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(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Revenue.

DEPARTMENT.

G.O. No. 227

Press
Mis.

Dated 3. 2.

1871 .

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
3rd February 1871.*

No. 42. Read the following Proceedings of the Board of Revenue, dated 18th July 1870, No. 4,931 :—

Read the following letters :—

From the Collector of South Arcot, to the Acting Secretary to the Board of Revenue, dated Cuddalore, 17th June 1870, No. 149.

ADVERTING to paragraph 4 of the Government Proceedings of the 3rd June, No. 811, received with the Board's Proceedings, dated 11th idem, I have the honour to state that dust and green leaf indigo is exported free, but an Import-duty is levied at $7\frac{1}{4}$ per cent. under the head "dyeing and colouring materials."

2. The effect of the present Tariff is, however, likely to prove very detrimental to the Land Customs Revenue, and, while stimulating the manufacture of indigo within the neighbouring territory of Pondicherry, must, I think, have an undoubted tendency to lessen that manufacture within our own.

From the Collector of Sea Customs, to the Acting Secretary to the Board of Revenue, dated Madras, 23rd June 1870, No. 525.

BOARD'S Order, 14th June 1870, No. 4,145.

2. With reference to paragraph 5 of the Order of Government, No. 811, 3rd June 1870, I have the honour to state that I do not think it advisable to alter the existing rate of duty of 3 Rs. per Indian maund on any sort of indigo (either lump, mud or any other kind) exported into Pondicherry by land.

3. A differential duty on indigo must lead to smuggling, and it would be extremely difficult to prevent genuine indigo, which ought to pay duty, being smuggled across the frontier under the pretence of being the cheaper compound. Indigo thus smuggled into Pondicherry and other foreign ports will then be exported to Europe to the detriment of our revenue. Every package, professing to be of the cheap sort, would have to be opened and carefully examined, and, if in bulk (in a basket or box-cart), the contents of the cart would have to be emptied out, in case first-class indigo was concealed therein.

4. On this subject, I beg to make the following remarks:—My attention having been drawn to the increased cultivation of indigo in the Kistna District, while a ridiculously small amount of duty was collected, I addressed the Collectors of Kistna and Godavery on the subject.

* Copies of letters herewith sent.

The replies* were not very satisfactory.

5. I have also compared the Cultivation Statements for six other districts, of which the produce ought to be shipped at Madras or Pondicherry. Though the acreage has increased in the last year from about 90,000 acres to 137,000, the increase of duty at Madras is only from Rs. 87,928 to Rs. 1,07,639; in the former year, the difference between acreage and duty is about 2,000, in the latter about 29,000. On the face of these comparisons, it seems probable that smuggling of indigo is actually now carried on.

6. There are many opportunities for smuggling by means of the coasting trade. I have reason to believe that opium is smuggled on board dhonies from villages on the coast. The smuggling which used to be carried on by land while land drawback was allowed is now, I believe, carried on in the same manner by

*Proceedings of the Madras Government, Revenue Department,
3rd February 1871.*

dhonies landing goods on the coast. In order to put a stop to this practice, I purpose calling parties shipping drawback goods for Pondicherry to give the security by bond, required under Section 124, Act VI. of 1863. At present the Custom-house has no proof whatever that goods manifested for Pondicherry are landed there at all.

7. This system is in force for all goods shipped from Chittagong or transhipped at Rangoon, for which duties are leviable, in order that the Custom-houses at those ports may be certain that goods manifested for Madras are actually landed here.

8. In regard to indigo, it may be remarked also that it was no doubt the intention of the Legislature in levying a particular duty on it, to prevent thereby the introduction of the inferior descriptions into the European market. This object may be defeated by parties exporting inferior descriptions of indigo, taxed at the lower rate of duty, to Pondicherry and other foreign Indian Ports for exportation to Europe. If differential duties are levied on indigo exported by land, of course the same alteration must be made in the duty on indigo exported by sea. If the indulgence is granted in one case, I fail to perceive any argument that can be used for refusing to grant it in the other.

9. A fixed rate of duty is charged on spirits, wines, grain and pulse, without any reference to the quality, and there is no reason why differential duties according to quality should exist in favour of indigo alone.

ENCLOSURE No. 1.

From the Collector of Sea Customs, to the Collector of the Kistna District, dated Madras, 24th February 1870, No. 163.

