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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

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Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
1st May 1874.*

No. 19. Read the following Proceedings of the Board of Revenue, dated 1st April 1874, No. 769:—

Read the following letter from J. H. GARSTIN, Esq., Collector of South Arcot, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Kuringipadi, 23rd March 1874, No. 142:—

I HAVE the honour to forward, herewith, a copy of a letter from the Acting Head-Assistant Collector in charge of the Sayer Department, pointing out how injuriously the recent orders of Government, communicated in the Board's Proceedings of the 29th January last, No. 589, are affecting the Sayer Revenue.

2. I fear there is no doubt that, situated as the frontier villages are, the order will enable large quantities of dutiable goods to escape payment of duty by being carried through free in the small quantities which the order now renders permissible.

3. First class Indigo is a very light substance, and the export duty on it is 3 Rupees a maund or about 1½ Annas per pound, so that, under the order, about 4½ pounds of the best Indigo can be passed through free at a time. It therefore needs no demonstration to prove that very large quantities could be carried over the frontier in a short time by gangs of coolies employed for the purpose.

4. Mr. Sullivan's recommendation was made with a view to relieving travellers from the annoyance they unquestionably suffer from having every article, of however trifling value, taxed, even though such things are in use at the time ~~either as articles of commerce or daily necessities~~. However, if a proper discretion was exercised by the Sayer officials in the matter, and they could only be made to understand that articles in personal use ought not to be treated as being articles of commerce, the order of exemption now complained of by Mr. Kough might be very much modified.

5. The Import Tariff comprises fifty-four groups of articles and is very comprehensive, while the Export Tariff comprises only eight such groups, not one of which, excepting "Cotton goods," need ever cause any difficulty to a Sayer official as to whether an article coming within its scope is "in use" or "intended for sale," while none of the articles classed under any of the groups should, in my opinion, be exempt from duty because exported in small quantities, unless the quantity be so small that the value of the article itself does not (except in the case of cloths) exceed 2 Annas.* It is

Note.—This exception need not apply to only necessary to recapitulate the articles liable to export duty to see how this rule would work. (1) "Cotton goods"; (2) Grain; (3) Hides and Skins; (4) Indigo; (5) Lac; (6) Oil; (7) Seeds and (8) Spices. The inconvenience that travellers passing into French Territory would thus suffer would be limited to the examination of their goods and the levy of duty on all articles *prima facie* intended for sale.

6. With regard to travellers coming from French Territory I think the same rule might be made applicable, and be extended to all personal attire and to articles actually in use, and of a value of less than 2 Annas. This would give all the relief desired without causing the loss to the Sayer Revenue which the late order certainly will cause if not modified.

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7. Cases sometimes occur of persons attempting to pass two or three head cloths through by putting them on one over the other, or of men trying to pass women's jewelry through on their persons. This should not be allowed, and duty should, I consider, be levied on all goods which, although articles of attire, are yet evidently worn unnecessarily or inappropriately with a view to evade duty, but the fact that a woman has on a brand-new cloth should not be used as an excuse for making her pay duty for it, if it is the only one she has on. This method of evading the duty must be submitted to as perfectly legitimate. Pillows, Bedding and Cloths, all actually in personal use should, I consider, be passed free.

8. I would, therefore, recommend the cancellation of the order recently passed, and the substitution in its stead of the following rules:—

(1.) Duty is to be levied only on dutiable goods passing the frontier when the value of the goods exceeds 2 Annas and when they are *prima facie* intended for sale and not for personal use.

NOTE.—The above rule does not apply to Indigo which will be liable to duty in all quantities.

(2.) Cloths and articles of personal attire are not to be taxed if in use at the time of passing the frontier, provided that new Clothes, Jewelry or other articles of attire, worn inappropriately or in unreasonable quantities on the person at the moment of passing the Sayer gate shall not be exempted from payment of duty.

(3.) Pillows and Bedding in reasonable quantities, even though new, when in actual use, shall not be liable to be taxed when imported.

Enclosure No. 1.

From Mr. R. O. H. Esq., Acting Head Assistant Collector, to J. H. GARSTIN, Esq., Collector of South Arcot, dated Gingee, 5th March 1874, No. 37.

