

Revenue Department

Minutes of Consultations

1st to 10th June 1859

Book No 14 + 15

Order No 743 dated 3rd June 1859.

*Proceedings of the Madras Government, Revenue Department,
from 1st to 10th June 1859.*

No. 14. Read the following Extract from the Proceedings of the Board of Revenue, dated 11th May 1859, No. 1711.

Read again Extract Minutes Consultation, dated 15th September 1858, No. 1261, R. D.

(In Con. 21st September 1858, No. 4165.)

This order of Government communicated to the Revenue Board a letter from the Government of India and an Extract from a Despatch from the Honorable the Court of Directors, regarding the Trade which passes between the British Territory and other Ports. On this subject the Government of India called for the following information ;—

I. Statements to show what the actual loss of Revenue would be if all fiscal restrictions upon the Trade between the British Territory and the Ports of *Native States* were abolished.

II. Returns to show what Revenue is derived in the Madras Presidency from the Trade with Foreign European States in India.

III. A list of the articles which ought to be exempted from the concession such as Opium, Spirits, Salt or articles of foreign manufacture if the general trade should be thrown open.

2. On the first subject the Board resolve to lay before Government the Statement marked, A which shows the average amount of the duty levied on the trade between our Territory and the Maritime Native States of Travancore and Cochin. The term Maritime is used, because the trade between the British Territory and the inland Native State of Hyderabad was thrown open in 1854.

*E. M. C. 8th in Con. 10th August 1854, No. 917, R. D.
A after No. 2815.*

3. It will be observed that the average total Duty entered in this Statement amounts only to Rupees 56,066, of which Rupees 18,510 belong to the Sea Customs and Rupees 37,556 to the Land Customs. But the former sum represents only a small portion of the revenue which would be lost if all restriction should be removed from the trade between our Ports and those of Native States, while we continue the levy of Duty at our own Ports. The exportation of the Produce of the country would, for example, be drawn away from our ports, unless Conventions were entered into by which the Native States engaged to levy an export duty corresponding to our own. Whether it is advisable to enter into such Conventions and whether confidence could be felt in their being carried out, are political considerations which it is not for the Board to discuss.

4. The land Custom Duty (Rupees 37,556) entered in this statement may be said to belong entirely to Tinnevely, as only a petty sum of Rupees 317 was levied in Madura.

	<i>Exports.</i> <i>Rupees.</i>	<i>Imports.</i> <i>Rupees.</i>	
1855-56	21,432	16,761	portions on the imports and exports which cross the Tinnevely and Travancore frontier. The principal exports are tobacco and cotton piece goods, the annual duty on each of which articles may be taken at Rupees 7,000. Rice and paddy are also exported when prices range very high
1856-57	19,908	18,768	
1857-58	15,532	19,312	

in Travancore as in the two years 1856 and 1857. The Chief imports are articles of consumption, viz. Palmirah Jaggery, Salt fish, Betelnut, Tamarind, Cocoanuts and Oil, &c., the largest of which articles only yields an average annual revenue of Rupees 4,000. It would be greatly to the comfort of the people on both sides of the frontier, especially now that the rates of duty have been so much increased, if all restriction was removed from their traffic, but the Board are uncertain whether the Cardamom and other Monopolies which prevail in Travancore would allow the Government of that State to join at present in such a measure. Our Custom Houses might, in the opinion of the Board, be safely abolished, as the distance, and expense of carriage would prevent the Tinnevely and Madura produce being taken by land to the Travancore ports for exportation. Its great staple, Cotton, is already duty free, and the measure which the Board now advocate on this frontier, was carried out with advantage 12 years since on the frontier between Cochin and our provinces of Malabar and Coimbatore. If the Travancore land frontier was thus thrown open the abolition of our Sayer Establishments would lead to an annual saving of Rupees 3,116-2-0.

*See E. M. C. 24th Dec. No. 1858, No. 1728, R. D.
in Con. 11th Jan. 1859, No. 5861; and
Do. 29th July 1846, in Con. 3d Aug. 1846, No. 2366.*

	<i>Rupees.</i>
Madura...	273-0-0
Tinnevely	2,843-2-0
	<u>3,116-2-0</u>

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From Government 24th Dec. No. 1728, R. D. in Con.
11th Jan. 1859, No. 5861.