REFERRING to the Cultivation Statements of indigo for the past 18 months, I observe that

	Acres.	it is largely cultivated in your district as shown
March 1868	8,276	in the margin. I have therefore the honour
" 1869	10,180	to request you will be good enough to inform
Dec. "	20,797	me what becomes of the produce, as very little

duty appears to be collected in your district or the Godavery.

2. I refer to the Godavery District, as I believe Cocanada is the principal port of shipment for the produce of your district.

From the Collector of Sea Customs, to the Collector of the Godavery District, dated Madras, 25th February 1870, No. 163.

REFERRING to the Cultivation Statements of indigo for the past 18 months, I observe that

	Acres.	it is largely cultivated in the Kistna District
March 1863	8,276	as shown in the margin, but very little duty
" 1869	10,180	appears to be collected there or in your district.
Dec. "	20,797	I have therefore the honour to request

	Amount of duty collected	you will be good enough to inform me, if you
	Kistna. Godavery.	can, from where and to which ports the produce
1867-69	...	is shipped. I refer to you, as I believe Coca-
1868-69	6	nada is the principal port of shipment for the
1869-70 up to January	69	produce of the Kistna District.

*Proceedings of the Madras Government, Revenue Department,
3rd February 1871.*

From the Collector of the Godavery District, to the Collector of Sea Customs, Madras, dated Kotipelly, 24th March 1870, No. 70.

WITH reference to your letter of the 25th ultimo, I have the honour to inform you that the indigo exported to London in 1868-69 and 1869-70 appears, from the applications filed in the Sea Custom Office, to be partly the produce of this district, and partly that of the Vizagapatam District. I am not aware of any Masulipatam produce having been exported from this port.

From the Officiating Collector of the Kistna District, to the Collector of Sea Customs, dated Masulipatam, 28th March 1870, No. 1,259.

Official years.	Names of Ports.	Value.	Duty.
		RS.	RS. A. P.
1868-69	New York...	350	6 0 0
1869-70	Do. ...	4,542	69 7 11

Official years.	Value.
	RS.
1867-68	16,179
1868-69	8,230
1869-70 up to January	640
Total...	25,049

I HAVE the honour to acknowledge the receipt of your letter, No. 163, dated 24th February 1870, and to inform you that in the three official years noted in the margin, indigo valued at Rs. 25,049 was exported to Indian Ports subordinate to the Presidency of Madras. On this, no duty was levied. In the last two official years a small quantity only was exported to foreign ports, on which a duty of Rs. 75 was levied. Besides this, a large quantity of indigo is sold in the district, and exported inland to Cuddapah and Kurnool Districts. Hence the small duty collected. A large quantity of indigo is also consumed in the district for dyeing cloth.

SUBMITTED to Government, with reference to Government Order, 3rd June 1870, No. 811.

2. In their order, Government refer the Board's proposal, that "lump" indigo should pay a duty of three Annas a maund only when exported into Pondicherry, for the observation of the Collector of Sea Customs.

3. The Collector of Sea-Customs deprecates the introduction of a differential duty on "lump" indigo, on the ground that it would excite smuggling, good indigo being exported as "lump" indigo, and that the effect would be that inferior indigo would find its way into the home market.

4. The Board observe that "lump" indigo is not an article of export under ordinary circumstances. It is, in fact, the refuse of the vats, and is incorporated with much earth and other extraneous matter. Before it is used, a small quantity of ordinary indigo is mixed with it, and the Pondicherry dyers then use it in colouring cheap manufactures. It is used in the same way in Madras, but it never becomes subject to duty there, because it is not worth exporting.

5. The question is of some importance to the indigo manufacturers of South Arcot, because the dyers who use the produce of that district live in Pondicherry, and as the law now stands, the "lump" indigo of the manufacturers cannot be used at all unless it is smuggled into Pondicherry where the dyers are.

6. The Board consider that Mr. Blair has over-rated the inducement to smuggling which would be offered by a differential duty.

7. Mr. Blair believes that indigo is smuggled extensively by Native dhonies engaged in the coasting trade. He points out that exports have not increased in

*Proceedings of the Madras Government, Revenue Department,
3rd February 1871.*

proportion to cultivation. The attention of the Collectors of maritime districts will be drawn to the subject, but it is very doubtful whether the amount of the duty (about 2 per cent.) is such as to make a systematic evasion of it worth undertaking.

8. The Board do not understand what the measure of requiring bonds, under Section 124. Act VI. of 1863 from parties shipping draw-back goods, has to do with the subject now under discussion, but it is unobjectionable.

