, 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 15s. 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 CRAWFORD, 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 periling 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 16 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 CRAWFORD, 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 necessity 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 141,762 square miles. About the period when the monopoly commenced, the best estimate of its population, that of Mr. Colebrooke 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 understate 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.†

A. D.	Area. Square Miles	Population.		Consumption.		Price per 100 maunds. Rupees.
		Absolute.	Relative. Per sq. mile	Absolute. lbs.	Relative. lbs.	
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 ..	141,762	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. avoirdupois. If the maunds were estimated at 82 lbs., the rate of consumption would appear considerably less than it is.

§ Select Committee on Salt, 1836, page 58.

factor 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), eating 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 tanning 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, Col'dbath 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 21*l.* a year, may have an annual consumption of salt at the rate of 16 lbs. per head, for the consideration of 3*s.* 4*d.*: to consume the same amount under the tax would have cost him 30*s.*, 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 30*s.* 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 3*s.* 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 16*d.*, 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 proposterously, 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 2½ 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 2½ 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 Dinageepoor, 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.

† Husbandry and Commerce of Bengal, page 98.

‡ Selection of Papers, 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 thus. "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 1850, 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 10*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 2*l.* 4*s.* 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.* 3*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 2*l.* 4*s.* 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 2*l.* 4*s.* 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 premises, 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 2½ Pergunnals; 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 2*l.* 4*s.* 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 Pergunnals, 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 Pergunnals, 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 buy, 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 25,500,000, 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 a-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.^{79*}

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. Beecher, 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 capitem* consumption, would, on the data above given, be as follow:

* Observations on the Law and Constitution of India, 1st edition, page 131.

† 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	.. ..	7,057,000	67,484,172	9.56
1824	.. ..	7,919,925	67,552,086	8.53
1834	.. ..	9,187,000	67,620,000	7.26

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 11,04,03,706 Company's rupees in the year 1851-52.

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.

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 2½ 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.

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.

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.

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 will you have the fearful amount of smuggling that you now have; you are actually tempting the Hindoos to dishonesty.

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 1d. 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 1d. 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 1d. 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 3½ annas a seer, or 2½d. to 2¾d. 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 1d. 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.

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 806,781l., showing a net revenue of 8d. 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 5½d., and the amount of consumption to 9½ lbs. I submit to the Committee that, in the face of those facts of the revenue having declined from 8d. to 5½d., and the consumption from 12 lbs. to 9½ 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 it-self, separating it from the other parts, where the monopoly does not extend, you will find it is only 9½ 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.* 1*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*l.* 1*s.* to 1 rupee a maund, would open out nearly an illimitable market for British salt. The superior quality of British salt, I consider, would neatly 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.
	At 10s.		At 15s.
1800	1,878,013	1810	1,999,487
1801	1,822,988		
1802	1,863,398	1817	1,967,654
1803	1,996,259	1818	1,948,683
1804	2,065,728	1819	1,892,879
	At 10s.	1820	1,980,412
	1,440,940	1821	1,983,157
1805	At 15s.		At 15s.
	510,663	1822	1,609,512
	At 15s.		At 2s.
1806	1,910,454		313,256
1807	1,912,500		
1808	1,906,704	1823	At 2s.
1809	1,965,161	1824	2,840,708
			2,011,862

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. 11.

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. 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. 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 local 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. BRAD, 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 LOVI PRACOCK, 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 12 lbs., 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.