With reference to the Board's order contained in their Proceedings, No. 47 of 18th January last, I have the honor to point out that the concession is far too liberal, and that our revenue is thereby suffered considerably thereby.

2. In support of this opinion I may name two commodities, Indigo and Cloths. The duty on the former is regulated by weight; a cake of first sort of Indigo weighs about 1 lb., and the duty upon this would be only 7½ Pies—Value No. 4, Schedule B, Act XIII of 1871. Therefore three such cakes at a time would pass free, the aggregate duty not amounting to 2 Annas. Now estimate the total value of our territory, struggling in an easy sequence. A quantity of Indigo deposited in a branch village conditions to an English one, and a series of deportations of this, makes a small lot, but soon represents a valuable total.

3. Now as to cloths, three Annas the lowest duty leviable, would represent a cloth of 20 Pies value. But a large proportion of Cloths, Cotton and other descriptions, are far below this in value, and there is no reason why their importation should be exempted from duty as a result of commerce, which they will undoubtedly ere long become as a result of continuing the present rule.

4. In a recent letter to Mr. Sullivan I expressed an opinion that an exemption from duty was more a Pies could be sufficient to prevent the petty annoyance which he makes the basis of his application to the Board. I adhere more firmly than ever to that opinion still, and have no idea that I have not the printed copy of the Board's Proceedings, that such a suggestion and fact of concession was ever contemplated, and I trust that my representations now, which bear the support of the opinion of the Superintendent of Police, an officer of long and vain

Proceedings of the Madras Government, Revenue Department,
1st May 1874.

able experience, in the working of our customs and which are indeed due mainly to his suggestions, may meet with your approval, and that the Board may be requested to withdraw their order or at least modify it considerably.

(True Copy.)

(Signed) J. H. GARSTIN,
Collector.

From paragraph 3 it is clear that Mr. Garstin has misunderstood the rule to which he refers. Mr. Sullivan remarking that duty under 8 Annas was not levied at the Madras Customs House recommended that duty should not be levied at the Frontier Customs Houses when under 2 Annas, and the Board accepted the recommendation. Mr. Garstin evidently thinks that duty is not levied so long as it is under 8 Annas.

2. The Board are disposed to think that the exception as to Indigo, Clothes, Bedding, etc., proposed in paragraph 8 should be expressly stated but the rule proposed by Mr. Garstin which makes the exemption apply only to goods valued at 2 Annas or less would give little or no relief. The Board resolve to direct that "duty is 3 Pies or more" be substituted for "value of the goods exceeds 2 Annas." In other respects the rule is approved.

3. These Proceedings will be submitted for the information of Government with reference to G. O., 24th January 1874, No. 108.

No. 20.

ORDER THEREON, 1st May 1874, No. 528.

Separate Revenue, No. 4.

Customs.

APPROVED.

(True Extract.)

(Signed) C. G. MASTER,
Acting Secretary to Government.

To the Board of Revenue.

Ex. F. R. Bantleman.

No. 769.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 1st April 1874.

Read the following letter from J. H. GARSTIN, Esq., Collector of South Arcot, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Kuringipadi, 23rd March 1874, No. 142:—

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3. First class Indigo is a very light substance, and the export duty on it is 3 Rupees a maund or about 1½ Annas per pound, so that, under the order, about 4½ pounds of the best Indigo can be passed through free at a time. It therefore needs no demonstration to prove that very large quantities could be carried over the frontier in a short time by gangs of coolies employed for the purpose.

4. Mr. Sullivan's recommendation was made with a view to relieving travellers from the annoyance they unquestionably suffer from having every article, of however trifling value, taxed, even though such things are in use at the time either as articles of attire or of daily domestic use. My opinion, however, if a proper discretion was exercised by the Sayer officials in the matter, and they could only be made to understand that articles in personal use ought not to be treated as being articles of commerce, the order of exemption now complained of by Mr. Kough might be very much modified.

5. The Import Tariff comprises fifty-four groups of articles and is very comprehensive, while the Export Tariff comprises only eight such groups, not one of which, excepting "Cotton goods," need ever cause any difficulty to a Sayer official as to whether an article coming within its scope is "in use" or "intended for sale," while none of the articles classed under any of the groups should, in my opinion, be exempt from duty because exported in small quantities, unless the quantity be so small that the value of the article itself does not (except in the case of cloths) exceed 2 Annas.* It is

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6. With regard to travellers coming from French Territory I think the same rule might be made applicable, and be extended to all personal attire and to articles actually in use, and of a value of less than 2 Annas. This would give all the relief desired without causing the loss to the Sayer Revenue which the late order certainly will cause if not modified.

