M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1041 Press ~~Mis.~~

Dated 5-th-August 18 85.

Not to be folded or roughly handled

No. 25. Read the following letter from C. BEADON, Esq., Secretary to the Government of India; to the Secretary to Government Fort Saint George, dated Fort William, the 23rd May 1859, No. 2975.

I have the honor to enclose the accompanying copy of the correspondence with the Commissioner of Mysore noted on the margin, regarding the transit or frontier duty levied on the produce of Canara imported into Mysore, and to request that the Government of Madras will favor the Governor General in Council with its opinion on the point on which the Commissioner has been directed to submit a report, namely, whether a local tax equivalent to the halut levied on betel-nut, in Mysore, can be imposed on the produce of Canara.

From Commissioner of Mysore, dated 26th February 1859, No. 35 Enclosures 2.
Do. do. dated 23rd May 1859.

From Lieut.-General Sir M. CUBBON, K. C. B., Commissioner for the Government of the Territories of His Highness the Rajah of Mysore; to the Secretary to the Government of India, Foreign Department, Fort William, dated Nundy-droog, 26th February 1859, No. 35.

I have the honor to acknowledge the receipt of Mr. Chapman's letter, No. 4200 of the 22nd December last, directing me to submit a copy of the correspondence entered in my Diary of the 15th of October last regarding the proposed abolition of duties upon the produce of Canara brought into the Mysore Territory, and the substitution of a frontier duty equal to the Halut, &c.

2. A copy of this correspondence is now submitted, as are also extracts from the Jumabundy Reports to which reference is made; and it must be mentioned that to obviate the possibility of misconception on the part of the Superintendent, another communication was lately made to him specially directing that a duty equal to the Halut of Mysore, was only to be levied upon the produce of Canara intended for consumption within the Mysore Territory so that the produce of both Territories should enter the markets of Mysore on equal terms.

3. For a proper understanding however of this correspondence and the orders passed upon it, it is necessary to advert briefly to the circumstances under which Areka or Sooparee is grown in the neighbouring Districts of Canara and Mysore. According to all the information I can obtain the Sooparee of both Territories was subject to the same Halut or duty long antecedent to the conquest of Mysore in 1799 and for 43 years afterwards as well as to transit duties in passing to the place of sale. When however the Halut was abolished in Canara in the year 1844 it was still retained in Mysore, which could ill afford such a sacrifice of reveuue. This measure was approved of by the Government of India, and in the last year 1857-58, the revenue derived from the Halut amounted to 4,28,000 Rupees. When all transit duties were abolished in this Territory in 1847-48, the produce of Canara was of course permitted to pass free, retaining only the small frontier duty adverted to by Major Porter (erroneously called Transit) of 4½ pie per maund upon the article on entering the Mysore country. But with respect to the Sooparee grown in Mysore, regard was had more to the real nature of the tax than the mode in which it was levied; and with the full and cheerful concurrence of both the producers and dealers, it was arranged that a sum equal to that lost by the abolition of the transit duties, should be added to the old Halut, which was thus raised from Rupee one to Rupee 1¼ per maund, at which it has continued to the present time without a murmur on the part of either of the above parties.

4. The present state of the case therefore is this. The produce of Canara has a free passage through the Mysore Territory; while that imported for consumption is merely put on the same footing as the home produce. The quantity of Pepper and Cardamoms brought from Canara into Mysore, is too small to deserve notice.

From Superintendent J. F. PORTER; to the Secretary to the Commissioner for the Government of the Territories of His Highness the Rajah of Mysore, dated Shemogah, 29th September 1859, No. 178.

With reference to paragraph 59 of my last Jummabundy Report No. 95, dated 4th June last, I have the honor to request the favor of your kindly obtaining the Commissioner's opinion for me, upon the subject of abolishing the Transit duties upon the produce of Canara brought into this Territory, and substituting a frontier duty equal to the Halut levied upon that of this

Division, as the time for Halut is now near approaching and some active measures are necessary to prevent smuggling in future.