1831. What was the duty on salt?—Fifteen shillings a bushel.

1832. 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 recall 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. "A 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 global 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 laes of rупee 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 rупee'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, then 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 burthenome 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

* & † a family with an income of from fifteen to twenty thousand pounds per annum

† They would be gamers 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 necessities 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 impetative, 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 3½ 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. Colbrook 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 (1½ 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 4½ seers per head, without at all intimating an opinion that he considered it to be limited by the dearth 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 liberality, 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 40 lbs. per head per annum, while the consumption of India is only 12 lbs. 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 $8\frac{1}{2}$ lbs. per head.‡ This result is so completely opposed to the preconceived notions of the writer, and so injurious to his theory (that 12 lbs. 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*s.* 1*d.*, for which he obtains $8\frac{1}{2}$ lbs. of the condiment,—in short, he pays little more than $\frac{1}{3}$ 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*d.* per head) $15\frac{1}{2}$ 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 24,300,000 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 $\frac{1}{2}$ 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 rowanah 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 burdensome; and secondly, to submit that it is in reality less burdensome 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 retained, 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 37, 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 Moorsshedabad†) 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 haunts,‡ 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 4¼ 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 Moorsshedabad 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 alkary mahal 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 uncovenantd 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 covets 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 130 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.

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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.

7273 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 pungaah, 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 pungaah, 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 weighment than those who resort to the Government godahs, 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 owe, 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,

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

1833, 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, *Officialing Secretary.*

* Annual average of deliveries of salt, excluding salt sold by retail.

	Maunds.
For three years ending with 1840-41	46,99,749
" " " 1843-44	47,36,679
" " " 1846-47	50,93,624
" " " 1849-50	53,53,808
" " " 1852-53	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.

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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. 30,69,336	Co.'s Rupees. 1,68,72,960	Maunds. 6,12,691	Co.'s Rupees. 18,46,119	Maunds. .	Co.'s Rupees. .	Maunds. 45,72,027	Co.'s Rupees. 1,87,18,079	
1842-43	38,70,635	1,63,86,740	8,92,740	26,51,539	47,63,375	1,90,36,279	
1843-44	39,07,024	1,63,05,922	9,67,013	28,80,355	.	..	48,74,637	1,91,85,977	
1844-45	41,60,346	1,66,28,988	9,70,505	27,14,888	51,20,941	1,93,43,676	
1845-46	33,00,275	1,30,48,686	15,81,686	44,31,087	.	.	49,81,261	1,74,79,943	The retail sales, averaging about 9 laes of maunds annually, are excluded from this statement, because the retail prices would not be affected by any change made in the duty on rawannah salt.
1846-47	37,11,446	1,40,25,323	14,66,744	40,03,181	.	.	51,78,190	1,80,23,504	
1847-48	39,88,541	1,38,49,068	16,15,684	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	10,450	45,237	49,43,343	1,55,45,918	
1849-50	33,83,888	1,08,31,987	21,03,219	48,88,264	23,630	50,075	55,10,682	1,67,79,326	
1850-51	28,25,100	91,43,295	20,01,633	61,39,113	35,000	87,500	54,61,133	1,53,69,818	
1851-52	22,39,952	72,48,158	20,26,866	79,37,543	18,000	46,500	51,85,418	1,43,32,201	
1852-53	31,25,120	1,00,63,906	24,94,331	56,74,764	19,000	40,000	56,39,000	1,50,67,370	

APPENDIX TO SALT REPORT.

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	1,91,85,004	55,73,657	1,36,11,347	18,45,119	1,54,56,566	
1842-43	1,86,37,062	52,31,371	1,34,05,691	26,51,530	1,60,57,220	
1843-44	1,85,03,829	53,69,299	1,26,34,530	28,80,355	1,55,14,885	
1844-45	1,88,40,201	55,96,792	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	42,86,983	1,21,65,163	40,03,181	1,61,68,344	
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	48,88,208	1,50,84,036	
1850-51	1,00,52,449	33,39,447	76,13,002	61,39,118	1,37,52,116	
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, Nynee 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.