9. In paragraph 4 of their order, Government rule that the green leaves of the indigo plant fall under the class "dyeing and colouring materials" in the Import Tariff, but the Board resolve to suggest that, though a dyeing material can be obtained from them by a process of manufacture, it is doubtful whether they can be considered a "dyeing material" themselves. In the letter recorded at the head of these Proceedings, the Collector of South Arcot points out that the effect of letting the leaves be exported free, whilst their import is prevented by a duty, will discourage the manufacture on British soil. Small as this is, it is undesirable that it should be extinguished altogether.

No. 43.

ORDER THEREON, 3rd February 1871, No. 227.

Separate Revenue, No. 2.

Customs.

The Government see reason to doubt whether the Collector of South Arcot and the Board of Revenue have not somewhat under-estimated the value

of the "Fig" indigo; but in any case they do not deem it desirable to encourage the manufacture and export of an inferior article of trade by advocating the introduction of differential rates of Export-duty on "indigo cake" and "indigo lump or fig," with all the concurrent inconveniences.

2. As regards the Board's concluding observations, the Government are not satisfied that the Board have rightly apprehended Mr. Reade's intention in supposing that his remarks have any reference to the importation of indigo leaves.

3. It does not appear from the papers before Government that any such importation has ever existed been attempted or desired. Practically, the matter appears to be of no consequence whatever, as the indigo required for use in the country is produced here in quantity, quality, and at a cost which probably preclude all idea of any importation of either the leaf or the manufactured dye.

4. Whether the free exportation of the leaf to Pondicherry or elsewhere is likely to place the British manufacture of indigo at a disadvantage is a distinct question, and one which may form legitimate matter of discussion, but the materials for forming an opinion on it have not been placed before Government.

5. As Export-duty is charged on the manufactured article, it would not be inconsistent in principle to weight the unmanufactured article equally in the market; but whether it is necessary or desirable to do so must depend on many other considerations, as for instance, whether the exportation of the leaf is sufficiently extensive to merit attention, whether the manufacture of indigo out of British India from this exported leaf is large or extending, whether the so-manufactured dye

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3rd February 1871.*

competes with the article made in British India either directly or indirectly (as in dyed cloth) in the European or other market.

6. The fact of Pondicherry being a free port makes these points worthy of consideration, and the Government will be prepared to consider any information on them which the Board may desire to submit. At present they have nothing before them but mere conjecture, and this would not warrant them in applying to the Government of India for the addition of another article to the Export Tariff.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

No. 4,931.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 18th July 1870.

Read the following letters:—

From C. W. READE, Esq. Collector of South Arcot, to the Acting Secretary to the Board of Revenue, dated Cuddalore 17th June 1870, No. 149 :—

ADVERTING to paragraph 4 of the Government Proceedings of the 3rd June, No. 811, received with the Board's Proceedings, dated 11th idem, I have the honour to state that dust and green leaf indigo is exported free, but an Import duty is levied at 7½ per cent. under the head "dyeing and colouring materials."

2. The effect of the present Tariff is, however, likely to prove very detrimental to the Land Customs Revenue, and while stimulating the manufacture of indigo within the neighbouring Territory of Pondicherry must, I think, have an undoubted tendency to lessen that manufacture within our own.

From J. H. BLAIR, Esq., Collector of Sea-Customs, to the Acting Secretary to the Board of Revenue, dated Madras, 23rd June 1870, No. 525.

BOARD'S Order, 14th June 1870, No. 4,145.

2. With reference to paragraph 5 of the Order of Government, No. 811, 3rd June 1870, I have the honour to state that do I not think it advisable to alter the existing rate of duty of 3 Rupees per Indian maund on any sort of indigo (either lump, mud or any other kind) exported into Pondicherry by land.

3. A differential duty on indigo must lead to smuggling, and it would be extremely difficult to prevent genuine indigo which ought to pay duty, being smuggled across the frontier under the pretence of being the cheaper compound. Indigo thus smuggled into Pondicherry and other foreign ports will then be exported to Europe to the detriment of our revenue. Every package professing to be of the cheap sort would have to be opened and carefully examined, and if in bulk (in a basket or box cart) the contents of the cart would have to be emptied out, in case first class indigo was concealed therein.

4. On this subject, I beg to make the following remarks. My attention having been drawn to the increased cultivation of indigo in the Kistna District, while a ridiculously small amount of duty was collected, I addressed the Collectors of Kistna and Godavery on the subject. The replies* were not very satisfactory.

