M.R.O. 1—38,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue. DEPARTMENT.

G.O. No. 1361 Press ~~Nis.~~

367-68

Dated 15th May 1869.

Not to be folded or roughly handled

No. 367. Read the following letter from the Acting Secretary to the Board of Revenue, to the Acting Secretary to Government, Revenue Department, Fort Saint George, dated 3rd April 1869 :—

I AM directed to inform you that several cases have lately occurred of dutiable goods imported by the Post Office, and seized by the Custom-house authorities.

2. The first case was one in which it was ascertained that a quantity of gold thread was about to be so passed from Pondicherry by a merchant.

3. The opinion of the Advocate-General was sought, and it was given to the effect that the goods were contraband, and that the proper course was to apply, under Section 60 of the Postal Act, to the Postmaster-General, who, it was added, was under the law bound to deliver over the goods to the Custom-house authorities.

4. About the same time a foot-note was observed in an Invoice, forwarded to the Custom-house, in which the shipper of some jewellery from London proposed to his constituent to forward batches of watches, from time to time, by Post, and thereby escape duty.

5. The Advocate-General was of opinion that the same rule applied to such transactions, and that the Collector of Sea Customs was the proper Officer to prosecute.

6. Acting on this advice, eight parcels have been detained at the Post Office under Section 60, and opened in the presence of the parties to whom they were addr essed, and all have been found to contain dutiable articles.

7. Of these parcels, three have been addressed to the leading Firm of Jewellers in Madras; and this combined with the fact of the imports of this Firm, through the Custom-house, having been comparatively small during the past two years, leads to the suspicion that a systematic import of stock, duty free, has been carried on.

8. The Board approved of the steps taken by the Collector of Sea Customs, and directed him to adjudicate on the seizures, leaving parties considering themselves aggrieved to appeal; they, at the same time, cautioned him against pushing inquiries to an extent such as to involve vexatious interference with transactions of a limited nature, when the Post is selected as a matter of convenience, and not with the intention of defrauding the revenue.

9. The following Telegram on this subject has been received by the Postmaster-General of Madras from the Director-General of Post Offices:— "I hear from "Customs Commissioner that dutiable articles, imported by Overland Mail, have "been detected in Madras Post Office. The Government does not approve of any "systematic interference with contents of Mails, and prefers to submit to loss of "duty".

10. This communication is evidently based on a correspondence between the Custom-house authorities of Bombay and the Director-General and Financial Secretary, of which copies are annexed.

11. From this correspondence it will be seen that Mr. Bellasis, Collector of Sea Customs, Bombay, inquired whether parcels were packed so as to be easily examined, and whether they were so examined; and stated his opinion that if watches, jewellery, or other dutiable goods were found, they should be sent to the Customs-house, as well as any parcels sent so closed as not to admitof examination.

12. The Director-General of Post Office, in addressing the Government of India, stated that, in regard to parcels received in India, the Post Office could only take action under Section 60 of the Act; and that it was not considered necessary

or expedient, on public grounds, to issue any orders calculated to induce a frequent resort to the procedure therein described, public convenience outweighing considerations of revenue.

13. He observed, moreover, that the Postal Rules specifically allow of articles of intrinsic value being conveyed between India and the United Kingdom; and on such articles it is not considered necessary or expedient to take steps for the realisation of customs-duty; and further that in respect to articles posted in India for transmission abroad, the Act provided no means of dealing with *letters*, even though suspected to contain contraband; that pattern-packets might perhaps be considered to come under the last clause of Section 60; but that it was not considered expedient to act generally on the proviso that parcels might be rejected unless accompanied by a Customs-house Pass.

14. In reply to this, Mr. Lushington, Financial Secretary, stated that the Governor-General approved of the proposed reply to the Commissioner of Customs, Bombay, on the subject of liability to duty of articles passing through the Post.

15. It appears to the Board that the instructions of the Government of India above quoted were directed against a systematic examination of Postal parcels, which it was proposed should be undertaken by the Postal authorities themselves; and that the examinations hitherto made in Madras, at the instance of the Collector of Sea Customs, are fully within the limit of that occasional examination to which, in the interests of the public revenue, all goods must be liable, and from the responsibility of enforcing which, the Revenue authorities have not been relieved by any orders.

16. The subject, however, being of importance, the Board have thought it desirable that the circumstances should be submitted to Government for such orders as they may deem necessary.

17. With reference to the remarks of the Director-General on the subject of parcels *exported*, I am directed to add that there is grave cause for apprehending that the extensive smuggling of Opium from Madras, which has lately received a great check in consequence of heavy seizures, is likely to revive in the shape of pattern-packets.

No. 368. ORDER THEREON, 15th May 1869, No. 1,361.

Separate Revenue, No. 12.
Customs.

IT appears from the foregoing papers that advantage has been taken of the facilities afforded by the Pattern-Post to obtain from England consignments of jewellery without payment of import-duty, and that the ordinary Post has been similarly used for the purpose of transmitting gold thread from Pondicherry, which is a free port, to Madras.

2. The Advocate-General is of opinion that goods so received are contraband, and liable to confiscation; and he advised that the Customs authorities should apply to the Postmaster-General to Act under Section 60 of the Postal Act, which gives the Officer in charge of a Post Office authority, whenever he suspects that any packet contains a contraband article, or any article, on which duty is owing to Government, to summon the party to whom the packet is addressed, and to open it in his presence.

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Proceedings of the Madras Government, Revenue Department,
15th May 1869.

3. The Collector of Sea Customs acting on this advice, has, with the aid of the Postal authorities, made several seizures of goods addressed to a trading Firm, and the Board of Revenue have approved of his proceedings, being of opinion, that though a systematic examination of Postal parcels and letters is to be deprecated, such occasional examinations as have recently been undertaken, at the instance of the Collector of Sea Customs, are absolutely necessary in the interests of the public revenue.

