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REPORT

OF THE

Committee Appointed by the Govern-
ment of India to Consider Certain
Matters Connected with the
Development of the
Salt Industry

35524
14-9-1964

1958



MINISTRY OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA
NEW DELHI

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CHAPTER I

INTRODUCTION

1.01. A country is brought to greatness and prosperity by the indomitable will of its people and their participation in a ceaseless endeavour to lift it to continually higher levels of material well-being and social progress. In the case of a country like India, with its far flung borders and teeming millions, one of the forms in which such dynamic effort can express itself is industrial development, both in the large as well as the small sector. And this has to be done in a manner which, besides offering an ever-widening scope for employment and developing all the potential resources of the country, is calculated to bring about a rise in the standard of living of the people and diminution of economic and social inequalities. In particular, in keeping with the principle of developing a socialist pattern of society, the benefits of economic development must be enjoyed more and more by the relatively under-privileged classes of society and the small man must be able to feel that he has due opportunity of participating in the great adventure of nation building in the interest of a better standard of living for himself and increased prosperity for the country.

1.02. The above objectives can properly be secured through a balanced pattern of industrialisation which in the process of creating demands and production of goods does not fail to increase correspondingly employment opportunities. Where, therefore, as in India, labour is plentiful and unemployment fairly widespread, labour intensive modes of production should be encouraged as far as possible, and since it is in the small-scale sector that there is greater scope for this, small producers should receive due facilities not merely for their continuance but even for continually bettering their condition.

1.03. The question of regional disparities is also one which calls for attention when considering any plan of development in the country. It is obvious that the special needs of the less developed areas should receive special consideration and the aim should be to secure, as far as possible, balanced regional development. In this connection, the human aspect is no less important than the development of the material resources of the country and considerations of economy, and the welfare of the labouring population, through whose effort ultimately wealth is created, must always remain a matter of concern for the State.

1.04. In the above context, it will be recognised that manufacture of salt occupies an important place in the life and economy of the country. Salt is an article of daily necessity and is also a vital industrial raw material. At present, out of an annual production of nearly 100 million maunds—the target for the country at the end of the Second Plan period which has already been reached—about 66% is consumed by human and livestock requirements, about 12% is taken up by chemical industries, 10 to 12% is exported, and the balance is absorbed by other needs of a miscellaneous

character. On a rough basis, it is estimated that about 50,000 persons are directly employed on salt manufacture in the various parts of the country, and when it is remembered that in the course of its journey from the salt fields, through different stages, to the point where salt reaches the shop of a retailer to find its way to the ultimate consumer, labour is required for different operations like weighing, bagging, loading and unloading, transport, stacking etc., it will be conceded that the number of persons maintaining themselves directly on the salt industry through manual work would run into some lakhs. In addition, there are traders, merchants, brokers, financiers, exporters, wholesalers and retailers etc., who play an important part in the salt trade and industry and owe their subsistence and well-being to it. Again, as the basic raw material for chemical industries like soda ash, caustic soda, etc., salt is assuming ever-increasing importance in the development of the country and there are other uses for which it is required, e.g., for hide curing, food processing, fish preservation, soap making, and in dairy and food industries in general. Finally, increasing exports of salt to other countries, notably Japan and Indonesia, have brought us valuable foreign exchange.

1.05. When salt is of such basic importance in the life of the people, it was perhaps not merely an accident of history that the British Government had chosen to suppress its production in India, except under some kind of monopoly, and had imposed a salt tax, so to say, as a symbol of their domination, and that Mahatma Gandhi in connection with his struggle against British imperialism selected salt for his campaign of Civil Disobedience in his famous Dandi march in 1930 which in course of time won India her freedom. Duty on salt was abolished in 1947, a short time before the attainment of Independence, and since then production of this commodity has received all encouragement from our Government so that there is now not merely an abundance of supply for our own needs but enough for export also. A little more than a decade has elapsed since Independence and we have passed through the First Five Year Plan into the Second Five Year Plan in which a provision of Rs. 2 crores has been earmarked for the development of the salt industry. In view of the dynamic changes that are taking place in the country in the industrial, economic as well as social fields and the fact that the coming years will see a shift in the importance of salt from a commodity required mainly for culinary purposes to the requirements of our chemical industries, the time has come to consider a re-orientation of the measures that are necessary for the development of the salt industry on a long-term basis.

1.06. Production of salt is now being carried on in the country both by small as well as large manufacturers, about two-thirds of the total production taking place in large works of an area of above 100 acres each and the remaining one-third in smaller works. Each category has had a useful role to play and in the future also there should be reasonable opportunity for the growth of both of them in a manner which would enable them to contribute to the progress of the country. In an ever-expanding economy, there need really be no fear of over-production if production is planned judiciously and in a balanced and co-ordinated way, having regard to the interests of the country as a whole and the continuously growing internal demand as well as diversification in the utilisation of any commodity. The views that our Committee has expressed and the recommendations it has made in the chapters that follow are based on the

need for a careful, considered and long-term view of the matter and it is hoped that they will help the salt industry in finding its rightful place in the developing economy of the country. To facilitate a better understanding of the subject, a chronological account of the measures taken by Government after Independence to help the industry is given in the succeeding paragraphs before passing on to an examination of the particular points of enquiry before the Committee.

Since Independence

1907. India, after partition, was a long way off from self-sufficiency in salt. The extensive and valuable rock salt deposits in the Punjab and the marine salt works in Sind had gone to Pakistan. Indigenous production left in India in 1947 was about 51.7 million maunds (1.9 million tons) per year against an estimated consumption of about 57 million maunds (2.1 million tons) with little provision for expanding industrial needs. Naturally, shortage of salt was felt in various parts of the country. To cope with the situation, Government set up a Committee in August, 1947 under the chairmanship of Shri H. M. Patel, the then Cabinet Secretary, to report on the steps necessary to overcome the shortage and also to recommend measures for increasing salt production in the country. This committee submitted a report containing several short-term proposals. It also came to the conclusion that the Indian salt industry needed a closer examination of its production and quality, and it recommended the setting up of an Experts Committee to examine this matter in all its aspects. Accordingly, the Government of India in a resolution dated the 15th April, 1948 constituted a Salt Experts Committee with Shri P. A. Narielwala as Chairman, which submitted its report in April, 1950. Meanwhile, immediately after the constitution of the Salt Experts Committee the Government of India accepting the views of the Patel Committee that all possible encouragement should be given to increase production of salt in the country, issued a Press Note on the 23rd April, 1948. This Press Note is reproduced below :—

“The Government of India are formulating comprehensive measures to step up indigenous production of salt so that India attains complete self-sufficiency in this vital commodity in as short a time as possible. Details of the Government Plan including a licensing system for large-scale manufacturers and measures to encourage production by co-operative societies will be released to the Press shortly.

“Meanwhile Government consider that the first instalment of the plan should be made public immediately so that small-scale manufacturers may take full advantage of the current salt season.

“Henceforth individuals or groups may freely produce salt in any land to which they have lawful access for this purpose and by whatever process they desire, *i.e.*, construction of pans and solar evaporation or boiling of brine or scraping or excavation of saline earth or natural formations of salt provided that the total area of land covered by the salt works set up by any individual or group is not more than 10 acres. No licences are needed and no applications for licence need be sent to any

Government authority in such cases. The provision of the Central Excise and Salt Act, 1944, will not stand in the way of the right of the small-scale manufacture mentioned above.

"It will be appreciated that Government's new policy is greatly in advance of the concession which was given as a result of the Gandhi-Irwin Pact in 1931 to villagers. At that time the Government merely permitted manufacture and collection of salt by local residents to villages immediately adjoining areas where salt could be collected or made. Even this small concession was hedged in with restrictions. The salt produced could not be sold for purposes of trade outside the villages nor could it be carried except on foot. Under Government's new policy salt produced in units covering not more than 10 acres will not be subject to any restrictions by way of storage, transport and sale.

, however, salt has an intimate bearing on human health, Government attach considerable importance to the quality of salt produced by small-scale manufacturers without licence. While the high quality of salt produced by large-scale factories will automatically set a standard inviting emulation by small-scale manufacturers, Government reserve the right to take suitable preventive measures against the sale of unwholesome salt for human consumption."

1.08. It will be seen that it was made clear in the above Press Note that small-scale manufactures of salt would not be subject to any restrictions arising from the provisions of the Central Excises and Salt Act, 1944. Accordingly, such manufacturers became exempt from the payment of the charges (later known as cess) at the rate of 2 annas per maund which were imposed on private salt manufacturers after the abolition of the salt duty in 1947 under the notification No. 3, dated the 29th March, 1947 of the then Finance Department (Revenue Division) for the purpose of raising funds to meet the cost of the salt organisation. (Later, as there was some doubt about the legality of the above orders, that had been issued under the Central Excises and Salt Act, 1944, the levy was regularised by the enactment of the Salt Cess Act, 1953.) Small manufacturers were thus free to manufacture salt on areas of 10 acres or less without having to take out a licence from the Salt Department or to pay the salt cess. The chief object of the concessions was to promote production of salt so as to meet all local requirements and to fill the large gap between demand and supply of salt in the country that existed in 1948.

10-Acre Concession

1.09. The above concession, commonly known as the 10-acre concession, gave considerable impetus to salt production in the country. Together with the establishment of new licensed salt works and the expansion of those already existing, this resulted in India attaining self-sufficiency in salt by 1952. Imports of salt from other countries were completely stopped thereafter. However, before long, complaints were received that the concession allowed to small-scale unlicensed manufacturers was widely abused. The production of these manufacturers was not subject to levy of cess or quality control, yet it found its way into distant markets where it could

compete with the production of licensed factories, and drive the latter out of business. Government examined the position in 1953-54 and provisionally came to the conclusion that the concession should be reduced to 2½ acres. A Press Note dated the 2nd March, 1954 was issued as follows :

“The Government of India in a Press Note dated April 23, 1948 announced that individuals or groups could freely produce salt by whatever process they desire in any land to which they had lawful access provided that the total area of land covered by the salt works set up by any individuals or groups of individuals was not more than 10 acres. Those salt works were exempted from the licensing and other provisions of the Central Excises and Salt Act, 1944. The restrictions imposed under the Gandhi-Irwin Pact regarding the transport of salt were also removed. The main intention in extending these concessions was *inter alia* to increase the volume of production of salt so that the country could attain self-sufficiency in that consumption.

“The position has since altered materially. Supply exceeds demand by a large margin and export of salt abroad has in fact become necessary. There is thus no longer any need for special measures or incentives to increase production. On the contrary, the need for improving the quality of salt has become more pronounced both for local consumption and for export markets. A review of the working of the concessions during the last five years has, therefore, been made by Government. As a result, Government have been led to the conclusion that these concessions are not merely no longer necessary, but they have been the subject of abuse on a large-scale. There have been numerous instances where traders have acted in collusion with different manufacturers with land less than 10 acres each and thus obtained salt from areas aggregating as much as 100 acres and sold it in the open market. Cases have also come to notice where hereditary salt workers have been financed by salt traders to set up small concession works in contiguous areas and to concede exclusive rights to the latter to purchase the entire production of the area. Since ‘salt manufactured’ under the 10 acre concession has been exempt from the levy of cess, and is also not subject to quality control which is enforced in the case of licensed factories, the result has been that unlicensed salt of indifferent quality has forced salt of higher standard into a disadvantageous position, and some of the organised factories of licensed producers have even been driven out of the business. It is noteworthy that the total production under the 10-acre concession rose from 300,000 maunds in 1949 to 4,000,000 maunds in 1952. The situation cannot but be viewed with concern because most of the salt is below the minimum standard prescribed as fit for human consumption.

“Government are in addition influenced by the consideration that so far as domestic consumption by an individual and his family is concerned, sufficient salt can be obtained from an area very much smaller than 10 acres.

"The Government of India have accordingly decided that the concessions granted under the Press Note dated April 23, 1948 should be modified as follows with effect from March 1, 1955 :

- (1) Individuals or groups may freely produce salt in any land to which they have lawful access for this purpose and by whatever progress they desire, that is, construction of pans and solar evaporation or boiling of brine or scraping or excavation of saline earth or natural formations of salt provided that the total area of land covered by the salt works set up by any individual or group of individuals does not exceed two and a half acres. No licence will be required for this purpose and no application need be made to any Government authority;
- (2) The movement of salt manufactured under the concession under (1) above will be restricted, as it is intended for local consumption only, and no facilities will be given for transport by rail in respect of it. The existing unlicensed producers will, however, be allowed one year from March 1, 1954 to clear their present stocks in case they do not desire to take out licences. At the same time, since the quality of salt has a direct bearing on human health, Government reserve the right in respect of the salt produced by unlicensed manufacturers as in the case of all other salt production, to take suitable preventive measures against the sale of unwholesome salt for human consumption.

"The Government of India have also decided to undertake a survey of all the places where individuals and groups of individuals are now manufacturing salt under the 10-acre concession with a view to assessing, amongst others, the exact extent to which the concession is being abused. If the survey reveals that there are chances of individuals and groups of individuals continuing to abuse the restricted concessions also, Government will be constrained to take suitable steps which might include the further reduction of the concession".

However, on further consideration and in the light of the survey undertaken by the Salt Department in 1954,55, Government decided to retain the 10-acre concession for unlicensed manufacturers but further laid down that small licensed manufacturers with holdings up to 10 acres would also be entitled to the concession of exemption from cess. Thus in regard to this concession, small-scale manufacturers, both licensed as well as unlicensed, were placed on an equal footing. It was considered that this arrangement would give equal opportunities to licensed as well as unlicensed manufacturers working in areas up to 10 acres and would also encourage small manufacturers to amalgamate uneconomic holdings into larger ones and work on a co-operative basis. A Press Note on the subject was issued by Government on the 11th May, 1955 and is reproduced below :

"Under the Press Note dated April 23, 1948, the Government of India permitted individuals or groups to produce salt freely in any land to which they have lawful access provided the total

area of the land covered by the salt works did not exceed ten acres. Following this and other measures adopted, salt production in the country was successfully stepped up in rapid strides so that India became self-sufficient in salt and was also able to export a substantial surplus.

"The policy was reviewed in 1953-54 when special consideration was given to the anomaly that had thus come into being that all the originally licensed producers, including those in holdings of one to ten acres or even smaller areas, were subject to payment of salt cess and were later brought under quality control, but the persons benefitting by the 1948 concession were not paying any salt cess.

"Having regard to the above, the Government of India announced in a Press Note dated March 2, 1954 that after reviewing the concessions regarding the small-scale manufacture of salt granted under the Press Note of 1948 they had come to the conclusion that in the present conditions the concessions should be modified so that the following limitation was observed after March 1, 1955 namely, that individuals or groups may freely produce salt in any land to which they have lawful access for this purpose provided that the total area of the land covered by the salt works did not exceed 2½ acres.

"Since the above announcement of 1954, the view has been pressed on the Government of India that the modification of the 1948 concession by limiting the free production of salt to areas of 2½ acres or less was likely to result in discouraging small producers who had established themselves after 1948 with considerable effort. As for the ground that had been urged that the small producer was not very often deriving the benefit from exemption from cess on small-scale production, where he was being exploited by moneylenders or financiers, it was represented that separate remedies would have to be found. On the other hand, representations made to the Government established the fact that small-scale licensed manufacturers had to face unequal competition with the unlicensed manufacturer as the latter was exempt from the payment of cess and was not subject to quality control and that this disparity was not justified.

"The Government of India have considered the view points put forward by both the licensed and unlicensed small-scale manufacturers and have now decided that no cess should be collected on manufacture of salt in areas up to 10 acres. This would give equal opportunities for both licensed and unlicensed manufacturers working in areas up to 10 acres and the concessions allowed in 1948 would also therefore, remain unaffected. The following concessions are, therefore, announced regarding small-scale manufacture of salt which will come into force from May 15, 1955 :—

- (1) Individuals or groups of individuals, whether they come under the licensing system or not at present, may freely produce salt in any land to which they have lawful

access for this purpose and by whatever process they desire, that is, construction of pans and solar evaporation or boiling of brine or scraping or excavation of saline earth or natural formations of salt, provided that the total area covered by the salt works so set up does not exceed 10 acres. No licence will be required for this purpose and no application need be made to any Government authority.

- (2) All manufacturers of salt in areas up to 10 acres under the concession mentioned in (1) above will be exempt from the levy of the cess, including those now under the licencing system.

“Since the quality of salt has a direct bearing on human health, Government reserve the right in respect of the salt produced by manufacturers working in areas less than 10 acres as in the case of all other salt production to take suitable preventive measures against the sale of unwholesome salt for human consumption.”

Promotion of Co-operatives

1.10. The Salt Cess Act, 1953, provided *inter alia* for measures to be taken by Government for ‘promoting and encouraging co-operative effort among the manufacturers of salt’. Even earlier, it had been the policy of the Salt Department to encourage formation of co-operative societies of small manufacturers of salt in all possible ways. Government, therefore, decided that the 10-acre concession in the matter of exemption from cess should be admissible to co-operatives. An announcement to this effect was made in June, 1955. Later, by a notification dated the 13th July, 1956 amending the rules framed under the Salt Cess Act the concession of total exemption from cess was formally extended to :

“Salt manufactured by small-scale manufacturers whose individual holdings of land, where salt is manufactured, do not exceed 10 acres and who are organised as members of a co-operative society registered under law, even if the total area for the manufacture of salt with the society, exceeds 10 acres.”

1.11. It was soon realised that total exemption from cess for small manufacturers working on an area not exceeding 10 acres as against a levy of cess at the rate of 2 annas per maund for all other manufacturers, operated to the disadvantage of salt works of medium size. Thus, instead of leading to a steady development of the industry the ten-acre concession gave rise to fragmentation of holdings and mushroom growth of salt works. The Salt Experts Committee in its report submitted in 1950, had expressed the view that a minimum area of 100 acres was required to constitute an economic holding for manufacture of salt. Accordingly, Government decided that a graduated scale of cess should be adopted to eliminate unequal competition between small, medium and big sized works, and this decision was given effect to by the following amendment issued on the 23rd April, 1956 to the rules framed under the Salt Cess Act :

“All salt manufactured in a private factory in cases where the total area of the land from which salt is so manufactured exceeds

10 acres but does not exceed 100 acres shall be exempt from one half of the cess leviable under Section 3 of the Salt Act".

It was also provided that this concession would be admissible to salt manufactures whose individual holdings exceeded 10 acres but not 100 acres and who are organised as members of a co-operative society.

1.12. From 1956 the rate of cess on salt has been as under :—

- | | |
|--|--------------------------------|
| (a) Salt manufactured by any individual or group of individuals in cases where the total area of the land where salt is manufactured does not exceed 10 acres (both licensed as well as unlicensed). | Wholly exempt from cess. |
| (b) Salt manufactured by small scale manufacturers whose individual holdings of land where salt is manufactured do not exceed 10 acres and who are organised as members of a co-operative society irrespective of the total area worked. | Wholly exempt from cess. |
| (c) Salt manufactured in a private factory in cases where the area of the land from which salt is manufactured exceeds 10 acres but does not exceed 100 acres. | Cess at one anna per maund. |
| (d) Salt produced in individual holdings exceeding 10 but not 100 acres and owned by members of a co-operative society irrespective of the total area worked. | Cess at one anna per maund. |
| (e) All other private manufacturers of salt | Cess at 2 annas per maund. |
| (f) Govt. Salt Works | Cess at 3 1/2 annas per maund. |

However, complaints were received continuously that this system had given rise to a number of disparities in consequence of which the industry was facing a crisis and the 10-acre concession was being misused systematically by individuals fragmenting holdings so that the same persons, largely middle men could control and operate a large number of 10-acre plots. Also, several persons working plots over 100 acres surrendered leased lands in excess of 100 acres in order to derive benefit of the cess concession. This has led to large-scale evasion of cess, affected the production of organised salt works and resulted in fragmentation of holdings. It has also adversely affected the co-operative movement in salt production.

1.13. The important place which salt occupies in the economy of the country has been explained at some length before. It is, therefore, natural that government should be anxious to see that the salt industry is enabled to play its part in the building up of national resources and that its difficulties and problems are resolved in a manner conducive to the best interests of the country. From time to time Government have received representations from different quarters urging views which revealed substantial divergence of opinion on such matters as concessions granted to small manufacturers of salt, quality control over salt, the role which co-operatives can play in the salt, industry and the application of labour laws in that industry. Towards the end of 1957 Government came to the conclusion that it was necessary to conduct a comprehensive survey to ascertain correct facts and data relating to different aspects and problems of the salt industry and devise measures to eliminate disparities or anomalies, if any, detrimental to the growth of the industry. Accordingly, under

the Ministry of Commerce and Industry letter No. 9/6/57-Salt, dated the 2nd January, 1958, a Committee was constituted with the following terms of reference :—

- (i) To assess the production of large, medium and small-scale manufacturers of salt;
- (ii) To review the concessions allowed to salt manufacturers with a view to ascertain whether and to what extent such concessions have helped in the development of salt industry;
- (iii) To find out whether small manufacturers of salt experience any practical difficulties calling for assistance;
- (iv) To examine whether the statutory provisions such as those in the Minimum Wages Act can be made use of to help the labour employed in the salt industry;
- (v) To assess the progress made in recent years in the organisation of co-operatives in the salt industry and other matters allied to it with a view to encourage the growth of co-operative societies for the manufacture of salt;
- (vi) To examine the existing system of quality control of salt keeping in view the difficulties of manufacturers and the requirements of the consumers, including those of the salt based industries and the export markets;
- (vii) To make recommendations in regard to the above matters and for the development of salt industry generally.

The personnel of the Committee is as follows :

Chairman

- (1) *Shri Manubhai Shah, Minister of Industry.

Vice-Chairman

- (2) †(Shri K. T. Satarwala, I.A.S.,
Joint Secretary, Ministry of Commerce and Industry.

Members

- (3) Shri N. C. Kasliwal, M.P.
- (4) Dr. G. P. Kane, Senior Industrial Adviser (Chemicals),
Ministry of Commerce and Industry.
- (5) Shri R. N. Vasudeva, I.A.S., Salt Commissioner.
- (6) Shri Bhupatbhai V. Desai, M.L.A. (Bombay).
- (7) Shri P. N. Pesikaka.
- (8) Shri A. Suryanarayana Rao.

Member-Secretary

- (9) Shri M. M. Saklani, Deputy Secretary,
Ministry of Commerce and Industry.

Shri T. Vedantam, Under Secretary, Ministry of Finance, was also associated with the Committee whenever financial matters came up for consideration.

*Prior to the 11th March, 1958, Shri Satish Chandra, Deputy Minister of Commerce and Industry, who was then dealing with 'Salt' was the Chairman of the Committee.

†Prior to 14th May 1958, when he left the Ministry on transfer, Shri A. Zaman, I.C.S., was the Vice-Chairman.