5. I have also compared the Cultivation Statements for six other districts, of which the produce ought to be shipped at Madras or Pondicherry. Though the acreage has increased in the last year from about 90,000 Acres to 1,37,000, the increase of duty at Madras is only from Rupees 87,928 to Rupees 1,07,639 in the former year, the difference between acreage and duty is about 2,000, in the latter about 29,000. On the face of these comparisons, it seems probable that smuggling of indigo is actually now carried on.

6. There are many opportunities for smuggling by means of the Coasting trade. I have reason to believe that opium is smuggled on board dhonies from villages on the Coast. The smuggling which used to be carried on by land while land drawback was allowed, is now I believe carried on in the same manner by dhonies landing goods on the coast. In order to put a stop to this practice, I purpose calling parties shipping drawback goods for Pondicherry to give the

REVENUE.

6th of 118713 30/10/70

THE BOARD OF REVENUE.

Dated February 3rd.

Recd.

G. O. 3rd February 1871, No. 227.

THURSDAY.

18th 42-43.

Customs duty on indigo and indigo leaves.
Proceedings Board of Revenue on this subject
and resolutions.

Ed. F. R. R. Bantleman.

To the Board of Revenue.

security by bond, required under Section 124, Act VI. of 1863. At present the Custom House has no proof whatever that goods manifested for Pondicherry are landed there at all.

7. This system is in force for all goods shipped from Chittagong or transhipped at Rangoon, for which duties are leviable, in order that the Custom Houses at those ports may be certain that goods manifested for Madras are actually landed here.

8. In regard to indigo, it may be remarked also that it was no doubt the intention of the Legislature in levying a particular duty on it, to prevent thereby the introduction of the inferior descriptions into the European market. This object may be defeated by parties exporting inferior descriptions of indigo taxed at the lower rate of duty, to Pondicherry and other Foreign Indian Ports for exportation to Europe. If differential duties are levied on indigo exported by land, of course the same alteration must be made in the duty on indigo exported by sea. If the indulgence is granted in one case, I fail to perceive any argument that can be used for refusing to grant it in the other.

9. A fixed rate of duty is charged on spirits, wines, grain and pulse, without any reference to the quality, and there is no reason why differential duties according to quality should exist in favour of indigo alone.

ENCLOSURE No. 1.

From J. H. BLAIR, Esq., Collector of Sea-Customs, to the Collector of the Kistna District, dated Madras, 24th February 1870, No. 163.

REFERRING to the Cultivation Statements of indigo for the past 18 months, I observe that it is largely cultivated in your district, as shown in the margin. I have, therefore, the honour to request you will be good enough to inform me what becomes of the produce, as very little duty appears to be collected in your district or the Godavery.

I believe Cocanada is the principal port of shipment for the produce of your district.

From J. H. BLAIR, Esq., Collector of Sea-Customs, to the Collector of the Godavery District, dated Madras, 25th February 1870, No. 168.

REFERRING to the Cultivation Statements of indigo, for the past 18 months, I observe that it is largely cultivated in the Kistna District, as shown in the margin, but very little duty appears to be collected there or in your district. I have, therefore, the honour to request you will be good enough to inform me, if you can, from where and to which ports the produce is shipped. I refer to you, as I believe Cocanada is the principal port of shipment for the produce of the Kistna District.

From J. FRASER, Esq., Collector of the Godavery District, to the Collector of Sea-Customs, Madras, dated Kotipelly, 24th March 1870, No. 70.

With reference to your letter of the 25th ultimo, I have the honour to inform you, that the indigo exported to London in 1868-69 and 1869-70, appears from the applications filed in the Sea-Custom Office, to be partly the produce of this district, and partly that of the Vizagapatam District. I am not aware of any Masulipatam produce having been exported from this port.

From J. A. C. BOSWELL, Esq., Officiating Collector of the Kistna District, to the Collector of Sea-Customs, dated Masulipatam, 28th March 1870, No. 1,259.

Official year.	Names of Ports.	Value.	Duty.
1868-69...	New York	Rs. 359	Rs. A. P. 6 0 0
1869-70...	Do.	4,512	69 7 11

Official years.	Value.
1867-68 ...	Rs. 16,179
1868-69 ...	8,230
1869-70 up to January...	640
Total...	25,049

I HAVE the honour to acknowledge the receipt of your letter No. 163, dated 24th February 1870, and to inform you, that in the three official years noted in the margin, indigo valued at Rupees 25,049 was exported to Indian Ports subordinate to the Presidency of Madras. On this, no duty was levied. In the last two official years a small quantity only was exported to foreign ports, on which a duty of Rupees 75 was levied. Besides this, a large quantity of indigo is sold in the district, and exported inland to Cuddapah and Kurnool Districts. Hence the small duty collected. A large quantity of indigo is also consumed in the district for dyeing cloth.

