M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No.	1691	Press ~~Mis.~~
37-38		
Dated	14 — 12 — 1859.	

Not to be folded or roughly handled

No. 37. Read the following Proceedings of the Board of Revenue, dated 24th November 1859, No. 4808.

Read the following letters from the Collector of Rajahmundry, dated 31st October, No. 156, 1st and 7th November 1859, Nos. 157 and 161.

(In Cons. 7th and 12th November 1859, Nos. 5518, 5519, and 5647.)

Resolved that the above letters be submitted for the information of Government.

1. In the first letter above recorded, Mr. Purvis reports the result of the conference held at Budrachellum on 14th October 1859, by Captain Stoddard with the Nizam's officer, Haji Darob Jung Bahadur, to settle the localities on the Godavari river within the territories of the Nizam, at any one of which the duty of 5 per cent. on all goods in transitu is to be levied once for all for the benefit of the Nizam's Government, a stop being put to the exactions of the Zemindars.

2. The two points selected are Wadagudiem at the confluence of the Sabari, or Savari, or Serveri river with the lower Godavari not far west of the eastern frontier of the Nizam's territory, and on the upper Godavari a spot just below the junction of the Wurdah and Wyne Gunga on the Nagpore frontier, and not far from Sirpur.

3. At one or other of these places all traffic proceeding up or down the Godavari will be charged a duty of 5 per cent. by the Nizam's officers, and the supercargo will receive a pass from the Darogah of the *chowkey* or Customs House, under protection of which the goods will proceed without any further molestation or exaction whatever, during their transit through the Nizam's territory.

4. The value of the goods is to be determined by monthly price currents, or "Nirukh namas," to be furnished by the Commissioners of Nagpore and of the assigned districts to the Darogah at the upper Customs House, and by the Collectors of Vizagapatam, Rajahmundry, and Masulipatam to the Customs Darogah at Wadagudiem on the lower Godavari.

5. Captain Stoddard pressed on the representative of the Nizam's Government the expediency of substituting a fixed tariff valuation open to periodical revision, for this monthly price current, which will cause trouble and uncertainty without apparently any corresponding advantage to the Nizam's Government, and Mr. Purvis also lays stress on the superior advantages of the tariff system. Haji Darob Jung Bahadur preferred, however, the monthly price current, which, therefore, must for the present be adopted; but it appears to the Board very desirable that the point should receive further consideration by the Nizam's Government as there can be no doubt that a fixed valuation for the goods, though open to periodical revision at long intervals, would impart additional firmness to the trade and confidence to the dealers.

6. It was specially provided that the goods should be viewed by the Darogahs *on board the boats*, and that the traders are not to be subjected to the expense and delay of landing any portion of them.

7. The above arrangement is to be applicable to all articles except salt. At the interview on behalf of his Government, Darob Jung desired it to be recorded that the importation of salt by the Godavari on the same terms as other articles was *inadmissible by treaty*. Captain Stoddard replied, that the question must be decided by the terms of the treaty of 1802, no copy of which being at hand, it was left for subsequent decision by Government.

8. At a subsequent stage of the interview Darob Jung informed Captain Stoddard, that if the interpretation put upon the treaty by his Government be correct, the Nizam will probably levy a duty of 15 per cent. on all salt conveyed by the Godavari through His Highness' territories into the British territory, but that if brought into the Nizam's dominions, it will be taxed in the manner now obtaining there.

9. From the copies of correspondence submitted by Mr. Purvis, with his letter of 7th
In Con. 12th Nov. 1859, No. 5647. November above recorded, it appears that the question of the duty leviable on salt under the treaty was raised in 1847, when it was pointed out by the then Resident at Hydrabad, that the almost prohibitory duty levied by the British Government on Berar

opium exported to Bombay, was as much an infraction of the treaty as was the impost of a heavier duty than 5 per cent. on salt by the Nizam's Government, and in reply he was informed that the Governor General did not consider it advisable to press the matter at present on His Highness.