1.14. In order to collect relevant information the Committee issued a detailed questionnaire (Appendix A) to the Chambers of Commerce, Associations of salt manufacturers, traders and workers, co-operatives in the salt industry, State Governments, large users of salt, *e.g.*, salt based industries, and others. A considerable amount of useful information was gathered through replies to this questionnaire. The Committee also visited certain selected salt producing areas in the country to obtain first-hand information regarding the conditions prevailing in those areas and also took evidence from individuals and representatives of various sections of the salt industry. A list of the persons who appeared before the Committee or submitted written memoranda is given in Appendix B. The areas visited by the Committee are mentioned below :—

<i>Region</i>	<i>Location of salt works visited.</i>	<i>Date of visit</i>	
Bombay Region	Wadala	24-3-58	Evidence taken at Bombay, Kharaghoda and Dhrangadhra.
	Trombay	Do.	
	Kharaghoda	26-3-58	
	Dhrangadhra	27-3-58	
	Mundra (Kutch)* Kandla*	29-3-58 Do.	
R.S.S. Division	Sambhar	25-4-58	Evidence taken at Sambhar.
Madras	Covelong (Madras)	13-5-58	Evidence taken at Madras, Covelong, Tuticorin, Arumuganeri, Cape Comorin, Kakinada and Visakhapatnam.
	Tuticorin (Madras)	15-5-58 16-5-58	
	Nagercoil (Madras)	17-5-58	
	Naupada (Andhra)	31-5-58	
	Balacheruvu, Visakhapatnam (Andhra)	Do.	
	Kakinada (Andhra)	1-6-58	
Calcutta Region	Contai (West Bengal)	28-5-58	Evidence taken at Calcutta (Salkia Salt Golahs), Contai and Gopalpur on-sea.
	Humma (Orissa)	29-5-58	
	Sumadi (Orissa).	31-5-58	

*Visited by two members of the Committee.

1.15. In the light of the information gathered by the Committee and the evidence tendered before it, the views formulated by the Committee on the various terms of reference are given in the subsequent chapters. Chapter XI contains the specific recommendations of the Committee.

CHAPTER II
DEVELOPMENT OF SALT INDUSTRY AND PROSPECTS FOR
THE FUTURE

2.01. In their report, the Salt Experts Committee (1950) had given special emphasis to the importance of achieving self-sufficiency in the production of basic commodity such as salt. The committee observed that even though production of salt increased from 1.265 million tons in 1930 to 1.885 million tons in 1947, production had not caught up with consumption in the country and, therefore, it was necessary to import about 365,000 tons of salt at that time. According to the Salt Experts Committee (1950), consumption of salt for edible, industrial and other purposes in the country would be of the order of 3 million tons by 1955 and the demand would be substantially higher in succeeding years. They were of the view also that if concentrated efforts are made it would be possible to raise production of salt in the inland and marine salt works up to 4 million tons in the course of five years. The data in the table below show that already production has exceeded 3.6 million tons a year. Now not only we do not import salt but actually export over 300,000 tons a year to countries such as Japan and Indonesia.

<i>Year</i>				<i>Production in tons</i>
1948	..	..	..	2,337,318
1949	..	..	..	2,043,037
1950	..	..	..	2,619,845
1951	..	..	..	2,732,180
1952	..	..	..	2,823,576
1953	..	..	..	3,162,453
1954	..	..	..	2,715,061
1955	..	..	..	2,977,457
1956	..	..	..	3,265,200
1957	..	..	..	3,612,195

2.02. While the progress recorded above is satisfactory, the industry is beginning to face difficulties. In the Saurashtra and Tuticorin circles in particular, manufacturers of salt claimed everywhere that stocks are accumulating in their works due to the supply exceeding demand. The situation has become acute in certain regions because expansion of the salt industry has been phenomenal only in certain parts of the country. For example, in Saurashtra and Kutch production of salt has increased from 14,700 tons in 1930 and 317,000 tons in 1947 to about 1.1 million tons in 1957.

During the last few years, manufacturers in the Tuticorin area have improved their technique of manufacture to a remarkable extent and now Tuticorin salt competes successfully for its share of the Calcutta market.

Production in other areas in Madras, Andhra and Orissa is rising rapidly. The West Bengal Government is also making vigorous efforts to produce salt in the Contai and Sunderbans areas.

2.03. From the figures given in paragraph 2.01 it would appear that one of the present problems of the salt industry is over-production. This may perhaps remain so if it is intended that salt should be sold only for human consumption. It is reported that the per capita consumption of edible salt varies in India from 9 to 20 lbs. per year, depending on the area and dietary habits of the people. Even if the average consumption of salt per capita is taken as 15 lbs., our present population of 360 million would not absorb more than 2.4 million tons of salt per year. On the assumption that the population will continue to increase, the additional demand of edible salt per year at the end of a decade from now would amount to another 330,000 tons. After allowing for export of salt at the present level, or even at an enhanced level of half a million tons a year, it can be seen that by 1968 production of salt at the present rate would be more than adequate to meet all demands of edible salt as well as that for export.

2.04. The picture would, however, appear brighter if one considers the rapid increase in the demand for salt industries. Among industrial users of salt, the largest consumer is the Alkali Industry. The present production of 50,000 tons of caustic soda and 90,000 tons of soda ash in the country annually requires 100,000 and 198,000 tons of salt respectively. Production of both these chemicals is expected to increase very rapidly in the next few years and it is anticipated that by 1961, the caustic soda and soda ash industries will require over 300,000 tons and 680,000 tons of salt respectively or nearly a million tons of it for the two industries taken together. It may be reasonable to assume further that in the five years subsequent to 1961, production of caustic soda and soda ash will increase to such an extent that the corresponding demand for salt for both would be of the order of 2 million tons by 1966. Salt will be used in increasing amounts also in food processing, fish preservation, cattle feed, in the dairy and food industries, for treatment of hides and skins and for various other industries. While assessment of the exact needs of these industries is difficult, it may be reasonable to assume that the total demand for salt for all industrial purposes by 1961 and 1966 may be of the order of 1.1 million and 2.25 million tons respectively. Therefore, taking together the needs of salt for edible and industrial purposes and after providing for half a million tons for export, our requirement in 1966 may be estimated to be of the order of 5.5 million tons. These figures show that the apprehension of over-production felt by manufacturers today is only a passing phase and that before long we might have to make positive efforts to increase salt production further to a substantial extent.

2.05. From the figures given in the paragraph above, it would appear that the percentage of salt used by chemical industries in the country would increase from 12% as at present to approximately 30% in 1961 and will almost equal the figure for salt for edible purposes by 1966.

In the United States, the per capita consumption of salt for edible purposes increased from 7.4 lbs. in 1941 to only 7.7 lbs. in 1951. As against this the per capita consumption of salt for all purposes increased from 97 lbs. in 1914 to 256 lbs. in 1951 (cf. Encyclopædia of Chemical

Technology by Kirk and Othmer, Vol. 12' page 77). The relatively rapid increase in the consumption of salt by chemical industries as against food processing in the U.S.A. is also shown by the figures below :

<i>Consumption of salt (Million short tons)</i>		
<i>Year</i>	<i>Chemical Industries</i>	<i>Food Processing</i>
1940	6.817	1.874
1950	11.324	2.131
1955	16.454	2.282

Note :—

- (1) Food Processing includes salt for meat packing and canning and casein manufacturers, fishing, dairy canning, baking flour, other food and groceries.
- (2) Data obtained from Chemicals Economics Handbook published by the Stanford Research Institute.

2.06. The probable need for expansion of the salt industry within a few years indicated above may not, however, bring direct relief to producers who manufacture salt for sale. In plants operating the Standard Solvay Process for soda ash manufacture in India, consumption of salt amounts to approximately two tons per ton of soda ash. Therefore, in order to reduce the cost of this essential raw material to the minimum, manufacturers of soda ash usually prefer to establish their units near existing salt works under their own control. Alternatively, the soda ash manufacturer creates new salt works that would meet all his needs of salt in order to be free from fluctuations in the price of this basic material and also to avoid unnecessary freight charges on this bulky raw material. Establishment of new soda ash plants or expansion in the capacity of existing plants, therefore, does not lead directly to greater off-take of salt from private manufacturers nearby. However, indirectly they derive benefit from the fact that once a salt works begins to supply its produce to a soda ash plant then it goes off the market. This process has already taken place in the case of Tata Chemicals Ltd., Mithapur, who were formerly exporting thousands of tons of salt to Calcutta, but are now entirely out of that market and do not sell any but vacuum salt. A similar situation is likely to arise when the expansion of the soda ash factory of Dhrangadhra Chemicals at Dhrangadhra is completed next year. The establishment of a soda ash works at Uran near Bombay according to a licence issued to a Bombay firm would also divert some salt production in that area to industrial purpose. Therefore, although manufacturers in Saurashtra and Kutch are facing over production at present, the process of development as above is likely to give them considerable relief in the near future.

2.07. The position with regard to caustic soda is somewhat different. The location of a caustic soda unit is decided more by the availability of cheap power and the possibility of an assured off-take for either caustic soda or the co-product chlorine at the place of manufacture rather than by local availability of salt. Therefore, caustic soda units can be located at considerable distances from salt producing areas and in fact such units do exist. Impurities such as calcium, magnesium and sulphate have to be eliminated before a saturated solution of salt is subjected to electrolysis

for the production of caustic soda. For this reason, caustic soda manufacturers usually insist on a high standard of purity and instances are not unknown where they obtain salt from distant areas because it is purer than local salt. Usually these manufacturers specify a sodium chloride content higher than 98% on dry basis and also stipulate that impurities such as sulphate, calcium and magnesium will not exceed specified low limits. For example for sulphate the maximum tolerance is usually 0.25%. Purity is ensured by a provision in contracts made for purchase of salt for penalty/bonus clauses so that a higher price is payable for salt in which impurities are lower than the permissible maximum.

2.08. Under certain circumstances it is necessary to use solid salt itself in the process. Therefore, the salt to be used in such processes must be quite pure because there is no possibility of purifying it or its solution during processing. For example, a factory is under construction at Moghulsarai for the purpose of producing simultaneously soda ash and ammonium chloride to be used as a fertiliser by the modified Solvay Process. It is necessary to add pure solid salt in this process and the requirements of Moghulsarai for the capacity sanctioned at present are expected to be of the order of 60,000 tons of salt per year. Other processes of manufacture such as production of dyes or optical bleaching agents similarly require salt free from soluble as well as insoluble impurities. Therefore, from the point of view either of providing salt where it is going to be used in the solid form directly, or for the purpose of reducing purification costs in chemical processing it is necessary to provide chemical industries with salt of the appropriate high degree of purity. Pure salt can be manufactured only under strict supervision and technical control in salt works of very large size. Therefore, production of such qualities of salt to meet the rising demands of industries indicated in para 2.04 above would help large salt works to obtain relief for the problem of over-production that is facing them today.

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CHAPTER III

**TERM OF REFERENCE (I) : TO ASSESS THE PRODUCTION
OF LARGE, MEDIUM AND SMALL-SCALE
MANUFACTURERS OF SALT**

3.01. In Appendix C is given a table showing figures of production for salt, region-wise, for each of the 10 years 1948 to 1957, under the three categories mentioned below :—

- (i) Works with an area of more than 100 acres each.
- (ii) Works with an area between 10 and 100 acres each.
- (iii) Works with an area up to 10 acres each.

Annexure I to this Appendix gives an abstract containing total figures for the country as a whole and showing also what percentage the production in each category constituted of the total production. Annexure II gives the figures showing the break-up of category (iii) into unlicensed and licensed production. The figures have been collected from the Salt Department and are considered fairly accurate except in the case of category (iii). Here, a considerable proportion of the production is unlicensed over which the Salt Department has no control. Unlicensed small salt works are increasing in number and there is no accurate information or statistical data available about them. Thus, there are numerous cases where production of salt is carried on without the knowledge of the Salt Department. The Committee is of the opinion that such unlicensed production may amount to about a lakh of tons of salt.

3.02. To follow the progress made by production of salt under the three categories mentioned above, the position is examined below separately for each of them.

(i) *Large-scale manufacture (works above 100 acres)*

3.03. For the country, as a whole, the figures for the years 1948 to 1957 are as follows :—

Year	Production	
	in mds. (million)	in tons (thousands)
1948	38.1 (13.9)	1399.5 (510.6)
1949	40.7 (15.4)	1495.1 (565.7)
1950	43.4 (19.0)	1741.3 (698.0)
1951	49.5 (17.8)	1829.1 (653.9)
1952	52.9 (14.4)	1943.1 (529.0)
1953	53.3 (14.6)	1958.7 (536.0)
1954	49.2 (14.9)	1815.9 (547.3)
1955	58.7 (14.24)	2155.4 (529.0)
1956	62.6 (17.5)	2299.2 (642.8)
1957	63.1 (15.0)	2317.1 (551.0)

Note :—Figures in brackets represent production in Government salt works which is included in the main figures.

It will be seen that there has been a more or less steady increase in production during the period under review. This increase took place not only during the earlier years when India was short of its requirements of salt, but also after attainment of self-sufficiency in 1952 since when production in the large-scale sector has increased further by about 20%. It may be pointed out here that production in Government salt works has remained practically unchanged during the last 10 years (cf. figures in brackets in the preceding table) whereas considerable increase in production has taken place in private salt factories.

(ii) *Manufacture by medium-sized works (between 10 and 100 acres)*

3.04. The production figures are as follows :—

Year	Production	
	in mds. (million)	in tons (thousands)
1948	12.5 (Nil)	459.1 (Nil)
1949	8.1 (Nil)	297.5 (Nil)
1950	11.93 (0.03)	438.1 (1.1)
1951	19.7 (1.1)	356.3 (40.4)
1952	11.9 (0.1)	437.1 (3.7)
1953	13.9 (0.7)	509.2 (25.7)
1954	11.7 (0.7)	429.7 (25.7)
1955	10.9 (0.2)	402.2 (7.3)
1956	11.8 (8.3)	432.1 (11.0)
1957	14.1 (0.5)	519.7 (18.4)

Note :—Figures in brackets represent production in Govt. salt works (model salt farms etc.) which is included in the main figures.

It will be seen that production in the medium sector of this industry has not recorded any noticeable increase over the years under review and that even after making due allowance for wide fluctuations at times, this sector does not appear to have played any important part in the growth of the salt industry. Government production in this sector is negligible (cf. figures in brackets in the preceding table) because most Government salt works are large in size. Taking 1957 figures, the production of medium-sized works is about 2/9th of that of the large-scale sector.

(iii) *Small-scale manufacturers. (works up to 10-acres).*

3.05. This sector includes licensed as well as unlicensed manufacturers. According to figures supplied by the Salt Department, production was as follows :—

Year	Licensed Works		Unlicensed Works		Total	
	in mds. (million)	in tons (thousand)	in mds. (million)	in tons (thousand)	in mds. (million)	in tons (thousand)
1948	13.0	478.3	..	..	13.0	478.3
1949	6.4	236.1	0.3	11.0	6.7	247.1
1950	10.6	390.1	1.3	47.8	11.9	437.9
1951	12.0	441.4	2.1	77.1	14.1	518.5
1952	8.0	295.0	4.0	146.9	12.0	441.9
1953	13.6	499.6	5.2	191.0	18.8	690.6
1954	7.5	275.5	5.5	202.0	13.0	477.5
1955	7.4	271.6	3.7	135.9	11.1	407.5
1956	8.9	326.7	5.8	213.1	14.7	539.8
1957	13.7	503.3	7.4	271.8	21.1	775.1

1948 was the first year when unlicensed production of salt (on an area up to 10 acres in each case) was permitted by the Government freely on a country-wide basis, encouragement of such production being considered necessary, first to meet local requirements and next, to fill the gap between the total indigenous production and the total requirement. The policy in this regard was announced by Government in a Press Note issued on the 23rd April, 1948 (*vide* Chapter I, para 1.07). Since then the magnitude of unlicensed production has been on the increase taking due note of a fall in production in 1955 apparently caused by adverse weather conditions. In 1957, such production increased to about 25 times the corresponding figures in 1949 and it was about 80% higher than in 1952, the year in which the country became self-sufficient in salt. It is thus clear that increase in unlicensed production continues rapidly. As against this, production by licensed small manufacturers has not recorded any noticeable increase. The figure for 1957 (13.7 million maunds), the highest in the last 4 years, is about the same as for 1953 (13.6 million maunds) and is only a little more than the corresponding figure for 1948 (13 million maunds). This atrophied condition of licensed small works seems to be the result of unequal competition from other sectors of the industry and more especially from unlicensed manufacturers. And when it is remembered that the figures of licensed production in the small-scale sector (works of 10 acres or less) include production by co-operative societies, whose total production for 1957 is estimated to be of the order of 4 million maunds, it is obvious that small licensed manufacturers other than those who are members of co-operative societies, have during the last 10 years suffered a decline instead of growth as might have been expected, particularly after the concession regarding exemption from cess was extended to them by the Press Note of 11th May, 1955 mentioned in para 1.09 of Chapter I.

CHAPTER IV

TERM OF REFERENCE (II): TO REVIEW THE CONCESSIONS ALLOWED TO SALT MANUFACTURERS WITH A VIEW TO ASCERTAIN WHETHER TO WHAT EXTENT SUCH CONCESSIONS HAVE HELPED IN THE DEVELOPMENT OF SALT INDUSTRY.

4.01. The concessions allowed to salt manufacturers have been detailed in paras 1.07 to 1.11 of Chapter I. Broadly, they may be categorised as follows :—

- (i) Exemption of new small manufacturers from licensing and consequential control by the Salt Department.
- (ii) Complete exemption of small manufacturers (both licensed and unlicensed) from cess.
- (iii) Partial (50%) exemption of medium sized works from cess.
- (iv) Exemption of co-operatives from payment of cess, as practically in every case individual holdings work out to 10 acres or less.

While the above concessions have served some useful purpose and helped to keep small producers in business in the spirit of the Gandhi-Irwin Pact, it is clear that they have also given rise to unequal competition between various sectors of the industry. From the information and evidence which have come before the Committee it is our view that except in the case of very small or very big works, the cost of production of salt per maund between works of less than 10 acres and those over 10 acres but not exceeding 100 acres varies only in a limited way, given the same conditions and facilities regarding weather, supply of brine, nature of soil and human labour. This is so because, as a rule, the basic unit of production of salt, regardless of the aggregate area worked by a producer, is a pan (together with its complement of reservoir and condenser area), requiring only a certain amount of human labour to give optimum results. Therefore, whether the number of pans worked is small or large the effort and production cost per maund in terms of salt scraped and stacked on the drying ground near the pan area does not vary materially. In these circumstances, the cess differential of one anna per maund between small works (10 acres or less) and medium works (between 10 and 100 acres) on the one hand, and between medium works and large works (over 100 acres) on the other, frequently results in unequal competition even in the same locality. This is even more pronounced in areas where the basic production cost (at the site of production) may be as small as 3 to 4 annas per maund. Even amongst small manufacturers (10 acres or less) there is unequal competition between licensed and unlicensed works existing near each other. The former being subject to supervision and control by the Salt Department, have to adhere to the prescribed quality standard, transport their salt from the drying ground to the factory platform (for which a platform cess has to be paid), fill their salt in bags containing a standard quantity (2 maunds per bag), work during specified hours, observe the normal labour laws and

rules, file statistical returns with the Salt Department and have a check carried out by the officers of the Department before their salt is issued out of the factory. The result is that small licensed manufacturers although they are also exempt from the salt cess, have to incur substantial additional costs which unlicensed manufacturers do not have to bear. Comparing the actual cost of manufacture in a small salt factory and a medium sized factory, the present cess concession works out much more unfavourably against the more well planned and well run salt factories.

4.02. There are inequalities arising from other factors. The decision taken by Government in 1948 to allow manufacture of salt on areas of 10 acres or less without a licence and without payment of cess was based on the consideration that 10 acres might be taken to represent the largest area which a family or group of individuals could work economically without having to put in large capital in the enterprise. It was perhaps assumed that there would be no variation between the quantum of production of a ten acre plot in one region and another. Actually, production per acre varies so widely from one place to another that the 10 acre limit mentioned above could not but operate invidiously against some manufacturers while conferring large benefits on those working in areas of great productivity. As an illustration, an inland salt factory in Kharaghoda or Tuticorin may yield as much as 5,000 maunds per acre whereas in West Bengal and Orissa even 500 maunds per acre may be regarded as a good yield. In this connection the figures in the column under the heading "Production of salt per acre" in the Table given in Appendix C will be found significant. Broadly, it may be said that production for the same unit of area can vary as much as 1 : 10 in different parts of the country. Hence the financial benefit derived by small or medium sized works from cess concession (outright exemption or levy at half rate) also differs so widely from one area to another that the majority of licensed large scale manufacturers are never free from fear of unhealthy competition.

4.03. Since the production of practically all co-operative societies is exempted from the levy of cess medium and small scale manufacturers look upon the benefits given to co-operatives as constituting a threat to the organised large-scale sector. In the opinion of the Committee, this is a rather exaggerated view but it has to be conceded that the concession of total exemption from cess enjoyed by co-operative societies, enables the societies particularly those which manufacture large quantities of salt—to have substantial advantage over other manufacturers. (In Saurashtra the salt production by co-operatives in 1957 was 38 lakh maunds, similarly the Dharasna Co-operative Salt Sale Society in Surat District produced about 7.75 lakh maunds in the same year). This inequality is aggravated by the fact that a number of existing co-operatives do not appear to be organised and administered in the true spirit of co-operative principles, and the benefit of the concession is often reaped not by the actual workers who produced salt, but by intermediaries (financiers and traders) for whom the concession was never intended (cf. Chapter VII).

4.04. The Committee after careful consideration has come to the conclusion that the present system of cess concession (exemption or levy at half rate) on the basis of a prescribed limit of area has given rise to anomalies and malpractices which should be rectified in the interest of further development of the salt industry. As pointed out in para 4.02, production of salt per unit of area can vary from one place to another in the country as much

as 1 : 10. Therefore, a cess concession based on area instead of affording relief to small manufacturers on a uniform and rational basis itself gives rise to inequalities. In the circumstances, any concession in regard to the cess should be related to the quantity of salt actually produced and cleared, for it is from this that the manufacturer has to recover his costs and make some profit.

