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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue.....DEPARTMENT

G.O. No.	776	Press
B.P. No.		Mis.
Dated	9.6.1876	196 .

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Not to be folded or roughly handled

No. 107. Read the following letter from the First Assistant Resident, Hyderabad, to the Hon. W. HUDLESTON, Chief Secretary to the Government of Madras, dated Hyderabad Residency, 2nd June 1876, No. 655 :—

In a recent report received from the Customs Department of His Highness the Nizam's Government allusion is made to an arrangement for taking security from

British traders conveying goods from one British district to another through His Highness' territory, which, it is alleged, has been determined on by the Madras Government, and which is stated to have been introduced by the Nizam's Customs Department in the districts bordering on the Madras Presidency.

2. There is nothing in the records of this Office to show that this is the case; and I am, therefore, desired by Sir R. Meade to request that you will be so kind as to intimate whether any modification of the rules in connection with the free-pass system has taken place under the orders of the Government of Madras, and, if so, to beg that details of its nature and extent may be furnished for the Resident's information.

ENCLOSURE No. 1.

Translation of a Report from the Customs Department, No. 451.

It has before this been frequently brought to notice that traders, on the pretext of taking their goods into British territory through His Highness' country, very often bring them into Hyderabad territory and dispose of them there without making good the Customs-duty thereon. They get a pass from the Patel or Patward of some village in British territory, enter His Highness' country, produce their pass at the frontier, then go into the interior, and, thus evading payment of Customs-duty, sell their goods there without let or hindrance, the Customs Naka at the frontier not being at all aware of their proceedings. A list is herewith sent showing that the loss thus sustained by His Highness' Government from the year 1276 to 1281 Faslî amounted to six lakhs of Rupees. It is desirable that some arrangements should be made for preventing this loss; and no better system appears feasible than that determined on by the Madras Government, *viz.*, that security should be taken from the trader at the frontier Naka, certifying that the goods are intended for sale in British territory, and guaranteeing, under penalty of forfeiture of the goods, that they will not be disposed of in His Highness' territory. This arrangement is already in force towards the Madras side, and effectually prevents such frauds. There has been some delay, however, in introducing the system in the Bombay side, where the traders have been so much accustomed to smuggle in their goods in the manner indicated that they clamour loudly against a system which puts a stop to their dishonest gains. The traffic on the Bombay side towards Ahmednugger and Berar, &c., is very considerable, and it is highly necessary that some steps should be taken to secure His Highness' Government against the heavy loss to which they are otherwise liable. It is, therefore, suggested that the British Government inform traders that they should, in accordance with the system above referred to, furnish security that they will not sell their goods in His Highness' territory without paying Customs-duty, and that if they act otherwise, they will be liable to punishment.

Proceedings of the Madras Government, Revenue Department,
9th June 1876.

STATEMENT showing Loss sustained by His Highness the Nizam's Government in connection with the Dakhila Chittee System from the year 1276 to the year 1281 Fasl.

Number.	Name of Customs Post.	1276.		1277.		1278.		1279.		1280.		1281.		TOTAL.		Remarks.
		Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	Number of Chittees.	Amount of Duty.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Jalah.	1,373	Rs. A. P. 1,08,896 10 1 1/2	2,169	Rs. A. P. 22,078 0 3	11,319	Rs. A. P. 16,990 18 9	812	Rs. A. P. 52,180 3 0		Rs. A. P.	311	Rs. A. P. 42,714 3 6	6,583	Rs. A. P. 2,30,459 15 4	

Proceedings of the Madras Government, Revenue Department,
9th June 1876.

No. 108.

ORDER THEREON, 9th June 1876, No. 776.

Separate Revenue, No. 15.

Salt.

REFERRED to the Board of Revenue for report. It is observed that the system of ~~charging~~ security for the payment of the Nizam's duty in case of failure to prove that the goods were passed out of his territory was proposed in the Board's Proceedings (paragraph 6) recorded in G.O., dated 5th January 1874, No. 4A, and that it was ordered to be discontinued in the Board's Proceedings printed in G.O., 14th January 1876, No. 56.