(True Copies.)

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

SUBMITTED to Government, with reference to Government Order, 3rd June 1870, No. 811.

2. In their order, Government refer the Board's proposal that "lump" indigo should pay a duty of three annas a maund only when exported into Pondicherry for the observation of the Collector of Sea-Customs.

3. The Collector of Sea-Customs deprecates the introduction of a differential duty on "lump" indigo on the ground that it would excite smuggling, good indigo being exported as "lump" indigo, and that the effect would be that inferior indigo would find its way into the home market.

4. The Board observe that "lump" indigo is not an article of export under ordinary circumstances. It is in fact the refuse of the vats and is incorporated with much earth and other extraneous matter. Before it is used, a small quantity of ordinary indigo is mixed with it, and the Pondicherry dyers then use it in colouring cheap manufactures. It is used in the same way in Madras, but it never becomes subject to duty there because it is not worth exporting.

5. The question is of some importance to the indigo manufacturers of South Arcot, because the dyers who use the produce of that district live in Pondicherry, and as the law now stands, the "lump" indigo of the manufacturers cannot be used at all unless it is smuggled into Pondicherry where the dyers are.

6.—The Board consider that Mr. Blair has over-rated the inducement to smuggling which would be offered by a differential duty.

7. Mr. Blair believes that indigo is smuggled extensively by Native dhonies engaged in the coasting trade. He points out that exports have not increased in proportion to cultivation. The attention of the Collectors of maritime districts will be drawn to the subject, but it is very doubtful whether the amount of the duty (about 2 per cent.) is such as to make a systematic evasion of it worth undertaking.

8. The Board do not understand what the measure of requiring bonds under Section 124, Act VI. of 1863 from parties shipping draw-back goods, has to do with the subject now under discussion, but it is unobjectionable.

I think the question of
duty on the exportation
importation on Indigo is a
new State is a Memo. for Orders on No. 2300
very proper one for
discussion by the Board
of Revenue N.P.

In G.O. under date 3rd

June 1870, the Government ruled
that both dry leaf indigo and
green leaf indigo should be exempt
from export duty, and referred
for the opinion of the Collr of
Sea Customs the question whether
a differential duty should be
charged upon lump or fig indigo
which was supposed to be an
inferior article made from the refuse
of the vats.

The pt. as I read
the order - only re-
-embled the leaves
of the Indigo plant -
in this manner -
-pretended state - as
- Low taxes only
Indigo - which is a
manufactured article.
In the same way
wine is dutiable -
but paper would
pass free - even though
imported for the
purpose of being made
into wine.

2. The Collr of Sea Customs
now reports strongly against
any differential duty, and appears
to think that the Govt ruling
in regard to dry leaf and green
leaf indigo is incorrect, as
all

9. In paragraph 4 of their order, Government rule that the green leaves of the indigo plant fall under the class, "dyeing and colouring materials" in the Import Tariff, but the Board resolve to suggest that though a dyeing material can be obtained from them by a process of manufacture, it is doubtful whether they can be considered a "dyeing material" themselves. In the letter recorded at the head of these Proceedings, the Collector of South Arcot points out that the effect of letting the leaves be exported free, whilst their import is prevented by a duty, will discourage the manufacture on British soil. Small as this is, it is undesirable that it should be extinguished altogether.

(True Copies and Extract.)

J. G. M. E.
Acting Secretary.

To the Acting Secretary to Government, Revenue Department.
,, Collector of Sea-Customs, Madras.
,, Collector of South Arcot.
Copy to Collectors of other Maritime Districts.

Exd. G. A. Turton.

2300 Importation of Indigo

2300 Importation of Indigo

2300
1870
Board of Revenue,
MADRAS.

PROCEEDINGS, 18TH JULY 1870, No. 4,931.

Received
27th July 1870
JULY.
No. 4,931.