4. The Board draw attention to the fact that, unless the provisions of Section 60 of the Postal Act, under which the Officer in charge of a Post Office is authorised to refuse to receive a packet for transmission beyond Indian limits, unless accompanied by a Custom-house Pass, are occasionally acted upon, an easy opportunity will be afforded for the smuggling of Opium from Madras—a practice which the recent seizures by the Custom-house Officers have only lately been the means of checking.

5. The Board also submit certain correspondence, which passed some time back between the Director-General of the Post Office and the Chief Commissioner of Customs at Bombay, from which it would appear that the Government of India are decidedly averse to a frequent resort to the procedure authorised by Section 60 of the Postal Act; and they also refer to a telegram which has lately been received by the Postmaster-General, to the effect that the Government of India do not approve of any systematic interference with the contents of the Mails.

6. The Government are of opinion that it is essentially necessary that some steps should be taken to stop the practice of sending by Post dutiable articles without payment of duty. As evidence of the urgency of action in this direction, the Government may point to the fact, brought to notice by the Board in paragraph 4 of their letter, that a shipper of jewellery in London actually proposed to his constituent at Madras to forward batches of watches, from time to time, by Post in order to escape duty. If the contents of the Mails are never to be examined for the purpose of checking this practice, a most dangerous opening will be given for contraband traffic, and advantage will be taken of the liberal policy of Government in Postal matters to evade their fair demands for customs-duty.

7. The Government accordingly resolve to submit the papers to the Government of India, with the request that His Excellency the Viceroy in Council will pass such orders on the matter as to him may seem proper.

8. In the meantime as the Right Honorable the Governor in Council concurs in the views of the Board of Revenue, as expressed in paragraph 15 of their letter, he resolves to approve of the orders which they have issued to the Collector of Sea Customs alluded to in paragraph 8, and to authorise that Officer to make occasional application to the Postal authorities for an examination of the Mails.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

Revenue Branch Office

Madras, the 3rd April 1869.

From

The Acting Secretary to Govt.

Revenue Department.

To

The Acting Secretary to Govt.

Revenue Department.

Sir,

I am directed to inform you that Government have lately received reports from various quarters that the Post Office authorities permit articles liable to Customs duty to be sent by the Post Office, and that they are in the habit of delivering such articles to the persons addressed without the payment of the Customs duty leviable thereon.

2. The Post Master General has been requested to furnish a report on the subject, and to state whether any and what steps are taken by the Post Office authorities to prevent the transmission of articles liable to Customs duty by the Overland Mail, and to report what steps are taken to detect and punish offenders.

3. The opinion of this Board is that the Post Office authorities should not be required to open any packets sent by the Overland Mail, but that they should be required to detain any packet which they may suspect to contain articles liable to Customs duty, and to report the circumstances to the Collector of Sea Customs, and to forward the packet to him for such orders as the Government may think proper to issue.

I have, &c.

(Signed) [illegible]

Secretary.

Govt. of {1869} Madras.

REVENUE.

To

THE BOARD OF REVENUE.

Dated May, 1869.

Read. ... *Inst.*

G. O., 17th May 1869, No. 1,561.

MAY.

Nos. 367-368.

Dutiable goods imported through Overland Post.—Passing orders with reference to their seizure by the Collector of Sea Customs, and resolving to submit the papers to the Governor-General for orders.

apply under Section 60 of the Postal Act to the Post-Master General, who it was added was under the Law bound to deliver over the goods to the Customs Authorities.

4 About the same time a post note was observed in an invoice forwarded to the Customs House in which the shipper of some Jewellery from London enquired as to his entitlement to forward Estimates of watches from time to time by post and thereby escape duty.

5th The Advocate General was of opinion that the same rule applied to such transactions, and that the Collector of Sea Customs was the proper Officer to prosecute.

6 Acting on this advice Eight parcels have been detained at the post Office under Section 60, and opened in the presence of the parties to whom they were addressed and all, save Four found to contain dutiable Articles.

be sent to the Customs House as well as any parcels sent to closed as not to admit of examination.

12 The Director General of Post Office in addressing the Government of India stated that in regard to parcels received in India, the Post Office could only take action under Section 60 of the Act, and that it was not considered necessary or expedient on public grounds to issue any orders calculated to induce a frequent resort to the procedure therein described, public convenience outweighing considerations of Revenue.

13 It is observed moreover that the Postal Rules specifically allow of articles of intrinsic value being conveyed between India and the United Kingdom and on such articles it is not considered necessary or expedient to take steps

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for the realization of Customs duty, and further that in respect to articles posted in India for transmission abroad the Act provided two means of dealing with letters, when thought suspected to contain contraband. That patterns packets might perhaps be considered to come under the last clause of Section 60, but that it was not considered expedient to act generally on the proviso that parcels might at - rejected unless accompanied by a Customs House Pass.

14 In reply to this Mr. Lushington, Financial Secretary, stated that the Governor General approved of the proposed reply to the Commissioner of Customs, Bombay, on the subject of liability to duty of articles passing through the Post.

15 It appears to the Board that the instructions of the Government of India, above quoted, were directed against a systematic

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Sea Customs House
Madras 30th March 1869

No. 305.

From

J. Hunter Blair Esq.
Collector Sea Customs.

To

A. Macgregor Esq.
Secretary Board of Revenue

Sir,

Letter dt. Bombay 25th March 1869 forwarding opinion of Law Advocate General as to seizure of packets addressed to native States and Foreign Countries & Parcels-Book Post &c. &c. &c.