The facilities existing for its being carried on to a great extent from the garden situated in the Nugger Saugur, and Sorub Talooks bordering upon the Sooparee growing localities in Canra has been often complained of to the Commissioner by every successive Superintendent, and paragraph 28 of my report No. 221 dated 7th September 1854, renders a detailed account of the same unnecessary, but the measure now proposed would appear capable of securing an effectual and complete check over it, at least so far as it concerns Hunner which is situated between the Nuggur and Saugur Talooks. I venture to say that the smuggling from the tracts situated towards Siddapore may also be thereby repressed to a great extent, for though there may be detached roads leading towards Dharwar &c. from that side, they are much frequented by the merchants.

3. The transit duties levied last year upon the Canara produce averaged only at about 4½ pies upon Sooparee, 12 pies upon Pepper, and 14 pies upon Cardamoms per maund, whereas Halut is levied at from Rupees 1¼ to 8 annas, upon Sooparee 8 annas, and 4 Rupees upon Pepper and Cardamoms produced in this Division, and the smallness of the former is, I think, sufficient to offer every inducement to smuggling, whereas to equalize it with the latter would, I think soon put a stop to it.

From Captain F. CUNNINGHAM, Secretary; to the Superintendent of the Nuggur Division, dated Bangalore, 16th October 1858, No. 116.

Under the circumstances stated in your letter No. 178, of the 29th September last, I have the honor, by desire of the Commissioner to convey his sanction to your abolishing the transit duties upon the produce of Canara brought into the Mysore Territory, and substituting a frontier duty equal to the Halut.

Extract from Jamabundy Reports of the Nuggur Superintendent, No. 221 of the 7th September 1854.

Para. 28. I am of opinion that much Sooparee is still smuggled from the Western part of the Division into Canara, where the Sayer duties have been abolished, and brought back into this Division as the produce of Canara, for which the transit duties levied in this Division amount comparatively to a very trifling sum, being about 7 pice per maund on the average. Regiments of peons will be unable to check this smuggling which is very easily accomplished from many of the Ryots living near the frontier, having relatives and some of them plantations adjoining to each other in both districts, and the jungly nature of the country along the frontier, moreover rendering the seizure of the Sooparee, while being conveyed from one to the other almost impossible. No means now exist by which this smuggling can be prevented. The motive itself should be taken off, which can be effected by abolishing the present transit duties on the Canara Sooparee, and putting a frontier duty, equal to the Halut levied on the produce of this Division, as has been done in the case of tobacco.

Extract from the Jumabundy Report of the Nuggur Superintendent, No. 221 of the 31st August 1855.

Para. 53. Para. 28, of my last Jumabundy report makes it unnecessary to repeat regarding the smuggling of Sooparee and other articles of Halut into the Canara District, which I am afraid is carried on extensively. The only means by which it can be suppressed is, as I have mentioned in the said paragraph, by putting a frontier duty on the Canara Sooparee equal to the Halut levied on the produce of this Division.

Extract from the Jumabundy Report of the Nuggur Superintendent, No. 95 of the 4th June 1858.

Para. 59. Active measures for the suppression of smuggling were not wanting, for 2 responsible officials of my Cutcherry were employed to supervise the roads of traffic throughout the whole period of Halut besides establishing all the usual watches at the proper time. Still

Proceedings of the Madras Government, Revenue Department, from 30th July to 5th August 1859.

I cannot but think that the largest decrease in the Saugor Talook is almost entirely owing to an unusual extent of smuggling into Canara for which a wide and uncontrolable door has been kept open as explained in my reports marginally* noted, and the corresponding rise in the imports from that District during the past few years as shewn in the margin† will I think fully bear me out in my supposition. No other measure than an equalization of the frontier tax upon the produce of that District with the Halut, appears capable of preventing the smuggling in question to any extent, as suggested in 53rd para. of the 2nd report above marginally quoted.