Customs Revenue of the Cochin state by land and Sea in the last two years was as follows

	Export duty. Rupees.	Import duty. Rupees.	Total. Rupees.
1032 1856-57.....	15,536	3,333	18,870
1033 1857-58.....	13,627	4,607	18,234

In 1857-58.

Cocoanut oil.....7,009 oil, Coir and Cardamoms. The chief Imports are Piece
Coir.....2,471 Goods and Cotton which yielded respectively a duty of
Cardamoms.....1,486 Rupees 1,490 and Rupees 707.

Regarding Travancore, the Statements forwarded by the Resident in his letter to Govern-
ment of 14th January last, No. 6, are pre-
pared in a different manner. Instead of
Enclosures in E. M. C. dated 27th Jan. 1859. showing the amount of duty received into
No. 109, R. D. in Con. 31st Jan. 1859, No. 399. the Treasury they show the imports and ex-
ports of each article, and the rate of duty charged on them, but as the weights and mea-
sures peculiar to Travancore are used, the Statements possess comparatively little value
in their present form. The principal Imports consist of Piece Goods, Cotton, Cotton thread
and Cattle. The chief Exports are dried Cocoanuts and Coconut Oil, Betelnut, Turmeric,
Ginger, Tamarind and Salt fish.

6. Statement B shows the revenue derived from the trade which passes between our Terri-
tory and Foreign European States. The average gross receipts amount to Rupees 195,741.
These States comprise the French Settlements of Yanam, Pondicherry, Karical on the Coromandel,
and Mahé on the Malabar Coast, and the Portuguese Territory of Goa. The Supreme Govern-
ment have laid it down for a rule that the Ta-
riffs for the Land and Sea Customs should be
E. M. C. 15th Nov. 1856, No. 1222, R. D. in assimilated, the object of the Land Custom,
Con. 11th May 1857, No. 4739. (which have been abolished in the inland part of
Do. 15th Augt. 1857, No. 820, R. D. in Con. the Presidency) being rather to protect the Sea
6th Nov. 1857, No. 3317. Customs at our ports than to tax the produce
of the country when in transit from one place to another.

7. In the French Settlements Trade is free. The only exception has reference to the
Abkarry Farm and consists of an Import duty on
Letter from Acting Collector of South Ar- Rum and Arrack which is levied at the rate of 12
cot 21st in Con. 23rd Feby. 1859, No. 729. Annas per 8 bottles whether the importation takes
place by sea or land. A translation of the Goa Ta-
riff obtained through the Collector of Canara ac-
companies these Proceedings, but no information
Letter D. has been gained regarding the amount of revenue collected.

8. The Board will now proceed to notice an arrangement proposed by His Excellency the
Governor of Pondicherry for the future collection of Custom Duties on behalf of the British Govern-
ment. The Board's opinion was required regarding this scheme in Extract Minutes Consultation
25th September 1858, No. 1307, R. D., and they considered
In Con. 28th Dec. 1858, No. 4344. that it could best be given when replying to the present
call for general information respecting the trade which
passes between our Ports and those of Foreign European and Native States.

9. To explain this subject it is necessary briefly to mention that by a Convention between
the British and French Governments,
certain articles of food required by the
native population have been allowed to
pass into the French territory duty free.
Certain other goods used also to pass with-
out duty, although articles of commerce,
because the Tariffs* framed for each of the
French Settlements included only those
articles which were exported in large quan-
tities. The object of this arrangement
was to diminish inconvenience to traders,
but the principle was faulty and was soon
found to alter the lines of trade and injure
our own Ports.† It was therefore resolved
to have one uniform Tariff for the Custom Houses round all the French Settlements and the
Sea Custom Tariff was taken for this purpose.

* See C. O. Book Board of Revenue, Vol. II, page
15, et seq.

† E. M. C. 15th November 1856, No. 1222, R. D.,
in Con. 11th May 1857, No. 4739.

Board's Proceedings 11th May 1857, No. 1514.

E. M. C., 16th June 1857, No. 595, R. D., in Con.
6th November 1857, No. 2359.

E. M. C. 15th August 1857, No. 820, R. D., in Con.
6th November 1857, No. 3317.

Board's Proceedings 11th June 1858, No. 2037.