*Board of Revenue, Lower Provinces,
Fort William, May 4, 1855.*

Sir,

Salt.
E. Currie and
J. Dunbar, Esqrs

I have the honour by direction of the Board of Revenue, to acknowledge the receipt of Mr. Under-Secretary Pratt's letter, dated the 16th ultimo, forwarding one from the 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 Ghazepore 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 Azingurh 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 6½ 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 chata 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 heretofore. 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 above 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	
2	Buxoo Tindall provides for his associates ..	Tindall of a boat ..	64 0 0	Grown up ..	15	*91 1	6 1 $\frac{1}{2}$	* These are grown men, in the prime of life, well paid, and living as well as a <i>Moosulmann</i> manjee 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.
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	Keamuddy (a) ..	Peon	5 0 0	{ Grown up 3 Children 3 }	6	12 0	2 0	(a) This individual was particularly asked whether he did not desire a larger supply of salt, to which question he replied in the negative.
6	Ramkissore	Weaver	5 0 0	Grown up ..	2	12 0	3 0	
7	Khodabuksh	Ny chabund or hookah snake-maker ..	4 0 0	{ Grown up 3 Child 1 }	4	12 0	3 0	
8	Nusseeram Mookerjee (b) ..	Brahman	4 0 0	Grown up ..	2	15 0	7 8	(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.
9	Biasonath Motee Lall (c) ..	Darogah of the salt go- lahs and zemindar }	3,000 0 0	{ Grown up .. Children .. 2 }	46 }	288 0	6 0	(c) Exclusive of what is expended at feasts given to Brahmans; 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.
10	Gooic	Tailor	6 0 0	Grown up ..	3	21 0	7 0	
				Carried over..				

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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	8 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>
12	Ram Doss, with 9 others ..	Bearers	48 0 0	Grown up ..					10	45 0	4 8
18	Baboo Dwarknath Tagore (d)	Dewan and zemindar ..	18,000 0 0 for the 10 persons	Grown up ..	55 } 16 }	450 0	6 6½	
				Children ..				
14	Wasil, eats with 5 others (e)	Sayce	80 0 0 for the 6 persons.	Grown up ..	6	45 0	7 8	
15	Jungle	Sweeper	12 0 0 including wages for his wife.	Grown up 3 } Child 1 }	4	24 0	6 0	
16	Golaun Daood	Jemadar	18 0 0	Grown up 6 } Children 3 }	9	36 0	4 0	
17	Bisnonauth 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 ..				

* By unknown is meant that the number of grown-up persons and the number of children has not been ascertained.

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 ..				(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.	
				Unknown ..	30	240 0	8 0		
20	Ramdhun Mookerjee ..	Banyan ..	300 0 0	Ditto ..	13	96 0	7 6½		
21	Ranjee bearer and his set	Bearers, 6 in number ..	30 0 0	Grown up ..	6	96 0	8 0		
		amongst the set							
22	Souahoollah ..	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	Aununda Sein ..	Cabinet maker ..	Unknown ..	Unknown ..	20	108 0	5 6½		
26	Bhagwant Oollah ..	Moonshee ..	15 0 0	Grown up 13 } Children 4 }	17	85 15	5 1		
27	Aymat Oollah ..	Peon ..	4 0 0	Grown up ..	1	5 11	5 11		
28	Loochua ..	Tannadar, with 3 nabibs, 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					4	22 13	5 11½
33	Ramdhun Does	Writer in Mr. Attorney Wodsworth's office }	55 0 0	Grown up 18 Children 13	31	157 8	5 14½		
				Total ..	634	3,787 8	0 0		
				Average per head per annum ..	..	..	5 15½
Scholars of the Free School*					279	919 0	3 4½		<p>* This statement, though undoubtedly accurate, as it is taken from the books of the establishment, is not inserted in the body of the account, or allowed to form a portion of the average, as it might be objected that it referred only to the quantity of salt consumed by children. But, if it be considered that very many of the scholars are beyond the age of childhood, and if the regularity and description of these meals be taken into account, it will not appear improbable that the same number of native adults amongst the labouring classes would not consume a much larger quantity of salt.</p>

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 Bābu Buddināth 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.

