

## NEGOTIATING MULTIPLE LANGUAGES OF TRADE: REGULARIZING THE SALT MARKETS IN THE BOMBAY PRESIDENCY

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One of the important questions that confronted the British East India Company in the immediate years after seizing control over the Deccan was the need to formulate a policy to regulate the trade of salt in the region. This was both an administrative and financial concern. The presence of vast salt pans across the Indian west coast required greater supervision and control. The Company government also reckoned that the revenue generated from the trade of salt could be enhanced without a major upheaval of the trade in the region. The primary task in this endeavour to regulate the salt trade was to determine “the practicability of deriving revenue from salt monopoly” in the presidency.<sup>1</sup>

Between 1818 and 1870 the Bombay Government alternatively considered instituting a total monopoly over the salt trade as well as allowing private individuals a stake in the manufacture and sale of salt in the presidency. The question, however, was one that went beyond the mere regulation of the salt trade. Blended in it were larger concerns of regularizing the customs duties and inland tax on commodities as well as the growing need to bring the entire colonial edifice under a singular, uniform regime. The stories that inform the history of the salt policy in the Bombay Presidency, thus, constantly refer to events that occur within the larger narrative of the salt policy in British India.

At one level this paper attempts to examine the ways in which everyday practices of localized living uneasily enter the colonial logic of order and governance. In another sense, we wish to ponder on the mobility of ideas and commodities, and how these travelled and lived multiple lives, constantly negotiating the shifting sign posts of profitability presented under the garb of a regime of rules.

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<sup>1</sup> James Farish, Secretary, Bombay Government to The Collector in the South Konkan: September 11, 1820. R. D. 1822, Volume No 28/52, p 209: Maharashtra State Archives (hereafter MSA).

### *A system of regularity and simplicity*

The plan to formulate a systematic mechanism for collecting revenue from the salt trade was deliberated by the Council of Directors as early as 1823. The initial directive from the Council of Directors to the Bombay Government was to ascertain the extent to which the revenue generated from the salt trade could be increased without causing a major disruption to the needs of the local population. As against the system of government monopoly that existed in the Bengal and Madras Presidencies, the manufacture of salt on the western coast was managed by various native kings, private individuals as well as a few salt works that were directly under the Bombay Government.

Salt was primarily manufactured in the island of Bombay, Ahmedabad, Kaira, Broach, Surat and the Northern and Southern Konkan regions. There were significant differences in the manner in which the trade was carried forth in these regions. The Bombay Government planned to gain an insight into the workings of the trade in the districts and then formulate a policy that could at once utilize the various beneficial peculiarities of the diverse practices and stabilize all of them under its watchful rule. A directive was sent out to the Collectors of all the salt-producing districts in the presidency to offer their opinions on a range of questions which, James Farish, the Secretary to the Bombay Government thought were essential to be ascertained about the trade. These included the kind of ownership patterns prevalent, an estimate of the amount earned by the salt workers, the amount of salt that was exported, the various local uses of the commodity, and the feasibility of implementing a monopoly over the trade. The responses to Farish's missive brought out the intricate multiple ownerships, trade practices, and export treaties that balanced the salt trade in the various districts of the presidency.

The manufacture of salt in the Presidency was not only spread out and expansive, it was also highly variegated in terms of the types of salt made, the system of selling it to wholesale dealers, and the form in which tax was paid to the governing authority. In Bombay city, for instance, both the government as well as private individuals were involved in the manufacture of salt. In contrast, salt was exclusively government property in Surat and Broach. In terms of revenue realization, while salt pans in North Konkan paid land revenue in addition to a duty on salt exported by sea or land, in South Konkan the entire production was under the control of private individuals which meant that the revenue obtained was chiefly in terms of inland customs.

It was, however, on the vexed question of the feasibility of instituting government monopoly and raising the duty on salt that the disparities within the trade in the presidency were crucially highlighted. On the question of raising the duty on salt, the Collector at South Konkan opined that, “the present rate of duty is so high and the poverty of the people is such that...any increase thereto would operate as very severe hardship on the population.”<sup>2</sup> The Collectors of Bombay, Surat, and Kaira were more sanguine about the ability of their population to pay the proposed increased duty on salt. The possibility of implementing monopoly across the presidency, too, seemed riddled with complications. While the Collector at Kaira saw “no local obstacle to the introduction of a monopoly,” the ownerships patterns at Ahmedabad—where the estates of the Dessai of Patree, the Thakoor of Jinjoowara and the Nawab of Radhunpoor were entangled with the British holdings—hinted at prolonged negotiations and politicking to implement a monopoly.<sup>3</sup> The Bombay Government nevertheless viewed the possibility of implementing monopoly as the best way to gain control over the local trade.

Based on the reports received from the district collectors, the Bombay government realized that the revenue from the local salt trade could be greatly increased even with a minimum increase of the rate of duty. Even while conceding the administrative problems peculiar to specific salt works in the districts, the Government of Bombay recommended the imposition of state monopoly over the trade in the presidency. The Council of Directors declined the suggestion stating that the perilous state of the Presidency meant that “[t]he immediate and prospective advantages from the establishment of a monopoly of Salt [would] not...counterbalance the evils that might be apprehended from the measure at that time.”<sup>4</sup> In place of a monopoly on salt was suggested an increase in duty on the commodity. The aim was to “introduce a system of regularity, check and simplicity, by fixing one duty, controlling it by one establishment, and levying it at one place.”<sup>5</sup>

Against this backdrop, the Bombay Customs Committee which was formed in 1825 was asked to determine, “without the slightest intention of forming a monopoly of [salt],...the best

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<sup>2</sup> The Collector in the South Konkan to James Farish, Secretary, Bombay Government: October 30, 1821. R. D. 1822, Volume No 28/52, p 223: MSA.