10. The treaty of 1802 makes no special reservation regarding salt, but as the Supreme Government have declined to press for its admission on the same terms as other articles, it appears open to the Nizam's Government to levy such amount of duty as may be considered necessary to protect that Government from loss, salt being a Government monopoly in the Nizam's territory. The point is one which requires to be definitively settled before the establishment of the proposed salt depôts in the Nagpore territory can be satisfactorily arranged.

11. The second letter recorded above, forwards Captain Stoddard's report on the examination made by him to ascertain the navigability of the "Serveri" or "Sabari" river, already alluded to, and to fix on the best spot on its banks within British territory for the establishment of a salt depôt.

1st in Con. 7th Nov. 1859, No. 5519.

12. The lower 24 miles of the river from Kalairu on the left bank to Konarun, where it enters the Godavari run through the Nizam's territory. The first village in British territory is "Manuk deo Kunta," or "Kunta" on the right bank in the Nagpore territory, just opposite to Kalairu above mentioned. Up to this point Captain Stoddard considers that the river may be considered navigable from June to November, by boats drawing not more than from five to six feet of water, but it is not navigable for more than half a mile beyond that point by reason of the rocky nature of the bed.

13. "Kunta" is said to be in the immediate neighbourhood of one of the great Brinjari routes from Nagpore and Bustar to Jeypore and the coast, and thus affords a very favorable position for a salt depot, but Captain Stoddard's report having been already before Government in their Proceedings of 15th November 1859, No. 1548, R. D., it is unnecessary for the Board to enlarge on this subject.

In Con. 17th Nov. 1859, No. 5759.

(A true Extract.)

(Signed) W. HUDLESTON,
Acting Secretary.

Ordered in consequence that the following letter be despatched.

No. 38. From J. D. BOURDILLON, Esq., Secretary to the Government of Fort Saint George; to the Secretary to the Government of India; dated 14th December 1859, No. 1691.

With reference to former correspondence on the subject of the duties leviable by the Government of His Highness the Nizam on goods conveyed on the Godávari river, and particularly to my letter noted in the margin,* I am directed to forward to you for submission to the Government of India copy of a report from Captain Stoddard, of the result of a conference between himself and an officer deputed on the part of the Nizam, respecting the most convenient place for levying the 5 per cent. duty on goods imported into or exported from His Highness' dominions by the river. This conference, I may add, took place in pursuance of a proposal emanating from the Government of the Nizam.

* *To Secretary to the Government of India; August 16th* 1859 *No.* 1963.

2. There are two points in Captain Stoddard's report of the conference which require notice; viz. 1st. The claim on the part of the Nizam, to levy duty on goods passing on the river, but not imported into or exported from his Highness' territories. 2nd. The claim to have salt exempted from the operation of the commercial treaty of 1802.

3. On the first of these points it is hardly necessary in writing to the Government of India, to observe that the Nizam's claim is directly opposed to the established maxims of international law. It is universally admitted by all authorities on that law that a navigable river

passing through the territories of several independent States is open to the free use of all those States, on the sole condition that this use shall be "innocent," that is, shall not be used by one of them to the injury of another, by the conveyance of munitions of war &c. And this right is held also to draw after it the incidental right of the means necessary to the secure enjoyment of the principal right, as for example to moor vessels to the banks &c.

4. This right is not only universally recognized, but it has formed the basis of treaties regulating the use of many such rivers; for example, the Rhine, the Danube, the Moselle, the Mense, and the Scheldt, in Europe; the Mississippi and the St. Lawrence in America, and the Indus in this country. In the case of the last mentioned river a treaty on the basis stated was formed by the Government of Lord William Bentinck, at a time when both Sind and the Punjaub were independent powers.

5. It appears to this Government that no further argument is necessary to shew that the Nizam's claim is quite untenable. And I am now instructed to request you to move the Supreme Government to take the necessary steps, through their representative at his Highness' Court, to effect the formal renunciation of the claim, and the limitation of the demand of duty to goods imported into his territory or exported from it.