Boards' Proceedings Marginally noted.

2. I have the honor to forward copy of letter from the Commissioner of Customs Bombay No. 2056 of the 25th Instant with enclosures, also copy of Telegram from the Director General of Post Office to the Post Master General, dated 24th March 1869, and with reference thereto, beg to be favored with the Board's further instructions in regard to the Jewellery &c. smuggled by Messrs. Orr and Sons and others through the overland Post.

3. I The telegram and orders appear to me to mean that occasional examination of Registered letters &c. should be made the course which has been lately adopted.

4. Adverting to para 4 of a letter from the Director General of the Post Office of India to the Secretary to the Government of India Financial

by whom? and how? and by the Officer of the Sea Customs

Financial Department beg to remark that no specific orders have been issued on the subject of examination of Registered letters by Land Post, as it is not considered necessary or expedient on public grounds to issue any orders calculated to induce a frequent resort to the procedure therein prescribed.

5. It was only after Mess^rs Cox & Co. that Jewellery &c. was being smuggled by Traders. that the recent examinations were made, and I am of opinion that all Suspicious Registered letters &c. to the address of Mess^rs Cox and Sons and other traders in such goods should be detained for examination under the Postal Act.

6. There is another suspicious parcel to the address of Mess^rs Cox and Sons received by the last Overland Mail, which I have requested the Post Master to detain pending further instructions from the Board of Revenue, with which I request I may be favored at an early date.

I have &c.
(Signed) J. F. Blair
Collector of Customs.

(A true Copy)

A. Crawford
Sec^y

C. H. Haughton

No 1659 of 1867.

To

The Post Master General
Bombay.

Sir,

I have the honor to forward to you a copy of a letter from the Superintendent of the Preventive Service showing that since greater facilities have been granted for sending parcels through the Post Office, many dutiable goods are passed as parcels (thus escape Custom duty).

Under the Postal Notification published in the Government Gazette quoted in the margin, I find that parcels not exceeding 2 feet in length, width and depth are allowed to be sent through the Post by Clause 5 and again by Clause 1 of Table B, the weight of parcels is restricted to 3 lbs. This would admit of large quantities of light dutiable goods being systematically passed free.

3. I further observe that by Clause 2. 7. and 8 all such parcels should contain nothing but Samples, and be so packed as to allow of easy examination and I request to be informed if such parcels are so packed and so examined.

4. If on examination, parcels are found to contain watches, Jewellery or other English

Vide Page 6061 of the Bombay Govt Gazette of the 4th July 1867 and published weekly.

English manufactured dutiable articles, I submit they should be sent to the Customs House.

5. If on the other hand, any parcels are sent closed, so as to prevent examination, they also should in my opinion be sent to the Custom House or be opened and examined at the Post Office.

I am also credibly informed that large quantities of obscene and abominable photographs are passed through the Post Office which under Section XXI of the Customs Act are prohibited and contraband.

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Yr. Obt. Servt.

(Signed) A. L. Bellasis

Commissioner of Customs.

From

L. R. Hogg Esq.

Offg. Post Master General of Bombay.

Dated Camp Broach 4th Dec. 1867.

Sir,

Referring to your letter No. 1659 dated 26th July last I beg to transmit Extract para 4 from letter No. 1831 dated 2d September from the Director General Post Office, which decision has obtained the approval of the Government of India, Vide accompanying copy of Financial Department

Department No. 2604 of 21st Ultimo.

Yr. Obt. Servt.

(Signed) L. R. Hogg.

Offg. Post Master General.

Extract para 4 of a letter No. 1831 2-9-67 from the Director General of the Post Office of India to the Secretary to Government of India. Financial Department.

4. I propose therefore if the Government approves, to communicate a reply to the Customs Commissioner Bombay to the following effect viz.

In respect of articles received in India from abroad whether by letter post or pattern Post the Post Office can only take action at the office of delivering under Section 60 of the Post Office Act, and it is not considered necessary or expedient on public grounds to issue any orders calculated to induce a frequent resort to the procedure thereon prescribed; the public inconvenience which would be caused by a frequent resort to that procedure being regarded as far outweighing any revenue which might be derived therefrom.

2. In respect of Article Posted in India for transmission abroad the Post Office Act provides no means of dealing with letters

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even though they may be suspected to contain contraband and consequently no steps can be taken by the Post Office. Pattern Packets may perhaps be considered to come under the last Clause of Section 60 of the Act which authorizes a Post Master to refuse to forward a parcel destined for any place not on the continent of India unless accompanied by a Custom House Pass. But it is not considered expedient to act generally on this provision. The duty of a Post Master is to see that such Pattern Packets as are posted in his office are packed in accordance with the rules, so as to be open to inspection refusing to forward any Packet not so packed or which may be otherwise open to objection under the Rules. These Rules specifically allow of articles of intrinsic Value being conveyed between India and the United Kingdom and on such articles it is not considered necessary or expedient to take any steps for the realization of Customs duty.

No. 2504.

From

Government of India
Financial Department
Inland & Marine Post Office.

To

The Director General of the
Post Office of India

Sir,

In reply to your letter No. 1831 dated

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the 2nd September 1869, I am directed to state that the Governor General in Council is pleased to approve of the reply proposed in para 4 of your letter to be communicated to the Commissioner of Customs Bombay on the subject of the liability to customs duty of Articles passing by Post between India and foreign countries.

I have &c

(Signed) C. A. Lushington
Secretary to Govt of India

(True Copies)

(Signed)
Asst Comm of Customs

(True Copies)

(Signed) L. A. Blair
Collector Sea Customs.