<sup>3</sup> R. D. 1822, Volume No 28/52, pp. 229-289: MSA.

<sup>4</sup> Quoted in T. Plowden, *Report by The Commissioner Appointed to Inquire into and Report upon the Manufacture and Sale of, and Tax upon Salt in British India* (London: Harrison, 1856), paragraph 54. Hereafter, Plowden, *Report on Salt Trade*.

<sup>5</sup> Compilation No 80 of 1827, The District Collector, Ahmedabad to John Bax, Secretary to Government, Bombay: 25<sup>th</sup> May 1827. R.D. 1827, Volume No 44/197, p. 188: MSA.

system for the future conduct of...internal trade, and the highest rate of increased duty which might be imposed” on salt.<sup>6</sup> Mr. Bruce, a member of the Committee, was assigned the task of investigating and recommending the appropriate measures to increase the revenue from salt. His suggestion, based on the idea that the prevalent system of salt manufacture was feasible, pushed for a minor increase in the duty on salt. At the same time, he sought to retain the system of salt manufacture by the locals, which was occasionally assisted by the government. In accordance, on 21<sup>st</sup> August 1826, a draft of “a Regulation for realizing a Revenue from Salt manufactured in the Island of Bombay, and within the territories subject to the Presidency of Bombay, and for regulating the importation of foreign salt” was submitted.<sup>7</sup> The various Collectors of the Presidency were sent a draft of the Regulation for their opinions on the measures recommended. While the Collectors of the districts across the Presidency were in favour of regulating the trade, most felt that such a move should not be contingent on an increase on the duty on salt. The district collector at North Konkan, for instance, concurred in the benefits that could be gained by bringing better supervision and departmental hold over the salt trade under his administration; but, in his opinion, the rate of duty would have to be left untouched even if it were proposed to be increased in the other districts. There prevailed great disparities in material conditions at the various salt-producing districts. These were characteristic of the markets that the salt works transacted with, and the extent of their exports. In Gujarat the salt manufactured had a thriving market in the north – the brinjarees<sup>8</sup> would trade the salt bought from the salt works here to the Rajpootana, and also to North India. A regulated trade, even at the cost of an increased rate of duty, was thought to be a viable consideration. Conversely, the salt works in South Konkan, in spite of rising exports to Malabar, were not thought to be in a position to effectively implement any rise in the duty on the commodity. The means of surveillance could not possibly have managed to check a spurt in illicit trade of salt that would come about with the increased rate of duty. The plan to institute a uniform system of trade thus had to contend with problems that were both administrative and financial.<sup>9</sup>

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<sup>6</sup> The Council of Directors to The Secretary, Bombay: 19<sup>th</sup> September, 1825. R.D. 1827, Volume No 44/197, p. 103: MSA.

<sup>7</sup> The Secretary, Bombay to The Council of Directors: 15<sup>th</sup> October, 1826. R. D. 1828, Volume No 40/246, pp. 329-391: MSA.

<sup>8</sup> A possible variation of the Persian word Brinjar meaning rice carriers. S. G. Deogaonkar and Shailaja S. Deogaonkar, *The Banjara* (New Delhi: Concept Publishing House, 1992), 10.

<sup>9</sup> Excerpts from the reports of the District Collectors, date unspecified. R. D. 1832, Volume No 29/433, pp. 155-163: MSA.

The revenue from salt during this period was essentially collected in the form of transit duties and was estimated to be 4 lakhs of rupees annually. This revenue, however, was part of an intricate series of land tax, tax on traders and other professions, as well as various *huqs* due to hereditary officers. The proposal to streamline the salt trade was also seen as a means to substitute for, what one official called “a system of taxation, descended from the times of Mahratta rule, which formed an intolerable burden upon trade and industry...and was so full of inequalities, anomalies, and complications, that it would be almost vain to inquire from what objections and abuses it was even free.”<sup>10</sup>

The standard line adopted by the British after their takeover from the Marathas was that this change in power was merely symbolic; the system of rule and the rules of trade and taxation were purported to be a direct inheritance from what prevailed during the Maratha reign. The changes were presented, at least in the initial phase, as being minimal. In matters of trade and the tax, while there did exist a system of transit duties, and various hereditary privileges that had been accorded to the natives by the Marathas, these were haphazard, scattered and hence loosely imposed. In contrast, the British had implemented a more stringent system called the British India Transit Duty System (BITDS) which, with regional variations, was imposed across the country. This system imposed, on the already existing system of transit duties and hereditary rights, a series of duties on commodities that traversed the various provinces.<sup>11</sup>

The decision of the Bombay Government to simultaneously increase the rate of duty on salt and abolish the various transit and other taxes, while officially being presented as a move towards the adoption of a more just and systematic system of taxation, was a tacit acknowledgement of the deleterious impact of the British policy on the trade in India. The measures imposed under the BITDS sought to garner more revenue by extracting a series of duties on commodities that were transported by the native traders. The policy led to an eventual decline of trade of many industries across British India as it gave English merchants and goods preferential rates of duty for their trade. The BITDS, while being thought of as a commercial policy, also brought in a larger part of the country under its surveillance through the numerous check posts and custom houses that were built across the cities. The abolition of these duties—which was eventually implemented across British India by 1848—merely

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<sup>10</sup> T. Plowden quoted in W. G. Pedder, *Report upon the Internal Management of the Salt Department in the Southern and Presidency Divisions of the Bombay Presidency* (Bombay: The Economist Press, 1872), 4. Hereafter Pedder, *Report of the Salt Department*.