4.05. It has been represented repeatedly to the Committee in written as well as oral evidence by various bodies or persons engaged in or otherwise connected with the salt industry that rarely the benefit of the cess exemption actually goes to the worker or the small man for whom it is intended. The concession, it appears, is widely taken advantage of by financiers, traders, big landlords, etc. For example, it was stated that in the case of inland works in Saurashtra and Tuticorin, a person who owns a salt land or has leased it from its owner, nominally partitions it in plots of 10 acres each in the names of several relations and friends so as to escape the necessity of taking out a licence from the Salt Department, while enjoying the full cess concession for himself. He gives each 10 acre plot to hired labour just as the *bona fide* licensed manufacturers would do. But in most cases, he pays much less to his labour than licensed manufacturers in the same area as there is no control or check on his activities. At the end of the season all salt is collected and heaped at one place though in the accounts it is shown that this salt was bought from the various 10 acre plots. Such manipulation enables these unlicensed manufacturers to sell their salt at a lower rate and still make more profit than licensed manufacturers.

4.06. The pattern of abuse may vary but whatever the expedient adopted, the underlying intention is to keep out of the licensing system, to have freedom to set up salt factories in an unscientific and slipshod manner to evade payment of cess and at the same time pay unorganised labour less than its due. In the course of its visit to salt producing areas, the Committee came across several instances where unlicensed production of salt was being carried on by middlemen and a good deal of money was invested in such works as boring of wells, digging brine supply channels, and aligning or realigning salt works. It is thus clear that many unlicensed salt works are being run by or with the backing of financiers and constitute a serious threat to licensed salt factories. Because of their inability to withstand such unequal competition in several instances the latter have suffered a decline in production; in some cases, licensees have left off manufacture in their factories and have started unlicensed production themselves not far from their original licensed factories.

4.07. Curiously enough it is not only on private lands that unlicensed production is carried on. In many cases land belonging to the State Government is utilised for this purpose and the modus operandi adopted appears to be as follows. The person or persons concerned locate some unoccupied uncultivable land belonging to the State Government and suitable for manufacture of salt and start producing salt there without obtaining any lease or licence. In course of time, this 'encroachment' may be detected by the local Revenue authorities whereupon the usual notice is given to the party concerned by those authorities. The offender applies for regularisation of the encroachment on payment of prescribed assessment, etc., and this is done without imposing any further penalties. Eviction is not resorted to except in very "objectionable" cases, *i.e.*, where the encroachment is on land required for a public purpose (*e.g.*, burial ground etc.) or for some special use. Such a situation does not ordinarily arise in case of encroachment for

manufacture of salt. Unlicensed manufacturers thus appear to enjoy all the advantages of small scale manufacture and at the same time have freedom from responsibility, regulation and control. Instances are not unknown where the encroaching parties chose to settle down on lands adjacent to licensed factories in such an advantageous position with respect to brine supply, roads, trading facilities etc., that licensed factories suffer a decline in production or go out of production; sometimes the licensees are compelled to take to unlicensed production themselves.

4.08. The Committee feels that it is essential that steps should be taken to ensure that all manufacture of salt is brought under a proper system of regulation and supervision, a graded rate of cess and some measure of protection to salt labour in the matter of wages and welfare measures particularly in the smaller factories. It also feels that a system should be so devised which will help to eliminate the malpractices now prevailing in the industry and check the present tendency towards sub-division and fragmentation of holdings. Such a measure is essential in the interest of the salt industry and welfare of salt labour. Detailed recommendations regarding this are given in Chapter XI.

CHAPTER V

TERM OF REFERENCE (II) : TO FIND OUT WHETHER SMALL MANUFACTURERS OF SALT EXPERIENCE ANY PRACTICAL DIFFICULTIES CALLING FOR ASSISTANCE

5.01. Small manufacturers, as distinguished from large manufacturers, may be deemed to belong to two categories *viz.*, (i) those with salt works of 10 acres or less and (ii) those with salt works of above 10 acres but not exceeding 100 acres. Category (i) again includes (a) licensed and (b) unlicensed producers. So far as unlicensed producers are concerned, they are not subject to any restrictions or control and as explained in some detail in Chapter IV, they appear to have enjoyed all the advantages without being subject to any disability. As regards licensed manufacturers, their main demand is protection against unequal competition from unlicensed manufacturers. Another need is financial help in the shape of loans from Government at low rate of interest so that salt manufacturers do not fall into the clutches of unscrupulous financiers. Inadequate brine supply do to silting etc., and absence of good communications (roads, railway sidings and canals) are also mentioned as handicaps from which small manufacturers suffer. It was repeatedly urged before the Committee that Government should pay more attention to development works required for small and medium size manufacturers and see that all repair and renewal works (desilting of brine channels, maintenance of roads, etc.) are executed by the Salt Department well in time before the commencement of the manufacturing season every year and that new capital works designed to increase production and help manufacturers in other ways are also undertaken with vigour and speed. Attention was also drawn to the fact that under the present system, individual holdings are being sub-divided every time property changes hands on inheritance or with the object of evading cess. It was accordingly urged that such fragmentation should be prevented and steps taken to consolidate small holding into larger and economic units. In some cases the area of a holding is only a fraction of an acre. Consolidation of such holdings is a vital necessity because otherwise realignment of works on scientific lines will not be possible and improvement in output or quality of salt will be difficult.

5.02. Lack of suitable land for expansion of works or realignment is another difficulty frequently complained of by small manufacturers. In this connection a suggestion was made that as in the case of agriculture lands, lands adjoining salt works, whenever available should be offered in the first instance to the owners of contiguous salt works.

5.03. Manufacturers who have been producing salt for several decades past on lands held on lease from Central and State Governments represented before the Committee, that the present tenure of leases (5 to 25 years) is relatively short and altogether unsuitable to ensure proper development of the salt industry. It was stated that in view of the insecurity

of short term tenures the lessees are interested more in obtaining immediate returns and not in investing on capital works like pumping stations, trolley lines, internal roads, electric power-houses or sub-stations, or in setting up experimental units for recovery of by-products, etc. Nor it is possible for lessees to obtain advances or loans on the security of land held on short-terms leases. It was, accordingly, urged by small as well as large manufacturers, that wherever Government land was leased out for production of salt, such leases should be granted to the existing lessees, or if necessary, to other more deserving parties on the basis of permanent assignment or for a substantially long term, such as 99 years.

The recommendations of the Committee in regard to the above difficulties of salt manufacturers will be found in Chapter XI.

CHAPTER VI

TERM OF REFERENCE (IV): TO EXAMINE WHETHER THE STATUTORY PROVISIONS SUCH AS THOSE IN THE MINIMUM WAGES ACT CAN BE MADE USE OF TO HELP THE LABOUR EMPLOYED IN SALT INDUSTRY

6.01. At present, there is no uniformity in the application of labour laws to salt works situated in different States. Briefly, the position is as follows :—

- (i) *Rajasthan Salt Sources.*—The Minimum Wages Act has not yet been made applicable to the salt industry in Rajasthan but the Factories Act has been applied to the Government Salt Works at Sambhar.
- (ii) *Bombay Region.*—The following Acts have been made applicable to salt works in Bombay State :—
 1. Factories Act, 1948.
 2. Payment of Wages Act, 1948.
 3. Industrial Disputes Act, 1947.
 4. Bombay Maternity Benefit Act, 1929.
 5. Industrial Employment (Standing Orders) Act, 1945.Certain salt manufacturers have questioned the validity of these enactments to the salt industry.
- (iii) *Madras Region.*—The Minimum Wages Act has not been applied so far to the salt industry but the Factories Act has been made applicable to the major salt works, where power is used in the process of manufacture or crushing of salt and more than ten persons are employed.
- (iv) *Calcutta Region.*—Neither the Factories Act nor the Minimum Wages Act has so far been enforced in the salt industry in this region which includes the States of West Bengal and Orissa.

6.02. Manufacture of salt is being carried on in the country in works of various sizes and under various forms of management. There are some very big works with large areas, employing a large body of workers and producing several lakh maunds of salt per year. On the other hand, there are small licensed works of only a few acres, or sometimes even less than an acre, and unlicensed works of varying sizes up to 10 acres. The smaller works provide hardly enough work to keep even a few workers engaged wholtime during the manufacturing season. Again, in some cases the owner or lessee of a salt work himself manufactures salt assisted by the members of his family. In other cases, he may engage some hired labour to supplement his own efforts. On the other hand, in a large number of cases the producer does not himself work in the field but manufactures salt wholly by means of hired labour. Payment to labour also

takes different forms. It may be daily-rated, monthly-rated or on piece basis, or, in some cases, both in cash and kind.

6.03. With such variegated patterns of working and payment, the conditions of labour in the salt industry also differ widely in different places and works. In some of the bigger works which were visited by the Committee, there was evidence of some welfare measures having been taken by the employers for the benefit of their labour and of the latter being paid fair wages. The Committee was, however, distressed to see several cases where labour was paid little more than a pittance and labour amenities were practically non-existent. Particularly so appeared to be the case in unlicensed works where, because of the absence of any check whatever, not only were the wages very low but the effective payment also, in certain cases, was whittled down further by the recording of false weighment by the owners of the works or by actual short payment. The Committee feels that positive action is called for to ensure generally that malpractices directed against the interests of labour are eradicated, weighments are done properly as in the case of licensed factories so that the contract workers (agarias) get their due return, the wages paid to the daily paid labour are reasonably fair and that amenities are provided and other measures taken to promote their welfare.

6.04. It was represented to the Committee on several occasions by medium and large manufacturers that the labour employed in licensed factories is sufficiently well-organised to demand and secure fair wages which are sometimes even higher than the wages of labour employed in agriculture or other rural industries. Salt manufacturers have generally opposed the application of the Minimum Wages Act to the salt industry. They urge the view that in the first place, such a measure is hardly feasible so far as licensed factories are concerned, because the wages paid by the latter are usually very fair. They maintain that it is not possible to apply statutory provisions like those of the Minimum Wages Act or the Factories Act to labour in salt works because of the peculiar conditions under which salt manufacture is carried on. Salt production is a seasonal occupation, depending to a large extent on climatic factors and other natural conditions like rain, wind, tide, etc., over which human agency can have no control. In many cases, workers in salt factories are only part-time or seasonal workers, their main occupation being agriculture. Their hours of work cannot always be fixed either in point of time or working hours. The system of payment also differs in different parts of the country. In Saurashtra, where good quality salt is easily produced, payment to labour is generally made on piece basis *i.e.*, at so much per maund produced. In the Madras region, piece rate system is not popular as it may give rise to deterioration in quality, and therefore a system of daily wages is preferred.

6.05. While it may be true that progressive salt manufacturers are not oblivious of the need for paying their labour fair wages and providing reasonable amenities to them, the backward condition of labour employed in the salt industry generally and that they have to work in areas far from towns in inclement weather conditions require that special attention should be paid to improvement in wages and working conditions.

6.06. In so far as the application of labour laws like the Minimum Wages Act, the Factories Act etc., are concerned, since the responsibility for administering these laws is that of the State Governments, those Governments should be urged to apply the material provisions of such laws to

salt works to the extent possible, having regard to the peculiar seasonal character and conditions in which manufacture of salt and allied operations are carried on. The Salt Department should have a 'labour cell' which will follow up and review from time to time the progress made by the State Governments concerned in this regard. This cell would also arrange to collect and maintain regularly up-to-date statistics of wages paid to salt labour and working conditions in various parts of the country.

6.07. As regards welfare of salt labour in other ways, section 4(b) (v) of the Salt Cess Act, 1953 provides for utilisation of part of the proceeds of the salt cess on measures for 'promoting the welfare of labour employed in the salt industry'. Accordingly, in keeping with the importance and urgency of the need for effective action in this direction, the Committee considers that a Welfare Fund should be started for the provision of amenities required by salt labour. This fund should be administered by an autonomous body which should ensure that the funds are fully and expeditiously utilised for promoting the prescribed objects.

Specific recommendations in regard to the above matters are contained in Chapter XI.

CHAPTER VII

TERM OF REFERENCE (V): TO ASSESS THE PROGRESS MADE
IN RECENT YEARS IN THE ORGANISATION OF CO-
OPERATIVES IN THE SALT INDUSTRY AND OTHER
MATTERS ALLIED TO IT WITH A VIEW TO
ENCOURAGE THE GROWTH OF CO-
OPERATIVE SOCIETIES FOR THE
MANUFACTURE OF SALT

7.01. From 1948 the Salt Department has been following the policy of giving systematic encouragement with a view to formation of co-operative societies of small-scale salt manufacturers. In that year, instructions were issued by the Department to the Regional Officers that co-operative societies should have preference over individual manufacturers in the matter of leasing of Government lands and issue of licences. No assignment fee was to be charged for the land leased out to co-operative societies. Efforts were also made by the Salt Department to promote formation of co-operative societies through persuasion and educative propaganda among the licensees on the advantages of co-operation. It was, however, found that the following practical difficulties often stood in the way of formation of co-operatives :—

- (i) Local factions and feuds.
- (ii) Lack of appreciation of the benefits of co-operatives.
- (iii) Scattered holdings of licensees.
- (iv) Lack of trained personnel and leadership for co-operatives.
- (v) Lack of finance.

In spite of this, some progress was achieved. In 1948, the total number of co-operative societies of salt manufacturers was only 4. In subsequent years more Salt Co-operative came into existence. The following statement will indicate the rate of progress from year to year :—

Year	No. of societies in existence	No. of newly formed societies	No. of societies liquidated	Balance
(1)	(2)	(3)	(4)	(5)
1948	4	..	..	4
1949	4	2	..	6
1950	6	3	..	9
1951	9	3	..	12
1952	12	12	..	24
1953	24	1	1	24
1954	24	..	6	18
1955	18	6	1	23
1956	23	6	..	29
1957	29	4	2*	31

*These two societies have been amalgamated and a new society formed.

A statement showing the area, production, membership, etc., of the co-operative societies in the various regions for the three years 1954-55, 1955-56 and 1956-57 is placed at Appendix D. It will be seen that, generally speaking, there has been some progress both in regard to the number of societies formed and the production attained by them. However, this progress cannot be regarded as satisfactory. In the year 1956-57 there were only 19 societies in the country which actually produced salt of these 8 were in Bombay region, 8 in Madras region and 3 in Calcutta region. It is a matter of regret that the co-operative movement has not made any great headway in the salt industry in spite of the cess concession and other encouragement and in certain cases, particularly in the year 1954, a number of Salt Co-operative Societies had to go into liquidation.

7.02. From what it has seen of the working of various societies in course of its tour, the Committee has come to the conclusion that while some of the existing societies are functioning in the true spirit of co-operative enterprise and have been of real benefit to their members, the salt workers, there are others which appear to have been formed mainly with the object of taking advantage of the cess concession. Besides there are considerable variations in regard to membership, composition, management and the mode of working of these societies. For example, there are societies composed wholly or mostly of workers, who are allotted certain areas by the society and actually work in the pans themselves to produce salt. Their production is made available to the society which pays for it at agreed rates and arranges for its marketing. In some cases, the marketing is left to the worker—members themselves and the society only collect a certain fee or charge for its service. In some societies, the membership includes, besides salt workers, others who are generally termed a sympathisers; the management, however, is in the hands of worker-members. There are certain societies where the number of worker-members actually engaged in the work in the salt pans, is small relative to the other types. For example, a Salt Workers Co-operative production and sale Society in the Madras region, which was registered in 1950, has a membership of 25, of whom 15 are shown as workers and 10 are sympathisers. Of the worker-members, however, only 4 are actually working in the fields. Thus in effect the society consists more of sympathisers than workers. Since the formation of the society seven years ago there has been no increase in the number of worker-members.

7.03. While in all fields of national activity co-operative effort irrespective of the form, should be welcome, it was obviously with the object of improving the lot of persons (particularly workers) actually engaged in the manufacture of salt, the Government extended cess concession and other forms of encouragement to co-operative societies of salt manufacturers. Recently, the Reserve Bank of India (Agricultural Credit Department) Madras has undertaken a study of the working of salt co-operative societies in Madras State. In the light of the facts which have come to the notice of the Reserve Bank and this Committee it may be stated that genuine co-operative societies of salt manufacturers have to reckon with several difficulties.

7.04. To mention some of these, the main problem of the co-operative societies of salt workers is lack of adequate initial capital. The central co-operative banks can be expected to finance only the working expenses and not the capital investment of the society. In actual practice, central

co-operative banks do not usually come forward to assist salt co-operatives with the required funds. The share capital position of the societies is generally very weak as their membership consists mostly of poor worker. The solution lies in strengthening the share capital with Government help and providing long-term loans repayable over a period of, say, 20 years and instituting a system of voluntary deductions from workers' earnings to be converted into shares. As regards working funds required for recurring expenditure, where such funds cannot be arranged from the central co-operative banks, loans should be granted out of the proceeds of salt cess. The Salt Department should also provide technical guidance and keep a particular watch over the working of the societies which receive financial help from Government. It is essential to associate experienced non-officials and departmental officials more closely with the working of the co-operative societies in the initial stages. In Madras State, senior inspectors of Co-operative Department have been, in some cases, made available to the salt producing co-operative societies for working as Secretaries of societies. The Salt Department should render similar help. In fact, it should have a pool of suitable trained personnel who could be attached to salt co-operative societies.

7.05. It has been suggested in Chapter IV that the present system of exemption of small manufacturers from cess on the basis of area of salt works should be replaced by a graded system of cess levy related to actual production of salt. However, co-operative societies of salt manufacturers should, as at present, continue to get the benefit of exemption from cess. The main justification for this concession is that members of salt co-operatives are generally small manufacturers who cannot survive without this protection. In view of the declared policy of Government to aid and encourage organisation of co-operatives, co-operative societies should in addition be eligible for financial help in the same way as the co-operatives of handloom weavers etc., for their various requirements including organisational expenses, marketing facilities, training schemes etc.

7.06. Applicants for constitution of new salt co-operatives or existing societies which desire to extend their operation in accordance with a plan approved by the Salt Department, should as at present, be accorded preference over other manufacturers in the matter of assignment of Government lands. They should be charged assignment fee at concessional rates, unless such fee cannot be waived altogether.

7.07. Where small licensees holding contiguous areas agree to 'pool' their holdings into a compact area fit for realignment on scientific lines, Government should carry out such consolidation and realignment without any charge provided that the licensees constitute themselves into a co-operative society and transfer their individual holdings to the society.

7.08. Apart from co-operative societies of salt manufacturers, there is room for the organisation of other types of co-operatives in the salt industry. For example, individual producers or a society may produce salt at an economic cost and may still be not able to market their production at an economic price. There is, therefore, need for organising marketing co-operative societies with individual manufacturers as members or co-operative unions with salt producers' co-operatives as constituent members, and for

this purpose Government should provide necessary help and encouragement. Again, there may be labour co-operative societies of labour employed in manufacture of salt or allied operations. Such societies will go a long way to protect labour against exploitation and ensure security of continuity of employment and payment of fair wages. Further, as salt labour and workers have often to stay for months together in or near salt works far away from towns, the setting up of co-operative stores for supply of essential commodities to their constituent members at reasonable prices would be of great advantage. In the absence of such facilities, salt workers have to buy their daily requirements at inflated prices.

Specific recommendations on points arising out of this chapter are contained in Chapter XI.

CHAPTER VIII

TERM OF REFERENCE (vi): TO ASSESS THE EXISTING SYSTEM OF QUALITY CONTROL ON SALT KEEPING IN VIEW THE DIFFICULTIES OF MANUFACTURERS AND THE REQUIREMENTS OF THE CONSUMERS INCLUDING THOSE OF THE SALT BASED INDUSTRIES AND THE EXPORT MARKET

8.01. Prior to 1948, the question of quality control over salt did not receive any serious consideration. The Salt Experts Committee (1950) appointed by the Government of India in that year examined this matter and recommended that there should be a standard for salt meant for human consumption and that the Indian Standards Institution be asked to draw up a specification for this purpose. That Institution prepared the following standard :—

- (i) Moisture—Not more than 6%.
- (ii) Sodium chloride 96% minimum.
- (iii) Insoluble impurities 1% max.
- (iv) Other impurities—3% max.,

The Salt Experts Committee was inclined to consider this standard to be on the low side and was of the opinion that it should be raised to at least 97.5% NaCl. Government decided to adopt the standard of 96% NaCl recommended by the I.S.I., which, however, was to be attained only by stages. The minimum standard for edible salt in 1951 was fixed at 92% NaCl. Subsequently, this standard was gradually stepped up and from the 1st January, 1957, it was raised to 95% NaCl which is still current. The intention was that the standard of 96% NaCl specified by the I.S.I. should be attained by the 1st January, 1958. But representations were received from various quarters against the necessity of enforcing quality control. Government decided that the entire question should be gone into by this Committee and accordingly this item was included in its terms of reference.

8.02. In the replies received by the Committee to its questionnaire as well as the evidence presented to it, widely divergent views have been expressed by salt manufacturing interests regarding the necessity, desirability and feasibility of quality control over salt. Some manufacturers have expressed the view that such control should be enforced rigidly, the standard being kept high (say, 96% NaCl) and uniform throughout the country. As against this, others have urged that effective and equitable system of enforcing quality control over salt is not feasible and that in view of the present over-production of salt in the country the matter could be safely left to the forces of competition in the salt trade and consumers' preference, because manufacturers would produce salt of the quality required in the market. There are others who are in favour of a quality control but maintain that it should not be rigid and punitive in character

but advisory and promotional. It is also urged by some that a uniform standard should not be prescribed and enforced throughout the country; but that in areas where good quality salt can be produced easily it may be kept at 96% NaCl, in other areas where for reasons of climatic factors or other natural difficulties, production of salt of such standard is impracticable or uneconomic the standard should be suitably reduced. It has also been represented to the Committee that enforcement of a quality control over licensed salt manufacturers is somewhat inequitable considering that unlicensed production of salt, which has now assumed serious proportions in the country, is not subject to such control.

8.03. In so far as requirements of salt for our heavy, chemical industries and export markets are concerned, the Committee is emphatically of the opinion that salt of as high a purity as possible should be produced and that Government should do everything possible for encouraging production of such salt. However, in these cases it is not necessary for the Salt Department to exercise an effective day-to-day quality control, because the purchaser gets in touch with the manufacturer (or exporter) directly and enters into a contract for supply of salt of the required specifications, failing which he runs the risk of rejection of supplies or non-payment at stipulated rates. But, if India is to secure and maintain a competitive position in the export market it would be desirable to provide for checks by proper authorities so that export of salt of specifications lower than those agreed upon between the exporter and the foreign purchaser is discouraged or prevented.

8.04. As regards salt for edible use, the Committee is of the view that the standard of 96% NaCl set up by the Indian Standards Institution is a desirable standard to achieve. In fact, in keeping with the progressive trends elsewhere in the world, there should be a continuous endeavour to attain an even higher standard in course of time. It may be that salt with sodium chloride content of considerably less than 96% is not injurious to human health if the other constituents represent only the commonly found chemical impurities. But at present in certain places, manufacturers of salt, especially those who do not take out a manufacturing licence, produce salt containing an appreciable percentage of physical impurities or insolubles which make the product unwholesome and unhygienic. But there is some demand for this salt particularly from those who cherish an erroneous belief that 'impure' salt is more conducive to health than white salt. However, there could be no real improvement in the salt industry if the quality aspect is disregarded. Therefore, it is necessary to provide constant inducement to the manufacturers to produce salt of high purity.