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 Rajshaye, 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
5	Bauleah	S. C. K. 5 6 0	S. C. K. 1 5 0	S. C. K. 0 5 1	S. C. K. ..	S. C. K. ..	S. C. K. 0 1 1	S. C. K. 1 2 0	S. C. K. ..	S. C. K. 0 4 2	S. C. K. ..
5	Tanore	5 0 0	1 4 0	0 2 2	..	..	0 2 2	1 4 0	..	0 3 3	..
5	Bhobancegunge	4 11 0	1 2 0	0 1 0	..	..	0 1 0	2 0 0	..	0 0 2	..
5	Godagury	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

BENGAL.

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	Meat.	Spice.	Vegetable.	Milk.	Oil.	Total.
1	2	3	4	5	6	7	8	9	10	11	12
6	Bauleah	S. C. K. 5 6 0	S. C. K. 1 4 0	S. C. K. 0 5 0	S. C. K. ..	S. C. K. ..	S. C. K. 0 1 1	S. C. K. 1 2 0	S. C. K. ..	S. C. K. 0 4 2	S. C. K. ..
6	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 0	0 1 0	..	..	0 1 0	2 0 0	..	0 0 2	..
6	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. Pootah	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
6	Bauleah	S. C K. 5 6 0	S. C K. 1 2 0	S. C. K. 0 5 0	S. C. K. ..	S C K. ..	S. C. K. 0 1 1	S C. K. 1 0 0	S. C. K. ..	S. C. K. 0 4 3	S C. K. ..
5	Tanore	5 0 0	1 4 0	0 2 2	..	..	0 2 2	1 4 0	..	0 3 3	..
6	Bhobancegunge	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	..
6	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 Thavnas 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	Baulcalt	6 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	Ghatee Surda	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 8 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 thanihs 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, Marth, 1852.

N.B.—In kutch 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 2	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 2	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 8 2	..	..	0 7 2	..
Daily means	1 0 1	0 1 0	0 0 8	0 1 0	0 8 0	0 0 8	0 1 2	0 1 0	0 0 3	1 7 0

Table B.

Coolies working in silk fisture.

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 0	0 2 0	0 1 0	0 1 1	..
2	1 0 0	0 2 0	0 0 2	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 0	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 0	1 0 2	..	0 6 0	..
Daily means	1 0 1	0 2 2	0 0 1	0 1 0	0 2 0	0 0 8	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, Rampore 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 kutcha 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
Dhali	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
Dhys	1 0 0	1 0 0	0 0 6
Total	5 10 3	15 12 3	0 3 4½
Evening meal, said to be ¼ 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.	Topacco.	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 8 19	0 5 13½	4 4 14	4 0 0	5 14 0	2 8 0	2 1 7½	0 2 0
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 18 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 Toahs.										Remarks.						
		Fungah.		Kartatch.		Rack.		Ligerpool.		Lahoree.			Sambur.		Puckay.			
		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	8	..	2	11	10	..	1	8	* The higher rate is for "Chokesh," and the lower for "Sondia," on Muscat rock salt. * "Sondia" No licit salt of the North West Provinces is sold in this District. * "Sondia" None of the salt sold at the Sudder Station is the product of the North-West Provinces. * Licit salt of the North-West Provinces, brought by merchants from Patna. * "Sanduhh" * "Sondia" None of the salt sold here is licit salt of the North-West Provinces. * "Sondia" * "Sondia" * "Sanduhh"
	Patna	1	10	0	1	9	0	2	14	0	..	..	..	..	..	..	..
	(Dimapore) ..	1	10	0	1	9	0	2	2	0	..	..	..	..	..	..	..
	Barua	1	6	0	..	..	..	2	1	0	..	..	..	..	..	..	..
	Shahabad	1	9	0	..	..	..	..	..	..	..	2	5	0	..	..	..
Bhargulpore.	Bhargulpore ..	1	7	0	..	..	..	2	8	0	..	..	..	..	..	..	..
	Monghyr	1	5	0	..	..	..	1	9	0	..	..	..	..	..	..	..
	Tirhoot	1	11	0	..	..	..	2	0	0	..	..	..	..	..	..	..
	Parwah	1	8	0	..	..	..	3	6	0	..	..	..	..	..	..	..
Rajshahye.	Bogra	1	8	0	..	..	..	4	0	0	..	..	..	..	..	..	..
	Dinapore	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Maldah	1	7	0	1	7	0	..	..	..	..	..	..	..	..	..	..
	Palma	1	6	0	..	..	..	7	0	0	..	..	..	..	..	..	..
Rangpore.	Rajshahye ..	1	4	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	to 1	5	4	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Rangpore	1	9	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Dacca.	Backergunge ..	2	0	0	..	..	..	1	8	0	..	..	..	..	..	..	..
	Dacca	1	7	0	..	..	..	..	..	..	1	9	..	8	0	..	..
	to 1	9	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Farredpore ..	2	0	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Chittagong.	Mymensingh ..	2	0	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Sylhet .....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Cachar	1	9	0	..	..	..	..	..	2	0	..	..	..	..	..	..
Nuddes.	Bulloah	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Chittagong ..	0	10	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	to 2	0	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Tippurah	1	8	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Burdwan.	Nuddes	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Jessore	1	7	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Baraset	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	24 Pergunnah ..	1	5	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Cutlack.	to 1	8	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Moorshedabad ..	1	8	0	1	7	0	3	2	0	..	..	..	..	..	..	..
	to 1	8	0	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	Berhboom	1	8	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Cutlack.	Burdwan	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Bancoorah	1	8	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Hooghly	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
	Midnapore	1	6	0	..	..	..	..	..	..	..	..	..	..	..	..	..
Poooree.	Balsore	0	11	0	..	..	..	4	0	0	..	..	..	..	..	..	..
	Cutlack	0	10	0	0	9	0	3	9	1	..	..	..	..	..	..	..
	Poooree .....	..	..	..	0	9	0	3	9	1	..	..	..	..	..	..	..