<sup>11</sup> Jitendra G Borpujari, “The Impact of the Transit Duty System in British India,” *Indian Economic & Social History Review* 10 (1973): 218-241, accessed June 16, 2013, doi: 10.1177/001946467301000302.

meant that the revenue was sought to be generated by other means. At the same time, the policy of intensive supervision over local trade had already been instituted within the colonial machinery, albeit with a series of departmental deputations that brought in greater efficiency and control. The problem of contraband salt trade, which shall be discussed at length in another section below, was as much a legacy of the transit duties that the Bombay Government sought to abolish as it was a response to the gradual increase in the rate of duty on salt.

The rate of duty to be imposed remained a contentious matter right through the eighteen thirties. It was only by 1837 that an Act to increase the rate of duty on salt to 8 annas per maund was brought into effect. Concomitant with this legislation to increase the rate of duty, another legislation abolished the “Transit or Inland Customs Duties in the territories subject to the Bombay Presidency.” Together, these legislations were meant to systematize the salt trade in the presidency and increase the revenue generated from it.

By Act XXVII of 1837, the salt law was brought into effect. Apart from the increased rate of duty, the Salt Act provided for greater Company control over the means of manufacture and sale of salt. The provisions did not, however, provide the government the powers to confiscate illegally manufactured salt, nor stop the functioning of salt pans that violated the Act. Act I of 1838 established a revised system of Sea and Land Customs. The levy of Transit or Inland Customs’ duties on salt was abolished. These measures resulted in an annual net loss of government revenue to the tune of rupees 2, 51,000.<sup>12</sup> But greater systematization implied greater control which was considered as the most assured way to increase the revenue. The initial loss effected by the abolition of a set of transit duties was reduced by a series of gradual increments in the rate of duty on salt.

Act XIX of 1844 raised the rate of duty to Rupee 1 per Indian maund of salt sold, but it was put on hold until 1859. By 1861, the rate of duty had been raised again this time to 1 rupee 4 annas. In 1865, the rate of duty was further raised to Rupees 1-8-0, which was raised to Rupees 1-13-0 by 1869.<sup>13</sup>

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<sup>12</sup> The estimate of the loss from the abolition of transit duties is from a later correspondence detailing the salt trade in Bombay. M. J. Shaw Stewart, Acting Secretary to the Government of Bombay to F. C. Bailey, Secretary to the Government of India, Home Department: 27<sup>th</sup> July, 1867. R. D. 1867, Volume No 37, p. 439: MSA.

<sup>13</sup> Pedder’s report provides a synoptic overview of the changing rates of duty in the Bombay Presidency through the 1840s until 1869.

## *Weights and Measures*

“The diversity among the weights and measures used in various parts of India is as great as is well possible...Not only do the weights vary from province to province, but from town to town, and even within the same town or rural district. Different weights are used in various trades in the sale of different commodities, and in wholesale and retail transactions.”<sup>14</sup>

The annual report on the salt revenue of the Presidency of Bombay for the year 1866-67 showed a decline both in the manufacture of salt and in the revenue generated as compared to the preceding years. A. F. Bellasis, the Officiating Commissioner of Customs, Salt, and Opium, sought to explain this decrease in the production and revenue as being “in consequence of the delivery of salt having been made by weighment instead of by the *Phurra* measurement.”<sup>15</sup> While the change in the system seemed to Bellasis as the major cause, he opined that the increase in the rate of duty to Rupees 1-8 per maund, a reduction in exports and “the general depression in trade” had also contributed to the decline.<sup>16</sup>

Salt produced in the Bombay Presidency would either be measured by specifically designed vessels, or weighed with the help of machines. Traditionally, salt that was delivered for removal by sea was measured, while that delivered inland by pack bullocks was weighed. Weighment was time consuming and needed specific machines which were not always available at the salt pans. Measurement, conversely, was considered unreliable and faulty but could accommodate both wholesale merchants who bought salt in bulk, as well as retailers who often bought in small amounts for individual needs.<sup>17</sup>

There was no uniformity in the calculations of salt manufacture across the presidency. In the Northern Division comprising the collectorates of Surat and Ahmedabad, the quantity of salt manufactured was determined by weight. In the Southern Division comprising the collectorates of Thana and Ratnagiri, a mixed system of both weighing and measurement was in use. Often, both techniques would be prevalent at different salt pans within the same Collectorate.

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<sup>14</sup> John Starchey & Richard Strachey, *The Finances and Public Works of India: From 1869 to 1881* (London: Kegan Paul, Trench & Co., 1882), 340.

<sup>15</sup> Compilation No. 2750 of 1867. Bombay, Office of Commissioner of Customs, Salt, and Opium to The Chief Secretary to Government: November 26, 1867. R. D. 1868, Volume No 36, p. 3: MSA.

<sup>16</sup> *Ibid*, p. 8.

<sup>17</sup> These are based on the correspondences from two different files. Compilation No 630 of 1856, J. W. Robertson, Deputy Commissioner of Customs, Salt & Opium to Richard Spooner, Officiating Commissioner of Customs, Salt & Opium: 25<sup>th</sup> July, 1856. R. D. 1856, Volume No 174, pp. 201-206: MSA; Compilation No 220 of 1857, Richard Spooner, Officiating Commissioner of Customs, Salt & Opium to Henry Young, Chief Secretary to Government, Bombay: 11<sup>th</sup> January, 1857. R. D. 1857, Volume No 175, pp. 219-221: MSA.