8.05. Rigid enforcement of any prescribed quality standard is likely to cause genuine hardship to producers particularly small manufacturers. It would also be difficult to devise a system of control which would operate equitably and not be open to abuse. Under the present system of test of salt samples by the Salt Department, only one or two tests are carried out in respect of the production of a licensee in a year. In the case of small licensees (who sometimes work an area of only a fraction of an acre each) it is not possible to check the quality of salt produced in each pan separately. It would, therefore, be more helpful if, instead, the Salt Department gave all inducement, help and guidance to the producers to improve

the quality of salt, such assistance being made available to the manufacturers at all stages right from the time of laying the pans up to the time of collecting and storage of salt.

8.06. Much of the complaint about poor quality of salt arises from the fact that unlicensed manufacturers of salt are in the habit of producing any quality which they can market at a price lower than the salt produced by licensed manufacturers. With the extension of the licensing-*cum*-registration system to all manufacturers as suggested in para 11.01 of Chapter XI, it is hoped this tendency would be checked. Another factor which needs attention is the widely prevalent practice of absentee Landlordism. The owner or the original lessee of the salt land does not himself manufacture salt but gives the land to others on lease or sub-lease to another party for a short period. The lessee or sub-lessee is sometimes anxious to make as much money as he can during the period of the lease and is generally not keen on effecting improvement in quality for which a basic improvement in the layout of salt works and the technique of production requiring investment of capital would be an essential prerequisite. This practice of absentees ownership is in vogue particularly in areas where the holdings have become very small as a result of sub-division or fragmentation through inheritance of property, etc. In these cases, necessary improvement in quality would be possible if the system of absentee landlordism is discouraged, small holdings are consolidated into larger units and the salt works realigned on scientific lines.

8.07. Apart from effecting improvement in the quality of edible salt, it is necessary to provide for manufacture of special varieties of salt for special purposes. For example, in several countries, table salt of specific composition is consumed in large amounts. Such salt usually contains calcium phosphate as well as drying agents that keep the salt in a free flowing condition. In India what is used as 'table salt' does not quite conform to rigid specifications laid down for such salt and, therefore, the salt offered for sale for this purpose is referred to as vacuum or solar salt. In certain cases it is considered that salt is a medium through which balancing chemicals required for maintaining the health of a population can be added. For instance in Himachal Pradesh there is a prevalence of goitre which is attributed to the absence of iodine in salt. This lacuna can be made good by adding potassium iodate to salt mechanically in the proportion of 1 : 40,000. The Salt Department has installed a pilot plant (capacity 5 tons per day) at Sambhar Salt Works for producing iodised salt which is at present supplied to parts of Kangra District of Punjab and also NEFA in pursuance of experimental anti-goitre project undertaken by the Ministry of Health in collaboration with W.H.O. UNICEF has now agreed to put up another plant for which funds will be provided by W.H.O. A blue print for this plant has already been drawn up. Its capacity will be 6 tons per hour and the target of production of iodised salt has been fixed at 16,000 metric tons per annum. It is proposed to include a number of other districts in the sub-Himalayan tract in the zone of distribution for iodised salt.

8.08. The requirements regarding physical properties or presence of impurities in salt vary to a great extent in different industries. In the Dairy Industry for instance, solubility is of prime importance and the different brands of butter salt cheese salt and other products will show a

wide range in the rate of solubility. The Food Industry in particular, demands the elimination of insoluble matter to the maximum possible extent. In some cases the tolerance is not more than 10 parts per million of insoluble materials. In flour salt, uniformity of particle size is of maximum importance because an excessive amount of fines or salt dust hinders its blending with the other ingredients. A recent pamphlet of the Diamond Crystal Salt Co. of Michigan lists 62 varieties of salt which they offer for sale. Unless steps are taken to ensure that salt of special grades and specifications required by different branches of industry is produced, we may be unable to meet rising industrial demands from indigenous production. It is, therefore, necessary that in the years to come the Salt Industry should give greater importance to production of better quality industrial salt than to continued production of edible salt alone.

Recommendations of the Committee in regard to quality control over salt are contained in Chapter XI.

CHAPTER IX

GROUND RENT, ROYALTY, ETC., ON SALT

9.01. The Committee in course of its tours of salt producing areas received representations from several licencees to the effect that there is no uniformity in the existing system of levy of rent and royalty on land which in certain States imposes a very heavy burden on the industry. It was accordingly urged that certain norms should be prescribed for the ground rent chargeable on land used for manufacture of salt and no royalty of any kind should be levied on production.

9.02. The present factual position may be summarised as follows :

The rate of ground rent payable to the States or the Central Government in respect of land under salt production varies from State to State and in certain cases from one region to another in the same State.

In *Bombay* a number of holdings, of which the total area is nearly 18,000 acres, are held under lease by the Central Government from the State Government. The Salt Department makes a payment of Rs. 36,000 annually to the State Government as compensation in respect of non-agricultural assessment leviable on those salt manufacturing lands on which land revenue could have been but was not levied. The Salt Department in its turn recovers from the lessees of these various holding ground rent at the rate of one pie (1/12 anna) per maund. The total recovery on this account approximates to nearly Rs. 60,000. Certain lands were leased by the *Bombay* State to the Central Government after 1941. Compensation in respect of these lands is paid at the rate of Rs. 2 per acre in lieu of non-agricultural assessment which the State Government forfeits by reasons of the land being used for salt manufacture. The Salt Department, however, recovers ground rent from these lessees also on the same basis as is applicable to lessees of lands leased by the Central Government before 1941 i.e., at one pie per maund of total production.

In *Madras* the rate charged by the State Government for lands leased to salt manufacturers is the non-agricultural assessment based on 'taram' assessment fixed at the time of settlement. Salt lands are usually assigned a very low category among various categories of land and the assessment ranges between -/6/- and -/12/- or -/14/- per acre. Besides this 'non-agricultural' assessment, an educational cess and surcharge at the rate of -/5/- per rupee and -/2/- per rupee respectively of the assessed rental are charged. As generally the basic assessment does not work out to a large amount, the incidence of cess and the surcharge on this is also inconsiderable.

In *Andhra Pradesh* the method of assessment or the incidence does not materially differ from that in *Madras*.

In *West Bengal* the rental paid by one of the important salt producers, M/s. Bengal Salt Company, who hold a lease of nearly 606 acres of land

from West Bengal Government, is Rs. 2 per acre per annum. The other salt manufacturers, M/s. Great Bengal Salt Company, are paying as much as Rs. 3 per acre per annum possibly because the tenure of their lease is shorter than that of the other company. On the other hand, in the contiguous State of Orissa the rate of assessment of salt producing lands does not exceed Rupee 1 per acre per annum.

9.03. Regarding *royalty*, no charge on this account is made in States of Madras, Andhra Pradesh, West Bengal and Orissa. In Bombay the State Government did not levy any royalty on production of salt in any of the salt areas included in the old Bombay Presidency. But certain payments have been stipulated in lease agreements with some of the old Princely States e.g., Baroda, Kutch, Dhrangadhra and Bhavnagar, which were later included in the composite part 'B' States of Saurashtra before the State of Bombay was reconstituted in the present form. The rate of royalty varied from 3 pies per maund in case of Maliya Salt Works to -/6/- per ton in case of Bhavnagar Salt & Industrial Works, Bhavnagar, -/8/- per ton for Maharaja Salt Works, Lavanpur and Halar Salt & Chemical Works, Jamnagar, and Rs. 1/8/- per ton in case of Mahalaxmi Salt Works. In December, 1951 a recommendation was made by the Central Government in the late Ministry of Works, Production & Supply to all State Governments that no royalty should be levied on salt production and payments for salt lands should be restricted to ground rent only. On this the late Government of Saurashtra ordered a general reduction of royalty to Re. 1 per ton on salt produced from inland salt works. In July, 1957 the matter was taken up with the Government of Bombay for waiver of royalty charges on all salt exported to foreign countries. That Government agreed to abolish the levy of royalty on these exports on 18th December, 1957. This helped to provide the necessary encouragement to Indian export trade in salt during the year 1957-58.

9.04. In the State of Rajasthan where almost all salt producing areas are on lease to the Central Government, rent and royalty payments constitute a very high percentage of the total value of all salt produced from these areas. The following areas are under lease to the Government of India under the Treaties entered into with the late Jaipur and Jodhpur Darbars by the then Government of India during the years 1869 and 1879 :—

- (i) Sambhar (including Nawa, Gudha, Kuchaman Lake etc.),
- (ii) Kuchor-Rewasasur etc. (including the villages of Rewasa Kuchor, Nimbora and Mundpora),
- (iii) Didwana,
- (iv) Pachbadra,
- (v) Luni, and
- (vi) Phalodi.

The payments of rent agreed to by Government of India in cash and kind in respect of these areas include the following elements :—

- (a) revenue accruing to the States from these areas prior to the transfer to Government of India;

- (b) Considerations due to monopoly rights given to the Government of India for manufacture of salt within the above States; and
- (c) payments in consideration of suppression of salt manufacture (and levy of duty) by the Darbars in their territories.

The revised agreement concluded by the President of India and Rajpramukh of Rajasthan on 1st April, 1950 at the time of Federal Financial Integration provided for the following payments in respect of these salt sources. These payments are in force at present :

- (1) Rent—Rs. 9,74,704-7-10,
- (2) Royalty to be paid in cash at 40% of the sale price of salt removed from Sambhar Salt Sources in excess of 17,25,000 maunds, and
- (3) 2,25,000 maunds of salt at a price not exceeding Rs. -/8/- per maund.

9.05. Considering that of the areas mentioned in the preceding paragraph there is no production of salt except at Sambhar, Didwana and Pachbadra (which is run at a loss because of inadequate brine supply, unfavourable situation and other natural factors), the annual rental, which is debited directly to manufacturing costs is unconscionably high and bears no relation to the rate of non-agricultural assessment charged in other States or what would be generally paid by private salt manufacturer in this or any other part of India. The basis of royalty payment, which is 40% of the total sale proceeds of salt produced at Sambhar Salt Source over and above a minimum production of 17,25,000 maunds, has also no parallel in comparable undertakings in the public or private sector. The present selling price of Sambhar salt is only -/10/- per maund and thus for every maund of salt cleared from the salt source, over and above the exemption limit of 17,25,000 maunds, nearly -/4/- have to be paid to the State Government. Assuming an average production of 70 lakh maunds the total royalty payable on production of salt at Sambhar works out to be nearly Rs. 12 lakhs per annum. (This is in addition to the annual rental of Rs. 9,75,000). As royalty is to be included in the cost of production, its net incidence, after making an allowance for the quantity of salt exempted from royalty, works out to be as much as 30%, which is obviously uneconomic. The combined effect of large royalty and rent payments is that practically no margin is left for providing amenities to labour employed at the salt works or ploughing back part of the profit into the industry for its future development or research or investigation of some of the pressing problems of production, e.g., algae in brine, improvement of quality of salt and utilization of bitters.

9.06. As labour costs are the main ingredients in the cost of production of salt and the difference between the price at which it is marketed and the cost of manufacture is relatively small, and as further, salt is no longer a source of excise revenue to Government, the Committee feels that there is hardly any scope for charging royalty on production or imposing land rent on any basis other than that of non-agricultural assessment levied in the States of Bombay, Madras, etc.

9.07. The Committee was glad to note that recently the Government of India has promoted the Hindustan Salt Company (Private) Limited to manage and run the Government salt works at Kharaghoda, Sambhar and Didwana. While the establishment of such a company will no doubt accelerate the development of salt industry including by-products and ancillary chemicals, it will not be possible for the Company to work in a commercially profitable manner with the present levies and burdens in the form of royalties and land rent. In the view of the Committee, therefore, the Government of India and the Rajasthan Government should settle these questions through mutual negotiations so that the land rent and royalty payable by such a public sector enterprise are not heavier than for its counter-part in the private industry. The Committee also is of the view that the different rates of ground rent, royalties and other levies on salt should be rationalised and made uniform throughout the country as far as possible. The ground rent should not exceed Rs. 2 per acre. The other levies and royalties now charged by the State Governments should be abolished through mutual negotiations between the Central Government and the State Governments.

CHAPTER X
WAGES AND WELFARE OF SALT LABOUR

10.01. The wages paid to the labour employed in operations connected with manufacture of salt in India do not conform to a uniform pattern. Not only the wages vary from State to State and within a State from one Region to another but also the basis of payment is generally determined by local traditions. In some States, the Minimum Wages Legislation has not been made applicable to the salt industry. Further, as manufacture of salt is confined to certain months of the year, labour employed in this industry is of a seasonal character, agriculture work being their main stay during the off-season. Thus, there are few manufacturers who employ labour in salt pans on the basis of daily rate of wages. The more common basis is one of employment on contract or payment at the rate of specified outturn or quantum of production.

10.02. (i) In most of the salt factories in Madras Region, labour is employed under a traditional system which is popularly known 'Kudivaram'. The labour is paid for the manufacture of salt on the basis of quantity produced and delivered at the platforms. The Kudivaram rate varies from Rs. 20 to 25 per garce (120 maunds). Generally one worker together with the members of his family is allotted an area of one to two acres comprising 40 to 50 salt pans by employer. The allottee has to carry out all preliminary operations connected with the preparation of beds, i.e., condensers and crystalizers and render them fit for raising the salt crop at his own cost. He is also required to make his own arrangements for supply of brine, except in certain cases where brine is supplied by salt manufacturer by installing pumping set. In such cases, the rate of Kudivaram payable to labour is correspondingly adjusted. The advantages of this system are that the salt worker usually finds work for the members of his family also in connected operations like transport of salt from the pans to the platforms and in certain cases carting of salt from the platforms to the despatching stations. At the commencement of manufacturing season, the employer makes advance payment to labour which is subsequently adjusted against the Kudivaram payable for salt actually produced. Since the yield of salt varies from place to place, the earnings of labour employed on Kudivaram basis vary considerably depending on such factors as length of manufacturing season, rainfall and volume and density of brine.

(ii) In Tuticorin area in Madras State, labour employed in salt factories is paid on the basis of daily rate. The net earnings are Rs. 25 to Rs. 30 higher than the corresponding earnings of labour employed in the northern factories of Madras State. The rates of wages range from Re. 1 to Rs. 1/12/- depending on type of work. For example, for such jobs as scraping and storage of salt, it varies from -/14/- to Re. 1 per day. For work connected with the maintenance of pans, supply of brine by Picotas, male labour generally gets Re. 1 to Rs. 1/12/- per day. Payment for weighing bags and loading operations is made generally at the rate of -/1/6 per bag of two maunds, which, assuming an average of 160 bags done in a

course of 8 hours by a party of 8 people, works out to Rs. 1/12/- to 2 per day for each worker.

10.03. (i) In Bombay State, the approximate rates of wages paid to labour employed in salt factories vary from place to place. Although the wages are paid on piece-work basis, the average earnings of Hamals (labourers) come up to Rs. 6 per day during the busy season when the salt production is at peak. The average earnings of the other categories of salt labour range between Rs. 55 to Rs. 70 per month.

- (i) For manufacturers *i.e.*, for scraping, heaping, washing, of salt in pans and its carriage to the platform As 3/- to As 6/- per B. Md.
- (ii) Boatmen & Tindels (for carriage of salt bags in creeks) Rs. 60/- to 75/- per month.
- (iii) Loaders (for loading of salt bags in boats) Rs. 1/4- to 1/8/- per Anna *i.e.*, 80 B. Mds. of salt.
- (iv) Hamals for unloading of salt bags in boats and loading in wagons) Rs. 15/- to Rs. 20/- per wagon load of 550 maunds, depending upon the distance from the point of carriage to the wagons.

In one factory (in Kolaba district), however, salt is manufactured on 'Ardhel' system, *i.e.*, half of the price obtained for salt, *ex-platform* of the salt works, is paid to the labourers as their wages.

(ii) On the West Coast in areas included in the old Saurashtra State, the salt industry is very well organised. The payment to the salt labour employed in manufacturing operations, *i.e.*, scraping, heaping, washing of salt and its storage on platforms and loading into tip-wagons is on piece-work basis for unskilled labour, the rate varying from Rs. 5 to Rs. 6 per ton. According to this, the average monthly wages of a worker ranges between Rs. 50 and Rs. 70 during manufacturing season. Besides, there are skilled and semi-skilled labour like mistries, carpenters, plumbers, blacksmith, mechanics, masons etc., who are employed at the pumping station, crushing plants and internal trolley lines of the salt factories. Their wages range from Rs. 65 to 150. p.m.

(iii) In the Inland salt works situated in the Runn of Kutch areas around Kharaghoda and Dhragandhra, the basis of payment is also on piece-work. The salt workers are allotted pans for particular manufacturing season and after the crop has been raised payment is made for the actual quantity of salt manufactured at a rate varying from -/4/- to -/9/- per Bengal maund of salt. This payment covers all operations—from construction of pans to the storage of salt. The difference in the rate of payment arises from the difference in working conditions in various salt works, like availability of sub-soil brine, situation of pans with reference to the source of brine and also the availability and capacity of labour. The pan-holders have to employ their own labour to assist them in manufacturing operations. Average net earnings of a pan-holder after meeting the expenses of labour employed by him and the cost of laying out the pans etc., comes to Rs. 500 to Rs. 1,000 for manufacturing season of about 8 months. The wage of labour engaged by the pan-holder is approximately Rs. 40 to 60 per month.

The present rate of wage payment in Government salt works in Kharaghoda is distinctly higher than in the private salt works in the same area.

10.04. *Welfare Measures* (i). Ordinarily it is the primary responsibility of manufacturers of salt to provide amenities for welfare of labour employed by them. The conditions of workers in the salt pans which are located in out-of-way areas are hard. Although the work is seasonal the working hours during the peak period of manufacturing operations are spread over the entire day and sometimes cover as many as 15 to 16 hours excepting for a short break for mid-day meal. The efforts of the employers have not been commensurate with the needs of salt labour. The Salt Department has taken some initiative in the matter by undertaking certain welfare works from the proceeds of the cess levied under the Salt Cess Act, 1953. For example, in Madras Region the Deptt. has constructed 55 rest-sheds for labour in 35 factories which are so necessary for the use of labour for their mid-day rest and meals. Arrangements have also been made for providing drinking water to labourers in the vicinity of the rest-sheds. The cost of this facility in certain factories is being shared between the Deptt. and the manufacturers. In the bigger factories, the employers themselves have made arrangements for supply of drinking water to labour and Govt. does not have to subsidize the cost of supply.

In regard to medical aid, the scope of assistance is confined to the provision of first-aid boxes. The Factory Officer is responsible for administering minor medical aid to labour and in case of a major accident assisting them to secure proper medical treatment in a hospital.

Regarding educational facilities, the Salt Deptt. is maintaining three primary schools at Voyalur, Balacheruvu and Polavaram for the benefit of children of salt workers.

(ii) In the Bombay Region where labour is of a seasonal character and is really based on villages situated in the vicinity of salt works, the amenities to labour are limited to free supply of drinking water and grass for making temporary huts to enable them to live on the salt pans during the manufacturing season. In certain factories first-aid boxes are kept for first-aid to labour during emergency.

(iii) In the marine salt works on the West Coast (Kathiawar and Kutch), the employers who have invested large capital in salt works have made provisions for housing of such skilled and semi-skilled labour as is employed throughout the year. Arrangements have also been made for free supply of drinking water, free medical assistance and supply of food-grains at reasonable prices. In bigger salt factories some recreational facilities and creches have also been provided.

(iv) In the Inland salt works in Kharaghoda area, there are hardly any amenities for labour employed in private salt factories.

In the Government salt works at Kharaghoda, the scope of amenities for labour is commendably large. Two primary schools are run in the salt works for the benefit of the children of the salt labour who are required to accompany their parents and stay at the site of the salt works. In the main colony at Kharaghoda, pan-holders or agarias are provided with Govt. hutments at a nominal rent of As. -/4/- per month and also free supply of water. The Salt Department is maintaining a well-equipped hospital with an indoor ward and maternity home which is in charge of a qualified doctor, assisted by other necessary hospital staff. There is also a school up to sixth standard maintained by the Salt Department.

Another important feature of the Departmental effort in the field of labour welfare is the establishment of Kharaghoda Agarias Co. op. Credit Society which has grown since its inception in 1933. At present, it has 2,100 share holders with a subscribed capital of about Rs. 8 lakhs. All pan-holders are members of the Society which is managed by a small committee consisting of the Agarias and two local officers of the Department including Assistant Salt Commissioner who is *ex-officio* Chairman. The Society, in addition to advancing loans at reasonable rates to its members, is supplying all basic commodities like, foodgrains, oil, cloth, sugar, and even cycles, wooden ballies and implements to its members. It is also running a canteen for the benefit of resident Agarias.

10.05. From the brief survey of working conditions of labour employed in the salt industry in various parts of the country in the foregoing paragraphs, it will be clear that there is considerable scope for much larger effort to ensure a more equitable deal to salt labour in the matter of wages and welfare measures. We have already made a recommendation in Chapter VI for the constitution of the "Labour Cell" in the Salt Department. The Department should, therefore, be able to assume full responsibility for coordinating the legislative efforts of salt producing States, so far as it affects the salt labour, and also for initiating suitable proposals for the enactment of statutory and other measures to safeguard the interest of workers. There is no reason why salt labour should not be brought under the purview of Minimum Wages Act, Payment of Wages Act and suitable provisions in the Factories Act regarding hours of work etc. This should be done by the State Government in consultation with the Salt Department which should be able to bring to bear upon the problem a realistic approach in conformity with the actual working conditions and genuine difficulties of employers. Regarding welfare measures, the Salt Industry should be told to draw up plans to provide more amenities. The Regional Salt Advisory Boards also should pay more attention to this question. The Salt Labour Welfare Fund (Chapter XI) should also provide adequate facilities and should undertake welfare measures in a planned manner. Supply of drinking water to salt workers and their families must be given the highest priority. Provision of medical aid is another crying need of the salt producing areas. A start can be made immediately with the opening of a number of outdoor dispensaries in certain selected zones of the Madras and Bombay Regions. In several factories, there are a number of buildings which are surplus to the needs of the Department and of the salt manufacturers. It should be possible to locate some of the outdoor dispensaries in some of these buildings.

Maternity centres are another welfare item which needs particular attention, specially because there are hardly any such centres in existence in or around the salt works or the contiguous villages where the majority of the salt workers live.