7. Cases sometimes occur of persons attempting to pass two or three head cloths through by putting them on one over the other, or of men trying to pass women's jewelry through on their persons. This should not be allowed, and duty should, I consider, be levied on all goods which, although articles of attire, are yet evidently worn unnecessarily or inappropriately with a view to evade duty, but the fact that a woman has on a brand-new cloth should not be used as an excuse for making her pay duty for it, if it is the only one she has on. This method of evading the duty must be submitted to as perfectly legitimate. Pillows, Bedding and Cloths, all actually in personal use should, I consider, be passed free.

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(1.) Duty is to be levied only on dutiable goods passing the frontier when the value of the goods exceeds 2 Annas and when they are *prima facie* intended for sale and not for personal use.

Note.—The above rule does not apply to Indigo which will be liable to duty in all quantities.

(2.) Cloths and articles of personal attire are not to be taxed if in use at the time of passing the frontier, provided that new Clothes, Jewelry or other articles of attire, worn inappropriately or in unreasonable quantities on the person at the moment of passing the Sayer gate shall not be exempted from payment of duty.

(3.) Pillows and Bedding in reasonable quantities, even though new, when in actual use, shall not be liable to be taxed when imported.

Enclosure No. 1

From C. ROUGH, Esq., Acting Head Assistant Collector, to J. H. GARSTIN, Esq., Collector of South Arcot, dated Gingee, 5th March 1874, No. 37.

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In support of this opinion I may name two commodities, Indigo and Cloth. The duty on the former is calculated by weight, a cake of first sort of Indigo weighs about 1 lb., and the duty upon this would be only 2 Annas. By the No. 4, Schedule B, Act XIII of 1871. Therefore three cakes of this kind would pass free, the aggregate duty not amounting to 2 Annas. Now considering the smallness of our territory, smuggling is an easy sequence. A quantity of Indigo is reported to have been smuggled from an English one, and a series of departations of these cakes were effected, and soon represented a valuable total.

Now a cake of Indigo, 2 Annas, and lower duty leviable, would represent a cloth of 6s. 2d. in value. Such large proportion of Cloth, China and other descriptions, are far below their value, and there is no reason why their importation should be exempted from duty as a class of commodities which they will undoubtedly very long become as a result of continuing the present rule.

4. In a semi-official letter to Mr. Sullivan I expressed an opinion that an exemption from duty when under 3 Pies would be sufficient to prevent the petty annoyance which he makes the basis of his objection to the Board. I adhere more firmly than ever to that opinion still, and had no idea until I received the printed copy of the Board's Proceedings, that such a sweeping and fatal concession was even contemplated, and I trust that my representations now, which bear the support of the opinion of the Superintendent of Police, an officer of long and valuable experience, in the working of our customs and which are indeed due mainly to his suggestions, may meet with your approval, and that the Board may be requested to withdraw their order, or at least modify it considerably.

(True Copy.)

(Signed) J. H. GARSTIN,
Collector.

From paragraph 3 it is clear that Mr. Garstin has misunderstood the rule to which he refers. Mr. Sullivan remarking that duty under 8 Annas was not levied at the Madras Customs House recommended that duty should not be levied at the Frontier Customs Houses when under 2 Annas, and the Board accepted the recommendation. Mr. Garstin evidently thinks that duty is not levied so long as it is under 8 Annas.

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(True Copies and Extract.)

Secretary.

To the Collector of South Arcot.

Copy to the Acting Secretary to Government, Revenue Department.

Ed. G. A. Turton.

25 January 1874 No 10576.

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Dec 1874. 1874

BOARD OF REVENUE,

MADRAS.

Proclamation, 1st April 1874, No. 709.

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APRIL 1874

No. 709.

Proclamation, 1st April 1874, No. 709.
This Proclamation is issued by the Board of Revenue, Madras, in pursuance of the provisions of the Madras Revenue Act, 1864, and in accordance with the orders of the Government of India, in that behalf directed.

14. 3. 1874. 1874

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