In February 1867, the Bombay Government passed an order stating the adoption of weighment as a substitute for measurement across the Bombay Presidency. The subsequent reduction in the amount of salt manufactured and revenue generated by it was interpreted by Bellasis as being a direct consequence of this measure. A majority of the salt works in the Southern Division had to adopt the new rule and consequently, according to Bellasis, saw a decrease in their sales. Contrary to Bellasis' assertion, the sales and revenue from both the Northern Division and the Presidency Division too had declined even as the system of weighment was used across all the salt pans in these two divisions. The change in the system did not seem to be the only determinant in this decline. As Bellasis had himself stated in the report, apart from the negative effects of the change in the system, a general downturn in the trade, and a decline in exports had also pushed the revenue down. It was possible that the change in system was hardly a cause for the decline. The system of weighment, with its purported intrinsic preciseness, could well have been the convenient scapegoat for other factors that had gravely harmed the salt trade in the presidency.

The Secretary to the Government of India sought an explanation from the Bombay Government on this attribution of the decline in produce and manufacture to the change from measurement to weighing. He could not fathom "why a change of this kind, which may be excellent in itself, if it replaced a rough system of delivery by an accurate one, should injure the revenue."<sup>18</sup> His belief in the new system seemed absolute, and he remarked that it was not apparent from the report "how this change...injured the revenue though frequent allusion is made...to the injury itself."<sup>19</sup> The effect of the change in system seemed "more apparent than real", as far as the India Government was concerned. Some explanations from Bombay were in order.

Such a difference of opinion over the benefits or otherwise of weighing over measurement troubled the Bombay Government right from the outset. The question of a uniform mode of measurement had been posed to the Bombay Government from the time it was tasked with simplifying the salt trade regulations in the presidency. Initial consultations between the Court of Directors and the Bombay Government had stressed the need to "ensure uniformity and correctness in so important a point as the standard of measure proposed to be

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<sup>18</sup> The Secretary to the Government of India to The Acting Secretary to the Government of Bombay: 13<sup>th</sup> July, 1868. R. D. 1869, Volume No 42, p. 321: MSA.

<sup>19</sup> Ibid.



established.”<sup>20</sup> While the *phurra* was initially proposed as the appropriate measure, the weights used in Gujarat meant that the Indian maund—converted suitably in Bombay and Surat according to localized methods—was assumed as the uniform measure of salt. This purported stability in measurement using the Indian maund was balanced with various local measures that could be utilized as long as it could be converted to the Indian maund.

By establishing a series of conversion rates, where one Surat maund could be measured against its Bombay or Madras variant, the British government hoped to weave together the hitherto disparate economies of local meanings within a singular logic of abstraction. This translatability of the weights and measures across British India could, however, only be managed within the framework of the accounting books and the statement of revenues. In its actual imposition within the everyday practices, these conversion rates inevitably fell short of offering a common language of trade.

Section 2, Act XVI of 1849 legislated that the excise on salt was to be levied by weight and not by measure.<sup>21</sup> The law, nevertheless, could not be adequately enforced as both the manufacturers and the merchants voiced separate concerns over the new policy. For the manufacturers, such a change meant a recalibration of the methods that had been in use — methods which they regarded as being best suited for their needs. The weighing procedure was also a time-consuming task, leading to delays in stacking the salt bags on to the ships. This made the method unpopular with the merchants who had to take the salt over long distances to Malabar, Madras and Bengal.

In 1851 Lieutenant A. de Lisle of the Bombay Engineers, under instructions from the Bombay Government, conducted two experiments on a few samples of salt produced in the presidency. The first experiment sought to determine the relative benefits of weighing salt as against measuring it. The second one, performed in a complementary fashion to the first, attempted to gauge the effect of atmospheric moisture on salt.

De Lisle’s experiments were conducted to assuage the growing belief within the Bombay Government that the sale of salt by measure allowed the salt manufacturers adequate room to fudge the records. For his experiments De Lisle procured three different varieties of salt viz. fine salt, medium salt and black salt. Differing in coarseness, quality and taste, these three

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<sup>20</sup> John Bax to L. R. Reid, Acting Secretary to Government, Bombay: October 1826. R. D. 1827, Volume No 44/197, p. 149: MSA.

<sup>21</sup> Plowden, *Report on Salt Trade*, paragraph 365.

variants were supposed to help determine a “mode of measuring or weighing salt, which shall ensure the delivery...of the same quantity of salt that was shipped.”<sup>22</sup> De Lisle was suitably aware that “the great obstacle to this object hitherto has been the diversity of the measures used, and the erroneous mode of computing the equivalents of the Indian Maund.”<sup>23</sup>

The diversity of measures being referred here hints at the staggering differences in weights and measures that existed within the Bombay Presidency. In Guzerat a seer of 40 local rupees weight, a maund of 40 such seers, and a candi of 20 maunds were the common weights. These maunds varied from 37 to 44lbs, and the seers were about 1lb. In the Deccan the weights seemed to merge into the Madras system on one side, and into the systems of Malwa and Northern India on the other. The candi, at Bombay and the neighbouring commercial centres, varied for almost each separate article of merchandise. The Bombay Maund that was used in the city was markedly different from the Surat Maund that was in use in Gujarat. In the Konkan the unit of measure was *phurra*, a measure that was used with a wooden vessel of predetermined specifications. In addition to these differences in the presidency, salt exported to Malabar had to negotiate with its local variant, the salt sent to Canara had to be extrapolated in relation to the Canara *mercal*, while Madras and Bengal too had their own local means of weighment.<sup>24</sup>

To determine the relative benefits of weighing over measurement, De Lisle attempted to find the point on the scale at which a sample of salt *weighed* would overlap with that which had been *measured*. The extent of divergence could thus help gauge the difference between the two methods. The certainty of the procedural logic could only be guaranteed under the existence of certain *ideal conditions*. One such condition was that the samples used had to be of a similar type in each of the iterations. The conclusiveness of the evidence could only be arrived at if they could be repeatedly achieved under similar conditions. As de Lisle found out much to his dismay, even a minor shaking of the salt sample could alter the volume of the sample rendering difficult any definitive conclusions. Even an average reading of the samples could only show that “in respect to salt, weight and measure are not convertible terms, yet if measurement were consistent *to itself*, it would be just as useful for the purpose required as weight could be.”<sup>25</sup> The methods in practice were intelligible within the structures in which

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<sup>22</sup> Appendix O-1 in Plowden, *Report on Salt Trade*, paragraph 2.