APPENDIX O.

Extracts from a Letter, dated May 27, 1854, addressed by the Superintendent of the Jellalore 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 adular 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 chuppadars 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 weight.

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, adular three rupees, chuppadar 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 dikhing 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 Kamdee bassee 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 weighing, 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.

alkhumtee
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.

Khuttee 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 khootee 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 Hidjellee 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, chaprasses, and salt venders, eight annas per khullaree, among them.

Police Salamee.

14. Of four annas per khullaree to the police jppardar 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 aurgings; 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 aurgings 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 aurgings 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 Kontai, Tikra, and Govindpore chowkeys, in the Hidjellee Agency, in the Kalkapoor, Seepoor, 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 Hidjellee 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 *molunghes* 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 weighing 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 hows*, 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 *dhanhake* 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 vendors 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 *chuprasses* 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 pbarrees, 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 chuprasses; the Bengalee 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 Bengalee 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 chuprasses.

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 $2\frac{1}{2}$ 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 ghahs 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 office 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 molungtees 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 these 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 his 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, *bonâ 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. Rickett
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 prime 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.

11. The Court of Directors, in their despatch dated January 4, 1837, explanatory of the views as 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, Moshareh 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 had statements before the Government on September 28, 1840, No 31, 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.

[r. Secretary Prinsep's letter, dated August 9, 1837.

There is an exception of no moment in the case of Cuttack Abras salt.

The figures are Company's rupees, and decimal parts of a rupee.

o 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 gahals. 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."

"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."

The Under-Secretary's letter dated November 18, 1846

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."

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.

r Secretary Halliday's
letter, dated November 3,
1847.

	1844.	1852.
Hidgollee	74	86
Tumloek	85	68
Chittagong	87	76
Arnaon	82	80
Sulkea		
Cuttack	113	86
Balasore	118	75
Khoords	121	85

	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.
Hidgellies	2,64,252	16	2½
Tumlook	3,68,930	3	8
Balsore	1,05,928	4	6
Cuttack	67,124	13	11
Pooree	4,10,868	6	8
	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.
Hidgellies	26,169	10	9
Tumlook	24,925	0	0
Balsore	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 ghat, 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	2,986	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
Balazore	3,462	0	0
Cuttack	3,423	0	0
	19,029	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
Balazore	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	4,464	5	7
Tumlook	3,234	3	11
Balazore	303	15	3
Pooree	81	15	0

(g). Poonea Charges, Gatcha Salt Compensation, and Birtce Charity.