* No. 221 dated 7th September 1854 para. 28.
No. 221 dated 31st August 1855 para. 53.

†

	Maunds.
Ananda	34,201
Rukshasa....	37,887
Pingula....	48,869

From CECIL BEADON, Esq., Secretary to the Government of India; to Lieutenant General Sir M. CUBBON, K. C. B., Commissioner for the Government of the Territories of His Highness the Rajah of Mysore, dated Fort William, the 23rd May 1859, No. 2974.

I have the honor to acknowledge the receipt of your letter dated the 26th February last, No. 35, and its enclosures, regarding the transit or frontier duty levied on Canara produce (betel nut, pepper and cardamoms), imported into Mysore.

2. It appears that on the recommendation of the Superintendent of Nuggur, the duty alluded to, has been raised, so as to make it equal to the halut or tax levied on Mysore produce. This I am directed by the Governor General in Council to observe ought not to have been done, because when the question of the Mysore tax on betel nut was before the Government of India in 1856, although the Governor General in Council fully admitted the propriety of the tax, as one levied on an article of mere luxury, and desired that it might be retained in Mysore, yet you were informed, (in Mr. Secretary Edmonstone's letter, No. 686, of the 7th February 1856, para. 10) "that the whole of the remaining transit duties within the Province of Mysore should "now be abolished, and neither import nor export duty should be levied on the frontier." It was added, "Now that the debt to the East India Company has been paid off, there must be a considerable surplus revenue, and His Lordship in Council does not see why a system of taxes which has been pronounced impolitic, and for that reason has been abolished every where else, should be retained in Mysore."

3. In the same letter (para. 12) you were desired to report on the whole question of taxes in Mysore. This however you have not yet done, though you were reminded of the call in Mr. Edmonstone's letter dated the 2nd June 1858, No. 1540, and though it was stated in your letter of the 23rd Idem, No. 61, that a report would be submitted without further delay.

4. The Governor General in Council desires me therefore to observe that in the face of these orders you were not justified even in maintaining the frontier import duty on Canara produce, much less in raising it.

5. The Governor General in Council considers it to be very objectionable that there should now be in any part of the British territories or of those administered by the British Government, a line of Customs posts between one District and another, that smuggling across the boundary should be rendered possible by prohibitory fiscal regulations, and that to the great detriment of trade, an establishment of Chupprassees should be employed for the purpose of preventing such smuggling.

6. There seems to the Governor General in Council to be but one of two courses open either to abolish the halut or tax on betel nut and other produce in Mysore, or to re-impose it (or some unobjectionable equivalent for it) in Canara. I am therefore to request that this transit or frontier duty may be immediately discontinued and that the trade between Canara and Mysore may be entirely freed from all restrictions and imposts. You will also be so good as to report on the reduction or abolition of the halut or betel nut, pepper and cardamoms in Mysore. The Madras Government have been requested to state whether a similar tax can without objec-

tion be imposed on the production of the same articles in Canara, and on the receipt of replies from you and from the Madras Government, the Governor General in Council will be in a position to pass final orders on the question.

(True Copies.)

(Signed) R. SIMSON,
Under Secy. to the Govt. of India.

Ordered in consequence that the following letter be despatched.

No. 26. From J. D. BOURDILLON, Esq., Secretary to Government, Fort Saint George; to C. BEADON, Esq., Secretary to the Government of India; dated 1st August 1859, No. 1041.

I am directed to acknowledge your letter of the 23rd May 1859, No. 2975, and to state in reply that this Government are decidedly of opinion that the Hálat in Canara, on betel nut, &c., which was abolished in 1846, ought not to be re-imposed.

93

(Copies)

No. 235.

Mysore Commr's Office

From

The Commissioner for the Govt. of the Territories of His Highness the Rajah of Mysore.

To

The Secretary to the Govt. of India.
Foreign Department.
Fort William.