<sup>23</sup> *Ibid.*

<sup>24</sup> The details on the various weights and measures prevalent in British India are detailed in Starchey & Strachey, *The Finances and Public Works of India*, 341.

<sup>25</sup> Appendix O-1 in Plowden, *Report on Salt Trade*, paragraph 15. Emphasis added.

they were located. They made sense in their own context, but it did not imply their contextualization within other structures of practices.

The befuddlement of the India Government with the 1866-67 report was thus an incomprehensibility of the modalities that shaped the salt trade in the different districts of the presidency. But one must not accord Bellasis and the Bombay Government more than their due. The Bombay Government did indeed seek to connect the problem of the decline in revenue within the change in system. But this did not imply their disavowal of the benefits of the change. As their reply to India Government's questions noted it was not the change in system which was "excellent in itself" that injured the revenue, but "the dislike to this change" by the natives that was affecting the trade.<sup>26</sup> Consensus, regardless of how tenuously obtained, is the cornerstone of a bureaucratic machine.

The correspondence between the Bombay and India governments over the interpretation of the salt revenue report for 1866-67 was symptomatic of a larger problem that riddled the colonial trade throughout British India. The system of weights and measures across the different presidencies were varied and functioned within a highly localized logic of trade. This did not imply that the trade too was localized. Commodities would travel across different regions, but they did not necessarily need the language of abstraction to mediate the exchange. Salt from the Runn would be bought in large quantities by the Brinjarees who would then traverse across the north and east of Gujarat to sell it in the Rajpootana and often to Benaras and beyond. Likewise, salt from the Thana and Ratnagiri districts would be carried by travelling villagers to the Deccan, to Nagpur and even to the territory of the Nizam in Hyderabad. The Brinjarees, as the carriers of the commodity, were the medium that connected the salt pans on the west coast to its consumers across the inland. The meaning and value for the commodity had a linkage that surpassed the exchange logic of the commodity. With the advent of the Railways across the Bombay city, large quantities of salt could be exported from the coast to the inland. The Central provinces were gradually flooded with salt manufactured in the Bombay Presidency. Such a transaction necessarily needed a different set of referents because the medium had changed.

Undoubtedly, even with the advent of the railways, salt was exported by other means. The post-1857 era, however, saw a gradual move towards the creation of an abstract colonial

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<sup>26</sup> Compilation No 2915, Office of Commissioner of Customs, Bombay to The Chief Secretary to Government: 29<sup>th</sup> January, 1869. R. D. 1869, Volume No 42, p. 336: MSA.

state-space where the “colonial accumulation of knowledge...was state-territorial in focus. The geographic space of colonial India became the territorial unit and organizing frame for...the official representations of economic relations and flows.”<sup>27</sup> The colonial economy was thought of as a territorially-determined entity which was bounded within a specific language of nationhood that coalesced multifarious practices under a uniform logic. In this the commodity form was structured in “an order of equivalence between concretely unequal and incommensurable objects and transactions.”<sup>28</sup> The commodity form thus was thought to surpass the localized differences under this new regimen of colonial state-space abstraction.

The mediations in the differing systems of practices were imbricated within a wider move that sought to confine divergences in a new, singular language of the colonial economy with its abiding trust in the fluidity of the commodity form. Such an evisceration could, however, only be a move that kept the local under erasure. The permanence of conflation could never be attained without leaving visible traces of the suture.

What then became essential was to frame the problem in a language that could avoid any mention of the inherent contradictions that were a part of the very solution that was offered. In de Lisle’s silent acknowledgement of the impossibility of comparing the methods of weighing and measuring perhaps lies the thrust of the question of illicit salt trade which informed the question of governance in this period.

As the Bombay Government sought to make sense, and merge a series of local disparities, the question of smuggling enabled the framing of the problems within the salt trade in a language that was outside the question of regional variations in practices. The problem of illicit trade and the need for a government monopoly could then be considered outside the very practice that was being examined.

### *The Monopoly Question*

“the existence of a system of Excise upon the manufacture of Salt in [the Bombay] Presidency is...the best proof of the feasibility of substituting a similar system of private manufacture, for the manufacture on account of the Government, in the Presidencies of Bengal and Madras; and because, if a system of Excise is to be substituted in those Presidencies, the arrangements in force in the Bombay Presidency

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<sup>27</sup> Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago & London: University of Chicago Press, 2004), 73.

<sup>28</sup> *Ibid.*, 74.

will serve as a guide for the measures proper to be taken in order to affect the change.”<sup>29</sup>

This was Agent Plowden in his report submitted in 1856 on the salt trade in the Presidency. A mere fifteen years after the above observation by Agent Plowden, the wheels had been set motion for a government monopoly over salt trade in the Bombay Presidency. A major impetus towards fixing a government monopoly over salt trade in the Bombay Presidency came with the submission of a report on *The Internal Management of the Salt Department* by W. G. Pedder in July 1870. Pedder’s report on the state of the salt trade in the presidency was meant to determine the effect of the gradual increase in the rate of duty on the sale and consumption of the commodity. The detailed annual reports submitted by the Bombay Salt Department through the 1860s had proved inconclusive on the vexed issue of the extent of illicit salt that was in circulation within the presidency. Pedder sought to shed light through the saline labyrinth.