E. M. C., 15th July 1858, No. 971, R. D., in Con.
20th July 1858, No. 3096.

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from 1st to 10th June 1859.*

10. Several articles of trade which before passed free, thus became liable to duty, and the
Governor of Pondicherry addressed Government under an impression that all goods entering the
French territory were to pay duty, and that
consequently the former agreement for the
free admission of articles of consumption
had been departed from. This erroneous
view was cleared up and the Government
declared that they awaited a scheme which
the Governor of Pondicherry undertook
to propose for levying the Customs duties
in a manner convenient to all parties. This
scheme reached Government through the
Acting Collector, Mr. Taylor, in charge of the Special Agency Department with his letter of
2nd September last, and was forwarded to the Board
for consideration with Extract Minutes Consultation
of 25th September 1858, No. 307, R. D.

E. M. C. 17th August 1858, No. 1148, R. D., in Con.
31st August 1858, No. 3725.
E. M. C. 1st September 1858, No. 1199, R. D., in Con.
2nd September 1858, No. 3936.
E. M. C. 3rd September 1858, No. 1202, R. D., in
Con. 6th September 1858, No. 3979.
E. M. C. 9th September 1858, No. 1229, R. D., in Con.
18th September 1858, No. 4087.

Acting Collector, Mr. Taylor, in charge of the Special Agency Department with his letter of
2nd September last, and was forwarded to the Board
for consideration with Extract Minutes Consultation
of 25th September 1858, No. 307, R. D.

11. During the correspondence which took place regarding the proposed assimilation of
the Land and Sea Custom Tariffs, it was point-
ed out to the French Government that the arti-
cles* which would newly become liable to duty
on being carried into the French limits were 11
in number, and they were invited to free them
from the frontier duty, in order that there might
be no impediment to the supply required for
local consumption, by undertaking to collect
duty for us on any of these articles which should
be exported from Pondicherry by sea. The
French Authorities already adopted this course
in respect to grain and His Excellency Mon-
sieur D'Ubraye accepted conditionally the pro-
position now made to him, but expressed a
wish to see the value at which the articles were
entered in our Tariff. This information was
supplied, and His Excellency observed that he
had been obliged to express a conditional ac-
ceptance of our offer, because he had first to
ascertain how far any of these eleven articles
were grown within the French territory, and
whether consequently the interests of the French producers would be injured by an export
sea Custom duty being levied upon them. The scheme which His Excellency finally pro-
posed, and which the Board now proceed to notice, has been drawn out with special refer-
ence to this point.

* Coffee,
Ghee,
Turmeric,
Tamarind,
Eloopa seed and oil,
Garlic,
Onion,
Pinnaycottay and its oil,
Chilly,
Tagary seed,
Country mustard,

Enclosure one to
letter of Acting Col-
lector of South
Arcot, 16th Decem-
ber 1857, in Con.
8th January 1858,
No. 5093.

Board to Government 11th June 1858, No. 2037.
E. M. C., 15th July 1858, No. 971, R. D., in
Con. 20th July 1858, No. 3096.

Enclosure in F. South Arcot 20th August in
Con. 26th August 1858, No. 3838.

Enclosure in 1st September 1858, No. 1199, R.
D., in Con. 2nd September 1858, No. 3936.

12. Of the 11 articles specified in the margin of the preceding para. the Pondicherry Go-
vernment undertake to collect a sea export duty on eight. The three omitted articles are; 1st,
loopa oil and seed, 2nd, Pinnacottay and its oil, and 3rd, Tagary seed. But the Pondicherry
Government go further, and wish the eight articles
marginally enumerated which have hitherto paid
duty, to be passed free hereafter into the French
Territory on their engaging to collect the duty for
us upon any exportations by sea. Such is the pro-
position as respects the Port of Pondicherry. At
the minor ports of Yanam, Karical and Mahe, it will be observed from Mr. Taylor's letter and
enclosure that the French Government only undertake to levy a Sea Export duty on a few
the above articles.

Gingelly seeds. 5 Betelnut.
Do. oil. 6 Cummin seed.
Sugar. 7 Jaggery.
Boiled nut. 8 Lamp oil and seed.