8,104 7 9

43. These are obsolete charges, which have been discontinued, and require no notice.

	RS.	A.	P.
Hidgellee	3,173	8	5½
Tumlook	1,741	8	0

(h). Temporary Bhangah Establishments, and Baskets, Jute, &c. used for Bhangah Weighment.

4,915 0 5½

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	4,438	0	1
Tumlook	6,129	8	8
Balazore	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.

	RS.	A.	P.
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
Balazore	20	5	8

634 5 6

(k). Fuel Watchers and Straw for covering Bahir Bandoes.

47. These charges, incurred in the Cuttack agencies only, may be left as manufacturing charges,

	RS.	A.	P.
Balazore	1,264	0	0

(l). Zemindars Moshairch.

	RS.	A.	P.
Balasure	28,246	8	4
Cuttack	17,899	15	5
Pooree	25,356	10	0½
	71,502	12	9½

48. This, as in the Cuttack province, is a payment of $1\frac{1}{2}$ anna a maund to the zemindars of the province of Cuttack on all salt made within their respective zemindari, 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 Khorakce 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	0
Tumlook	208	2	5
Balasure	547	11	5
Cuttack	1,842	0	6
Pooree	107	0	3

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	0	8
	26,634	10	19

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 Hidjellee, were declared to be of the same character, and precisely analogous to the moshareh 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.

	Rs.	A.	P.
Hidjellee -	49,300	0	0
Tumlook -	32,400	0	0
Balassoro -	17,422	3	2
Cuttack -	16,222	3	3
Pooree -	12,853	5	0
	1,27,577	11	5

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.
Balassoro -	48,498	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.
Balassoro -	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 Hidjellee 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 Hidjellee.

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 debatable to the prime cost of the remainder, but when salt is lost in its passage to a central Government dépôt, 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.
Hidjellee - - -	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 reduce 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.					
	CRs	A. P.	C.Rs.	A. P.	CRs.	A. P.	CRs.	A. P.	For Pangah.		For Kuikuteh.		Total.	
I. Cost paid to the molanghees	2,64,252	15 2½	3,68,980	8 8	1,05,923	4 6	67,124	13 11	69,482	8 6	40,880	14 0	1,10,363	6 6
II. Aurang 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	3,492	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	8	0 0	..	..	..	..	..	..	..	..
Ditto bridges, drains, &c.	668	6 10	..	..	..	..	..	..	..	..	..	..	..	..
f. Ditto outcherries	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	..	..	..	..	..	..	..	..
Poonca charges	105	8 0	..	..	..	..	..	..	..	..	..	..	..	..
g. Gutcha salt compensation	2,433	0 0	1,741	8 0	..	..	..	..	..	..	..	..	..	..
Birtee charity	636	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	..	..	337	4 9½	892	7 10½	1,249	12 8
i. Purtil 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' moshareh .. .. .	..	..	..	..	28,246	3 4	17,899	15 5	11,746	11 8½	18,609	14 8½	25,356	10 0½
Carried forward														

Enclosure A.—Statement, &c.—continued.