There are not many primary schools for children of salt labour. The Salt Department or the Local Boards with suitable assistance in the shape of grant from the Labour Fund should start primary schools in certain important localities in the salt producing areas. Here, as also in the matters of provisions of other amenities, it will be desirable to coordinate the efforts of the Salt Department with that of the State Governments and the salt manufacturers.

CHAPTER XI
RECOMMENDATIONS AND GENERAL

Licensing and Registration

11.01. After careful consideration, we have come to the conclusion that as Salt Industry has reached a stage of over production further haphazard growth or expansion of salt works in the country should be immediately halted and increasing emphasis laid on a long term policy for :

- (1) production of larger quantities at lower costs;
- (2) greater utilisation of salt for industrial purposes and diversification of production;
- (3) intensive efforts for exports;
- (4) improvement in quality or standard of purity, particularly for specialised industries and export markets, and for edible purposes generally;
- (5) greater bias in favour of co-operatives as they are the proper agency for working numerous small areas throughout the country and developing their production and employment potentialities;
- (6) scientific and systematic development of small-scale production of salt which requires small capital investment but provides large employment and
- (7) increasing attention to wages and welfare of salt labour.

For this purpose, we recommend that all manufacturers of salt, regardless of the area worked, should henceforth come under a licensing and registration system. The only exception which we would make is in respect of those who may manufacture salt for domestic or local use (and not for regular trading purposes) as contemplated in the Gandhi-Irwin Pact of 1931. At present, all manufacturers operating on an area of more than 10 acres are required to take out a licence from the Salt Department. We recommend that this position should continue. In regards to smaller works, *i.e.*, those with an area of 10 acres or less, we recommend that such works should be registered with the Salt Department after they have complied with the conditions of such registration. Existing small works (up to 10 acres and below) may be registered and new works of this category should be permitted to undertake manufacture only after necessary registration. While registering such works and granting them permission to manufacture salt, the Salt Department should *inter alia* see that all salt producing units located in a particular area will have full scope for growth and development and will not be subject to any unhealthy internal competition resulting from limitations of brine supply, markets, availability of labour, transport facilities, etc. The Registered works should be entitled

to help and guidance from the Salt Department which should have complete information regarding such particulars as the area worked, the map of the area, the quality and quantity of salt produced, the number of persons engaged in manufacture of salt, the rates of wages paid to hired labour, if any, etc. All existing unlicensed manufacturers of salt will accordingly come under the proposed registration system. There are some licensees at present whose holdings do not exceed 10 acres. They should also come under the registration system so that all salt works up to 10 acres operate under registration system and salt works above 10 acres continue under the licensing system as at present. Thus all manufacturers must in future be either licensed by or registered with the Salt Department as follows :—

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| Works with a total area of more than 10 acres each. | Must hold a license from the Salt Department. |
| Works with a total area not exceeding 10 acres each. | Must have a certificate of registration from the Salt Department. |

11.02. It has come to our notice that at present the conditions of licence of salt manufacture are not the same for all the manufacturers in all parts of the country. We recommend that, as far as possible, a uniform system of licensing and registration should be evolved and made applicable to all manufacturers in the country and the conditions of licence and registration should be simple and unambiguous. The registration system particularly should be very simple.

Cess

11.03. In view of what has been stated in Chapter III, it is obvious that the present cess concessions no longer serve the purpose for which they were originally intended. In fact these concessions have been misused, with the result that organised manufacturers are faced with unfair competition from the small manufacturers who are exempt from cess. While genuine small-scale manufacturers need some measure of protection from undue competition from large-scale producers, this should be given in a manner which will not operate harshly against any particular class of producers. We accordingly recommend that the salt cess should be levied from all licensed and registered salt manufacturers on a graded basis as follows :—

- | | |
|---|---|
| First 5,000 maunds of salt produced in a salt factory in any one year. | Nil. |
| 2. Next 10,000 maunds of salt produced in salt factory in any one year. | Levy of cess at 50% of the prescribed rate. |
| 3. Salt produced in excess of the limit of 15,000 maunds in a salt factory in any one year. | Levy of cess at prescribed rate. |
| 4. Salt produced by Cooperative societies of salt manufacturers, irrespective of quantity. | No cess to be charged. |

It will be seen that in order that small manufacturers are not put to any financial hardship as a result of the withdrawal of the present cess concession we have recommended that the first 5,000 maunds of salt produced by every licensed or registered salt work during any particular year should

be exempt from cess, and the next slab of 10,000 mds. should be subject to levy at a concessional rate of 50% of the normal rate of cess. This will be applicable to both small and large salt works. An exception has been made in the case of producers' cooperative societies for which we have recommended exemption from the payment of cess for all salt produced by them. The reason for this has been already explained in Chapter VII, para 7.05, that is, members of a salt cooperative society are actually small manufacturers who in the absence of a society would have worked correspondingly small areas themselves. Thus, in effect cooperative societies of salt manufacturers which are at present actually enjoying full exemption from payment of cess should continue to do so in future.

1.04. It will be necessary for the Salt Department to ensure that the proposed system of exemption from cess on the first 5,000 maunds and levy of cess at 50% of the prescribed rate on the next production of a salt factory is made applicable uniformly to all manufacturers, licensed or registered.

11.05. Each new salt work should draw up a programme of development to be implemented in 3 years during which it should arrange to acquire its own reservoir, condensor and crystallizer. Rules for levy and collection of cess should be laid down by the Salt Department.

11.06. The Salt works run by Government should be subject to levy of cess at the same rate as private works. At present, Government salt works have to pay cess at the rate of 3½ annas per maund as against the rate of 2 annas per maund payable by private works. This differential in the rate of levy of cess was introduced on 1st April, 1947 by an executive order immediately after the abolition of salt duty and later embodied in the provisions of Salt Cess Act of 1953. The reason which led to the prescription of a higher rate of cess for Government salt works appears to have been that Governments were required to make certain payments to the former Indian States known as 'Treaty payments' and the works being run departmentally, were exempt from any income tax. As a result of the Federal Financial Integration of the former Indian States in 1950, many items of the treaty payments were discontinued. However, whatever payments have still to be made to the Rajasthan Government in respect of Sambhar, Didwana and Pachbadra Salt Sources, are now included in the cost of production and recovered through the sale proceeds of salt. Thus the extra levy of cess on Government salt works is no longer justified. Besides, a Government company, the Hindustan Salt Company (Private) Limited, has been constituted to run the Government salt works and this Company will have to pay income tax and other taxes like other private manufacturers of salt.

Difficulties experienced by salt manufacturers

11.07. It will be seen from Chapter V that most of the difficulties experienced at present by salt manufacturers, especially small ones, are due to non-execution or delay in execution of development works (including maintenance and repairs works) of which the cost is to be met from the cess proceeds under section 4(b)(ii) of the Salt Cess Act. This section makes expenditure on the 'establishment, maintenance and expansion of salt factories' as legitimately chargeable to the cess proceeds. Accordingly, the provision is made each year in the budget of the Salt Department for the

execution of works/schemes required for the development of the salt industry. But the projects are actually taken in hand on the recommendations of the Regional and Central Advisory Boards for Salt. The Committee is somewhat disappointed to note that the expenditure actually incurred on such development works during the last several years, has been only a small fraction of the total amount of cess collected. Appendix E gives information in respect of the years from 1948-49 to 1956-57 regarding the total cess collection and the extent to which it was utilised for meeting the expenditure on the establishment of the Salt Department and the development of salt industry. We consider that expeditious execution of capital and maintenance works required for maintaining the present trend of salt production and its further development as also effecting improvement in the quality of salt is essential in the interest of the industry. The present procedure for execution of development works under which plans and estimates for such works are first drawn up by the department, put up before the Regional and the Central Advisory Boards for approval and submitted to administrative and Finance Ministries for sanction and actual execution is done through the agency of the C.P.W.D. or of salt department has proved to be irksome and dilatory. We consider that these developmental functions should be entrusted to a Board having a certain amount of autonomy so that the schemes or projects are sanctioned and executed with minimum delay. We accordingly recommend a Central Salt Board should be set up which apart from advising the Government of India on the administration of the proceeds of salt cess levied and collected under Section 3 of the Salt Cess Act, 1953 should also be entrusted with the responsibility for execution of welfare schemes for salt labour and for grant of financial help in the form of loans to salt manufacturers. Appendix F gives a broad outline of the constitution and the functions which we envisage for the proposed Central Salt Board. That Board will replace the present Central Advisory Board for Salt.

Export promotion, leases and assignment fees

11.08. Special assistance should also be given to manufacturers who produce salt for export purposes and for this we recommend that the Salt Commissioner should immediately set up a small committee to draw up a suitable scheme and make recommendations for export promotion. We also recommend that the period of lease or assignment of Government salt lands should be 99 years. This will enable the lessees to develop the area by investing adequate funds. Only in exceptional case where a long term lease is not desirable leases for shorter periods may be granted. With regard to the premium and price or *sokadi, salami* or assignment fee, the State Government or the Central Government, as the case may be, may charge a reasonable fee at the time of assignment or lease of lands for setting up new salt factories. The tenure of this lease should be normally not less than 99 years. No assignment fee should be charged for transfer of lease from one party to another within this period. In the case of current leases also the period may be extended to a term of 99 years and for this no fresh assignment fee should be charged.

Financial assistance

The small salt manufacturers are also often handicapped because of inadequate financial resources. Provision for financial help in the shape of loans to salt co-operatives, as well as other deserving manufacturers of

salt desirous and capable of developing their production is therefore essential. Small and medium producers are particularly in need of this financial assistance. The procedure to obtain this should be simple. This can be satisfactorily accomplished by an autonomous body. We accordingly recommend the constitution of a Salt Development Credit Fund to be administered by the proposed Central Salt Board (para 11.07). The broad manner in which this fund should be utilised has been indicated in Appendix F.

Facilities for realignment

11.10. To check the multiplication of salt works of small size and facilitate formation of economic holdings, the Salt Department should assign salt lands belonging to the Central or any State Government, as far as possible, to licensees working contiguous areas on the condition that they would agree to amalgamation of the new with the old area and realign the combined single unit on scientific lines.

Labour laws and Labour welfare

11.11. We consider that with the extension of the licensing and registration system to all salt works as recommended in para 11.01 above salt labour generally will get a much better deal than at present. As there is considerable difference of opinion regarding the necessity and feasibility of the application of the Minimum Wages Act to salt labour throughout the country and labour laws are administered by the State Governments, we consider that the Government of India should take up the matter with the State Governments for ensuring payment of a fair wage to all labour employed in the salt industry. Similarly, in regard to other labour laws also, e.g., the Factories Act, the Central Government should advise the State Governments to agree to the enforcement of such provisions of these enactments as may be considered reasonably applicable to the manufacture of salt and other allied operations, taking into account the peculiar seasonal conditions under which these operations are carried out. We recommend also that the Salt Department should have a "Labour Cell" and a "Statistical Cell" which should collect and maintain up-to-date data and information regarding the rates of wages paid to salt labour in the salt factories in different parts of the country and also take steps to see that the wages of labour in salt works in any part of the country are not lower than the rates of wages of unskilled and semi-skilled labour in the locality generally.

11.12. Apart from the enforcement of labour laws there is a great deal that requires to be done to improve the condition of labour employed in the salt industry through welfare measures or provision of amenities as stated in Chapter VI, para 6.07. We recommend the constitution of a Salt Labour Welfare Fund out of the proceeds of the salt cess. This fund should also be administered by the Central Board recommended in para 11.07 above. The broad manner in which this fund should be utilised has been indicated in Appendix F.

Co-operatives

11.13. In view of what has been stated in Chapter VII, it is essential that co-operative societies in the salt industry should be in a position to obtain financial help, in time of need. The producers' co-operative societies will require loans for financing share capital, capital investment and also

working capital. Besides, short-term credit may also be required during manufacturing season if a society cannot obtain funds from institutional sources. The Salt Development Credit Fund recommended in para 11.09 above, should particularly cater to the requirements of co-operative societies. In certain cases, grants may also be necessary for meeting organisational expenses, cost of training schemes and marketing facilities. Such grants may be given in deserving cases by the Salt Department from the cess proceeds because such grants would not come under the purview of the Salt Development Credit Fund. Suggestions regarding general principles which may be adopted for giving loans and grants to the co-operative societies in the salt industry are contained in the note at Appendix G.

11.14. Government land should be leased to co-operative societies in preference to other manufacturers on concessional terms. Wherever possible, the assignment fee should be waived altogether in such cases. We recommend also that a programme of training should be drawn up in collaboration with the State Governments to impart training to the personnel for salt co-operatives. The Salt Department should maintain a pool of officials who have acquired knowledge and experience of cooperative work and technique of salt production. These officials should be attached to the various regional organisations of the Salt Department to provide technical guidance to co-operative societies. In fact, in the initial stages of a new co-operative society, a trained official of the Salt Department should be actively associated with its working and, if necessary, may even work as Secretary of the Society.

11.15. As in the past, certain co-operative societies appear to have suffered on account of mismanagement, it would be desirable to lay down model uniform by-laws for salt co-operative societies for the guidance of and adoption by the various States concerned. These by-laws should be drawn up to ensure that good management with efficient personnel is provided for the salt co-operatives.

Consolidation of holdings

11.16. We also recommend that consolidation of contiguous small works into larger and more economic units on scientific lines should be encouraged. In cases where individual licencees agree to organise themselves into a co-operative society in order to promote such consolidation by surrendering their lands to the co-operative society, Government should carry out such consolidation at its own cost.

Quality control

11.17. The I.S.I. standard of 96% NaCl for edible salt should be regarded as the target to be reached by salt manufacturers. However, there need be no rigid enforcement of any prescribed standard because this is likely to cause hardship in certain cases where manufacture of salt of high purity is not possible for reason of climatic and other natural factors or of unscientific lay out of salt pans. The Salt Department should give technical guidance to producers from the time the pans are laid out up to the time of scraping and storage of salt so that a systematic attempt is made to improve the quality of salt throughout the manufacturing process. Educative propaganda should also be carried out by the Salt Department among the producers and the consumers with the help of brochures etc.

That will help to increase the demand and production of good quality salt. As stated in para 11.16 above, consolidation of small works into larger units, which can be realigned on scientific lines, should be undertaken or encouraged by the Deptt. if necessary by giving financial help. This would go a long way to improve the quality of salt produced in smaller works. To stabilise the exports of salt steps should be taken to ensure that no export of salt below the specifications agreed to between the exporter and the importer takes place. For the requirements of heavy chemical industries, production of salt of as high as purity as possible should be encouraged.

Planning Production

11.18. There is surplus production of salt in certain parts of the country, whereas the industry has not been fully developed in certain other parts. We consider that at least for sometime, fresh licenses should not be issued in areas, where there is already over-production. No doubt special consideration has to be given in certain cases, e.g., in favour of co-operative societies or where salt would be required as raw material for new units of chemical industry or, again, where salt production can provide an opportunity for considerable employment. In the case of under-developed salt producing areas, e.g., West Bengal, Orissa, Himachal Pradesh, etc., further salt production should be encouraged to make those areas self-sufficient as far as possible. The position may be reviewed after a period of 3 years.

By-products of salt

11.19. Existing large-scale salt manufacturers of salt should be encouraged and pressed to recover by-products of salt, particularly potassium chloride. In the case of new licences, the Salt Department should examine whether it will not be possible to make it one of the conditions of licence that salt works above a certain area or production capacity shall recover certain chemical by-products specified in the licence. No royalty should be charged on any by-products produced by a salt manufacturer.

Inclusion of salt as a scheduled industry under the Industries (Development and Regulation) Act, 1957

11.20. In view of the increasing importance of salt in the industrial development of the country, we recommend that salt should be included in the First Schedule of the Industries (Development and Regulation) Act, 1951 and the other provisions of that Act should also be applied to salt as early as possible. This will help the technological progress of the salt industry in so far as the Development Wing will be able to assist in handling its technical problems.

Salt for hide curing

11.21. It has come to our notice that the Salt Experts Committee which published its report in 1950 made a recommendation that sub-standard salt which could not be released for human consumption should be made available for hide curing, etc. According to information presented to us, the quality of salt required for hide curing has to be as good as that for edible salt. We consider that further tests should be carried out in respect of the samples of different kinds of salt produced in the country to determine

what type of salt is most suitable for hide curing. The ISI may be asked to consider drawing up of a revised standard for hide curing, having regard to the standards prescribed in other countries which import hides from India.

Salt Department's administration reports

11.22. At present the annual administration reports published by the Salt Department are meant for departmental use only. The result is that private salt manufacturers as well as other sections of the public interested in salt industry do not have correct and detailed information about various matters relating to the development of the salt industry or the working of the salt organisation. We recommend that the above reports should be made available to the public. The annual reports of the Salt Department and the Central Salt Board should be laid before Parliament every year.

Exclusion of private manufacture of salt within a 25 mile limit from Sambhar salt sources and 10 mile limit from Kharaghoda salt sources

11.23. In their letter dated the 11th February, 1958 the Ministry of Commerce and Industry asked this Committee to examine whether the above restrictions were at all necessary. We have examined this matter and are of the view that the present limit of ten miles at Kharaghoda should continue and that no new manufacture of salt by private parties within this radius from the periphery of the Government salt works at Kharaghoda should be permitted. The limit of ten mile should also be broadly determined by the Deptt. so that prospective manufacturers do not select any site within the reserved area. This is necessary because according to the evidence produced before us, the sub-soil brine at Kharaghoda from which salt is manufactured is getting more and more exhausted and to allow any private salt manufacture within the above mentioned limit would endanger the future of the Government works at Kharaghoda. In the case of the Government salt works at Sambhar, we are of the view that the 25 mile limit prescribed as at present is unnecessary. We would, therefore, recommend that the present restrictions on the manufacture of salt on salt lands outside the Sambhar area, which are surplus to the requirements of Government or the Hindustan Salt Company keeping in view the company's future development programme with regard to salt, chemicals and other by-products, should be withdrawn and such of the salt lands as are suitable for salt manufacture may be leased out to private parties. With regard to Pachbadra, Luni and Phalodi areas, on a suitable adjustment of land rent which the Rajasthan Government is charging the Central Government for the lease of these areas, these areas should also be thrown open to private salt producers for manufacture and development of salt.

Sale of salt by weight

11.24. At present, while in the major part of the country salt is sold by weight, in some areas, especially in the Madras Region, retail sale of salt is by measures. As a result of this, a retailer can sell about 3/3rds of a maund of light salt, often of an inferior quality, for the same price as one maund of heavy salt of a good quality, because a standard bag of 2 mds. of heavy salt of good quality will give 42 Madras measures whereas the same quantity of light salt of inferior quality containing hollow crystals

may give as many as 60 Madras measures. A retail purchaser is generally not in a position to distinguish between the two types of salt and, therefore, pays the same price for both although the cost of lighter variety is less. We, therefore, recommend that sale of salt by weight should be adopted throughout the country.

Salt trade at Calcutta

11.25. The representatives of the salt trade at Calcutta had a few points to make. They stated that last year considerable dislocation was caused to the salt trade at Calcutta as a result of influx of large quantities of poor quality salt, particularly from Tuticorin. They thought that this had come about as a result of despatches of unlicensed salt of sub-standard quality either by itself or mixed with better quality salt. Government they urged, should ensure that the salt despatched to Calcutta for consumption in the whole of the Eastern region is of good quality. This might be done by requiring the shippers to produce a certificate from the Salt Department in respect of each consignment to be shipped to Calcutta which will testify to the desired quality. The Calcutta traders themselves are not in a position to exercise any effective check against supply of lower quality, especially when the remittance of as much as 90% of the cost has to be made to the suppliers at the time of the shipping. We understand that the Salt Commissioner has no powers to require a trader despatching salt to Calcutta from the West Coast or Tuticorin to produce a sample from the proposed consignment for analysis and certification of quality by the Salt Department. However, if the Calcutta traders, in conjunction with their suppliers on the West Coast or at Tuticorin, arrive at an arrangement whereby those suppliers would voluntarily offer their consignments for inspection by the officers of the Salt Department and analysis of samples drawn from those consignments, on payment of prescribed testing fees, the Department should have no objection to furnishing the required certificate on request. We recommend that the possibility of such an arrangement may be examined by the Salt Department in consultation with the traders concerned.

11.26. The Salt Deptt. is maintaining Salt Godowns or Salt Golahs at Calcutta where stocks built up by compulsory reservation of shipments of salt arriving in Calcutta (up to the maximum limit of 15% from each shipment, under the Calcutta Reserve Stock Order) are held. The Calcutta traders have represented that in the present conditions where there was an abundant supply of salt in the Calcutta area and large stocks had accumulated, there was no necessity for compulsory reservation and storage in the Golahs. They suggested that instead the local merchants may voluntarily keep their own stock in the Government Golahs on payment of rent to the Salt Department. There should be no objection to this proposal. It has also been brought to our notice that the Reserve Stock Order has now been amended to enable the Salt Commissioner to waive reservation altogether if in his opinion the reserve stocks at the Golahs are already adequate. We, therefore, do not consider it necessary to make any change in the present position. It was also represented that the weighing scales at the Golahs which are maintained for the use of the merchants on payment of hire charges are not kept in a proper state of repair. The Department should look into this matter and see that the scales are maintained properly.

Zonal Scheme

11.27. The consensus of the opinion expressed before the Committee was that the scheme is serving a useful purpose and should continue. In our opinion the zonal system is primarily a matter of overall convenience and it could be reviewed by Government from time to time. Several witnesses also told us that the wagon quotas are inadequate and are often not made available in time. It was also urged that the allotment of railway wagons under preferential traffic should be made in favour of the manufacturers only and not of merchants and traders. We accept the validity of the above points and recommend that the Salt Department should examine them more closely. The Department may also examine the possibility of reducing the present number of zones so as to enable the consumer to have a wider choice of sources of supply for obtaining his requirements.

Rent, royalties and other levies for salt production

11.28. In view of what has been stated in Chapter IX, we consider there is a great need for rationalising the several kinds of levies which are imposed on production of salt in different States. In the interest of proper and integrated development of salt industry in the country as a whole, we recommend that the Central Government, should in consultation with the State Governments, determine a uniform system of charges payable by lessees of salt lands belonging to the Central or State Governments. The ground rent for such lands should be kept reasonably low and in our opinion should not exceed Rs. 2 per acre in any part of the country. Other levies like royalty or local cesses or surcharge should, wherever in existence, be abolished.

11.29. A summary of conclusions and recommendations is given in Appendix H.

11.30. The Committee takes this opportunity to acknowledge gratefully the assistance received by it from various bodies and individuals, the State Governments concerned as well as the Salt Department in various ways without which the work of the Committee would not have been completed as smoothly and effectively as was the case. The Committee would also like to place on record its appreciation of the work done by the Member-Secretary, Shri M. M. Saklani.