The central proposition that guided the government policy on salt was that any mode of revenue generation—be it a complete government monopoly or a system of private enterprise—had to be justified as being the best mode of preventing any illicit sale of the commodity. While concerns over the existence of an illicit network of salt trade had always haunted the Bombay government, the extent and scale of the illegal network was considered too insignificant to be detrimental to the revenue generated. Such reasoning was based on the belief that the rate of duty imposed on salt in Bombay was marginal as compared to the actual cost of production. Hence the risk involved in smuggling salt was not worth the deterrents that the government had put in place.

The question of imposing monopoly did not merely involve considering the rate of duty on salt, the revenue generated from it, and the amount of salt consumed in the presidency. The policies followed in Bengal were regularly portentous of the measures that had to be initiated in the Bombay Presidency. Local production of salt in the Bengal Presidency had gradually declined and was substituted by salt that was imported from Bombay and Madras, and from England. The Bengal government had over a period of time imposed a series of measures that had made local production difficult. Concessional rates of duty on imported salt, as well as easy access for inland salt from the North-West meant that the local salt industry had been bled dry. As a major share of the salt consumed in Bengal was imported, the rate of duty was exceptionally high as compared to the Bombay and Madras presidencies. The India

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<sup>29</sup> Plowden, *Report on Salt Trade*, paragraph 320.

Government, while acknowledging the more favourable conditions of manufacture and trade that existed on the west coast, sought to find ways to increase the rate of duty in Bombay to bring it on par with Bengal.

The rate of duty on salt varied across British India based on the nature of trade that was in place. In 1859 the legal rate of duty in Salt in Bengal was 3 Rupees 4 annas, whereas the corresponding figures in Bombay and Madras were 12 and 14 annas respectively. The India Government reasoned that the rate could be now be increased as “the [present] circumstances of the people of Bombay and Madras furnish [no] reason for maintaining a lower rate of duty [as compared] to that on the people of Bengal and the North-Western Provinces.”<sup>30</sup> Even the prospect of increased smuggling in response to the raised duty was considered manageable because “in Bombay the means of excise supervision, if defective, can be effectually strengthened, without expense”.<sup>31</sup> The financial condition of the country—in a state of disarray in the aftermath of the 1857 uprising—also necessitated an increase in the rate of duty in Bombay. The rate was subsequently raised to 1 Rupee per maund of salt. Such an increase, in spite of being over 1000 per cent over the cost of production, was considered minimal by the India Government as compared to what was being levied at Bengal.<sup>32</sup> The governing logic of the salt trade in Bombay had come to be its relative efficiency as compared to the measures in force in Bengal.

Even across the North-Western Provinces and in the whole of Punjab, the rate was about 2 Rupees per maund. Such a huge difference between the rates in Madras and Bombay as compared to the rest of India left the trade in Bengal, the Central Provinces and Punjab vulnerable to the illicit salt brought over from South India. To counter this possibility, the India Government through a series of executive orders, lowered the rate in Bengal to 2 Rupees and 8 annas a maund.<sup>33</sup> It was felt that there had to be greater parity between the rates of duty across India to ensure that the trade was conducted to the long term benefit of the government. The conditions of trade that existed in Bengal and North India had made salt substantially more expensive than in Bombay and Madras. Nevertheless, the Government

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<sup>30</sup> Compilation No 931, Resolution, Home Department, Fort William: May 6, 1859. R. D. 1859, Volume No 151, p 189, paragraph 15: MSA.

<sup>31</sup> *Ibid.*, paragraph 16.

<sup>32</sup> Pedder, *Report of the Salt Department*, 8.

<sup>33</sup> Compilation No 931, Resolution, Home Department, Fort William: May 6, 1859. R. D. 1859, Volume No 151, p 187, paragraph 16: MSA.

could present the reduction in the rates as being in response to the widespread smuggling of contraband salt across this region.

Even as the rates of duty were lowered, the amount of salt that was exported from Bombay to Bengal increased. The increased export of Bombay salt to Bengal not only played a part in ruining the local trade in Bengal, it proved fatal to the trade in Bombay as well. As exports from Bombay increased, a greater quantity of salt came to be illegally brought in from beyond the Gujarat frontier. Salt from Malwa and Mewar found its way into the Bombay Presidency, thereby reducing local consumption of salt manufactured within the presidency. The introduction of the railways into the Central Provinces also widened the reach of the salt being exported from the Bombay region. While the exports expanded and the reach of the Bombay Salt Department widened, the structural obstacles inherent within could not be effectively overcome. As increased policing, particularly on the frontier lines of Gujarat, became the standard measure to curb illicit trade, the inability to formulate standardized rules across the salt-making regions within the presidency made the regularizing process ineffective.

To combat the passage of salt from the west and south of India towards Bengal, the Central Provinces and beyond, the British had over a period of thirty odd years built a Customs Line which “in 1869 extended from the Indus to the Mahanadi in Madras...was guarded by nearly 12,000 men [and] consisted principally of an immense impenetrable hedge of thorny trees and bushes.”<sup>34</sup> A. O. Hume, the Commissioner of Inland Customs boasted,

“An area of five hundred thousand square miles and a population of one hundred and thirty millions may be approximately assigned to this vast tract; and to *aid* the realisation of the tax on the *whole* of the salt consumed within this tract, by levying an import duty along its entire land frontier, is the principal object of the Imperial Customs Line.”<sup>35</sup>

The Imperial Customs Line was ostensibly built to check the transport of illicit salt from the Rajpootana region and the Bombay Presidency to the Central Provinces and Bengal. The stark difference in the rates of duty made the transportation of contraband salt across the Indian mainland a lucrative proposition. Great expense was incurred by the India Government in the maintenance and growth of the Customs Line. Such supervision was the *raison d'être* of the erstwhile BITDS. The customs houses and chowkeys that littered the city

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<sup>34</sup> John Strachey quoted in Roy Moxham, *The Great Hedge of India* (London: Constable Publishers, 2001), 3.