6. On the second point viz. the allegation that salt is exempted from the operation of the treaty of 1802, I am directed to point out that the terms of the treaty afford no standing ground whatever for such an assertion. There is no mention of salt in that document and consequently it must be held to be comprised under the general stipulations respecting imported goods in article 5. From a memorandum by General Fraser, a copy of which furnished to him by the Resident at Hyderabad is submitted by Captain Stoddard, it appears that this question of the duty on salt is complicated by being mixed up with the opium trade.

7. There is another claim, springing out of this allegation that salt does not come within the provisions of the treaty, which must be emphatically resisted. It will be seen that while claiming 5 per cent. ad valorem on other articles passing by the river, His Highness' agent declared that his Government would probably levy 15 per cent. on salt carried on the river, through His Highness' dominions, from one part of British territory to another. For the reasons set forth above in paragraph 3 this claim is wholly unsustainable, even independently of the treaty; and I am to request that this circumstance may be pointed out to the Government of the Nizam, and that the abandonment of this claim may be effected like that to tax goods generally, merely in transit on the river.

8. Before closing this letter I am directed to recall to the recollection of the Government of India my letter of the 10th September No. 2178, respecting the inconveniences arising from the possession by His Highness the Nizam of a narrow strip of territory extending for about 200 miles along the north bank of the Godávari, and urging that measures should be taken to obtain a cession of that tract to the British Government. I am now directed to point out that the claims noticed in this letter as put forward on the part of the Nizam, constitute additional and very strong grounds for the arrangement so advocated. It is only the possession of both banks of the river which gives the Nizam even a pretence to claim to levy duty on goods passing up and down; and yet that possession as respects the north bank is little other than nominal, as it includes simply the river bank and scarcely anything beyond it, on the other hand the knowledge that even the possession of both banks confers no right to levy duties on the river, may probably remove one obstacle to the cession of the tract in question. This Government trust therefore that this arrangement may be effected at no distant date.

IN CON. 7TH NOVEMBER 1859, No. 5518.

From A. PURVIS, Esq., Collector of RAJAHMUNDRY,
dated Rajahmundry, 31st October 1859, No. 156.

I have the honor to forward, for submission to Government, the result of the conference held, in accordance with the order of the Madras Government of the 30th August last, between Captain J. Stoddard, and the officer deputed on the part of His Highness the Nizam's Government, with the view of determining the two most convenient places on the Godavery, at which the duty of five per cent. on all imports and exports, according to the treaty of 1802, should be levied.

2. The meeting took place at Buddrachelum on the 14th instant. Captain J. Stoddard, it will be seen, proposed Mahadeopur, a town just below the junction of the Wurda and Godavery and Wadagudium, at the confluence of the Sabari and Godavery, as the two places at which the duty should be levied. The Nizam's officer, while consenting to the last named place, thought Mahadeopur too distant from the frontier of His Highness' dominions, and proposed instead a spot near Sirpur at the junction of the Wurda and Wyne Gunga. His proposal was agreed to by Captain J. Stoddard. Wadagudium and a place near Sirpur were therefore the two places fixed on, at which all traffic proceeding up and down the river will be charged, once and for all, ad valorem duty of five per cent. and the person in charge of the goods receive a pass under protection of which the goods will proceed without further molestation.

3. Salt is the only article which, according to the reading of the treaty by the Nizam's officers, is not admissible at the 5 per cent. duty. Captain J. Stoddard had no copy of the treaty of 1802 with him, and I have not been able to find one on the records of my office. Captain Stoddard, observing that the question could only be decided by the terms of the treaty, left the question for the future decision of Government. It may possibly turn out that it was intended by the treaty to exempt salt altogether from duty. If any correspondence passed between the two Governments, on the occasion of the abolition by the British Government of the inland frontier duties in 1854, I would suggest that it be referred to.