(True Extract.)

(Signed)

D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

[illegible]

<u>Jan</u>	1972	103,896-08	2nd 9226-23	1319	1600-03	8/2	2200-50	a	a	—	311	457445-6	1583	259659-15-6	<i>Daphnys</i>
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(Translation)
 Prayers
 Offered to the Lord

4 June 1960

Translation of a Report from the Customs Department
No. 451 dated

It has before this been frequently brought to notice that traders on the pretext of taking their goods into British Territory through His Highness's country, very often bring them into Hyderabad Territory and dispose of them there without making good the Custom duty thereon. They get a pass from the Patel or Patwari of some Village in British Territory, enter His Highness's Country, produce their pass at the frontier, then go into the interior and thus evading payment of Customs duty sell their goods there without let or hindrance, the Customs Naka at the frontier not being at all aware of their proceedings. A list is herewith sent showing that the loss thus sustained by His Highness's Government from the year 1276 to 1281 Esaki amounted to 6 lakhs of Rupees. It is desirable that some arrangements should be made for preventing this

this loss; and no better system appears feasible than that determined on by the Madras Government viz. that security should be taken from the trader at the frontier Naka certifying that the goods are intended for sale in British Territory, and guaranteeing under penalty of forfeiture of the goods that they will not be disposed of in His Highness's Territory. This arrangement is already in force towards the Madras side and effectually prevents such frauds. There has been some delay however in introducing the system in the Bombay side where the traders have been so much accustomed to smuggle in their goods in the manner indicated that they clamour loudly against a system which puts a stop to their dishonest gains. The traffic on the Bombay side towards Ahmednuggur and Berar & ^{ca} is very considerable and it is highly necessary that some steps should be taken to secure His Highness's Government against the heavy

heavy loss to which they are otherwise liable. It is therefore suggested that the British Government inform traders that they should in accordance with the system above referred to furnish security that they will not sell their goods in His Highness's Territory without paying Customs duty and that if they act otherwise they will be liable to punishment.

/ True Translation /

Chunero

Offe Extra Asst. Commr

Geo H. W. Dickinson

22/6
No 155 of 1876/77.

From,

The 1st Assistant Resident
Mysorabad

To.

The Chief Secretary
to the Government of
Madras.

Sir,

English trans-
lation enclosed.

In a recent report received from the Customs Department of H. H. the Mysore Government allusion is made to an arrangement for taking security from British traders conveying goods from one British District to another through His Highness's Territory, which it is alleged has been determined on by the Madras Government, and which is stated to have been introduced by the Mysore's Customs Department, in the Districts bordering on the Madras Presidency.

2. There is nothing in the records of this office to show that this is the case; and I am therefore desired by Sir R. Meade to request that you will be so kind as to intimate whether any modification of the rules in connection with the free pass system has taken place under the orders of the Government

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of Madras, and if so to beg that details
of its nature and extent may be fur-
nished for the Resident's information.

I have the honor to be
Sir

448 Presidency
2^d June 1876

Your most obed^t Serv^t

John A. Smith

1st Asst Resident

1st Asst. Jackson

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Referred to the Board of Revenue for
 report. It is observed that the system of
 taking security for the payment of the Hynd
 duty, in case of failure to prove that the goods
 were passed out of his territory, was imposed in the
 Board's Proceedings (para 6) recorded in G.O. dated 3rd May 1874
 N. 4A, and that it was ordered to be discontinued in the Board's Pass
 printed in G.O. No. 14, January 1876 N. 56.

7676 14 To the Board of Revenue 100 June 9th 1876

Revenue 1876 2269

The 1st Officer, Board of Revenue, Bangalore

Dated 2nd June 1876

Recd 63

Representing to note:
 make whether any investigation
 in line of the duties we com-
 mence with the Hynd duty
 has taken place under the
 action of the Hynd duty
 and if a representation to the
 Government with details
 of its nature and extent.

cc all orders
 Do 776-9 June 1876