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13. The first observation which the Board have to offer is that the scheme has no direct advantage to us, since we must maintain the same Frontier Establishments as before to collect duty on the remainder of the trade which passes between our District and the French Territory. If the French Government would undertake to collect Sea Custom duties for us on all exports and imports (including the produce of the French Territory) according to the Madras Tariff, then indeed the present expense of the Frontier Chowkies would be saved and much loss which we now suffer from the smuggling of Indigo and other articles could be prevented. But as the French Government have not appeared to think that throwing open the Land frontier would compensate their population for the novel burden of Sea Custom duties, no arrangement of this kind appears feasible, especially now when our rates of duty on imports and exports by sea have been so greatly increased. In making this remark the Board presume that there would be objections to leaving the French Authorities to decide which was the produce of the British Territory and which of the French, in order that the former only might be subjected to duty on exportation. The same difficulty would be experienced if imports were to be admitted duty free, on a declaration that they were intended for consumption within the French Territory.

14. The proposal of the French Authorities has therefore to be considered on the following two grounds;—

I. What is due by us under former Conventions, and in the character of friendly Allies.

II. In giving up a portion of our dues for the benefit and convenience of the inhabitants of the French Territory, shall we be abandoning more Revenue, than such an object legitimately calls for?

On the 2nd point Mr. Taylor shows that the direct loss of Revenue—viz. the abandoned duty on articles consumed within the French limits—will not exceed Rupees 5,000, and he is in favor of acceding to the proposed scheme, as an experimental measure which may be terminated after due notice. He further expresses an opinion that a formal Convention between the two Governments, such as has been drafted by His Excellency Monsieur D'Ubraye, is not necessary on the occasion.

15. The extent to which our Government is bound to allow articles intended for the consumption of the Native population to enter the French limits duty free, is noticed in Extract Minutes Consultation 29th April 1851, No. 413, and as the scheme now under consideration

is founded on an assumed *right* to claim exemption from duty for the articles specified in it, the Board deem it advisable to avoid the possibility of future embarrassments by leaving out Gingly seeds, Gingly oil and Sugar from Monsieur D'Ubraye's proposed new list. Excepting these articles the Board are of opinion that Monsieur D'Ubraye's proposal may be acceded to, on the condition that either Government may bring it to a termination, after experience of its practical working, by giving six month's notice. The Board would suggest a simple agreement

Coffee.	Country mustard.
Ghee.	Boiled Nut.
Turmeric.	Betel-nut.
Tamarind.	Cummin seed.
Garlic.	Jaggery.
Onion.	Lamp oil seeds.
Chillies.	

being drawn out to this effect, instead of the elaborate Convention proposed by Monsieur D'Ubraye which seems to imply that the sanction of the French Government is necessary to our arrangements for levying Customs on the frontiers of our provinces which adjoin their territory. If the Board's suggestion meets approval, the French Government would be enabled, at their option to collect duty for us on any of the articles mentioned in the margin at their different ports.

16. The 3rd point on which the Government of India call for information, relates, as the Board understand it, to those articles which should be excluded from the concession if the general trade between our ports and those of Native States is thrown open, and not to any revision of existing Tariffs by striking out articles which yield little revenue. Viewing the question in this light the Board would observe that under no circumstances could Salt, Spirits, Wine, Opium and foreign manufactures, be admitted unrestrictedly, while Custom duties at our ports and the Abkarry farms are continued, nor do they perceive, for the reason given in p. 3, how the duties on other articles passing from or into the ports of Native States can be safely taken off.

(A true Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 15.

ORDER THEREON, 3rd June 1859, No. 743.

Paras. 8 to 15 refer to an entirely distinct question from the remainder of the paper; and the Government resolve therefore to request the Board of Revenue to separate the paper into two parts, and so to report on the two subjects separately. It is inconvenient to have distinct subjects mixed up together in the same paper.

(Signed) J. D. BOURDILLON,
Secretary to Government.

Revenue 1859 *Sept 13-14*

17-8-187

10/4/15

Mr. J. J. Jones, 3rd June 1859
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From the remainder of the paper, and the Government's
value therefore to request the Board of Revenue to determine
the paper into two parts, and so to report on the two
subjects separately. It is inconvenient to have distinct
subjects mixed up together in the same paper.

10/4/15

Revenue 1859 *Sept 13-14*

10/4/15

Extract from the Proceed-
ings of the Board of Revenue

Dated 11th May 1859

Dec. 26

10/4/15

From 20th June 1859

10/4/15

The Board observed that the
information furnished by
the Govt of India in the
Memo. of 15th Sept 1859
regarding the Trade which
exists between the Ports
of the British Colonies
and those of Foreign
European and Russian
States in this Division.

10/4/15

10/4/15

10/4/15