<sup>35</sup> Roy Moxham, *The Great Hedge of India*, 103.

and country side under the earlier system now seemed to have been replaced by another system. Confiscation of smuggled goods, arbitrary detention of travelling natives and the imposition of heavy penalties were common methods employed by the police manning the customs line. The Imperial Customs Line was a mere alter ego of the system that had been abolished for being harmful to the trade in India. Goods that passed across the customs line had to pay heavy duties thereby increasing the cost of essential commodities like salt and sugar.

The Viceroy Lord Lytton saw the existence of the Customs Line as a major impediment to the flow of goods across the subcontinent. The growing penetration of the Railways also made the differing rates of duty difficult to maintain as goods could now travel a greater distance within a shorter time without any impediments as compared to being transported by roads. The disparities in the rates of duty across British India and the problem of illicit salt being brought into the regions where the rates were higher forced the India Government to propose a move towards a uniform rate of duty across the subcontinent.

In early 1878 the rate of duty on salt in Madras and Bombay was raised from Rupees 1-13 to Rupees 2-8 per maund. The rate in Bengal was reduced from Rupees 3-4 to Rupees 3, while the rate in North India was brought down from Rupees 3 to 2-12. A further reduction brought the rate of duty on salt in Bengal to Rupees 2-14 and Rupees 2-8 in North India. Act XII of 1882, for regulating the duty of salt brought the entire salt manufacture and trade under the control of the Government of India.<sup>36</sup>

The passage of the India Salt Act of 1882, which brought the salt trade in British India under a singular rule of government monopoly, was the outcome of a series of developments across British India. These changes went beyond the mere twiddling with the rates of duty. In Bengal, for instance, the indigenous trade in salt was brought to a standstill as cheaper salt from Bombay and Madras, and particularly from Liverpool, flooded the local market. In Bombay, the changes in government policy—particularly the Salt Act of 1875—increasingly pushed native merchants out of the trade. These changes were as reflective of the entrenchment of the nuts and bolts of colonial rule as it was an outcome that sought to garner increased revenue while disregarding its effect on local trade and enterprise. The Salt Department in Bombay were given extremely prohibitory powers which included the right to

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<sup>36</sup> The Bombay Government Gazette, 1882, Part IV, *Acts passed by the Government of India and by the Government of Bombay* (Bombay: Government Central Press: 1883), 108-115.



invade houses of those who were suspected to be illegally manufacturing salt, confiscation of native bullock loads that were suspected to be carrying salt, and the gradual usurpation of salt pans that were under the control of native kings or private merchants.

Until the passage of the 1882 act, the trade of salt in the Bombay Presidency was a balancing act between the need for greater British control and the difficulty of dispossessing the natives who were involved in the manufacture and sale of the commodity. While the Bombay Government had from the outset desired to implement a monopoly over the trade, such a move was not seriously considered by the Government of India until the 1870s. The hesitance on the part of the government began to change with the publication of Pedder's report.

Pedder's recommendations for a greater control over the salt trade were based on a review of the trade in the presidency in the preceding two decades.<sup>37</sup> A curious subterfuge, produced perhaps more out of a misreading rather than any inherent prejudice, lay at the heart of Pedder's reading of the facts and figures of the salt trade in Bombay. Two variables were essential in determining the extent of illicit trade prevalent in the region: the actual amount of salt produced at the various salt pans, and the total population of the region.

Drawing on the population estimates as well as on the deliveries of salt, Pedder estimated the amount of salt that had been consumed locally within the presidency. These figures, after taking into account the expansion of railways leading to a wider reach and the incremental rise in population, were estimated to have fallen by about 25 per cent from 36, 47,224 maunds in 1843-44 to 27, 44,240 in 1867-68.

The Bombay government did indeed possess figures on the population of the presidency. But these were at best approximations extrapolated from the numerous land revenue surveys that had been progressing for decades across Gujarat, the Deccan and the Konkan region. For instance, the revenue survey at Indapoor taluka showed a 31 percent increase in population over a period of 30 years. Pedder used this figure as a reasonable estimate for the entire Deccan region. This, as we should remember, was still the stage of infancy in the quest to create a "regimen of numbers," where a "colonial sociology of knowledge" could harness extensive surveys and reports to frame the rule of law. Estimations, both of the figures from the past records and of future consumption and sale, were regularly summoned to harness the conclusions that were necessary.

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<sup>37</sup> Pedder, *Report of the Salt Department*.

The actual amount of salt produced was a complex aggregate of the amount that was entered in the records with the guards at the salt pans and, with the advent of the railways, the records that were maintained at the major railway stations in Bombay. The reports of the Salt Department were thus never in a position to formulate the exact amount of salt produced. A curious subtext to the series of numbers summoned on the salt reports was that all of them could only detail the amount of salt *removed* from the pans, or the amount that had been *delivered* to various merchants and depots. The actual amount of salt *produced* at any of the pans was never mentioned in these reports. This discrepancy arose out of the indeterminate way in which salt was stored at the pans. Newly produced salt was “stored in heaps...[with each] of these heaps being numbered and its contents estimated.”<sup>38</sup> To measure the salt that was thrown into heaps would have involved “a great increase of expenditure” which would have nevertheless been of negligible value since “the Salt, when first gathered, is saturated with moisture” and being accumulated in heaps for weeks was prone to a diminution in the actual quantity produced.<sup>39</sup> There was the added possibility of high tides sweeping in and causing further wastage. The amount of salt manufactured could thus only be gauged once it was brought to the *chowkey* to be weighed or measured. The deliquescent nature of salt made it easily vulnerable to absorption of moisture, and this could not be calculated beyond a reasonable degree of approximation, as De Lisle had shown.