4. A question arose as to the mode in which the value of the goods was to be determined. It was settled that monthly Price Currents should be furnished to the Wadagudium Custom House officers by the Collectors of Rajahmundry, Masulipatam and Vizagapatam, and to those of the Custom House near Sirpur by the Commissioners of Nagpore and the assigned districts. The adoption of a tariff was suggested by Captain J. Stoddard, but objected to by the Nizam's officer, it does not appear on what special grounds. Under the plan proposed, the amount of duty on the same quantity of each article will be constantly fluctuating, an arrangement which cannot fail to have an injurious effect. I am unable to see what reasonable objection can be urged to a tariff, which may, should it be thought desirable, be annually revised, and I would strongly recommend that the advantages of this system be pressed upon the Nizam Government as the most convenient for all parties.

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ENC. 1.

Proceedings of CAPTAIN J. F. STODDARD, on special duty, dated Camp Dowlaishweram, 26th October 1859.

At a conference held at Budrachellum, on Friday the 14th of October 1859, between Captain J. F. Stoddard on the part of the Madras Government, and Hajee Darob Jung Bahadoor on the part of the Government of His Highness the Nizam.

Read a letter, No. 1535, dated 2nd April 1859, from R. Simson, Esq., Under Secretary to the Government of India, to the address of Lieutenant Colonel C. Davidson, Resident at Hyderabad, conveying the Governor General's approval of the proposal of His Highness the Nizam, to levy a tax of 5 per cent. on the traffic on the Godavery river, and put a stop to the exactions of the zemindars.

Read also a letter, No. 1207, dated 20th August 1859, from Lieutenant Colonel C. Davidson, Resident at Hyderabad, to the address of the Chief Secretary, Madras, stating that the Nizam will depute a Munsubdar to settle in conjunction with an officer of the Madras Government the two most convenient places, one at the upper part of the Godavery river in the Nizam's territory, and the other at the lower, at either of which places the above-mentioned 5 per cent. ad valorem duty on all imports and exports according to the treaty of 1802, will be levied, and a pass then given to prevent any further molestation in the way of exaction of any duties within the Nizam's dominions.

Read also the order of Madras Government, No. 1162, dated 30th August 1859, nominating Captain J. F. Stoddard, on special duty at Rajahmundry, to meet the officer of His Highness the Nizam's Government; also read Lieutenant Colonel C. Davidson's letter to Captain J. F. Stoddard, No. 1288, dated 8th September, stating that Hajee Darob Jung Bahadoor had been nominated by His Highness the Nizam to confer with him and to settle the two most convenient places for levying the 5 per cent. ad valorem duty on the traffic passing up and down the Godavery, and abolishing all other cesses of whatever description.

2. Accordingly Captain J. F. Stoddard proposes that Mahadeopur, just below the junction of the Wurdah and Godavery, and Wadagudium at the confluence of the Sevvery and Godavery, be the two places for levying the 5 per cent. ad valorem duty on all exports and imports, but Hajee Darob Jung considers that Mahadeopur is not sufficiently near the frontier of His Highness the Nizam's dominions, and proposes a spot near Sirpur at the confluence of the Wurdah and Wyne Gunga instead. His proposal is considered unobjectionable and agreed to. The *upper* place therefore will be a spot on the Godavery in the Nizam's territory near Sirpur, just below the junction of the Wurdah and Wyne Gunga, and the *lower* one Wadagudium at the confluence of the Sevvery and Godavery rivers. At either of these two places all traffic proceeding up or down the Godavery will be charged a duty of 5 per cent. on its value, and the super-cargo will receive a pass from the darogah of the chowkey or Custom House, under protection of which the goods will proceed without any further molestation or exaction of any kind whatever in the Nizam's territory.

3. Darob Jung, by instructions from his Government, wishes it to be here recorded that the importation of *salt* by the Godavery under the same conditions as all other articles of traffic is inadmissible by treaty. Captain J. F. Stoddard observes in reply that according to the foregoing correspondence on the subject of tolls on the Godavery, "*all* exports and imports are to pay 5 per cent. ad valorem duty *according to the treaty of* 1802," and that consequently the question raised by Darob Jung can only be decided by the terms of that treaty. No copy of the treaty referred to being at hand, the question regarding the duty on salt is left for future decision by the Government.