Sd/- N. C. KASLIWAL,
Member

Sd/- MANUBHAI SHAH,
Chairman

Sd/- G.P. KANE,
Member

Sd/- K.T. SATARAWALA,
Vice-Chairman

Sd/- BHUPATBHAI V*. DESAI,
Member

Sd/- R.N. VASUDEVA,
Member

Sd/- A. SURYANARAYANA RAO,
Member

Sd/- P. N. PESIKAKA
Member

Sd/- T. VEDANTAM,
Associate-Member

Sd/- M.M. SAKLANI,
Member-Secretary.

NEW DELHI,
19th JULY, 1958.

*Minute of dissent on p. 55.

MINUTE OF DISSENT BY SHRI BHUPATBHAI V. DESAI

I agree with the report of the Committee except former part of para 23 of Chapter XI (11.23) regarding Kharaghoda, for which I put my note of dissent as under :—

It is not necessary to continue the present limits of ten miles radius from the periphery of the Government salt works at Kharaghoda. This whole area is almost a permanent scarcity area. Every third year there is a famine or scarcity year. Agriculture depends only on monsoon. Wells for irrigation are not possible as water is saltish. Salt manufacture is the main source of employment for the people of this area, which gives about an income of one hundred rupees per capita for the population of Dasada Taluka of Zalwad District. This income is almost equal to the income of agricultural produce of the above mentioned Taluka in a lean year.

In the year 1957-58 following salt works have produced salt within ten miles as under :—

			Production (Lac BM)	
1. Dehgam Salt Cooperative Society, Ltd.	..	..	15 1/2	Licensed
2. Bajana Salt Cooperative Society Ltd.	..	..	1 1/2	"
3. Sarvodaya Salt Cooperative Society Ltd.	..	..	4	"
4. D. P. Desai Brothers (Patri)	..	..	4	"
5. Jayswal Brothers .. .. .	..	..	4	"
6. Ten acres producers at Zinzuwada ..	..	..	20	Unlicensed
		Total	49 Lacs	B.M.

So far as I know, Government did not apply the rule of ten miles limits strictly because of the above mentioned conditions of this area. Salt works No. 1, No. 2 and No. 6 shown were started in famine years.

The Committee has unanimously agreed in para 11.18 (Planning production) to give special treatment, when salt production can give an opportunity for considerable employment.

In Chapter II of this report it is estimated that future of chemical industry in India is bright and present salt production of three and a half million tons shall have to be raised to five and half million tons during second and third plan period, *i.e.*, increased by more than 50%. In consideration of this view also, there is no reason to take any step by which present salt production is affected.

In above circumstances, I am of the opinion that ten miles limits within the radius of Kharaghoda Government Salt Works should not be continued. All existing salt works, licensed or unlicensed should not be dislocated and licences cancelled only for this purpose should also be renewed.

Sd. B. V. Desai,
Member, Salt Committee.

APPENDIX A (vide Para 1.14)

QUESTIONNAIRE

(Issued by the Committee appointed under the Government of India. Ministry of Commerce & Industry letter No. 9/6/57-Salt, dated the 2nd January, 1958, to consider certain matters connected with the development of the salt industry.)

SECTION A

These questions are intended to be answered mainly by those connected with the Salt Industry e.g., manufacturers, traders and workers. Some of the questions can be answered more appropriately by their Associations/Co-operatives. Any useful information from others would also be welcome.

A-I. When was your Association/Cooperative formed and how many members have you had in each year since its formation?
[Please give data up to 1957 year by year]

A-II. What has been the production of salt year by year from 1948 to 1957 by members of your Association/Cooperative? Please give data in the following form :—

Type of works	No. of works	Area of salt works		Production of salt	
		Area of condensers	Area of crystal-lisers	Mds.	Tons.

- (1) Works with an area of more than 100 acres each.
- (2) Works with an area between 10 and 100 acres each.
- (3) Works with an area of less than 10 acres each.

A-III. Is salt produced in your region *in works with an area of less than 10 acres each? If so, please give an estimate of the production of salt in such salt works year by year from 1948 to 1957.

A-IV. What are your views about the present system of levy of cess? Do you consider it desirable to have some other basis for the levy of cess?

A-V. Has the 10 acre concession which is available to individual manufacturers of salt (i.e., the concession under which a

*The salt producing regions the country may be taken as : (a) Bombay region (including Saurashtra and Cutch), (b) Madras region (including Andhra and Kerala), (c) Calcutta region (including West Bengal and Orissa) and (d) Rajasthan salt sources and Mandi.

manufacturer working on an area of 10 acre or less is not required to take out a licence from the Salt Department and is exempt from levy of cess) been—

- (a) helpful in securing gainful employment to considerable number of people in your region who but for this would have been left largely resourceless or without adequate means of livelihood? (give an estimate of the number of persons benefited at present by the concession),
- (b) conducive to the interests of salt industry by increasing production which would not have taken place but for the concession.

or

- (c) detrimental to the interests of salt industry because of unhealthy competition created between cheap unlicensed salt and salt produced by licensed works; if so, give reasons,

or

- (d) helpful in equalising prices and protecting small scale manufacturers by eliminating undue competition from medium size and large units whose cost of production may be lower; if so, give instances.

A-VI. Has the concession referred to in item A-V above often been abused through artificial sub-division of holdings, etc., to avoid payment of cess? If so, is the abuse indulged in, by and large, by the actual manufacturers themselves or is this done by others (financiers, big land holders, etc.) to exploit the small manufacturers? Quote instances, if possible.

A-VII. (A) In respect of salt works with an area exceeding 10 acres but not 100 acres, licenses from the Salt Department are required, but cess is levied at half the normal rate of two annas per maund, *i.e.*, at one anna per maund. Has this concession been—

- (a) conducive to the interests of the salt industry by giving due encouragement to smaller producers, or
- (b) detrimental to the interests of the salt industry because of the uneven price competition with which the bigger works (paying cess at the full rate) are confronted, or
- (c) helpful in eliminating undue competition from larger units whose cost of production may be lower?

(B) Quote any instances in which a part of the original area of the salt works was surrendered with a view to take advantage of the 100 acre concession for cess payment.

A-VIII. How many of your members operate their own works and how many have sub-leased them?

A-IX. Do you think that small manufacturers of salt experience difficulties at present calling for Government assistance? If so, what measures do you suggest for meeting them?

A-X. Do prospective salt manufacturers, according to your information, experience any particular difficulties in obtaining suitable land? If so, what remedies do you suggest to overcome these difficulties?

- A-XI. What measures would you suggest for the consolidation of uneconomic, small and contiguous salt works?
- A-XII. What are your views about the present system of licensing for the manufacture of salt? Have you any suggestions to make in this connection, especially as to the licensing of new salt works in future, their location, minimum area to be licensed, etc.
- A-XIII. Do you think it necessary to have two classes of licences—Excise licence and modified Excise licence?
- A-XIV. What is the system of payment of wages in the three types of works referred to in item A-II above? Do you consider it feasible to apply statutory provisions such as those in the Minimum Wages Act to labour in salt works?
- A-XV. What are the minimum and maximum rates of wages of salt labour in your region in each of the three types of works referred to in item A-II above. Please give the information in the form of the following Table :—

Type of labour	Monthly rated workers		Daily Rated workers		Piece rate	
	Minimum Rs. per month	Maximum Rs. per month	Minimum Rs. per day	Maximum Rs. per day	Minimum Rs.	Maximum Rs.

- (a) Semi-skilled labour.
- (b) Unskilled labour.

Do you regard these rates as fair? Also please state whether you are in favour of a piece rate system of wages.

- A-XVI. Out of the salt produced by your member units what is the proportion of salt sold to consumers within 50 miles—
- between 50 and 100 miles—
- between 100 and 250 miles—
- between 250 and 500 miles—
- beyond 500 miles—
- of the producing units, as well as the proportion of salt sent overseas?

- A-XVII. (a) What, according to your information, was the number of co-operative societies in your region at the beginning of 1948, 1953 and 1958 respectively under the following categories :
- (i) co-operatives of salt manufacturers,
- (ii) co-operative of salt dealers, and
- (iii) any other co-operatives connected with the salt industry (e.g., salt labour etc.).
- (b) Are these co-operative societies, as now existing, really organised and administered in the true spirit of co-operative principles of self-help, mutual advantages and common

benefit, or have they, in any cases, been found to evade law and derive undue benefit from the concessions allowed to co-operatives?

(c) If their number was reduced at any time, give reasons.

A-XVIII. Give an estimate of the salt produced by the co-operative societies of salt manufacturers in your region during each of the three years, 1955, 1956 and 1957, under the following categories :

	Total number of members	Total area worked (acres)	Total production (Mds)		
			1955	1956	1957
(a) co-operative societies of members whose individual holdings do not exceed 10 acres.					
(b) co-operative societies of members whose individual holding exceed 10 acres but not 100 acres.					
(c) other co-operative societies.					

To what extent have the members of these co-operatives benefited directly as a result of the activities of these societies?

A-XIX. Salt manufacturing co-operative societies falling under category (a) in item A-XVIII above are exempt from levy of cess, and similarly those falling under category (b) are charged cess at half the normal rate, *i.e.*, at the rate of one anna per maund. Have these concessions—

- (a) given a fillip to the formation of new co-operatives in the salt industry? (if so, give figures to show that the number of such societies has increased year after year since 1954),
- (b) reacted adversely on the bigger salt works constituting the bulk of the organised sector of the salt industry?

A-XX. Notwithstanding the concessions granted by Government to salt manufacturing co-operative societies, there are at present a very large number of individuals manufacturing salt in small areas under uneconomic conditions. Will the organisation of such co-operatives with a view to consolidation of holdings, provision of common facilities, etc., be advantageous to all concerned? What, in your opinion, are the factors standing in the way of notable advance in this direction and have you any suggestions in this regard?

A-XXI. What is your opinion about quality control measures that have been operative since 1950? Do you consider that they have benefited the industry? Are you in favour of their continuation in the present form or in some modified form?

A-XXII. Do you consider that the quality standard of 96% NaCl purity prescribed by the Indian Standards Institution and also laid down under the Prevention of Food Adulteration Act—

(a) is appropriate

or

(b) should be raised progressively to a higher standard of purity,

or

(c) should be lowered in particular regions due to climatic and other factors.

- A-XXIII. To what extent has scientific realignment of holdings helped in increasing production and improving the quality of salt? If its benefits are recognized, what are the main difficulties standing in the way of salt manufacturers realigning their holdings?
- A-XXIV. Do you consider that there should be a uniform quality standard for manufacture of salt throughout the country or do you think that the standard may vary slightly from one region to another, depending upon climatic factors which may markedly influence the quality of the salt produced?
- A-XXV. What quality standard (expressed in terms of NaCl percentage), in your opinion, is easily attainable by salt manufacturers in your region under normal conditions and taking all reasonable care at the time of production?
- A-XXVI. What is the average cost of production of salt (per ton and per maund) among your member units? Please give a full break-up under the following heads:—
- (a) cost for obtaining brine into reservoirs,
 - (b) labour,
 - (c) power and fuel,
 - (d) maintenance (including repairs and betterment),
 - (e) supervision,
 - (f) overheads,
 - (g) rents, rates and taxes,
 - (h) interest,
 - (i) depreciation,
 - (j) transport and stacking charges upto the nearest despatching station,
 - (k) any other miscellaneous charges.
- Do you think there is any scope for reducing the cost of salt by adopting improved methods of production and more efficient management?
- A-XXVII. Do you know of any instance where financiers have operated small salt works of the type (3) in items A II above either in their own or in other names? Please give full details.
- A-XXVIII. Please indicate the number of agencies which handle salt before it passes from the producer to the consumer in each of the three types of salt works referred to in item A II above and the incidence of such agencies on the cost of salt. Do you think that alternative methods of distribution may be employed so as to reduce the cost to the consumer? Please give your suggestions in detail.
- A-XXIX. Is the scheme of zonal distribution of salt working satisfactorily in your opinion?
Have you any suggestion to make, keeping in view the availability of shipping space and railway wagons, for securing better distribution of salt at reasonable prices?
- A-XXX. Do salt manufacturers in your opinion experience any difficulty in regard to quick disposal of the salt produced? What are the main causes, in your opinion, which result in holding up despatches, and what remedies do you suggest to improve the position?

- A-XXXI. Have you any suggestions to make for reducing the existing cost of transport of salt from the salt works to the despatching station?
- A-XXXII. Is sea-cum-rail movement of salt feasible to any greater extent than at present?
- A-XXXIII. Have any of your member units tried to recover by-products of the salt industry, particularly gypsum, sodium sulphate, magnesium chloride, magnesium sulphate, potassium chloride and bromine? (Please give the yearly recovery of such products, if any, for the last 10 years. If any difficulties have prevented them from attempting such recovery of by-products, please give details.)
- A-XXXIV. How many units in your Association/Co-operative have the following facilities:
- (a) Fresh water,
 - (b) Power,
 - (c) Railway siding,
 - (d) Metalled roads.
- A-XXXV. Have you any suggestions to make in regard to better utilisation of the amount realised as salt cess?
- A-XXXVI. Have you any other suggestions to make in the interest of the development of salt industry in India?

SECTION B

These questions are intended to be answered mainly by Chemical manufacturers using common salt as the basic raw material. Any useful information from others would also be welcome.

- B-I. Please state the processes in which you use salt. Is salt used up in the process or is it recovered and only make-up salt added?
- B-II. What has been the production of items manufactured by you from salt year by year from 1948 to 1957? Please give also your consumption of salt in tons during each of these years as well as an estimate of your likely requirements of salt for five years from 1958.
- B-III. What is the source of your salt and the price at which salt is obtained at your works? Do you arrange for supply of salt in bulk by rail or packed in gunny bags? Please give a break-up if possible, of the cost of salt delivered at your works, as follows:
- (a) Cost of salt ex-salt works,
 - (b) Packing and handling charges,
 - (c) Freight,
 - (d) Handling from rail head to your works.
- B-IV. What is the average composition of salt purchased by you in each of the last five years? What are the impurities you consider objectionable in salt for your process? What would be the

process? Would you be prepared to pay a higher price for such salt?

B-V. If you obtain your salt by purchase from the market would you please state whether you have considered the possibility of manufacturing your own salt? If not, would you be interested in any such proposal?

SECTION C

These questions are intended to be answered mainly by the Salt Department. Any useful information from others would also be welcome.

C-I. Figures in separate Tables, as shown below, should be given for :—

- (i) works with an area of more than 100 acres each.
- (ii) works with an area between 10 and 100 acres each.
- (iii) works each with an area of less than 10 acres, for each year beginning with 1948 up to 1957.

Region	No. of salt works	Production of salt		Total area including condensers, To.s. and crystallisers in acres	Production of salt per acre	Amount of cess collected (in thousand rupees)
		Mds.	Tons			
(1)	(2)	(3)	(4)	(5)	(6)	

For both Government as well as non-Government works.

- (a) *Bombay Region*
 - (i) Saurashtra and Cutch—
 - (A) Inland works
 - (B) Marine works
 - (ii) Other areas—
 - (A) Inland works
 - (B) Marine works
- (b) *Madras Region*
 - (i) Tuticorin Circle
 - (ii) others
- (c) *Calcutta Region* (inclusive of West Bengal & Orissa).
- (d) Rajasthan Salt Sources and
- (e) Mandi
- (f) Govt. salt works only (all region)
- (g) Private salt works only (all regions).

C-II. Data regarding use of salt (figures to be given for each year from 1948 to 1957.

Years	Total Salt production		Consumption in tons			Exports in tons
	Mds.	Tons	Edible	Organised industries	Other purposes	
(1)	(2)		(3)			(4)

(In addition to production figures up to 1957, estimates for each year up to 1962 may be given.)

- C-III. Give a review of the organisation of co-operatives in the salt industry and measures taken by the Salt Department to encourage their growth.
- C-IV. Give a review of the system of quality control as recommended by the Salt Experts Committee in 1950 and orders issued for its implementation, arranged chronologically.
- C-V. Give a region-wise statement as under Item C-I above to indicate the number of salt works operated by lessees directly and those operated under sub-leases and production in each group as well as remarks regarding the quality of salt produced in each.
- C-VI. (a) How much of the figures for works falling under (iii) in item C. above would represent unlicensed production (*i.e.*, production of salt for which no licences have been taken out from the Salt Department) in each region?
 (b) Is the salt produced in unlicensed salt works by different individuals stacked in one heap or separated? In the former case, specify the number of individuals, whose produce is heaped together.
- C-VII. In which of the three types of works mentioned in item C-I above, has the production increased at a comparatively faster rate during the last ten years and why?
- C-VIII. Give a statement showing the year-to-year figures from 1948 to 1957 for the following :

Total cess collected	Distribution of cess proceeds to different heads such as			
	Salt Department	Model salt farms	Improvement of salt works	Other purposes

- C-IX. (a) Give the maximum and minimum rate of wages paid to salt labour, region-wise, for monthly paid, daily paid and piece rate workers.
- (b) Mention the regions, if any, in which the statutory provisions, such as those in the Minimum Wages Act, apply and their influence of salt production.
- C-X. Give a review of activity in the country with a view to recovery of by-products during the manufacture of salt and of the part played by the Salt Department in organising such recovery.

APPENDIX B (vide para 1.14)

List of persons or bodies who appeared to give evidence before the Salt Committee and those who submitted memoranda.

S. No. (1)	Name (2)	Place (3)	Date (4)
1.	Uran Salt Merchants and Shilotries Syndicate	Bombay	24-3-58
2.	Shri H.M.D.S. Bhiwandiwala, Salt Manufacturer, Bombay	"	"
3.	Small-holders Shilotries Sangh, Rai	"	"
4.	Shri T. H. Wajekar, Labour Leader, Uran Peta Kamgar Sanga, and Chairman of a Salt Co-operative Society in Uran	"	"
5.	Dr. G. M. Dhapre, Salt Manufacturer, Maroli (Thana District)	"	"
6.	Shri L. V. Bhawe, Salt Manufacturer	"	24/25-3-58
7.	Bombay Salt Merchants and Shilotries Association, represented by Shri M. G. Kotwal	"	25-3-58
8.	Dharsana Group Co-operative Salt Sales Society, Dharsana (Bombay)	"	"
9.	Indian Salt Manufacturers' Association, (Shri K. M. Thakore)	"	"
10.	Indian Salt Manufacturers' Association (Shri P. A. Narielwala)	"	"
11.	Dehgam Mith Utpadak Vividh Karyakari Sahakari Mandali Limited, Dehgam	Kharaghoda	26-3-58
12.	Vachharajpura Mitha Utapadak Vividh Karyakari Sahakari Mandali Ltd., Patdi		
13.	Bajana Mitha Udyog Vividh Karyakari Sahakari Mandali Ltd.		
14.	Dharangadha Vibhag Mitha Utapadak Vividh Karyakari Sahakari Mandali Ltd.		
15.	Shri Magan Tikam, Agaria Leader and Vice-Chairman of the Bajana Mitha Udyog Vividh Karyakari Sahakari Mandali Ltd.	Jointly represented by Shri T. J. Sukla)	
16.	Sarvodaya Mith Urapadak Sahakari Mandali Ltd.	Kharaghoda	26-3-58
17.	Kharaghoda Salt and Gunny bags Merchants Association	"	"
18.	Shri Daleepsinghji on behalf of D. P. Desai and Brothers, owners of salt works at Patri	"	"
19.	Shri Kantilal Manilal Gor of Zinzuwada	"	"

APPENDIX B—contd.

(1)	(2)	(3)	(4)
20.	Small-scale Salt Manufacturers' Association	Kharaghoda	26-3-58
21.	Shri Parekh, representative of 16 Agar land holders of Fatehpur	"	"
22.	Saurashtra Inland Salt Manufacturers' Association ..	Dhrangadhra	27-3-58
23.	Salt Manufacturers of Phalodi (represented by Sarvasbri Amarabbani, Husun Khan, Bansilal Dhawe and Anoopchand)	Sambhar Lake	26-4-58
24.	The Salt Trader's Association, Sambhar Lake ..	"	"
25.	Sargot Private Salt Manufacturers, Dhan Mandi, Sambhar. }	"	"
26.	Rajasthan Salt Pan Worker's Union, Sambhar Lake. }	(Jointly represented by Shri Deen Dayal Sharma).	
27.	Rajasthan Salt Workers' Union, Sambhar Lake. }		
28.	Rajputana Salt Sources Co-operative Labour & Savings Society, Sambhar Lake	Sambhar Lake	26-4-58
29.	Shri Balram Reddi, Athiput South, Salt Manufacturer	Madras	13-5-58
30.	Shri L. Arnachallam Chetty, Anthiput North, Salt Manufacturer	"	"
31.	Sardar A. Vedaratnam Pillai of Vedarniam Member, Regional Board for Salt, Madras	"	"
32.	Shri C. Ramaswamy, Salt Manufacturer	"	"
33.	Shri Lakshmi Narayana, Athiput South	"	"
34.	Shri Amrit Raj, Vellore	Salt Manufacturers.	
35.	Shri Arunachalam		
36.	Shri Chidambar Thaver, representing Thambakatai, Salt Licensees	Madras	13-5-58
37.	Shri Ganapati Mudaliar	Salt Manufacturers.	
38.	Shri Shanmukkam Mudaliar		
39.	Vedararniam Salt Licensees Co-operative Society* ..	"	"
40.	Salt Minor Licensees Association, Vedararniam* ..	"	"
41.	Covelong Salt Factory Licensees Association, Covelong	Covelong	"
42.	Minor Licensees Cooperative Society Covelong ..	"	"
43.	Vedararniam Salt Syndicate*	Madras	14-5-58
44.	Vedararniam Salt Workers' Cooperative Production and Sale Society*	"	"
45.	Madras & Andhra States Salt Industrialists Association*	"	"
46.	Mr. V. Karthikeyan, I.A.S., Secretary, Board of Revenue, Govt. of Madras	"	"
47.	Dr. S. N. Sen, from Central Leather Research Institute, Madras	"	"

*See Annexure.