Sir,

I have the honor to acknowledge the receipt of Mr. Chapman's letter, No 1800 of the 22nd December last, directing me to submit a Copy of the correspondence entered in my Diary of the 18th of October last regarding the proposed abolition of duties upon the produce of Canara brought into the Mysore Territory, and the substitution of a frontier duty equal to the Hálat &c.

2. A Copy of this correspondence is now submitted, as are also extracts from the Jummabundy Reports to which reference is made, and it must be mentioned that to obviate the possibility of misconception on the part of the Superintendent, another communication was lately made to him specially directing

directing that a duty equal to the Halut of Mysore, was only to be levied upon the produce of Canara intended for Consumption within the Mysore Territory so that the produce of both Territories should enter the markets of Mysore on equal terms.—

3. For a proper understanding however of this correspondence and the orders passed upon it, it is necessary to advert briefly to the circumstances under which Areka or Sooparee is grown in the neighbouring districts of Canara and Mysore. According to all the information I can obtain the Sooparee of both Territories was subject to the same Halut or duty long antecedent to the Conquest of Mysore in 1799. and for 43 years afterwards as well as to Transit duties in passing to the place of sale.— When however the Halut was abolished in Canara in the year 1844. it was still retained in Mysore, which could ill afford such a sacrifice of Revenue.— This measure was approved of by the Government of India, and in the last year 1857/58. the revenue derived from the Halut amounted to 4,28,000 Rupees. When all Transit duties were abolished in this Territory in 1847/48. the produce of Canara was of Course permitted to pass free, retaining only the small frontier duty adverted to by Major Porter (erroneously called Transit) of 4½ pie per maund upon the article on entering the Mysore

Country

country.— But with respect to the Sooparee grown in Mysore, regard was had more to the real nature of the tax than the mode in which it was levied; and with the full and cheerful concurrence of both the producers and dealers, it was arranged that a sum equal to that lost by the abolition of the Transit duties, should be added to the old Halut, which was thus raised from Rupee one to Rupee 1¼ per maund, at which it has continued to the present time without a murmur on the part of either of the above parties.

4. The present state of the case therefore is this. The produce of Canara has a free passage through the Mysore Territory, while that imported for consumption is merely put on the same footing as the Home produce.— The quantity of Pepper and Cardamoms brought from Canara into Mysore is too small to deserve notice.—

Nundy-droog
26th February
1859.

I have the honor to be &c.
(Sd) M. Cubbon
Commissioner.—

Nuggur Division
Supdts Office.—

No 178

To The Secretary to the Commissioner for the Government of the Territories of H. H. the Rajah of Mysore.—

Sir,

Sir,

With reference to paragraph 59 of my last Jummabundy Report No. 95. dated 4th June last, I have the honor to request the favor of your kindly obtaining the Commissioner's opinion for me, upon the subject of abolishing the transit duties upon the produce of Canara brought into this Territory, and substituting a frontier duty equal to the Halut levied, upon that of this Division, as the time for Halut is now near approaching and some active measures are necessary to prevent smuggling in future.

2. The facilities existing for its being carried on to a great extent from the gardens situated in the Nuggur, Saugur, and Sorub Talooks bodering upon the Sooparee growing localities in Canara has been often complained of to the Commissioner by every successive Superintendent, and Paragraph 28. of my report No. 221. dated 7th September 1854. renders a detailed account of the same unnecessary, but the measure now proposed would appear capable of securing an effectual and complete check over it, at least so far as it concerns Hunnur which is situated between the Nuggur and Saugur Talooks. I venture to say that the smuggling from the tracts situated towards Siddapoor may also be thereby repressed to a great extent, for though there may be detached roads leading towards Dharwar &c. from that side, they are much frequented by the merchants.