4. Darob Jung enquires how the value of the various articles of traffic coming up and down the Godavery, is to be arrived at by the Custom House darogahs who are to take the 5 per cent. duty. He proposes that the merchant or trader should be provided with a "beezua" or invoice signed by the Collector or Commissioner of the district, in which the nature, quantity and value of each description of goods should be specified, but as this arrangement would subject the trader to delay and the Collectors to much trouble, the following plan is considered the most convenient for all parties, namely, that the darogah of the Lower Custom House at Wadagudium be furnished by the Collectors of Rajahmundry, Masulipatam and Vizagapatam and the darogah of the Upper Custom House near Sirpur by the Commissioners of Nagpore and the assigned districts, with monthly Price Currents shewing the market value for the time being of all articles of merchandise. The District Gazettes would be the best medium for conveying this information. Captain J. F. Stoddard suggested a "tariff" such as obtains in British ports, but Darob Jung was of opinion that monthly Price Currents or "nirukhnamahs" would be preferable. The Custom House darogahs will be instructed to view all goods in transitu *on board*, and on no account to subject the merchants or traders to the expense and delay of landing any portion of them.

5. Captain J. F. Stoddard asks Darob Jung, why the Nizam objects to salt depôts being established on the banks of the Godavery in His Highness' territory? Darob Jung says, that such a measure would injuriously affect the revenue now derived by His Highness from the Brinjaries who at present import that article.

6. Captain J. F. Stoddard enquires of Darob Jung the amount of revenue now derived by His Highness the Nizam from the Brinjaries who import salt into his dominions? Darob Jung is not able to say how much it may be.

7. Darob Jung on being informed by Captain J. F. Stoddard that it is the intention of the Madras Government to establish depôts for the sale of salt at convenient places on the banks of the Godavery and its tributaries in British territory, states that (provided His Highness the Nizam's view of the treaty be correct,) he will most likely levy a toll of 15 per cent. on all salt imported by the Godavery into British territory, but if brought into His Highness' dominions it would be taxed in the manner now obtaining therein.

(A true Copy.)

(Signed) A. PURVIS,
Collector.

Exd. J. Tulloch.

In Con. 7th November 1859, No. 5519.

From A. PURVIS, Esq., Collector of RAJAHMUNDRY,
dated Rajahmundry, 1st November 1859, No. 157.

I have the honor to transmit, for submission to Government, copy of a report from Captain Stoddard, employed on special duty, detailing the result of his trip up the river Sabari, a tributary of the Godavari, undertaken under the instructions of His Excellency the Governor, with the view of ascertaining how far the river was navigable, and of fixing upon a convenient site for a salt depôt, within the British territory.

2. It will be seen that Captain Stoddard navigated the river from Kaulairu, a place about 24 miles up the Sabari to its junction with the Godavari, and is of opinion that the Sabari is quite navigable for boats drawing five to six feet of water for six months of the year, or from June to November, as far as Kunta, which village is within the British territory and is very eligibly situated for a salt depôt.

3. It will I think be desirable, before taking measures for the establishment of a permanent depôt, that a few boat loads of salt should be sent up to the place named in charge of a trustworthy European subordinate of the Public Works Department, with instructions to dispose of it at a rate sufficiently high to cover all charges.

4. It also appears to me necessary that some understanding should be come to with the Nizam's Government, if it is really the case that the article salt is not included in the treaty of 1802, as to the amount of duty he proposes to levy on the article when passing through his territories by the river. All salt going up the Godavari will be liable to duty at Wadagudiem, and unless some limit is put to the demand, it may be fixed so high as to be prohibitory.

5. Further information regarding the river Sabari is to be found in Lieutenant Haig's printed report of the 3rd May 1856, on the navigability of the Godavari. Appendix No. 4 is a report on the river in question by Mr. G. P. Tuke.

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Enc. 1.

From Captain J. STODDARD, on Special Duty,
To A. PURVIS, Esq., Collector of RAJAHMUNDRY,
dated Dowlaishweram, 26th October 1859, No. 7.

Agreeably to the instructions of His Excellency the Governor, after my interview with his Highness the Nizam officer, Darob Jung at Budrachellum, I proceeded up the Sevvery river on the 18th instant, with the view of ascertaining how far it was navigable and to select a convenient site for a salt depôt on its banks in British territory.