APPENDIX B—*contd.*

(1)	(2)	(3)	(4)
48.	Mettur Chemical Works (represented by Shri T. V. Narayanswamy)	Madras	14-5-58
49.	Madras Salt Manufacturers' Association	"	"
50.	Shri T. V. Gopal of Thillai, Salt Manufacturer	"	"
51.	Shri Sangu Ganesan, Secretary, Cheyyur Salt Manufacturing & Marketing Society	"	"
52.	Shri R.V.V. S. Mani, Press Correspondent	"	"
53.	Shri N. Krishnaswamy, I.A.S. Collector of Tirunelveli	Tuticorin	15-5-58
54.	Tuticorin Salt Manufacturers and Merchants Association	"	"
55.	Arumuganeri Salt Workers Co-operative Production and Sale Society*	Arumuganeri	16-5-58
56.	Shri E. R. K. Menon, Revenue Divisional Officer	Tuticorin	"
57.	Shri D. P. A. Nayagam, Deputy Registrar of Co-operative Societies, Tuticorin	"	"
58.	Representatives of big salt manufacturers in Tuticorin viz.* Tuticorin Salt Refineries Ltd., Shri Martinamal Machado, Shri T. S. Sankaramoohanar, Mittadar Venkatasubramanya Iyer, Shri M. L. M. Mahalingam Chettiar, Sree Meenakshi Salt Works (Private) Ltd., Sh. M. M. Kadar Mohideen Tharaganar, and Man-nariah & Sons Private Ltd.	"	"
59.	Gandhi Irwin Salt Manufacturers Association*	"	"
60.	Small Scale Manufacturers of Tuticorin (represented by Sarvashri P. Rangaswamy, Lakshamanan and M. G. Nadar etc.)*	"	"
61.	Shri V. V. D. Dhanapalan on behalf of Arasady Extension Salt Factory*	"	"
62.	Shri P. S. Subbraman of Varasuki & Co., Leading exporters of salt	"	"
63.	Shri R. M. Subramanyam of Velporadai Salt Works	"	"
64.	Shri T. V. Ramasubba Iyer	} Small Salt Licensees of Nagercoil Circle	Cape Camorin 17-5-58
65.	Shri S. Keshav Iyer		
66.	Shri G. A. Venkatasubha Aiyah		
67.	Shri N. S. Karayalar representing S. C. T. M. and S. M. G. L. Salt Factories	Cape Camorin	"
68.	Shri Venkatachar of Kerala, Salt Manufacturer	"	"
69.	Shri Keshav Pillai representing Puthalam Salt Factory	"	"
70.	Shri T. Parumal Pillai representing Thattari Pudai Salt Factory	"	"
71.	Old Allom Factory Co-operative Society	"	"

*See Annexure.

APPENDIX B—contd.

(1)	(2)	(3)	(4)
72.	Shri R. Tirumalai, Collector of Kanya Kumari	.. Cape Camorin	17-5-58
73.	Shri Sankara Rajan on behalf of Colochal Salt Factory*	.. .. .	.. ..
74.	Rajakkamanglam Salt Licensees Association	.. ..	.. ..
75.	Shri Mahadevan Pillai, Varyoor Salt Manufacturer	.. ..	.. ..
76.	Shri Sankara Allom Salt Factory & Extension 2 factories represented by Sarvashri N. Ramamurthy and K. V. Srivarma Krishna Aiyer*	.. ..	.. ..
77.	Bharat Chamber of Commerce, Calcutta	.. .. Calcutta	27-5-58
78.	Calcutta Salt Association Ltd.	.. ..	.. ..
79.	Calcutta Salt Merchants Association	.. ..	.. ..
80.	Mr. D. H. Bates of Alkali Chemicals Corporation (India) Limited	.. ..	.. ..
81.	Sarvashri Shyamal Maity and Kajal Maity, Salt Manufacturers in West Bengal	.. ..	.. ..
82.	Shri Radhika Mohan Das representing Lokmanya Salt Works, Sunderban area (West Bengal)	.. ..	.. ..
83.	Shiekh Ispauddin, Salt Manufacturer, Contai	.. Contai	28-5-58
84.	Mr. M. Dutta, Managing Agent, Bengal, Salt Co.	.. ..	.. ..
85.	M/s. Contai Salt & Industries (P.) Ltd. represented by Shri D. K. Saswal*	.. ..	.. ..
86.	Ramnagar Salt Factory represented by Shri Satya Ranjan Dey	.. ..	.. ..
87.	United Salt Cultivators represented by Shri Satish Chandra Maitra and Shri Sunil Baran Janna	.. ..	.. ..
88.	Shri Birendra Kumar Das Mahapatra, prospective Salt Manufacturer	.. ..	.. ..
89.	Great Bengal Salt Co. Ltd. represented by Sarvashri Sarvatosh Bera and D. K. Mandal	Contai	28-5-58
90.	Shri Satish Chandra Jana, M.L.C.	.. ..	.. ..
91.	Shri Basant Kumar Das (Ex-MP)	.. ..	.. ..
92.	Shri Ras Behari Pal, M. L. A.	.. ..	.. ..
93.	Das and Guria and Co., Kanal Chatta, P. O. Dariapur represented by Shri Sasank Shekhar Jana	.. ..	.. ..
94.	Gandhi Smriti Lavan Kuntir Silpa represented by Shri Rabindra Nath Maiti*	.. ..	.. ..
95.	Devendra Nath Sahu, Salt Manufacturer, Contai	.. ..	.. ..
96.	Shri L. Dandapat, Joint Registrar, Co-operative Societies and Khadi and Village Industries	.. Gopalpur-on-sea.	30-5-58

*See Annexure.

APPENDIX B—contd.

(1)	(2)	(3)	(4)
97.	Shri V. Sitaramya, President of Kumma Salt Production and Sales Co-operative Society		30-5-58 Gopalpur on-sea.
98.	Shri K. S. Panda, President, Bahuda Salt Co-operative Society*	"	"
99.	Shri Aurobindo Nayak, President of the Partitpavan Shell and Salt Co-operative Society*	"	"
100.	Shri Purshotam Behara, Member, Regional Board for Salt, for West Bengal and Orissa	"	"
101.	Shri M. B. Swain, Secretary of the Astarang Salt Production and Sale Co-operative Society*	"	"
102.	Ganjam District Industrial Salt Co-operative Society	"	"
103.	Dr. Jagan Nath Roy, M.L.A. }	Salt Manufacturers of Orissa	"
104.	Shri K. L. Modi. }		
105.	Shri Sitaram Modi. }		
106.	Shri Murli Dhar. }		
107.	Shri K. L. Bhut. }		
108.	Orissa Salt Manufacturers' Association*	"	"
109.	Shri N. V. Subba Rao. }	Salt Manufacturers in Chinaganjam*	Visakhapatnam 31-5-58
110.	Shri Potti Raghava Gupta. }		
111.	Manginapudi Salt Licensees' and Merchants Association, Masulipatnam*	"	"
112.	Shri G. V. N. Rao, Revenue Divisional Officer, Kakinada	Kakinada	1-6-58
113.	Shri M. Mohd. Hussain, Deputy Registrar, co-operative Societies, Kakinada	"	"
114.	Salt Licensees & Merchants' Association, Penuguduru Salt Factory, Kakinada	"	"
115.	Shri M. Satyanarayana, Salt Manufacturer, Kakinada*	Kakinada	1-6-58
116.	Shri T. V. Peddiraju—Salt Manufacturers, Kakinada	"	"
117.	Shri Meda Venkateswarulu, Salt Manufacturer	"	"
118.	Gurazanapalli Salt Licensees and Merchants Association	"	"
119.	Ganapati Salt Factory	"	"
120.	Shri T. Venkatta Rao, Unlicensed Salt Manufacturers	"	"
121.	Shri Rolla Sitaramayya Naidy, Salt Manufacturer Kakinada*	"	"
122.	Shri D. S. Reddy }	Salt Licensees of Naupada (Minor Licensees)*	Visakhapatnam 2-6-58
123.	Shri P. Kanakaraju }		
124.	Shri V. Jaganaikulu }		

*See Annexure.

APPENDIX B—*contd.*

(1)	(2)	(3)	(4)
125.	Shri G. Lakshminarayana	Salt Manufacturers of Calingapatnam (Minor Licensees)*	Uisakhapatnam 2-6-58
126.	Shri G. Appalaswami		
127.	Shri M. Narayanapaddu		
128.	Shri K. Kanakya		
129.	Shri S. S. Reddy		
130.	Gurunath Apparao & Co., and Naupada Salterns represented by Shri Dharamarao .. .. .	.. .. .	.. .. .
131.	Shri B. G. M. Narsimhan Rao, M.L.A. .. .. .	.. .. .	.. .. .
132.	Shri D. Bhogalingam, Chairman, Anakapalle Municipal Committee, and a salt licensee* Anakapelle, Visakhapatnam Distt. .. .. .	.. .. .	.. .. .
133.	Shri P.V. Ramanaia	Salt Manufacturers of Bheemunipatnam*	.. .. .
134.	Shri D. Gopalakrishna		
135.	Shri P. N. Narayana Rao		
136.	Shri S. J. Malavavor	Salt Manufacturers at Balacheruvu, Karasa and Vedachipurupalli*	.. .. .
137.	Shri G. L. Ghiya		
138.	Shri A. Suryanarayana Nurthy		
139.	Shri G. T. Kamdar on behalf of M/s. Bhavnagar Salt and Industrial Works Ltd. Bhavnagar, and the Sau- rashtra Salt Manufacturing Co., Porbandar	Delhi	21-6-58

* See Annexure.

ANNEXURE TO APPENDIX B

List of persons or bodies who presented written memoranda to the Salt Committee.

The names of a number of persons or bodies who presented written memoranda already appear in Appendix B and have been indicated by an asterisk. In addition, the following submitted such memoranda :—

- (1) The Indian Salt Manufacturers' Association, Bombay.
- (2) Gujarat Vepari Mahamandal (Gujrat Chamber of Commerce), Ahmedabad.
- (3) The Southern India Chamber of Commerce, Madras.
- (4) The Indian Merchants' Chamber, Bombay.
- (5) The Maharashtra Chamber of Commerce, Bombay.
- (6) Muthiapuram Salt Manufacturers' Association, Tuticorin.
- (7) Shri Uma Charan Patnaik, M.P.
- (8) Shri M. S. Selvarajan, M.L.A. Arumuganeri.
- (9) Dewan Bahadur Shri C. Arunachala Mudaliar, Zamindar of Chunampet, Salt manufacturer.
- (10) Shri K. Thiragarajan of Tuticorin.
- (11) Small-scale Salt Manufacturers of Tuticorin.
- (12) The Salt Labour Union, Arumganeri.
- (13) Shri Srinivas Fatehpuria, Member, Central Advisory Board for Salt.
- (14) Certain Licences of Ganjam Salt Factory.
- (15) Humma Salt Workers Union.
- (16) Shadabedi Salt Manufacture and Sale Cooperative Society Ltd. (Orissa).
- (17) Shri Kaligotla Suryanarayana Naidu, a lessee of the Sheemunipatnam Extension Salt Factory.
- (18) The Indian Communist Unity Centre, Kakinada.
- (19) Shri P. Rajaram representing the Private (unlicensed) Salt Manufacturers of Kara Agraharam (Masulipatan).

APPENDIX C (*Vide* para 3-01)

(j) Statement showing particulars in respect of salt works with an area of more than 100 acres each.

Description of particulars	Bombay Region			Madras Region			Calcutta Region	R.S.S.	Mandi	Govt. Salt works only (all regions)	Private salt works only (all regions)	Total (Govt. & private)
	Saurashtra & Kutch	Other areas		Tuticorin	Others							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A—Number of salt works												
1948 ..	3	11	1	45	5	28	12	3	1	5	104	109
1949 ..	3	11	1	45	5	28	13	3	1	5	105	110
1950 ..	4	12	1	46	5	31	13	3	1	5	111	116
1951 ..	4	18	1	47	5	34	12	3	1	5	120	125
1952 ..	11	19	1	49	5	36	13	3	1	5	133	138
1953 ..	11	20	1	49	6	37	12	3	1	5	135	140
1954 ..	11	21	1	48	6	39	12	3	1	5	137	142
1955 ..	7	22	1	49	6	40	12	3	1	5	136	141
1956 ..	12	22	1	51	6	39	12	3	1	5	142	147
1957 ..	14	21	1	52	6	38	12	3	1	5	143	148

APPENDIX C—(contd.)
 (i) Statement showing particulars in respect of salt works with an area of more than 100 acres each—contd.
 B—Production (figures outside brackets show production in million maunds and those in brackets in thousand tons)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1948	2.1 (77.1)	11.2 (411.4)	3.7 (135.9)	5.1 (187.3)	1.5 (55.1)	3.9 (143.3)	0.4 (14.7)	10.1 (371.0)	0.1 (3.7)	13.9 (510.6)	24.2 (888.9)	38.1 (1399.5)
1949	2.1 (77.1)	13.5 (495.9)	5.2 (191.0)	4.1 (150.6)	1.3 (47.3)	3.5 (128.6)	0.8 (29.4)	10.1 (371.0)	0.1 (3.7)	15.4 (565.7)	25.3 (929.4)	40.7 (1495.1)
1950	2.7 (99.2)	13.9 (510.6)	5.6 (205.7)	6.4 (235.1)	1.5 (55.1)	3.2 (117.6)	0.7 (25.7)	13.1 (477.6)	0.4 (14.7)	19.0 (698.0)	28.4 (1043.3)	47.4 (1741.3)
1951	3.4 (124.9)	16.2 (595.1)	6.1 (224.1)	6.1 (224.1)	1.5 (55.1)	3.7 (136.0)	0.8 (29.4)	11.6 (426.1)	0.1 (3.7)	17.8 (653.9)	31.7 (1164.6)	49.5 (1818.5)
1952	4.4 (161.6)	20.8 (764.1)	7.1 (260.8)	6.4 (235.1)	2.3 (84.3)	3.8 (139.6)	0.8 (29.4)	7.2 (264.5)	0.1 (3.7)	14.4 (529.0)	38.5 (1414.1)	52.9 (1943.1)
1953	4.2 (154.2)	20.5 (754.4)	6.2 (227.5)	6.6 (242.4)	2.3 (84.3)	4.3 (158.0)	0.8 (29.4)	8.2 (301.2)	0.2 (7.3)	14.6 (536.0)	38.7 (1422.7)	53.3 (1958.7)
1954	2.1 (77.1)	20.0 (743.5)	6.3 (231.4)	6.2 (227.8)	2.3 (84.3)	3.1 (113.9)	0.6 (22.0)	8.4 (308.6)	0.2 (7.3)	14.9 (536.0)	34.5 (1268.6)	49.4 (1815.9)
1955	3.0 (110.2)	28.5 (1046.0)	6.8 (249.8)	6.4 (235.1)	3.1 (113.9)	2.5 (91.8)	0.8 (29.4)	7.5 (275.5)	0.1 (3.7)	14.4 (529.0)	44.3 (1626.4)	58.7 (2155.4)
1956	4.1 (150.6)	27.1 (996.1)	6.7 (246.1)	5.4 (198.4)	3.9 (143.3)	3.8 (139.6)	0.8 (29.4)	10.7 (393.0)	0.1 (3.7)	17.5 (642.8)	45.1 (1657.4)	62.6 (2300.2)
1957	5.7 (209.4)	26.3 (965.3)	6.1 (224.1)	7.0 (257.1)	4.3 (158.0)	3.7 (135.9)	1.1 (40.4)	8.8 (223.2)	0.1 (3.7)	15.0 (551.0)	48.1 (1766.1)	53.1 (2317.1)
C—Total area in acres (including condensers and crystallizers)												
1948	6,590	16,422	336	9,263	779	6,456	1,408	1,450	—	1,786	40,918	42,704
1949	6,590	16,422	336	9,263	789	6,678	2,443	1,450	—	1,786	42,185	43,971

1950	..	6,847	19,737	861	9,508	819	7,216	2,522	1,450	—	2,311	46,649	48,960
1951	..	6,874	29,400	1,111	9,601	900	8,488	2,522	1,450	—	2,561	57,758	60,319
1952	..	8,231	33,912	1,436	10,697	900	9,864	2,841	1,450	—	2,886	66,445	69,331
1953	..	8,512	34,018	1,423	10,839	1,222	9,508	3,056	1,450	—	2,873	67,155	70,028
1954	..	8,517	37,206	1,423	10,745	1,222	10,382	3,089	1,440	—	2,863	71,161	74,024
1955	..	7,878	39,603	1,423	10,902	1,222	10,629	3,368	1,515	—	2,947	73,593	76,540
1956	..	9,105	44,449	1,423	10,912	1,222	11,030	3,915	1,515	—	2,938	80,633	83,571
1957	..	9,595	41,231	1,673	11,342	1,222	10,576	3,294	1,515	—	3,188	77,260	80,448
D—Production of salt per acre in maunds													
1948	..	390	682	10,985	546	1,974	609	296	6,965	—	7,782	590	892
1949	..	390	823	15,400	444	1,757	523	213	6,965	—	8,622	600	925
1950	..	395	704	6,508	675	1,846	450	293	8,965	—	8,222	620	968
1951	..	502	552	5,574	632	1,658	431	344	8,000	—	6,050	690	821
1952	..	532	613	5,640	596	2,507	309	277	4,965	—	7,909	680	763
1953	..	807	603	5,275	668	1,920	450	388	5,655	—	5,082	580	760
1954	..	315	544	4,541	638	1,899	296	193	5,833	—	5,204	470	665
1955	..	411	719	5,315	651	2,549	239	248	4,950	—	4,888	550	767
1956	..	512	610	5,572	571	3,915	340	297	7,063	—	5,956	560	750
1957	..	757	637	4,763	701	3,553	352	319	5,908	—	4,706	630	784

APPENDIX C—contd.

(ii) Statement showing particulars in respect of 'salt' works with an area of more than 10 acres but not exceeding 100 acres each

Description of particulars	Bombay Region		Madras Region		Calcutta Region	R. S. S. Mandi	Govt. salt works only (all regions)	Private salt works only (all regions)	Total (Govt. & Private)			
	Saurashtra & Kutch	Other areas	Tuticorin	Others								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1948 ..	—	—	—	197	15	152	7	—	—	—	371	371
1949 ..	—	—	—	197	22	154	8	—	—	—	381	381
1950 ..	—	—	1	198	21	154	10	—	—	1	383	384
1951 ..	—	—	1	198	21	157	10	—	—	1	386	387
1952 ..	—	—	1	198	23	163	10	—	—	1	394	395
1953 ..	—	—	1	198	23	166	10	—	—	1	397	398
1954 ..	—	—	1	198	21	169	10	—	—	1	398	399
1955 ..	—	—	1	198	16	140	11	1	—	2	365	367
1956 ..	—	—	1	198	20	172	11	1	—	2	401	403
1957 ..	5	—	2	198	18	178	11	1	—	2	411	413

A—Number of Salt Works

B—Production (figures outside brackets show production in million maunds and those in brackets in thousand tons)												
1948	..	—	—	—	6.4	2.0	4.0	0.1	—	—	12.5	12.5
					(235.1)	(73.4)	(146.9)	(3.7)			(459.1)	(459.1)
1949	..	—	—	—	4.1	1.6	2.2	0.2	—	—	8.1	8.1
					(150.6)	(58.8)	(80.8)	(7.3)			(297.5)	(297.5)
1950	..	—	—	—	0.1	6.33	3.6	0.2	—	—	11.9	11.93
					(3.7)	(232.5)	(132.2)	(7.3)			(437.0)	(438.1)
1951	..	—	—	—	0.2	3.3	4.2	0.2	—	—	9.6	9.7
					(7.3)	(121.3)	(154.3)	(7.3)			(352.6)	(356.3)
1952	..	—	—	—	0.3	6.0	3.5	0.2	—	—	11.8	11.9
					(11.0)	(220.4)	(128.6)	(7.3)			(433.4)	(437.1)
1953	..	—	—	—	0.3	7.4	4.3	0.3	—	—	13.2	13.9
					(11.0)	(270.5)	(15.0)	(11.0)			(483.5)	(509.2)
1954	..	—	—	—	0.1	6.6	3.3	0.2	—	—	11.0	11.7
					(3.7)	(242.4)	(121.2)	(7.3)			(404.0)	(429.7)
1955	..	—	—	—	0.2	6.4	2.5	0.2	—	—	10.7	10.9
					(7.3)	(234.1)	(91.8)	(7.3)			(394.9)	(402.2)
1956	..	—	—	—	0.3	5.5	3.6	0.2	—	—	11.5	11.8
					(11.0)	(200.9)	(132.2)	(7.3)			(421.1)	(432.1)
1957	..	0.01	—	—	0.3	7.5	3.6	0.3	—	—	13.61	14.1
		(0.3)			(11.0)	(271.1)	(132.2)	(11.0)			(501.3)	(519.7)
C—Total area in acres (including condensers and crystallizers)												
1948	..	—	—	—	8,288	528	3,754	209	—	—	12,779	12,779
1949	..	—	—	—	8,288	594	3,849	229	—	—	12,960	12,960

APPENDIX C—contd.