3. The transit duties levied last year upon the Canara produce average only at about 4½ pies upon Sooparee, 12. pies upon Pepper, and 14. pies upon Cardamums per Maund, whereas Halut is levied at from Rupees 1¼ to 8 annas, upon Sooparee 8 annas, and 4 Rupees upon pepper and Cardamums produced in this Division, and the smallness of the former is, I think, sufficient to offer every inducement to smuggling, whereas to equalize it with the latter would, I think soon put a stop to it.

Shemagah,
29th Septr. 1858

I have the honor to be &c.
(Sd.) J. F. Porter
Superintendent.

Mysore Commr's Office.

Hon. F. Cunningham No. 116.

To
The Superintendent of the
Nuggur Division.

Sir,

Under the circumstances stated in your letter No. 178. of the 29th September last; I have the honor, by desire of the Commissioner to convey his sanction to your abolishing the transit duties upon the produce of Canara brought into the Mysore Territory, and substituting

substituting a frontier duty equal to the Halut.

Bangalore
15th October 1858

I have the honor to be &c.
(Sd) F. Cunningham.
Secretary.

(True Copies.)
(Sd) M. Cubbon.
Commissioner.

Extract from Jamabundy Report of the Nuggur Superintendent No. 221. of the 7th September 1854.

Para 28th. I am of opinion that much Sooparee is still smuggled from the Western part of the Division into Canara, where the Sayer duties have been abolished, and brought back into this Division as the produce of Canara, for which the transit duties levied in this Division amount comparatively to a very trifling sum, being about ½ pice per maund on the average. Regiments of peons will be unable to check this smuggling which is very easily accomplished from many of the Ryots living near the frontier, having relatives and some of them plantation adjoining to each other in both districts and the jungly nature of the country, along the frontier, moreover rendering the seizure of the Sooparee, while being conveyed from one to the other almost impossible. No means now exist by which this smuggling can be prevented. The motive itself should be taken off which can be effected by abolishing the present transit duties on the Canara Sooparee, and putting a frontier duty equal to the halut levied on the produce of this Division, as has been done in the case of tobacco.

Extract from the Jamabundy Report of the Nuggur Superintendent No. 221 of the 31st August 1855.

Para. 53. Para 28. of my last Jamabundy Report makes it unnecessary to repeat regarding the smuggling of Sooparee and other articles of Halut into the Canara District, which I am afraid is carried on extensively. The only means by which it can be suppressed is, as I have mentioned in the said paragraph by putting a frontier duty on the Canara Sooparee equal to the halut levied on the produce of this Division.

Extract from the Jamabundy Report of the Nuggur Superintendent, No. 95. of the 4th June 1858.

Para. 59. Active measures for the suppression of smuggling were not wanting, for 2 responsible officials of my Cutcherry were employed to supervise the

the roads of traffic throughout the whole period of Halut besides establishing all the usual watches at the proper time. Still I cannot but think that the largest decrease in the Saugor Talook is almost entirely owing to an unusual extent of smuggling into Canara for which a wide and uncontrolable door has been kept open as explained in my reports marginally[x] noted, and the corresponding rise in the imports from that District during the past few years as shewn in the margin[*] will I think fully bear me out in my supposition. — No other measure than an equalization of the frontier tax upon the produce of that District with the Halut, appears capable of preventing the smuggling in question to any extent, as suggested in 53rd Para of the 2nd report above marginally quoted. —

(True Extracts)
(Sd) M. Cubbon
Commissioner.

No 2974

From Cecil Beadon, Esquire
Secretary to the Govt of India.
To Lieutenant General Sir M. Cubbon, K.C.B.
Commiss. for the Govt of the Territories of His Highness the Raja of Mysore
Dated Fort William, the 23rd May 1859.

Sir

[x] No 221 dated 7th Septr 1854. Para 28.
No 221 dated 31st August 1855. Para 53.

	Maunds
[*] Ananda	34,201
Rukshasa	37,887
Pingula	48,869

No 2974

Sign Department.

Sir

I have the honor to acknowledge the receipt of your letter dated the 26th February last, No 35 and its enclosures, regarding the transit or frontier duty levied on Canara produce (betel nut, pepper and Cardamums) imported into Mysore.