2. The last 24 miles of the Sevvery, viz., from Kaulairoo, a village on the left bank, to Konarum where it enters the Godavery, flow through the Nizam's dominions and the first village in the Nagpore territory is Manukdeokoonta (or Koonta) on the right bank just opposite to Kaulairoo. About half a mile above Kaulairoo, the Sillaroo river, which has its source in the Jeypore hills enters the Sevvery from the left.

3. Above this junction, neither the Sillaroo, nor the Sevvery is navigable, owing to the very rocky nature of their beds, although the latter is said to be always deep, being a perennial stream, as is also the Sookalaroo another tributary of the Sevvery which flows into it from the eastern ghauts, about six miles below Kaulairoo.

4. I navigated the Sevvery in a paddle boat, and took soundings all the way down from Koonta to its mouth there was not less than 7 feet of water any where in that distance and generally very much more. There are, however, many rocks in this portion especially at a place called Kodaroo, midway between Kaulairoo and its mouth, which make the navigation just here a little difficult, but by no means impossible, or even dangerous. The current in this portion of the Sevvery

was not more than 2½ miles per hour *on an average* the upper half was more, but the lower half much less than that. The Sevvery may therefore, I think, be considered quite navigable for boats drawing from five to six feet for about six months, viz., from June to November as far as Koonta, a very fortunate circumstance as this village would make an excellent spot for a salt depôt.

5. It is in British territory, and as I was informed not very far from one of the routes of the Brinjaries who export the products of the Nagpore and Bustar countries to Jeypore and the coast, whence they import salt in return, so that in a very short period Koonta would most probably become an important emporium of trade between the interior and the sea coast.

6. There is also an abundance of the very finest teak growing between the Sevvery and Indrawatty rivers, which might by European enterprise be brought down to the Sevvery. Koonta would, therefore, be a very desirable place for establishing a salt depôt as soon as possible.

Exd. J. Tulloch.

IN CON. 12TH NOVEMBER 1859, No. 5647.

From A. PURVIS, Esq., Collector of RAJAHMUNDRY,
dated Rajahmundry, 7th November 1859, No. 161.

I have the honor, with reference to my letter of the 31st ultimo, to forward copy of a letter since received by Captain Stoddard, from the Resident at Hydrabad.

2. It will be seen from Colonel Davidson's communication and the office Memorandum which accompanied it, copy of which I also forward, that the question of the levy of a higher duty than five per cent. on salt imported into the Nizam's dominions was raised in 1847, on which occasion the Government of India decided that it was not desirable to press the matter of confining the duty to five per cent. only, according to the terms of the treaty, on the Nizam's Government.

3. There is no special mention of the article salt in any part of the treaty of 1802.

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ENC. 1.

From LIEUT. COLONEL C. DAVIDSON, Resident at HYDRABAD,
To CAPTAIN STODDARD, on Special Duty,
dated Cocanada, 26th October 1859, No. 1576.

I have the honor to acknowledge the receipt of your letter of the 15th instant, No. 3,* and to express my satisfaction at learning that you have found no difficulty in arranging matters in communication with Hajee Darob Jung Munsubdar.

2. On the subject of salt, I beg to enclose for your information copy of a note* and of its enclosures, received from the minister, as well as an office Memorandum (*) which will explain to you exactly how the matter now stands, viz., that, with the consent of the Government of India, "salt and opium" have been exempted from the provisions of the Commercial Treaty, a copy of which is enclosed as requested.

*Intimating the result of your conference with Hajee Darob Jung Bahadoor, as to the two most convenient places on the Godaveri for levying the five per cent. ad valorem duty on the traffic proceeding up and down that river, and according to the treaty of 1802.

* (1.) Forwarding the Urzee of Darob Jung with other papers regarding the establishment of chowkies and stating with reference to "salt," that during Sooray-ool-moolk's ministry, (2.) it was decided between the two Governments that the duty on this article should be levied as hitherto, according to established custom, that according to this decision, tax will still be levied on salt at the chowkies now to be established.