	Hidgellee.		Tumlook.		Bansore.		Cuttaek.		Pooree.					
	C.Rs. A. P.		C.Rs. A. P.		C.Rs. A. P.		Rs. A. P.		For Pangah.		For Kunkutch.		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 .. .. .	..	..	..	..	2,018	12 5	..	..	..	..	..	..	..	..
m. Value of Khorakkee salt to zemindars .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..
n. Cost and revenue of Surraf Salt .. .. .	..	..	..	..	..	..	..	..	..	..	..	..	..	..
o Contingencies	1,452	14 6	208	2 5	647	11 6	{ Sudder. 947 14 6 Aurung. 394 2 0 }		72	15 0	124	7 8	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 Cuttaek .. .. .	..	..	..	..	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	4,73,771	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	5,73,033	0 0	8,13,069	0 0	It does not appear from the Cuttaek Returns whether the produce as stated below is									
Salt lost by accident	1,32,719	0 0	30,200	0 0	exclusive or inclusive of losses									
Total manufacture	7,05,752	0 0	8,43,269	0 0	8,45,489	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.	Poorec.		
					For Pangah.	For Kurkuteh.	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					
VI 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. Contingent charges of every description in the aurungs, including Tippu Novice allowance .. Freight to Sulkea, including Bharbojaic and Mats Export establishment (including in Balasore a portion of superintendent's salary) .. Charges for removing in C. Cuttack mds. 8,113·10 of salt from the Bhowries to the aurung golahs Charges for loading vessels at the export ghat (Hunsooh)	2,509 10 10	3,327 12 5	9,584 3 3	..	..
	1,221 8 11	..	..	..	..
	26,596 13 11	11,868 11 1	44,185 10 10	..	..
	18,170 2 4	1,648 14 10	1,125 10 6	..	..
	81 2 1	..	..	..
	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. 2,59,434 0 0	Mds. 67,054 0 0	Mds. 1,67,790 0 0	Taken from the Cuttack export account of 1850-51.	
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. BRADON, Jun. Secretary.

BENGAL.

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 revival 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.

Memoirandum 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 surruff, 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
Accountant, dated
April 11, 1851,
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 analogous 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, Balasore, 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 "Bhangah," 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. Board's letter to Accountant, dated April 11, 1854, paragraph 5. 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. Board's letter to Government dated June 29, 1852. 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' Moshairch."

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. Board's letter to Government, dated June 29, 1852. 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 depot 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.

"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 Poktannee Establishment," &c.—"Dawk Runners."—"Value of Khorak 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, 46, 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 Tunlook 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 dearthness 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
						‡ 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 $3\frac{1}{2}$ 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 } CD }	Preventive Officers.
	Dispatch from Ship _____			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 mannds.

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 18.

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 Cuttaok 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 hate, 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, of 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, Roymtungul, 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; or of from seventy to eighty aarungs 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 aarungs 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 aarungs 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 aarungs "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 aarungs, 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 aurrungs 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 aurrungs, 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 Tumulook, or Bulloah 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 aurrungs 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 aurrungs, 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* aurrungs, 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 aurrungs, 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 improvidence. 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 Bulloah; 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 adjourned or coerced molunghees were put upon the footing of the *tika* or free-labour* molunghees,—supposing, I say, that a set of unfortunate beings had been persuaded to take service in a Soonderbund auring, 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 auring, would naturally detail to their fellow-ryots? But, again, when the survivors of any season left the auring, 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, if 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 auring, but then they are exposed neither to starvation or tigers.

13. But supposing these unfortunate molunghees to have been in balance, the more gentle thraldom 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 1798

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 braving 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 burkundazs.

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 "chapan," 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 mounds, 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 kullaree 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 every body 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 Bulloohah 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 Bulloohah 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 Nariangunge 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.

† Chuttugong then formed a part of the Bulloohah Agency

‡ Molunghees

§ This was *muca 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 Bulloohah 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, Bulloob 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 infuriated 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 won't 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 mound 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 average 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 "soud-patters," 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 Hudgelee 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 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 tantulize 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." In 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 servant 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 liable 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 reinstated, and any advances that he may have received shall be taken back from him. In the case 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 aurgas 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 dismission 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 dismission 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

cruelty 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 magistral—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 auring 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 saltpetre—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 education, 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 chance 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 Sunderbund arungs 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 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 routed or estimated, quantity of salt agreed to by the molunghees and officers of the Picketann, 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 1819. 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 Sadler 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 harshness 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 presses 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 Pargunnahs, 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.*

251488
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 Jumna 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 tahseeldarees 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. Barte, 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.

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.
PRINTED BY HARRISON AND SONS.

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