(True Copies)

A Thompson
Ag Secretary

Rec: 10/9/69

Enclosure 1-A

In a letter from the Collector of Customs

Bearer 30 Rupees

1869 Rs 305 -

No. 8,671.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 10th December 1868.

Read the following letter from H. J. BROCKMAN, Esq., Government Solicitor, to the Acting Secretary to the Board of Revenue, dated Madras, 23rd November 1868, No. 668:—

I HAVE the honor to acknowledge the Proceedings of the Board of Revenue, noted in the margin, with the papers which accompanied them, requesting to be furnished with the Advocate General's opinion as to the course to be pursued in cases where parties import Watches, etc., into Madras from the United Kingdom and Foreign Territories by the Overland Post, thereby defrauding the Government of the amount of Import Duty thereon.

Dated 14th November 1868, No. 8,043.

2. I submitted the matter for the consideration of the Advocate General, and have also conferred with him on the subject; and,

3. I now forward a copy of his Opinion, and return the papers above noted.

ENCLOSURE No. 1.—A.

From T. GARRETT, Esq., Post Master, Madras, to the Collector of Sea Customs, dated Madras, 6th August 1868, No. 2,323.

I HAVE the honor to acknowledge the receipt of your communication, No. 856, dated the 4th instant, and herewith enclose, for your information, copies of correspondence, as per margin, on the subject you refer to.

Opinion of the Advocate General, dated 8th April 1868.
Letter from the posters of the parcels, dated 10th April 1868.
Do. from the Collector of South Arcot, No. 18, dated 29th April 1868.

2. You will perceive that six parcels, containing gold thread, have been intercepted at this Office, and sent to the Collector of South Arcot, in accordance with the Advocate General's opinion. Nothing further is known respecting them.

3. I am glad to inform you that no parcel containing gold thread has been received since the parcels under notice were detected.

Opinion.

THE goods referred to by the Post Master are, in my opinion, unquestionably contraband.

2. His course is to detain them, and to inform the party, to whom they are addressed, that he does so under Section 60 of Act XIV. of 1866 for ulterior proceedings.

3. The case, so far as I am aware, is a new one; I conceive that the goods are liable to confiscation under Act VI. of 1844, Sections 6, 5, 16. And that the proper person to take action, with respect to them, is the Collector of South Arcot.

4. The Post Master General should not deliver the goods to any one, but should write to the Collector of South Arcot, fully informing him of the circumstances. The Collector will then probably call on the Post Master General to deliver the goods to him, which, I am of opinion, the Post Master General may lawfully, and is bound to do.

5. The Collector of South Arcot will then be in a position to deal with the case.

6. No offence appears to me to have been committed in Madras. There is no proof of any complicity between the person to whom the package is directed here, and the party who despatches the goods from Pondicherry. There is, therefore, no one to be proceeded against here. We cannot touch the guilty party in Pondicherry.

7. Under these circumstances the only remedy is by confiscation.

(Signed) JOHN BRUCE NORTON,
Advocate General.

8th April 1868.

(True Copy.)

(Signed) H. J. BROCKMAN,
Government Solicitor.

Sections 5 and 6;-
These has been repealed long
before the date of the A. G's opinion.
See Act VII of 1859.

PONDICHERRY, 10th April 1868.

To THOMAS DEFRIES, Esq., Post Master, Pondicherry.

HONORABLE SIR,

One C. Pt. Wg. 223 T. to the address of Ramasawamy, care of P. Kistnasawmy Chetty, forwarded on the 3rd April 1868, by ஒருவி ஒசிஷ்டி.
Two do. 185 T. to the address of V. Sadaseva Chetty, Madras, forwarded on the 3rd and 4th April 1868, by ஒ. பாஸ்டு ஒசிஷ்டி.
Two do. 93 and 5½ T. do. do. do. do. on the 4th and 5th April 1868, by ஒ. பாலகிருஷ்ணமாலிய ஒசிஷ்டி.
One do. 188 T. do. do. do. do. on the 5th April 1868, by ஒலுவி ஒசிஷ்டி.

WE the undersigned, with due respect, beg leave to inform that on 3rd, 4th, and 5th instant, we despatched to Madras, through your Post Office, per Banghy Post, a small quantity of gold thread each of us had, and hear, with much regret, that our banghies are not delivered to the addressees, V. Sadaseva Chetty and Ramasawmy Naidoo, care of Pittoocolla Kistnasawmy, for the purpose of inquiring if Duty has been paid here on that article.

We again beg leave to state that when our banghies were posted, no duty was claimed, and being French people, we are all quite ignorant of the Madras Tariff Duty, and, therefore, do not know if this article is to pay any Duty.

We have the honor, &c.,
(Signed) G. BALOO CHETTY,
(,,) P. GOOROOVE CHETTY,
(,,) K. BALASOOBRAMANIAH, and
(,,) WALU CHETTY.

N. B.—One of those banghies contains twenty gold coins, said five Rupee Mohurs.

From C. W. READE, Esq., Collector of South Arcot, to the Post Master of Madras, dated Manarloorpett, 29th April 1868, No. 18.

I AM in receipt of your letter of the 20th instant, No. 326, with enclosures; also by the same post a Banghy parcel, the contents and weight of which I have not ascertained, but I presume the parcel contains the six Banghy Packets mentioned in the duplicate receipt which you enclose for my signature.

2. I have not been able to do any thing in the matter, as I am moving about. I shall be absent for about a week in the jungles of the Trinamalay Talook, but meanwhile I send you a receipt, in duplicate, for one Banghy parcel as received, contents and weight unknown. On my return to Trekalore, I will have the parcel examined, and let you know if all is right.