MEMORANDUM.

Salt.

To Secretary to Government of India, No. 97, 21st July 1847.

Forwards correspondence with Siraj-ul-moolk, regarding the duty levied on salt imported into the Nizam's territories.

2. General Fraser states that although this has long proved a cause of complaint from the Secundrabad traders, his communication on the subject had hitherto been met by equivocal answers, or by promises which had not been fulfilled, and that this was the first occasion on which the Circar's objections to a compliance with the merchant's demands had been distinctly made. He adds that, although he does not assent to the justice of Siraj-ul-moolk's reasoning, he has abstained from pressing the matter to a conclusion from the probability that the Circar would bring forward our prohibition to the export of Berar opium as an infraction of the treaty on our part and as a proceeding of which it had an equal right to demand the discontinuance, as we have to insist on the levy of five per cent. only for the salt imported by British merchants.

3. In the correspondence above alluded to, Siraj-ul-moolk acknowledges petition from merchants and remarks that the object of the petitioners is to import salt and tobacco as they like, without takeeds or purvanahs. That it was necessary for them to produce invoices and purvanahs from either the British or Nizam's Government so that a proper duty might be levied and no obstruction offered. That five per cent. would be levied on tobacco and such articles where there was not a correct invoice. That salt was a Government monopoly, and could not therefore be con-

sidered an article of trade. That it was only lately that the merchants had objected to the duty on salt, no other appeal having been made since the treaty. That the merchants should be informed that they must pay the duty on salt as of old, or withdraw from the trade, and that five per cent. only would be levied on other articles.

4. In reply to the above, General Fraser remarked that although he could not agree with Siraj-ul-moolk, that salt was not an article of trade, and should therefore be exempted from the operation of the treaty, yet, pending a reference to the Supreme Government, he should not insist on any change in what Siraj-ul-moolk stated had been the actual existing practice since the date of the treaty.

5. General Fraser reports a further correspondence with the minister, and remarks that it is for the Governor General to decide "whether we shall insist on a strict adherence to the provisions of the treaty, with regard to the levy of five per cent. only on salt imported into the Nizam's territories, or whether the Government will be prepared to admit of any modification in the rules now existing for the levy of duty on opium exported from Berar to Bombay, which is so excessive as to be nearly equivalent to a prohibition, and certainly quite as much at variance with the treaty, as the heavy duty levied by the Nizam's Government on salt imported from our territory."

To Secretary to Government of India, No. 108, 12th August 1847.

From Secretary to Government of India, No. 2617, 26th October 1847.

6. The Resident is informed that the Governor General does not consider it advisable to press the matter at present on His Highness.

(True Copy.)

(Signed) A. THORNHILL,
1st Assistant Resident.

(True Copies.)

(Signed) A. PURVIS,
Collector.

Exd. J. Tulloch.

No. 1691 A. D. 1

To

The Secretary to the
Govt. of India

Sir,

With reference
to former correspondence
on the subject of the du-
-ties leviable by the Govt
of His Highness the Nizam
on goods conveyed on the
Godavari river, and particu-
-larly to [redacted] letter no dated
the ult.[o] I am directed
to forward to you for sub-
-mission to the Govt. of India
copy of a report from
Captain Stoddard, of the
result of a conference
between himself and an
officer deputed on the
part of the Nizam, respect-
-ing the most convenient
place for levying the
5 per cent. duty on goods
imported

Rec'd. 17th Sept.

To Govt. Secy. 5th Sept.
Govt. India; dated 16. 1859. No. 1963.

imported into or exported from His Highness's dominions by the river. The conference, I may add, took place in pursuance of a proposal emanating from the Govt. of the Nizam.

2 There are two points in Captain Haddard's report of the conference which require notice, viz 1st The claim to levy Duty on the [illegible] on goods passing on the river, but not imported into or exported from His Highness's Territories. 2nd The claim to have salt exempted from the operation of the commercial treaty of 1802.