2. It appears that on the recommendation of the Superintendent of Nuggur, the duty alluded to, has been raised, so as to make it equal to the halut or tax levied on Mysore produce. This I am directed by the Governor General in Council to observe ought not to have been done, because when the question of the Mysore tax on betel nut was before the Government of India in 1856, although the Governor General in Council fully admitted the propriety of the tax, as one levied on an article of mere luxury, and desired that it might be retained in Mysore, yet you were informed, (in Mr Secretary Edmonstone's letter No 686 of the 7th February 1856 para 10.) "that the whole of the remaining transit duties within the Province of Mysore should now be abolished, and neither import nor export duty should be levied on the frontier." It was added — "Now that the debt to the East India Company has been paid off, there must be a considerable surplus revenue, and His Lordship in Council does not see why a system of taxes which has been pronounced impolitic, and for that reason has been abolished

every

"every where else, should be retained in Mysore."

3. In the same letter (para: 12) you were desired to report on the whole question of taxes in Mysore. This, however you have not yet done, though you were reminded of the call in Mr. Edmonstone's letter dated the 2nd June 1858 No. 1540 and though it was stated in your letter of the 23rd Idem No. 61, that a report would be submitted without further delay.

4. The Governor General in Council desires me therefore to observe that in the face of these orders you were not justified even in maintaining the frontier import duty on Canara produce, much less in raising it.

5. The Governor General in Council considers it to be very objectionable that there should now be in any part of the British territories or of those administered by the British Government, a line of Customs posts between one District and another, that smuggling across the boundary should be rendered possible prohibitory fiscal regulations, and that to the great detriment of trade, an Establishment of Chuppraseees should be employed for the purpose of preventing such smuggling.

6. There seems to the Governor General in Council to be but one of two courses open either to abolish the halut or tax on betel nut and other produce in Mysore, or to re-impose it (or some unobjectionable equivalent for it) in Canara. I am therefore to request that this transit or frontier duty may be immediately discontinued and that the trade between Canara and Mysore may be entirely freed from all restrictions and imports. You will also be so good as to report on the reduction or abolition of the halut on betel-nut, pepper and Cardamums in Mysore. The Madras Government have been requested to state whether a similar tax can without objection be imposed on the production of the same articles in Canara, and on the receipt of replies from you and from the Madras Government, the Governor General in Council will be in a position to pass final orders on the question.

Fort William
The 23rd May 1859

I have the honor to be Etc.
(Sd) Cecil Beadon
Secy to the Govt. of India.

(True Copies.)

R. Simson
Under Secy to the Govt. of India.

Rev. 1015

Memo.

The great delay which has unfortunately taken place in bringing these papers before Govt. is owing to my having wished to send out with them a precis of what passed on the abolition of the Hálat duties in Canara; & there was much delay in getting the old papers from the record office.

The question is whether

this Govt. ~~will~~ is disposed to re-impose a Hálat duty on betel-nut in Canara, in order to enable the Nyasa authorities to maintain a similar duty. When the abolition of those duties in Canara was proposed, there was much difference of opinion on the subject: the deponents holding it to be objectionable to take off duties easily levied, in a District otherwise very lightly taxed, which other

& more heavily hundred dis-tricts got no relief - It was done however; & it is unlikely that Govt. will be disposed to re-impose any part of the taxes now, especially for such a reason as that now offered -

J. D. H.
July 25.

It will, I think, be sufficient if we reply that this Government is of opinion that ~~[illegible]~~ the Hálat, which was abolished in Canara in 1846, cannot now be reimposed - The

Supreme Government confines itself to asking a simple question without giving any reasons and we may therefore confine ourselves to a simple answer

W Mulgrave

26 July 59. [illegible]

I concur in the above reply, but at the same time I am of opinion that an excise duty on betel will be an unobjectionable tax. [illegible]

C 30th July R 1st Aug.