3. There is no difficulty in confiscating the goods, and adjusting the postage due from the proceeds, but before doing this, I should be glad to ascertain the party by whom the parcels were despatched from Pondicherry, in order that he may at all events have the opportunity of appearing before me to show cause, if able to do so, why the articles should not be confiscated, and after giving the consignee of the goods a reasonable time within which to appear for such purpose, I will then order their sale for the benefit of the State.

4. I make no doubt you will readily obtain the name of the party or parties at Pondicherry from the addressees of the parcels in Madras.

(True Copies.)

(Signed) T. GARRETT,
Post Master.

(True Copies.)

(Signed) J. H. BLAIR,
Collector of Sea Customs.

ENCLOSURE No. 2.—B.

From J. H. BLAIR, Esq., Collector of Sea Customs, to the Post Master General, dated Madras, 13th October 1868, No. 1,100.

ADVERTING to letter from your department, No. 2,323, of the 6th August last, I have the honor to inform you that I know certain parties are in the habit of importing Watches and Jewellery from the United Kingdom and Foreign Ports, by the Overland Post thereby defrauding the Government of the amount of Import Duty.

2. I have addressed the Board of Revenue on the subject, and have requested them to obtain the opinion of the Advocate General as to the course to be adopted in such cases. A copy of the opinion when received will be communicated to you.

(True Copy.)

(Signed) J. H. BLAIR,
Collector of Sea Customs.

ENCLOSURE No. 3.

Opinion.

IF the Post Master General suspects that any letter, which finds its way into his Office, contains contraband or dutiable goods, it will be his duty to act under Section 60 of the Post Office Act. If the letter should come from Pondicherry, he will act as I pointed out in the gold thread case. If the letter has come from England or any foreign country by sea, I think the Collector of Sea Customs is the proper Officer to prosecute.

(Signed) JOHN BRUCE NORTON,
Advocate General.

23rd November 1868.

(True Copy.)

(Signed) H. J. BROCKMAN,
Government Solicitor.

COMMUNICATED to the Collector of Sea Customs and to the Post Master General.

(True Copies and Extract.)

(Signed) A. MACGREGOR,
Acting Secretary.

(True Copy.)

(Signed) J. T. MAYNE,
First Assistant.

To the Collector of Sea Customs.
,, the Post Master General, Madras.

Copy to all Collectors.

Exd. F. R. Bantleman.

No. 1,731.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 13th March 1869.

Read the following letters:—

From J. H. BLAIR, Esq., Collector of Sea Customs, Madras, to the Acting Secretary to the Board of Revenue, dated 8th March 1869, No. 249.

ADVERTING to the Board's Proceedings, No. 8,043, of the 14th November, and No. 8,671 of the 10th December last, I have the honor to report the following cases for the Board's orders.

2. On the 19th ultimo, I addressed the Post Master General on the subject of the smuggling of jewellery, etc., through the Overland Post, and suggested that the Deputy Appraiser should be sent to the Post Office to examine two or three Mails.

No. 163—vide enclosure A.

3. The Post Master General agreed to my proposal, and accordingly on Friday last the Acting Deputy Appraiser, Mr. Fox, examined the Mails, and requested the Post Office Authorities to detain two registered parcels which he considered looked suspicious.

4. One parcel was addressed to Captain Codd, and the other to Messrs. Orr and Sons, Jewellers, Mount Road.

5. The parcels were opened on Saturday the 6th instant, in accordance with Section 60 of Act XIV. of 1866: the one to Captain Codd contained a new gold watch and chain, which he declared was sent out to him by a friend for his *own private use;* he was permitted to take the watch, etc., on the understanding that he would pay the duty, etc. Any penalty the Board may inflict on Captain Codd will, therefore, be paid; but I do not think that in his case there was any wilful attempt at evasion of Government dues.

6. The registered parcel for Messrs. Orr and Sons contained two new long gold neck chains, English cost price about £20, which I have detained, pending the Board's orders. It is unnecessary to observe that Messrs. Orr and Sons must have been fully aware that they were wilfully and systematically smuggling these goods, and thereby fraudulently evading the payment of Government duty.

7. I therefore request the Board will be good enough to instruct me how I am to proceed with reference to the Advocate General's opinion, recorded in Board's Proceedings, No. 8,671, of 10th December last, which declares that "the Collector of Customs is the proper Officer to prosecute," but does not instruct under what Act or Section thereof he is to perform that duty.

Enclosure No. 3.

8. Mr. Orr has given me a verbal explanation, which I considered unsatisfactory, and I therefore requested him to put it in writing, and will forward it to the Board as soon as received, with remarks, if necessary.

9. As only the letters of the last Mail have as yet been examined, it is very probable that by the Parcel Post small cases of other goods, which are being sent in order to evade duty, will be discovered.

ENCLOSURE No. 1.

From J. H. BLAIR, Esq., Collector of Sea Customs, Madras, to the Post Master General, dated Madras, 19th February 1869, No. 168.

WITH reference to the Advocate General's opinion, dated 23rd November last, communicated to you in Board's Proceedings, No. 8,671, dated 10th December 1868, I have the honor to bring to your notice that as I know for a fact, watches, etc., are being smuggled through the Post, I beg to suggest that all parcels, by the next two or three Overland Mails, be examined by the Post Master here, and the Custom House Deputy Appraiser, whom I will send to assist the Post Master.

1869. Department.

No.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 10*th December* 1868.

Received

No. 8,671.

Importation of Watches, etc., by Overland post into Madras from United Kingdom and Foreign Territories.—Opinion of Advocate General as to course to be pursued in cases of—, communicated to Collector of Sea Customs and to Post Master General.

2. If on examination any of the parcels are suspected to contain smuggled goods, notice can be sent to the parties concerned, under Section 60, Act XIV. of 1866, and the Deputy Appraiser will again attend when the parcels are opened, as provided by the aforesaid Section.