3 On the first of these points it is hardly necessary in writing to the Govt. of India, to observe that the Nizam's claim is directly opposed to the established maxims of international law. It is universally admitted by all authorities on that law that a navigable river passing through the territories of several independent States is open to the free use of all those States, on the sole condition that this use shall be "innocent," that is, shall not be used by one of them to the injury of another, by the conveyance of munitions of war &c. And this right is held also to draw after

after it the incidental right of the means necessary to the secure enjoyment of the principal right, as for example to moor vessels to the banks &c.

4 This right is not only universally recognized, but it has formed the basis of Treaties the regulating the use of many such rivers; for example, the Rhine, the Danube the Moselle, the Meuse, and the Scheldt, in Europe, the Mississippi and the St. Lawrence in America, and the Indus in this country. In the case of the last mentioned river a Treaty on the

the basis stated was formed by the Government of Lord William Bentinck at a time when both Sind and the Punjaub were independent powers.

5 It appears to this Government that no further argument is necessary to shew that the Nizam's claim is quite untenable. And I am now instructed to request you to move the Supreme Government to take the necessary steps, through their representative

representative at His Highness' Court, to effect the formal renunciation of the claim, and the limitation of the demand of duty to goods imported into his Territory or re-ported from it.

6. On the second point viz the allegation that salt is exempted from the operation of the Treaty of 1802, I am directed to point out that the terms of the Treaty afford no shadow of ground whatever for such an assertion.

There is no mention of salt in that document.

and

and consequently it must be held to be comprised under the General stipulations respecting imported goods in article 5. From a memo by General Fraser, a copy of which furnished to him by the Resident at Hyderabad is submitted by Capt. Stoddard, it appears that this question of the duty on Salt is complicated by being mixed up with the opium trade.

7 There is another claim, springing out of this allegation that salt does not come within the provisions of the Treaty, which must be emphatically resisted. It will be seen. that while claiming 5 per cent ad valorem on other articles passing by the river, His Highness'

Agent

Agent declared that his Govt would probably levy 15 per cent. on salt carried on the river, through His Highness' Dominions, from one part of British Territory to another. For the reasons set forth above in para 3 this claim is wholly unsustainable, even independently of the Treaty; and I am to request that this circumstance may be pointed out to the Government of the Nizam, and that the abandonment of this claim may be effected like that to save goods generally, merely in transit on the river.

8. Before closing this letter I am directed to recall to the recollection of the Govt of India my letter

of the 10th September No. 2178, respecting the inconveniences arising from the possession by His Highness the Nizam of a narrow strip of Territory extending for about 200 miles along the north bank of the Godavari, and urging that measures should be taken to obtain a cession of that tract to the British Govt. I am now directed to point out that the claims noticed in this letter as put forward on the part of the Nizam, constitute additional and very strong grounds for the arrangement so advocated. It is only the possession of both banks of the river which gives the Nizam even a pretence to claim to levy duty on goods passing up and down; and yet that possession

possession as respects the north bank is little other than nominal, as it includes simply the river bank and scarcely anything beyond it, on the other hand the Knowledge that even the possession of both banks confers no right to levy duties on the river, may probably remove one obstacle to the cession of the tract in question. This Govt trust therefore that this arrangement may be effected at no distant date.

Ft Snelling

Fort Snr Geo. 14th Decr 1859.

~~Govt. 20th Nov. 59 No. 21 & 28.~~
~~" 10th Sept. 60 " 11 & 13.~~
in a letter to England
17th December 59 No 87.

13/11/61
7-5-06
4-11-10

Revenue 1859 Departt
Pro: of Govt 20th December.

No 1691.

To the Secretary to the
Govt of India.
Dated 14th December 1859.

From ~~Do~~ 8th March 60
Encd 30 in No. 30 April - 29-30-

Forwarding Copy of a report from Captn Stoddard of the result of a conference between himself and an Officer on the part of the Nizam, respecting the most convenient place for levying 5 per Cent duty on goods imported into or exported from His Highness' dominions by the Godaveri River.

No 37 & 38.

31-3-61

12th December R 13th