Memorandum relating to the abolition of the Hálut in Canara.

Act VI of 1844 abolished the levy from the 1st April of that year, of Transit or Inland Customs Duties.

In the following January

Letter 6 Jany 1845 No 8 — the Rev. Board brought to notice that altho' the Collector of Canara had been informed that in their opinion the Hálut in that district was, in common with all other inland imposts, interdicted by the above enactment, yet it had not been put a stop to, and requested the orders of Govt. on the subject

Govt concurred with the Board as

M. C 21 Jany 1845 No 84 — to the applicability of the Act and ordered the immediate discontinuance of the tax in question. This proceeding

Letter 15 Feby 1845 No 132 in Cons 12 April 1845 No 480 was approved by the Govt. of India.

Previously to this however, the

Letter 23 Dec 1844 No 629 — Board had laid before Govt. a full report on the general subject of the [illegible] ber duties in

Malab

Malabar & Canara in which they strongly advocated the continuance of those taxes - but Govt. were opposed — M of Cons 12 Apl: 1845 No 480. to the measure. The arguments of the Bd: and the observations of Govt are stated ~~[illegible]~~ at length in the order of Govt. on the subject. An epitome of both is given below, in juxtaposition

Rev: Board. Govt.

General Grounds

The duty does not fall upon the producer, but upon the foreign consumer; and does not affect therefore the interests of the ryot or proprietors. nor interfere with future production.

The tax increases the cost of the articles (in the case of Betel nut, the duty enhances the price from 25 to 35 P%) and consequently cannot fail to limit their consumption. It thus affects the interests of the producer or land holder. The tax moreover is collected before the produce leaves the district. If the capital required for the duty was at the disposal of the merchant, it is almost certain that the result must be an increased demand by him for the nut favorable to the land holder and cultivator and operating as a stimulus to production.

Details

Notwithstanding the duty the price of Betel nut has been rising of late years -

The data befo[illegible] the Govt do not [illegible] port this conclu[illegible] Between Fusly 1209/1799/0 Fusly 1252/1842/43 Betel n[illegible] had fallen from Rs 36-13 to Rs 28-14 per C[illegible] Pepper from Rs 74-11 to Rs 52-13 Cardamom from Rs 570-12 to Rs 466-14. caused probably the introduction of the produce of other places into the markets of the Southern Mahrotta Country & thence to Hyderable Nagpore.. A still further reduction of pr[illegible] might be anticipated in reference to [illegible] recently established relations on the [illegible] side of the Bay of Bengal where the staples are the same as in Cana[illegible]

Major Munro's opinion that Canara could easily bear the heavy Nálut as no other country could ever enter into competition with it was quoted by the Board in support of their views..

This opinion [illegible] given in the ear[illegible] part of this cen[illegible] when the commer[illegible] of the country a[illegible] of the world w[illegible] very different from what it [illegible] is - and subseq[illegible] experience throw[illegible]

than doubt upon this point. The Collectors report for Fusly 1238 / 1828/29 and the fact of the decreasing price of the staples disprove the view of the Board.

Mr M. Lewin Col. of Canara stated that the producer would derive no benefit from the abolition of the Hálut, nor would a single acre be brought into cultivation by it.

Mr Lewin had been also led to take an opposite view. In his evidence before the House of Commons, he stated that the system of the Hálut had been found to check production and that in the northern parts of Canara above the Ghats a disposition had been manifested to abandon garden cultivation

From the first assumption of the district every Revenue Officer has advocated the

Correct conclusions may better be arrived at by considering the effects

the continuance of these duties.

effects of these duties upon the garden Proprietors and the garden cultivation of the Balaghant Talooks and examining therefore their present actual condition

The Board remark generally that the condition of the owners of the Garden lands is not such as to require encouragement and that the culture of Betel more especially is flourishing - rice lands being converted into Betel plantations; that the Garden Proprietors are by no means desirous of seeing any alteration made in the Hálut duties - and that Mr Eyots would view