(True Copy.)

(Signed) J. H. BLAIR,
Collector of Sea Customs.

From J. H. BLAIR, Esq., Collector of Sea Customs, Madras, to the Acting Secretary to the Board of Revenue, dated Madras, 10th March 1869, No. 254.

With reference to paragraph 8 of my letter to the Board, No. 249, of the 8th instant, I have the honor to forward copy of Messrs. Orr and Sons' explanation* regarding the two gold chains imported through the Overland Post.

* Dated 9th March 1869.

2. *Paragraph* 1 *of Messrs. Orr and Sons' letter.*—Mr. Orr was told that the chains would be detained, pending a reference to the Board of Revenue for orders.

3. *Paragraphs* 2 *and* 3.—Quite irrelevant. Messrs. Orr and Sons have no doubt been tempted to smuggle jewellery through the Post, from the circumstance of their having been told that other parties were in the habit of doing so, or by their knowledge that certain parties had actually done so; but this does not exonerate them, and they must have been fully aware, from their position as traders, that they were wilfully smuggling and fraudulently evading the payment of Government duty.

4. *Paragraph* 4.—I would on this subject remark, that parties only importing goods occasionally for private use, often show entire ignorance of Customs Regulations; but such cases cannot be compared with those in which regular traders, who are continually passing goods through the Custom House, are concerned.

5. *Paragraph* 5.—Statement incorrect. The Circular only referred to Inland Post—See D. O., letter from the Acting Post Master, dated 10th instant.

6. *Paragraph* 6.—I am of opinion that the chains should be confiscated, and the heaviest penalty, which can be enforced by law, should be levied, as the case is a serious one; and it is impossible to say what amount of goods have been smuggled through the Post.

7. The truth of Messrs. Orr and Sons' statement that "they have up to within the last few "months invariably imported all their jewel- "lery in the usual way per steamer" is very doubtful. In the margin is shown the value of jewellery imported, from October 1868 to February 1869, by Messrs. Orr and Sons (which, as the Board are aware, is the leading Jewellery Firm in Madras), and the value of jewellery imported by the Firm of Messrs. Allan & Co., who, I may say, stand second in point of position, but which does not carry on one-sixth the business of Messrs. Orr and Sons.

Value of jewellery imported by Messrs Orr and Sons from October 1868 to February 1869	Rs. 3,037
Do. do. do from do. to do	
by Messrs. Allan and Company	3,870

8. I have taken these months*, as they include the Christmas Stock. It seems probable, therefore, that a considerable part of Messrs. Orr and Sons' Christmas stock of jewellery has been imported through the Overland Post, the opportunity occurring four times in each month.

* October 1868 to February 1869.

9. I also find that the value of jewellery, imported by Messrs. Orr and Sons in 1868, amounted to Rupees 3,772; while that imported by Messrs. Allan & Co., in the same year, amounted to Rupees 5,220. Messrs. Orr and Sons might, I think, be called on to produce their books if they declare my inferences are incorrect or unfounded.

10. *Paragraph* 7.—Messrs. Orr and Sons have made this confession, as they are aware that the next two or three Mails are to be examined. I would recommend that these goods be treated in the same way as the gold chains; namely, that they be confiscated, and the highest fine, which can be inflicted, imposed on the smugglers. Paragraph 7 of my letter of the 8th instant, No. 249, shows that I do not know under what Act such fraudulent practices can be punished. I have, however, instructed the Acting Deputy Appraiser to continue his examinations of the Mails as they arrive, the results of which will be reported to the Board.

Enclosure No. 1.

From Messrs. ORR and SONS, to the Collector of Sea Customs, dated Madras, 9th March 1869.

We beg to address you, with reference to a small parcel containing two gold chains, received per last Overland Mail, which have been handed over to you by the Post Master of Madras as containing contraband goods, and which, in your conversation yesterday with our Mr. Orr, you stated it was your intention to confiscate.

2. We beg to state that we have, up to within the last few months, invariably imported all our jewellery in the usual way per steamer. It was, however, prominently brought to our notice, some time ago, by a member of the Legislative Council, that parcels containing jewellery, watches, etc., were being regularly received in Madras by Post, and similar instances have very frequently occurred within our own knowledge.

3. Under these circumstances, and finding the practice to be so generally adopted, and believing that there was nothing in any legal enactment to meet that practice, we were induced to order similar parcels of jewellery for ourselves.

4. With regard to your remark yesterday to our Mr. Orr, to the effect that private importers are not generally aware of the fact that English importations are dutiable, we respectfully submit that no person can land in India without being aware of the fact that effects are liable to duty, and we feel sure that a large proportion of importers, by post, are fully aware that they save duty by so importing by post.

5. With reference to this subject, we take the liberty to remark that a special Circular was issued some months ago by the Postal Department, expressly explaining that "*no restrictions*" whatever were laid upon the use of the "Pattern Post," except the enclosure of dangerous or combustible articles and written matter. We beg leave to say that this Circular, in our opinion, directly encourages the importation of goods by post.

6. We trust, Sir, with this explanation, that you will see fit not to impose upon us the full penalty of confiscation: we were not aware that we were rendering ourselves liable to any such penalty, and, as already stated, we believed this practice, which has been allowed to assume so considerable proportions, was one not met by any existing law.

7. We beg to inform you that we expect by one of the next Mails a parcel containing an emerald, not subject to duty we believe, and some lockets (not ordered by us), and we shall be glad to know what course we may adopt with reference to this parcel.

8. In reply to your letter of yesterday received this morning, we beg to enclose Invoice required, which we beg may be returned.

(True Copy.)

(Signed) J. H. BLAIR,
Collector of Sea Customs.