Customs duty on Indigo and Green leaves of Indigo plant. - Letters from Collector of South Arcot and Collector of Sea-Customs, Madras, regarding levy of - submitted to Government, with remarks. - Attention of Collectors of Maritime Districts drawn to subject of Indigo smuggling.

all indigo" should be charged
 with the full duty, or the
 manufacturers of the article at
 Pondicherry will have an
 immense advantage over those
 of our own Districts. They will
 be able to import the material
 for the manufacture free, or
 make it up at Pondicherry
 and then export to Europe free;
 whereas Indigo made in Madras
 Territories will pay Rs 3 per
~~mannd~~

It has been
 or dry - can be
 be deemed "dry -
 coloring materials -
 only the instances
 where as there are many

I.D.C.
 A.A.

3. A letter from Messrs
 Parry & Co's Agent at Cal-
 -cutta is attached to the
 Board's Pro: from which it
 seems clear that the views
 of Mr. Reade and the Board
 as to fig indigo are wrong -

4. It is submitted that
 before

before passing further orders,
 it would be well to refer
 the whole question to the
 Chamber of Commerce.
 They might be asked
 whether in their opinion it
 was desirable to have a
 differential duty on fig
 and ordinary indigo, and
 whether the free export of
 green or dry leaf indigo has
 any injurious effect on the
 interests of the British growers
 or manufacturers of the article

As to
 I think we have enough
 to show the necessity
 of a differential

I must not
 write.
 A.A.

[Signature]

Custom duty
on Indigo & green
leaves of Indigo
plant

2000

Dec. 3rd 1891

28th Dec 1891

3
Rev. Secy

No 227

Proceedings of the Madras Port
Under date the 8 February 1891

Read the following
Pro: of the Bd of Rev.

Submitting with renewed
Letters from Bd of S. Arcot
& Bd of Sea Customs, Madras
regarding levy of Customs duty
on Indigo & green leaves of
Indigo plant.

M. B. 10th July 1891, S. 1931.

R
J.H.

The Port Sec seems
to doubt whether the
Bd of South Arcot &
the Board of Revenue
have not somewhat under-
estimated the value of
the "Hij" indigo; but in
any case they do not deem
it desirable to encourage
the

the manufacture and export of an inferior article of trade by advocating the introduction of differential rates of duty on "Indigo ^{leaf} cake" and "Indigo lump or fig" with all the concomitant inconveniences.

2. As regards the Board's concluding observations the Govt are not satisfied that the Board have rightly apprehended Mr. Pease's intention in supposing that his remarks have any reference to the importation of Indigo leaves.

3. It does not appear from the papers before Govt that any such importations

Small article []

It is this specification which makes these articles liable, the idea they would be free. Indigo leaves are not specified: see J. D. S.

importations has ever existed, been attempted or desired. [A question might possibly be raised whether Indigo leaves or leaf dust in the un-manufactured state come within the definition of "Dyeing & Coloring materials" in the Import tariff, although they are probably as much so as "fall nuts", "ferntage wood" or "Japan wood" which are all specified in the tariff, and yet probably require to go through some kind of manipulation before they can be actually employed for dyeing purposes. But practically the matter appears to be

be of no consequence whatever,
as the Indigo required
for use in the country
is produced here in quantity,
quality & at a cost which
probably preclude all idea
of any importation ^{either} of the
leaf or ^{the} manufactured dye.

4. Whether the free
exportation of the leaf
to Pondicherry or else-
where is likely to place
the British manufacture
of Indigo at a disadvantage
is a distinct question
and one which may form
legitimate matter of
discussion, but the
materials for forming
an opinion on it have
not been placed
before

before Govt. ⁶/₁₀
5. As Export duty is
charged on the manu-
factured article, it would
not be inconsistent in
principle to weight the
un-manufactured article
equally in the market,
but whether it is neces-
sary or desirable to do
so must depend on
many other considera-
tions, as for instance
whether the exportation
of the leaf is sufficiently
extensive to merit at-
tention - whether the
manufacture of Indigo
out of British India
from

from this exported leg
is large or extending -
whether the so manu-
factured dye competes
with the article made
in British India either
directly or indirectly
(as in dyed cloth) in
the European or other
market.

6. The fact of Pondi-
cherry being a free port
makes these points
worthy of consideration,
& the Govt will be
prepared to consider
any information on
them which the Board
may desire to submit.
At present they have
nothing

nothing before them
but mere conjecture, &
this would not warrant
them in applying to the
Govt of India for the
addition of another
article to the Report
Tariff. L.N.

11. To the Secy of the Board

30/11/39
L.N.

Custom duty on
 Bridge & other
 goods of bridge
 & other

Long 11 123 125 124