It is not apparent by what means the opinions of the garden Proprietors and Eyots have been ascertained and their wish for the continuance of a Hálut of 30 P% on the produce of their gardens is not very intelligible unless those opinions are based upon the notion that if the Hálut is abolished a land tax will be

on a

port

their abolition rather as a disadvantage to themselves than otherwise - by taking away a security against fraud on the part of the traders. from the necessity - for their being brought to the custom house prior to exportation.

substituted; but if the land tax is to remain as it is, it is not possible to suppose that the ryot can desire the continuance of a heavy impost on his most valuable produce. From the proceedings on record there are grounds to conclude that the condition of the Garden Proprietor, and of the ryot more especially is not altogether such as is described by the Board. Many Gardens are ruined and rapidly decaying which - can never again be expected to be replanted; the majority of the Garden Proprietors in the Bala=ghát are poor and in depressed circumstances. and the condition of the Garden Ryots is represented - as

Canara Sub: Coll's report on Fusly 1251/1841 para 19.

Idem for Fusly 1252/1842 p 9.

Idem para 12

as one of extreme depression - Another report mentions the desolate condition of the Talook of Sorpah the number of deserted estates and eve villages. and large tracts of country then covered with jungle

Principal Coll's letter 24 Aug 25 para 23

The very large increase of the cultivation and exportation of Pepper - In 1806, 5915 Candies were exported and in 1843/44 - 16,516 candies.

Not a just comparison - It was in 1806 that the Pepper tax was abolished, professedly and exclusively on account of the existing stagnation of trade - and on that ground the export duty was taken off. The exports appears not to have been so much affected by the taxation as by other causes - the return of peace, and the opening up of new markets. It is impossible to say what increase of export might have taken place had there been no Hálut or special duty and till a comparatively free export

short has been tried, it is not practicable to come to any trustworthy conclusions.

It was in consequence of this peculiar tax that the plantations have been so lightly assessed - and if relinquished the assessment on the land must, in justice to the Govt. be raised. This measure would be obnoxious to the ryots & ruinous to them.

It is not the necessary consequence of Act VI of 1844, by which this and other transit and consumption duties were abolished that the land tax should be raised.. and it seems more probable that the present light assessment on the land is owing to other considerations than that of the Hálut - viz. the situation and unhealthiness of the gardens and the expense of labor, which must be obtained from the low-country

Before coming to a final determination on the question, the Govt. requested the Board again to take the subject into consideration, with their observations.

Letter 26 June 1845 No 408.

In reply the Board reported that, as then constituted, they were opposed to the re-imposition of the Halut in Canara & Malabar. Their conclusions were drawn from 1st the state of the supply and consumption in general of the articles on which the Hálut fell, and 2d the present condition of the growers & the beneficial effects which are likely to follow an unrestricted exportation of their produce.

M.C. 21 Feby 1846 No 225.

The proposition was accordingly abandoned - and orders issued for the reimbursement of the duties unauthorized levied after the introduction of Act VI of 1844. The Govt. of India confirmed these measures.

Letter 21 Novr. 1846 No 796 - in M. of C 2 Jany 1847 No 11.

Rev Dept.

17

No. 1041.

To C. Beadon Esq

Secy. Govt of India,

Sir,

I am directed to acknowledge your letter of the 23d May /59, No. 2975, and to state in reply that this Govt are decidedly of opinion that the Hálat in Canara, on betel nut &ca, which was abolished ~~in Canara~~ in 1846, ought not to be re-imposed.

Fort St Geo: 1st Augt. 18

J. G.

W. G.

J. D. H.

Revenue 1859 Deptt.
Pro: of Govt. 5th August

No 1041.

To
The Secretary to the
Government of India.
Dt 1st August 1859.

Halat in Canara, on
betel nut, &ca. not to be
re-imposed.

25 & 26.