Enclosure No. 2.

From M. PERCY, Esq., Acting Post Master, Madras, to the Acting Deputy Appraiser, Custom House, dated Madras, 10th March 1869.

The Circular you allude to refers only to the transmission of articles by Pattern Post from one station in India to another. The arrival of the next Overland Parcel Mail is uncertain; but the Mail consisting of letters is expected about Friday.

In his letter, dated 8th instant, the Collector of Sea Customs reports that two parcels were opened by the Post Master of Madras under Section 60, Act XIV. of 1866. One of them was found to contain a gold watch liable to duty, but imported under circumstances which throw no suspicion on the exporter or importer, and the watch was not detained. Captain Codd should be now called upon to pay the duty leviable. The other parcel was found to contain gold chains,

liable to duty, imported by a Jeweller's Firm in the regular course of trade, and under circumstances which lead to the belief that they were so imported in order to evade duty.

2. The Advocate General has, in his opinion, dated 8th April 1868, advised that such goods are clearly contraband, and that the course to be pursued under such circumstances is for the Collector of Customs to call on the Post Master General to deliver the goods, and that the Post Master General is bound to deliver them.

3. The Collector is in doubt as to the Section of the Customs Act under which he can deal with the goods.

4. The Government Solicitor is requested to obtain the opinion of the Advocate General as to the particular Section of the Act under which the Collector can proceed, and to advise generally.

(True Copies and Extract.)

(Signed) A. MACGREGOR,
Acting Secretary.

To the Officiating Government Solicitor,
with copies of letters, dated 8th and 10th March 1869, and their enclosures.

Copy to the Collector of Sea Customs.
,, to the Post Master General.

Exd. F. R. Bantleman.

Orr. Bylles to Govt. 2-9 Sheets & offic. dis.

1869.

Board of Revenue,
MADRAS.

Rec. 1869

Proceedings, 13th March 1869, No. 1,731.

Encl.

Received

MARCH.
No. 1,731.

Customs duty on a gold watch and chain improperly imported through Overland Post by Captain Codd.—Collector of Sea Customs authorised to recover payment of—, Government Solicitor requested to obtain advice of Advocate General as to course to be pursued with reference to two gold chains similarly imported by Messrs. Orr and Sons.

13X

No. 2,051.

Proceedings of the Board of Revenue, dated 24th March 1869.

Read the following letter from H. J. BROCKMAN, Esq., Government Solicitor, to the Acting Secretary to the Board of Revenue, dated Madras, 17th March 1869, No. 119:—

I have the honor to acknowledge the Proceedings of the Board of Revenue, noted in the margin, and its enclosures, requesting the Advocate General's opinion, relative to the course to be pursued by the Collector of Sea Customs, with regard to two gold chains, liable to duty, imported through the overland post, and detained by him.

Proceedings of the Board of Revenue, dated 13th March 1869.

2. I submitted the matter for the consideration of the Advocate General, and have also conferred with him thereon, and

3. I now forward a copy of his opinion, and return the enclosures above noted.

Enclosure No. 1.

OPINION.

The Goods are liable to confiscation, and the offender to a penalty under Section XXIV. of the Sea Customs Act.

2. Under Section 218, the Collector of Sea Customs may confiscate, but I do not think he can summarily recover any penalty under this Section. The penalty there spoken of is one attached to persons in charge of, or owning vessels, landing or shipping goods, or passing them through a Customs-house: under none of which smuggling by means of the Post Office, I think, falls.

3. This penalty is recoverable summarily before a Magistrate under Section 222: though in the present case Messrs. Orr and Co., would probably rather pay any fine demanded, rather than submit to the publicity of the Police Office.

(Signed) J. B. NORTON,
Advocate General.

16th March 1869.

(True Copy.)

(Signed) H. G. PRICHARD,
for
H. J. BROCKMAN,
Government Solicitor.

In his letter of the 8th March, the Collector of Sea Customs reported, that some Overland Post parcels were opened at the Post Office, under Section 60, Act XIV. of 1866, and that certain dutiable articles were discovered.

2. The Advocate General advised in his opinion of the same date, that the articles were clearly contraband, and that the Post Office officials were bound to deliver up the goods on the requisition of the Collector of Sea Customs. This they have done.

3. Doubts having arisen as to the particular Section of the Act under which the Collector should proceed, a further opinion was asked from the Advocate General.

4. He now advises that the goods are liable to confiscation under Section XXIV., Act VI. of 1863, and that the importer is liable to a penalty which is recoverable summarily before a Magistrate under Section 222.

5. The above opinion will be communicated to the Collector of Sea Customs, who will deal with the matter according to his opinion of the circumstances of the case, leaving the party to appeal to the Board should he be dissatisfied with the Collector's decision.

(True Copies and Extract.)

(Signed) A. MACGREGOR,
Acting Secretary.

To the Collector of Sea Customs,
with copy of Advocate General's opinion.

Copy to the Government Solicitor.

Exd. G. A. Turton.

Encl in Bds Collrs letter
R. Dated 5 April 1869.

Rec. 1869/69

1869.

Board of Revenue,

MADRAS.

PROCEEDINGS, 24TH MARCH 1869, No. 2,051.

Encl.

Received

MARCH.

No. 2,051.

Gold chains improperly imported through overland post by Messrs. Orr and Sons.—Opinion of Advocate General in regard to—communicated to Collector, with instructions to deal with matter according to his opinion of circumstances of case.