The extent of the sale of illicit salt was determined based on the amount of salt that was sold or exported, and the amount of salt that was consumed by the population. Even as the actual amount of salt produced and the number of people who consumed it were drawn on estimates, these had to be calculated against the actual average consumption of salt. To determine the “probable amount of revenue lost by smuggling” it was essential to know the actual salt that was necessarily consumed by the population.<sup>40</sup> The question of consumption, however, created another set of problems based on the necessary salt intake for an individual. An estimate of the amount of salt essential for an individual had to consider varying factors including the kind of diet that was followed, the difference in the natural needs of salt depending on their habitat, and the effect that “an increase in price has in checking consumption” for that which was not easily available may not be readily consumed in the required amounts.<sup>41</sup> These estimates of average consumption varied drastically across the

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<sup>38</sup> Plowden, *Report on Salt Trade*, paragraph 269.

<sup>39</sup> *Ibid.*, paragraph 271.

<sup>40</sup> Pedder, *Report of the Salt Department*, 28.

<sup>41</sup> Pedder, *Report of the Salt Department*, 39.

records of the British government. People on the Madras coast were supposed to annually consume about 15 lbs, while those inland were purported to annually intake about 13 lbs. Another set of data that was used was the amount of salt that was allotted to prisoners in Upper India, Madras and Bombay.

Pedder's recommendations for an increased government control over the trade were put forth to the India Government at a time when it was gradually coming around to accept the financial haemorrhage caused by the Imperial Customs Line. The move towards a more territorially-determined colonial economy—with the standardization of accounting practices, the presentation of a 'national' budget, and the introduction of paper currency among other measures—also necessitated the breaking down of barriers that existed between the different regions of the country.<sup>42</sup> Within the administrative logic of late nineteenth-century colonialism, the idea of imposing curbs on the passage of contraband goods was the convenient ruse to herald a more regimented and systematized rule of law.

The Bombay Government in its approval of the imposition of a uniform rate of duty in 1875 remarked on the impossibility of controlling the illicit sale of salt as long as a diverse range of native practices was held together under a weak department.<sup>43</sup> Strengthening the Salt Department was thus accompanied by a changing governmental stance on the issue of monopoly over salt in the Bombay Presidency. As the draft for the India Salt Act was being formed, the necessity to introduce a monopoly in Bombay was felt urgent.<sup>44</sup> When it came to the question of governance, the Government of India approved the implementation of a monopoly in the Bombay Presidency as was practised in Bengal and Madras.

In this strange amalgam of indeterminate variables that were arbitrarily fixed based on a haphazard set of arguments, the question of smuggling emerges as the logic that gives meaning to and frames the questions of the salt trade in Bombay. Even as Pedder acknowledges the difficulty in forming conclusions about the salt trade, the force of his argument manages to make the transition from shaky accuracy to conclusive evidence. The problem of the trade of illicit salt had been considered by many officials prior to Pedder; the difference, however, lay in his ability to sidetrack the very indeterminacy of the numbers that he utilised for his deductions.

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<sup>42</sup> Goswami, *Producing India*, pp 73-91.

<sup>43</sup> The Secretary to Government, Bombay to The Chief Secretary to Government: April 4, 1874. R. D. 1874, Volume No 42, p. 37: MSA.

<sup>44</sup> The Chief Secretary to Government to The Secretary to Government, Bombay: June 19, 1880. R. D. 1881, Volume No 53, p. 174: MSA.

## *Conclusion*

The question of the extent of illicit salt trade in the presidency—which also found echoes in the efforts of the India Government to abolish the Customs Line—was crucial in two respects. For the India government, the salt tax was “a legitimate and important branch of public revenue.”<sup>45</sup> In the context of generating revenue by imposing taxes on commodities, the India government was aware of the importance of salt since it was an essential commodity that was used across the country. Hence it was necessary that the system that was implemented to extract this revenue could curb all forms of illegal trade. Second, the amount of duty that could be imposed on the commodity was crucially linked to the demand and actual consumption of the commodity. The essential necessity of salt as a commodity of daily use was not in doubt; it would always be needed by the local population. What then was crucial was to ensure that its consumption only occurred through legitimate sources. Curbing the illicit trade of salt was thus vital to get a definitive idea of the extent of salt consumption in the country.

The question of smuggling, however, also provided the means to suspend the contradictions that were embedded within the trade of salt in the Bombay Presidency. The problems with the multiple systems of weights and measures and the inconsistencies in determining the actual amount produced could be erased under the more dangerous problem of the proliferation of a contraband market of salt.

The essentiality of the commodity of salt within the logic of generating maximum revenue was clearly understood by the colonial government. But this essentiality also had a social, everyday context where the commodity could be embedded in various lived practices. The need for government monopoly and the logic or otherwise of colonial intervention thus has to be imagined as emerging from a set of circumstances that did not merely function within the language of revenue generation. The colonial concerns with implementing a monopoly over salt did not merely institute a more systematic mode of generating revenue. Monopolizing the trade also meant that the colonial state could ingrain itself into the quotidian aspects of its subjects in ways that were at times emphatic, but very often carried out without a flutter.

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<sup>45</sup> The Duke of Argyll quoted in Starchey & Strachey, *The Finances and Public Works of India*, 222.