

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1772

Press
Mis.

Dated 17. 7. 1866.

Not to be folded or roughly handled

1772

REVENUE DEPARTMENT.
FORT SAINT GEORGE,
17th July 1866.

No. 1,772.

No. 328.

To

HIS EXCELLENCY THE GOVERNOR OF THE FRENCH SETTLEMENT,
IN INDIA, PONDICHERRY &c., &c., &c.,

SIR,

Separate Revenue, No. 17.
Customs.

1. I have now the honor to reply to your Excellency's letters of 23rd May and 15th December 1865, forwarding a Memorial from the

Pondicherry Chamber of Commerce, praying for a relaxation in the system of frontier duties.

2. I have carefully considered all the correspondence that has passed on this subject at different times, and regret that this has necessarily entailed considerable delay in replying to your Excellency's letters. I also regret that I am unable to find in these papers any grounds for complying with the request of the Chamber advocated by your Excellency.

3. The Chamber proceed upon a misapprehension of the facts of the case when they assume that the terms of any special compact between the Governments is infringed by the levy of frontier duties as now existing.

4. This system is, on the contrary, really far more favorable to the inhabitants of the French territory than the terms of the concession of privileges in 1817, contemplated.

5. There was no special compact concluded between the Governments in 1819. The correspondence which passed in that year on the subject left the previously existing concessions unchanged. Those concessions which were made by this Government in 1817 in recognition of the undertaking by the French Government to abstain from the manufacture of salt in their territory were as follow:—

(1.) All live stock and articles of provisions, grain of all sorts included, in quantities actually and *bonâ fide* required for consumption at Pondicherry and other French Settlements, to be allowed to pass the frontier free of duty.

(2.) All articles other than grain and provisions, such as native cloths, drugs, curry-stuffs, &c., to an extent actually required for consumption in the French Settlements, to be subject to a duty of 8 per cent.

(3.) All articles imported at any British port, and which have paid full duty as required by regulation, to be allowed to pass free of all further duty into the French Settlements.

6. These stipulations refer to *frontier* duties alone, and therefore the levy of duty on grain exported by sea to Pondicherry is not an infringement of the promised concession. Your Excellency will observe that there is not a single article mentioned by the Chamber as wrongly taxed, such for instance as firewood and charcoal, that would not be taxed far more heavily than it now is were the terms of the concession strictly adhered to. The only articles which can be said to be exempted from Customs Duty by agreement between the Governments, are provisions required for consumption in the French Settlements.

7. The Government has, it is true, at various times exempted many articles besides provisions, but it has done so on the ground that the trade in them was petty, and that they were intended for local consumption. In some cases it has been found that the exemption operated so as to draw away an important export trade from British ports, and in such cases the duty has been re-imposed. These concessions, however, were not demandable under any "convention", but were made solely by the good will of the British Government, and it is evident that for the protection of the British revenues the system of levying frontier duties can never be discontinued so long as the export and import duties levied at French ports are lighter than those levied at British ports.

8. I have every desire to meet the wishes of the inhabitants of Pondicherry where it is shewn that the frontier duties press hardly upon them, and where the interests of the British Government will allow a change to be made; but the request that grain imported by sea into Pondicherry for consumption, may leave British ports free of duty, has been twice declined of late years, and the flourishing condition of Pondicherry seems to call for no relaxation in this respect.

9. I regret that I am also unable to accede to the proposal of your Excellency, that goods should be allowed to pass the frontier free of duty on the condition that the Customs authorities in the territory of France shall collect the duties in every case where such goods are exported by sea, *as this arrangement* as now existing in respect of grain is found to have a tendency to unsettle trade.

10. The only point on which I am of opinion that the inhabitants of Pondicherry have fair ground for requesting that the Customs rules may be relaxed is in the case of the duty on charcoal and firewood. These articles are necessary to the comfort even of the poorest, and they are not articles of export trade. The Special Agent recommends that the tax should be repealed, and although these articles are used in large quantities for manufacturing purposes, I am willing to waive this consideration, and allow firewood and charcoal to pass the frontier free.

11. The frontier duties on these articles will accordingly cease to be levied from the 1st August 1866.

12. I have much pleasure in notifying this additional concession to your Excellency.

I have, &c.,
(Signed) NAPIER.

Recd. Sept.
17th July/66.
W-1772.

To The Governor of Pondicherry

Your Excellency,

I have now the
hon^r to reply to your
Excellency's letters of 23rd
May and 15th Nov^r/65,
forwarding a Memorial
from the Pondicherry
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ation in the system
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Wm

in replying to your ~~last~~ letters. I also regret that I am unable to find in these papers any grounds for complying with the request of the Chamber advocated by your Excellency. —

The Chamber proceed ^{upon} ~~under~~ a misapprehension of the facts of the case when they assume that the terms of any special compact between the Govts is infringed by the levy of frontier duties as now existing. —

This system is on the contrary really far more favorable to the inhabitants of the French territory than the terms of the concession of privileges in 1814 — contemplated. —

There

There was no special compact concluded between the Govts in 1819. The correspondence which passed in that year on the subject left the previously existing concessions unchanged. Those concessions which were made by this Govt in 1814 in recognition of the undertaking by the French Govt to abstain from the manufacture of salt in their territory were as follows. —

1. All live stock and articles of provisions, grain of all sorts included, in quantities actually and bona fide required for consumption at Pondicherry and other French Settlements to

to be allowed to pass
the frontier free of duty.
2. - All articles other than
grain and provisions
such as native cloths,
drugs, currys - stuffs,
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tually required for
consumption in the
French settlements,
to be subject to a duty
of 8 per cent. -

3. - All articles im-
ported at any British
port and which have
paid ^{full} duty as required
by regulation, to
be allowed to pass
free of all further
duty into the French
settlements. -

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3
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to Pondicherry is
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and charcoal, that
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6
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I have every desire
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shall collect the duties in ev-
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are imported by sea, as this
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The only point on
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pealed, and although these
articles are used in large
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and allow firewood and
charcoal to pass the frontier
free -

The frontier duties
on these articles will ac-
cordingly cease to be ex-
cised from the 1st July
1866 -

I have much
pleasure in notifying
this adv. in relation
to J. S. S. -

Manuscript copy signed by the Gov.
on the 18 July 1866.

47

Debit to England
By 11th Dec 1865 5/1806 Dec. Rec.

1865

Received 1866 18/11/65
Pro of 500 £ for duty

1865 11/11/65

To the Governor of the
French Settlement
of Quebec,
Pondicherry
1865 11/11/65
From the 3 August 1866
No 2562 that
Informing that
Charcoal and Steamwood
will be exempted from
duty from the 1st Aug 1866.

1865 11/11/65