Proc 15 May 69 Ins No 367

not to have been contemplated by the P.O act. I cannot therefore recommend these proceedings with the object of their being pursued in the Madras Post Office of having an Appraiser from the Sea Custom Department to examine the English mails.—

If other course is further pursued intended to be taken, I would recommend that it so far as the S.C. Collector is concerned.—

In regard to the Post Master Madras I would bring this matter to the notice of the P.M. General.—

The bringing in of Custom House Officers to examine & pull about P.O packets before their ordinary distribution, would not fail to cause delay & be attended with many inconveniences.

The opinion of the H.M. Revenue relative to the probability of smuggling being carried on by means of the packets, I think, to be brought to the notice of the Bd. of Inland Revenue should be left for them to take what steps they may deem proper.

9.4.69.

I agree with Mr. Rhodes in considering that the article which appears to have been taken of sending a Custom House Officer to the Post Office to examine the packets was hardly advisable & practicable; but I think that something should be done to stop the practice of sending by post dutiable articles of considerable value without payment of duty.

I should be disposed to send the correspondence to the Inland Revenue Board for their information, & that Mr. Rhodes might at the same time point out the opportunity which the practice of sending articles of little intrinsic value by post affords of defrauding the Revenue in this way, & the necessity of checking this, but as the only way of obviating them. This, I think, is a very common practice, & I am not aware that any steps can be taken to prevent it by post.

A.J.P.

I entirely agree with the views of the Board as expressed in Paras. 8 & 15. of their letter. It seems to me that the most dangerous feature is the letter for contraband traffic by the Telegraph for instead of Govt. in suffering the

cheap transmission
of large parcels by
the Post Office. If
his recommendations are
acted upon and
examined at the P.O.
it will be better to take
all the leading articles in the Tariff
for the use of the P.O. for the
separate version of the
Customs duty on articles
destined for sale is a malpractice
doubtless as it uses the
generality confidence of Govt
as a cloak for fraud.
As known, there seems to
be some discrepancy between the
views especially the Govt of
India & those of the Board of
Revenue I solicit a whole
subject for the consideration of the
Govt of India recommending the
maintenance of the practice now in
force here & carried it in the
mean time. I would also lay the papers

5 Revenue Depart

1671

№ 1361

Proceedings of the Madras Govt
made, date the 15th May 69

Read the following Ltr. of the Bd of Revenue

Submitting information regarding certain articles imported by Custom House authorities

(M.E. 5th April 1869)

It appears from the foregoing papers that the advantage has been taken of the facilities afforded by the Post Office to obtain from England consignments of jewellery without payment of import duty, and that the ordinary post has been similarly used for the purpose of transmitting Gold thread from Pondicherry, which is a free port, to Madras.

2. The Advocate General is of opinion that

that goods so secured are contraband and liable to confiscation, and be advised that the Customs authorities should apply to the Postmaster General to act under section 60 of the Postal Act which gives the officer in charge of a Post office authority, whenever he suspects that any packet contains a contraband article or any article on which duty is owing to Govt. to summon the party to whom the packet is addressed and to open it in his presence.

3. The Collector of said Customs acting on this advice, has, with the aid of the Postal authorities, made several seizures of goods addressed to a trading firm, & the Board of Revenue is have approved of his proceedings

in the above case as a

proceedings, being of opinion that though a systematic examination of postal parcels and letters is to be deprecated, such occasional examinations as have been recently undertaken at the instance of the Collector of Sea Customs are absolutely necessary in the interests of the public revenue.

4. The Board also draw attention to the fact that unless the provisions of section 60 of the Postal Act under which the officer in charge of a Post office is authorized to detain a packet for transmission beyond Indian limits unless accompanied by a Custom House pass are occasionally acted upon, an easy opportunity will be afforded for the smuggling of opium from Madras, a practice which the Act

is designed

seizures by the Custom House officers have only lately been the means of checking -

5 The Board also submit certain correspondence which passed some time back between the Director General of the Post office and the Chief Commissioner of Customs at Bombay, from which it would appear that the Govt of India is decidedly averse to a frequent resort to the procedure authorized by Section 60 of the Postal Act, and they also refer to a telegram which has lately been received by the Postmaster General to the effect that the Govt of India does not approve of any systematic interference with the contents of the mails -

6. The Govt are of opinion

As evidence of the urgent necessity of some action in this direction, the fact may point to the fact brought to notice in the Collector's letter, dated in June 4 of their letter, that a shipper of jewellery in London recently proposed to his consignment at Madras to forward batches of watches, from time to time, by post, in order to escape duty.

I think that after Sheldrake's case of the insurance - which was an interception attached to - part of India Post in transit under Indian - entitled Indian Post - Sea Post - Sea Post is more convenient than

opinion that it is substantially necessary that some steps should be taken to stop the practice of sending by post dutiable articles without payment of duty - If the contents of the mails are never to be examined for the purpose of checking this practice, a most dangerous opening will be given for contraband traffic, and advantage will be taken of the liberal policy of Govt in Postal matters to evade their fair demands for Customs duty -

7. The Govt accordingly resolve to submit the papers to the Govt of India, with the request that his Excellency the Viceroy in Council will pass such orders on the matter as to him may seem proper - &c

5. In the meantime as the Right Honorable the Governor in Council concurs in the views of the Board of Revenue as expressed in para 15 of their Pro:, he recommends to approval of the orders which they have issued to the Collector of Sea Customs alluded to in para 8; and to authorize that officer to make occasional application to the Postal authorities for an examination of the mails—

Minute

Minute

Minute

Certain Articles
sold Law between
the Parcels Post.

No.

XXII

Where this person first
came before me I
thought it unwise to
proceed a certain time
upon it examine his
hands & in my discretion
suspected a particular
hostile. He further evidenced
to me by some expressions
& this course which is
evidently a simple &
natural mode of showing
his interest in the Post
I agree in Law Regulations
which the Master & Surgeon
has drawn.

A. A.

25 May 98