(ii) Statement showing particulars in respect of salt works with an area of more than 10 acres but not exceeding 100 acres & each—Contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1950	..	—	100	8,362	607	3,936	330	—	—	55	13,280	13,335
1951	..	—	100	8,362	635	4,033	330	—	—	55	13,405	13,460
1952	..	—	100	8,362	764	4,148	330	—	—	55	13,649	13,704
1953	..	—	100	8,432	691	4,323	330	—	—	55	13,821	13,876
1954	..	—	100	8,432	619	4,456	332	—	—	55	13,884	13,939
1955	..	—	100	8,432	1221	10,629	331	20	—	75	20,658	20,733
1956	..	—	100	8,432	620	4,957	331	31	—	86	14,375	14,461
1957	..	—	150	8,432	630	5,181	385	46	—	101	15,039	15,140
D—Production of salt per acre in maunds												
1948	..	—	—	771	3,874	1,065	670	—	—	—	960	960
1949	..	—	—	579	2,654	780	808	—	—	—	620	620
1950	..	—	980	756	2,738	905	618	—	—	563	910	909
1951	..	—	1,520	786	2,878	786	464	—	—	782	660	750
1952	..	—	2,820	725	2,509	844	712	—	—	691	900	910
1953	..	—	2,520	790	2,369	972	838	—	—	1,200	1,100	1,700
1954	..	—	1,000	730	2,362	740	583	—	—	1,200	860	840
1955	..	—	2,480	732	2,549	739	586	10,000	—	2,980	560	550
1956	..	—	3,200	735	3,310	733	656	6,400	—	3,140	820	840
1957	..	—	2,080	835	3,553	682	826	8,695	—	4,050	900	940

(iii) Statement showing particulars in respect of salt works with an area of 10 acres or less each

Description of particulars	Bombay Region			Madras Region			Calcutta Region	R. S. S.	Mandi	Govt. salt works only (all regions)	Private salt works only (all regions)	Total (Govt. & Private)
	Saurashtra & Kutch	Other areas	Others	Tuticorin	Others	Others						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1948 ..	—	—	—	22	690	3651	15	—	—	—	4,378	4,378
1949 ..	—	—	—	22	1,001	3996	15	—	—	—	5,034	5,034
1950 ..	—	20	3	62	1,344	4258	14	—	—	—	5,701	5,701
1951 ..	—	20	3	62	1,494	5287	14	—	—	—	6,880	6,880
1952 ..	—	20	3	142	1,645	5513	14	—	—	1	7,336	7,337
1953 ..	8	15	3	67	1,530	5426	15	—	—	1	7,063	7,064
1954 ..	8	20	2	129	1,917	5617	15	—	—	1	7,707	7,708
1955 ..	8	22	2	129	2,055	5282	15	—	—	1	7,512	7,513
1956 ..	10	22	2	106	2,154	7076	15	—	—	1	9,304	9,385
1957 ..	12	22	2	106	2,123	6839	15	—	—	—	9,118	9,119

A—Number of salt works

APPENDIX C—*contd.*
 (iii) Statement showing particulars in respect of salt works with an area of 10 acres or less each—Contd.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
B—Production (figures outside brackets show production in million maunds and those in brackets in thousand tons)												
1948	..	—	—	1.3 (47.8)	3.2 (117.6)	8.5 (312.2)	.02 (0.7)	—	—	—	13.0 (478.3)	13.0 (478.3)
1949	..	—	—	1.1 (40.4)	1.7 (62.4)	3.9 (143.2)	.03 (1.1)	—	—	—	6.7 (247.1)	6.7 (247.1)
1950	..	—	.1 (3.7)	.1 (3.7)	3.2 (117.6)	7.9 (290.2)	.02 (0.7)	—	—	—	11.9 (437.9)	11.9 (437.9)
1951	..	—	.5 (18.3)	.2 (7.3)	4.4 (161.6)	8.4 (308.6)	.02 (0.7)	—	—	—	14.1 (518.5)	14.1 (518.5)
1952	..	—	.5 (18.3)	.3 (11.0)	4.0 (147.0)	5.9 (216.7)	.03 (1.1)	—	—	—	12.0 (441.9)	12.0 (441.9)
1953	..	3.1 (113.9)	.3 (11.0)	.8 (29.4)	4.4 (161.6)	7.0 (257.1)	.4 (14.7)	—	—	.004	18.8 (690.6)	18.8 (690.6)
1954	..	.8 (29.4)	.5 (18.3)	.9 (33.1)	4.3 (158.0)	5.8 (213.1)	.2 (7.3)	—	—	.003	13.0 (477.5)	13.0 (477.5)
1955	..	.2 (7.3)	.5 (18.3)	.9 (33.1)	4.9 (180.0)	3.9 (143.2)	.2 (7.3)	—	—	.002	11.1 (407.5)	11.1 (407.5)
1956	..	.6 (22.0)	.5 (18.3)	.7 (25.7)	5.4 (198.3)	6.0 (220.4)	.3 (11.0)	—	—	.002	14.7 (539.8)	14.7 (539.8)
1957	..	3.7 (136.0)	.6 (22.0)	1.2 (44.1)	6.7 (246.1)	7.2 (264.5)	.5 (18.3)	—	—	.004	21.1 (775.1)	21.1 (775.1)
C—Total area in acres (including condensers and crystallizers)												
1948	..	—	—	107	609	4,210	43	—	—	—	4,969	4,969
1949	..	—	—	107	904	7,067	36	—	—	—	8,114	8,114

1950	..	—	271	29	272	1,081	7,224	25	—	—	—	8,912	8,912
1951	..	—	258	52	519	1,157	7,980	34	—	—	—	10,000	10,000
1952	..	—	254	320	478	1,341	7,214	36	—	—	8	9,635	9,643
1953	..	1275	200	320	478	1,331	8,216	43	—	—	8	11,855	11,863
1954	..	1275	300	42	414	1,947	8,229	43	—	—	8	12,242	12,250
1955	..	1275	269	8	312	1,936	8,785	43	—	—	8	12,620	12,628
1956	..	1625	269	94	313	2,395	9,468	43	—	—	8	14,199	14,207
1957	..	2075	248	381	887	2,510	7,989	43	—	—	8	14,125	14,133
D—Production of salt per acre (in Maunds)													
1948	..	—	—	—	9,579	4,336	4,215	442	—	—	—	2,308	2,308
1949	..	—	—	—	9,869	3,535	750	860	—	—	—	911	911
1950	..	—	2,140	3,379	999	5,810	3,359	571	—	—	—	1,241	1,241
1951	..	—	1,393	7,942	862	6,456	1,322	559	—	—	—	687	697
1952	..	—	1,791	3,866	1,366	6,211	1,820	750	—	—	—	1,199	1,199
1953	..	240	1,385	4,225	717	3,921	1,230	744	—	—	500	1,162	1,160
1954	..	660	1,393	7,167	1,053	5,170	1,473	465	—	—	374	899	890
1955	..	17	1,918	7,625	1,105	5,170	822	488	—	—	250	783	780
1956	..	37	2,234	4,574	1,523	5,517	1,300	558	—	—	250	1,165	1,160
1957	..	155	2028	3,528	1,546	5,701	1,659	650	—	—	500	1,369	1,360

ANNEXURE I TO APPENDIX C

Statement of Production (in million maunds)

Year	Category I above 100 acres	Category II between 10— 100 acres	Category III 10 acres or less	Total for all three categories
(1)	(2)	(3)	(4)	(5)
1948	38.1 (60%)	12.5 (19.6%)	13.0 (20.4%)	63.6
1949	40.7 (73.3%)	8.1 (14.6%)	6.7 (12.1%)	55.5
1950	47.4 (66.6%)	11.9 (16.7%)	11.9 (16.7%)	71.2
1951	49.6 (67.5%)	9.7 (13.2%)	14.1 (19.3%)	73.3
1952	52.9 (68.9%)	11.9 (15.5%)	12.0 (15.6%)	76.8
1953	53.3 (62%)	13.9 (16.1%)	18.8 (12.9%)	86.0
1954	49.2 (66.6%)	11.7 (15.8%)	13.0 (17.6%)	73.9
1955	58.7 (72.7%)	10.9 (13.5%)	11.1 (13.8%)	80.7
1956	62.6 (70.2%)	11.8 (13.3%)	14.7 (16.5%)	89.1
1957	63.1 (64.2%)	14.1 (14.3%)	21.1 (21.5%)	98.3

Note:—Figures in brackets show percentage of the total production for each year.

ANNEXURE II TO APPENDIX C

Statement showing production of salt in salt works of 10 acres or less each and its break-up as licensed and unlicensed production

Year	Production of salt works with areas of 10 acres	(Figure in million maunds) Production of salt works with areas of 10	Total produc- tion of salt works in areas of
(1)	(2)	(3)	(4)
1948	13.0	—	13.0
1949	6.4	0.3	6.7
1950	10.5	1.3	11.9
1951	12.0	2.1	14.1
1952	8.0	4.0	12.0
1953	13.6	5.2	18.8
1954	7.5	5.5	13.0
1955	7.4	3.7	11.1
1956	8.9	5.8	14.7
1957	13.7	7.4	21.1

APPENDIX D (vide para 7-01)

Statement showing production, acreage, etc. of licensed Co-operative Societies in different regions during the year 1954-55, 1955-56 and 1956-57.

S. No.	Name of the Region and Division.	Acreage (Area of the salt works in acres)		Total No. of members	Salt produced showing in thousand maunds			REMARKS
		Gross	Presently under cultivation		(Corresponding figures in tons are shown in brackets)	1954-55	1955-56	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Bombay Region Thana Division (Gran Circle)	477-20	477-20	185	3 (110)	30 (1,102)	41 (1,506)	
2.	Bhayanagar Circle	1494-48	1214-54	872	528 (19,396)	789 (28,984)	726 (26,669)	
3.	Kharachoda Division†	1500-00	1000-00	424	102 (3,747)	690 (25,347)	1163 (42,722)	*Two societies in this Division were amalgamated into one Society which started production from 1955-56.
4.	Jamnagar Division*	1836-00	662-00	486	730 (26,817)	201 (7,383)	749 (27,514)	Two other Societies were newly formed during 1955-56 and 1956-57 to start production in the following years.
5.	Madras Region (Madras Circle)	732-02	470-00	1,160	169 (6,208)	288 (10,580)	382 (14,033)	†Two Societies started functioning in 1956-57.
6.	Cuddalore Circle	380-96	134-80	495	48 (1,763)	39 (1,432)	52 (1,910)	
7.	Tuticorin Circle	117-07	74-65	483	79 (2,902)	125 (4,592)	176 (30,271)	
8.	Nagercoil Circle	21-73	18-23	31	19 (698)	31 (1139)	64 (2351)	
9.	Calcutta Region‡	1548-47	866-74	1,050	132 (4,849)	205 (7,531)	266 (9,771)	‡One Society started functioning in 1957-58.

APPENDIX E (vide 11-07)

Statement showing total cess collected and distribution of cess proceeds over different heads (In lakh rupees)

Year	Total cess collected			Distribution of cess proceeds to different heads such as					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		From Govt. factories	From private salt works	Total	Salt Dept. (Estt.)	Model Salt Farms (Both Capital & recurring)	Expenditure on works in public sector	Improvement of Salt Works Expenditure on works relating to Private Sector	TOTAL
1948-49 ..		30.51	26.93	57.44	47.00	—	1.96	—	1.96
1949-50 ..		35.37	32.98	68.35	41.00	0.09	1.73	0.44	2.17
1950-51 ..		40.23	40.60	80.83	38.00	0.23	3.60	0.07	3.67
1951-52 ..		35.45	44.94	80.39	38.00	0.60	3.75	0.26	4.01
1952-53 ..		34.02	62.09	96.11	38.00	0.17	2.69	0.17	2.86
1953-54 ..		33.39	61.59	94.98	38.00	0.11	3.04	0.43	3.47
1954-55 ..		30.16	63.62	93.78	40.00	0.28	7.58	1.10	8.68
1955-56 ..		36.00	58.42	94.42	41.00	0.12	5.02	1.52	6.54
1956-57 ..		29.77	49.02	78.79	45.00	0.37	8.34	7.50	15.84

APPENDIX F (*vide* PARAS 11.07, 11.09 AND 11.12)

Constitution of a Statutory Central Salt Board

To facilitate proper utilisation of available funds out of the proceeds of the salt cess as levied under the Salt Cess Act, 1953, a Central Salt Board should be constituted by necessary amendment of the above mentioned Act. The Central Salt Board should consist of not more than 11 members including the Chairman and should include the Salt Commissioner, representatives of Central Government, representatives of salt industry including one representative from small scale sector, representatives of salt labour, representatives of salt co-operative societies, representatives of consumers, some experts and others interested in the salt industry, as may be considered necessary by the Central Government from time to time. This Board will replace the present Central Salt Advisory Board.

The proceeds of the salt cess as levied under the Salt Cess Act, 1953, after meeting the cost of collection and the expenditure incurred in connection with the Salt Organisation should be placed at the disposal of the above mentioned Board in the manner and for the purposes indicated in the succeeding paragraphs.

Salt Development Credit Fund—This fund should be started with an initial amount of Rs. 50 lakhs and to this should be added at the beginning of each year 25% of the balance of the proceeds of the salt cess as mentioned in para 2. The Fund should be utilised by the Board for granting loans to manufacturers of salt, and particularly co-operative societies of salt manufacturers, on such terms and in such manner as may be prescribed by the Central Government.

Salt Labour Welfare Fund—This Fund should be formed by crediting to it at the beginning of each financial year 25% of the balance of the proceeds of the salt cess as mentioned in para 2 above. The Fund should be utilised by the Central Board to defray the cost of measures for the benefit of labour employed in the salt industry directed towards :—

- (i) the provision of water supplies for drinking and washing and the improvement of existing supplies and facilities;
- (ii) the provision of educational facilities;
- (iii) the provision of medical facilities and the improvement of existing medical facilities;
- (iv) the provision of shelters;
- (v) the provision of canteens; and
- (vi) any other purpose which the Central Government may prescribe in this behalf.

Salt Development Works and Other Measures for the Development of Salt Industry—The remaining 50% of the balance of the proceeds of the salt cess should be placed at the disposal of and be utilised by the Board for meeting expenditure on the purposes enumerated in section 4(b) of the Salt Cess Act, 1953, other than those coming within the purview of the Salt Development Credit Fund and the Salt Labour Welfare Fund, and in particular on the execution of capital or maintenance works required for the development of the Salt industry. The Board should for this purpose prepare or approve schemes, plans and estimates. Once it has approved a scheme, plan or estimate, there should be no delay in its implementation or execution either by the Salt Commissioner with the help of the staff of his Department or such other agency as may be chosen by the Board for the purpose.

APPENDIX G (*vide* PARA 11.13)

A note on the measures suggested for the promotion of co-operative movement in the Salt Industry.

Co-operative movement in the salt industry may generally take the form of organisation of co-operative societies of one of the following kinds :—

- (1) Salt Producers' Co-operative Societies;
- (2) Salt Marketing Co-operative Societies;
- (3) Salt Labourers' Co-operative Societies; and
- (4) Co-operative stores for supply of essential commodities to salt workers.

Producers' Co-operative Societies—These deserve the greatest attention and encouragement. Their position is analogous to that of industrial co-operatives in small industries and their organisation requires great care, patience, sympathy and help. The following measures are likely to help in this connection :—

- (a) Model bye-laws for co-operative societies of salt manufacturers may be drawn up by the Salt Department and circulated to the State Governments concerned for adoption by them on a uniform basis as far as possible. The bye-laws should provide for adequate check and guidance both by the Salt Department as well as the Co-operative Department of the State Government in order that the co-operative society may function in the true spirit of co-operative effort and with due technical and administrative competence. In the initial period of the working of a society, its Secretary should be an official of trusted ability and possessing experience and knowledge of both co-operation as well as salt manufacture.
- (b) Loans should be given to the societies for the requirements of share capital, capital investment as well as working capital as follows :—
 - (i) share capital —87½% repayable in two annual instalments.
 - (ii) funds required for capital investment — 100% repayable in 20 annual instalments.
 - (iii) working capital — 100% repayable in 10 annual instalments.
The rate of interest for all these loans should be same as allowed to industrial co-operatives in handloom and cottage industries.
- (c) A grant up to 50%, for a limited period, say, 3 years, towards organisational expenses including the cost of managerial establishment, and up to 100% for training of employees in co-operative work, management, accounts or salt production may also be given to producers co-operative societies at the discretion of Government and on the merits of each case.

Marketing Co-operative Societies—Marketing Co-operative Societies should consist of a majority of shareholders who are themselves either producer co-operative societies or individual salt manufacturers. These societies would also include co-operative unions which may purchase salt from producer co-operative societies or other salt producers and arrange for its transport and sale. Such marketing societies would not be entitled to the cess concession which would be applicable only to "producers' co-operative societies" as mentioned in para 2.

Regarding the rest of the financial help these societies should receive financial help on lines similar to the producer co-operative societies.

Salt Labourers' Co-operative Societies—These societies may be given loans for share capital as well as some working capital depending on the requirements of each case.

Co-operative Societies for supply of essential commodities to Salt Workers—These co-operatives may be given loan for working capital only, depending upon the requirements of each case.

APPENDIX H (*vide* PARA 11.29)

Summary of conclusions and recommendations.

(1) Production of caustic soda and soda ash in the country is expected to increase very rapidly in the next few years and these two industries may require nearly a million tons of salt by 1961 and 2 million tons by 1966. Taking into account other industrial requirements such as food processing, fish preservation, treatment of hides and skins, etc.; the total demand for salt for all industrial purposes by 1961 and 1966 may be of the order of 1.1 million and 2.5 million tons respectively. Therefore, before long, far from having over-production of salt, special efforts may be needed to increase the production still further. (Para 2.04).

(2) It is necessary to provide chemical industries with salt of an appropriate high degree of purity; therefore, production of salt of as high a purity as possible for industrial requirements should be encouraged. (Paras 2.08 and 8.03).

(3) There has been a fairly steady increase in the production of salt by large-scale manufacturers during the last 10 years. (Para 3.03).

(4) Medium-size works (between 10 and 100 acres) have not played an important part in the growth of the salt industry during the last 10 years. (Para 3.04).

(5) In the small sector (works up to 10 acres) increased production of salt has taken place mainly in unlicensed works during the last 10 years and this increase has been phenomenal. (Para 3.05).

(6) The cost of production of salt per maund varies only in a limited way between works of different sizes under similar natural conditions. (Para 4.01).

(7) Production of salt for the same unit of area may vary between a range of as much as 1 to 10 in different parts of the country owing to the difference in climatic and other natural factors. (Para 4.02).

(8) The Co-operative movement has not made any great headway in the salt industry during the last 10 years in spite of the cess concession and other encouragement on the part of Government. (Para 7.01).

(9) Apart from ordinary edible salt, it is necessary to provide for production of special varieties of salt for special purposes, e.g., table salt, iodised salt, and salt of special grades and special specifications required for the dairy and food industries. (Paras 8.07 and 8.08).

(10) All manufacturers producing salt for trading purposes, regardless of the area worked, should come under a licensing and registration system. Works of more than 10 acres should be licensed and those with an area of 10 acres or less registered. (Para 11.0).

(11) A uniform system of licensing and registration should be evolved and made applicable to all manufacturers in the country and conditions of licence and registration kept simple and unambiguous. (Paras 11.02).

(12) Salt cess should be levied on a graded basis, the first 5,000 maunds of a year's production of every salt factory to be exempted from levy of cess altogether, the next 10,000 maunds to be subject to cess at 50% of the prescribed rate, and the rest of the production to be charged cess at the full prescribed

rate. Entire production of Co-operative societies of salt manufacturers should be exempted from cess. (Para 11.03).

(13) The above scale of graded cess levy will be applicable to all salt works, licensed or registered. (Para 11.04).

(14) Rules for levy and collection of cess under the proposed system of licensing and registration should be drawn up by the Salt Department. (Para 11.05).

(15) Government salt works should pay cess at the same rate as private works. (Para 11.6).

(16) An autonomous Central Salt Board should be set up for sanctioning and executing schemes relating to development works of the Salt Department. This Board should also be entrusted with the responsibility for welfare schemes for salt labour as also for the grant of financial help in the form of loans to salt manufacturers. (Para 11.07).

(17) Special assistance should be given to salt manufacturers in the matter of export of salt and a committee should be set up to draw up a suitable scheme for export promotion. (Para 11.08).

(18) Government lands should ordinarily be leased out for manufacture of salt for a period of 99 years and the term of the existing leases should be extended to this period of 99 years. (Para 11.08).

(19) No further assignment fee should be charged for Government salt lands leased for manufacture of salt in the event of a transfer of lease from one party to another or extension of an existing lease. (Para 11.08).

(20) A Salt Development Credit Fund to be administered by the proposed Central Salt Board should be instituted for giving loans to co-operatives as well as other deserving manufacturers of salt. (Para 11.09).

(21) To facilitate formation of economic holdings and realignment on scientific lines, salt lands belonging to Government should as far as possible be assigned to licensees already working on contiguous areas. (Para 11.10).

(22) The State Governments should be requested to take steps to ensure payment of a fair wage to all labour employed in the salt industry and as far as possible enforce the provisions of current labour laws in the industry. (Para 11.11).

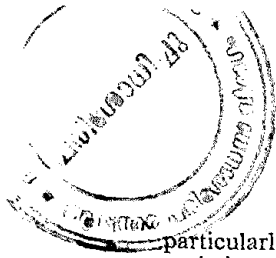
(23) The Salt Department should have a "Labour Cell" and a "Statistical Cell". (Para 11.11).

(24) A Salt labour Welfare Fund should be constituted and administered by the proposed Central Salt Board to improve the condition of labour employed in the salt industry. (Para 11.12).

(25) Co-operative societies of salt manufacturers should be given loans from the proposed Salt Development Credit Fund and be also eligible for grants from the Salt Department. They should be given Government lands in preference to other manufacturers and on concessional terms. They should also be afforded assistance in other ways, e.g., through a training programme in co-operation, maintenance by the Salt Department of pool of personnel capable of giving guidance to such societies, active association of a trained official with the working of a newly organised society in the initial stages. (Para 11.13 and 11.14).

(26) Model uniform by-laws for co-operative societies of salt manufacturers should be drawn up for adoption throughout the country. (Para 11.15).

(27) Consolidation of contiguous small works into larger and more economic units and their realignment on scientific lines should be encouraged.



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particularly by inducing licensees to organise themselves into co-operative societies. (Para 11.16).

(28) All manufacturers of salt in the country should try to attain the ISI standard of 96% NaCl for edible use. However, there should be no rigid enforcement of any prescribed quality standard. The Salt Department should give help and guidance in the matter of quality to salt producers at all stages of manufacture. Educative propaganda should be carried out by the Salt Department with a view to creating a demand for, and securing production of, good quality salt in the country. Steps should be taken to ensure that no export of salt below the specifications agreed to between exporters and foreign purchasers takes place in any instance. (Para 11.17).

(29) For some time, new licences should not ordinarily be issued in areas already having excess production of salt. In areas where production of salt is not developed, further production should be encouraged. (Para 11.18).

(30) Large-scale salt manufacturers should be encouraged to effect recovery of by-products of salt. No royalty should be charged on such by-products. (Para 11.19).

(31) Salt should be included as a scheduled industry under the Industries, (Development and Regulation) Act of 1951 and other provisions of that Act should also be given effect to as early as possible. (Para 11.20).

(32) The ISI may be requested to draw up revised standard for salt required for hide curing, having regard to the standards laid down in other countries (Para 11.21).

(33) The annual administration reports of the Salt Department should be made available to the public. These reports as well as the annual reports of the proposed Central Salt Board should be laid before the Parliament every year. (Para 11.22).

(34) No new manufacture of salt by private parties should be permitted within a distance of 10 miles from the periphery of the Government salt works at Kharaghoda. In the case of Sambhar, the present restrictions on the manufacture of salt on lands surplus to the requirements of the Hindustan Salt Company should be withdrawn and salt manufacture by private parties permitted outside the Sambhar area. Pachbadra, Luni and Phalodi area should also be thrown open to private manufacturers after these areas have been handed over to the State Government by the Salt Department on a suitable adjustment of annual rental. (Para 11.23).

(35) Sale of salt by weight should be adopted throughout the country. (Para 11.24).

(36) The Salt Department may examine the possibility of an arrangement under which it would certify, after necessary test and inspection on receipt of a request from the party concerned, that a consignment of salt to be shipped to Calcutta from the West Coast or Tuticorin conforms to a particular quality standard (Para 11.25).

(37) The Salt Department should see that the weighing scales kept at the Salkia Salt Golahs are maintained in a proper state of repair. (Para 11.26).

(38) The zonal scheme for distribution of salt should continue. The Salt Department should examine the possibility of reducing the number of zones. (Para 11.27).

(39) A common pattern of levy of charges payable by the lessees of salt lands belonging to the Central or State Governments should be adopted for the whole country. The ground rent should not exceed Rs. 2 per acre. Other levies like royalty, wherever in existence, should be abolished. (Para 11.28).

L70M of C&I—1,000—26-6-59—(Sec. II)—GIPF.