

Revenue Department
Minutes of Consultations.

27th April 1858.

Back nos 34 & 35

Order no. 526 of 24th April 1858.

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Fort Saint George, Revenue Consultation of 27th April 1858.

No. 34. ad the following letter from G. S. FORBES, Esq., Secretary to the Board of Revenue; to H. FORBES, Esq., Acting Secretary to Government, Revenue Department; dated Fort St. George, 1st March 1858, No. 760.

I am directed by the Board of Revenue to submit for the information and orders of the Right Honorable the Governor in Council a letter from the Acting Collector of South Arcot, replying to a reference made to him by the Board regarding the effect of the duty now levied on thread manufactured in Pondicherry when imported into British territory. The letter addressed to the Right Honorable the Governor in Council by His Excellency M. D'Ubraye, Governor of Pondicherry, and forwarded to the Board for report, represents the effect of the rules now in force to be disadvantageous both to the trade of Pondicherry and to our own weavers, inasmuch as the duty on the thread added to that which is levied on the same material when re-exported reaches a total high enough to act as a virtual prohibition to the trade.

3. M. D'Ubraye reverts to the former state of the law as more favorable to both parties the import duty now levied on thread should be relinquished. The Government from Mr. Taylor's letter that the duty on thread was imposed on the occasion of the duty on cotton wool; it was fixed at first as high as 14 per cent. in 1844, and was subsequently reduced to 7 per cent. in 1848. This rate is equivalent to Rupees 12-4 for the candy of thread again yielding 5 corges of cloth pays in this form an export duty of 3 per cent. gives Rs. 7-8. Thus a candy of thread brought for manufacture and carried back to Pondicherry, as is usual in order to be dyed, pays in all the proportion spoken of by M. D'Ubraye was accorded in 1831, and was in effect a concession placing the thread of the Pondicherry Filature on the same footing as our own manufactures; the result of this indulgence was unimportant, the import of thread under its operation amounting during three years to 29 candies or rather more than 9 candies per annum. This result was explained by the Collector of South Arcot in 1844 as attributable to the premium accorded by the French Government on cloth woven in France, which caused the greater part of the thread produced by the Filature at Pondicherry to be consumed by the looms of the place. It does not appear to the Board under these circumstances that there is any reason to expect that a considerable increase of this traffic would follow the reduction of duty, but on the other hand, no great sacrifice of Revenue is involved in the measure, and which appears to be a fair one. This remission of the export duty on thread in its manufactured state when leaving our territory as cloth, would leave the Candy of thread which now pays in the aggregate Rs. 19-12 of 8 leaving it subject to a payment of Rs. 12-4 if imported into British territory. The Board think this reduced rate quite as high a tax as it is expedient to levy on manufactures, and on this ground would recommend the measure for the favor of the Government.

From G. N. T. Esq., Acting Collector of South Arcot; to G. S. FORBES, Esq., Secretary to the Board of Revenue, Fort Saint George; dated Cuddalore 2d February 1858.

SIR,
As required by the Board of Revenue in their Proceedings No. 316 of the 23d Ultimo, I have the honor to submit to Government by His Excellency the Governor of India, the application submitted to Government by His Excellency the Governor of India, regarding the import duty, levied at our frontier, on thread manufactured at the two manufactories established at Pondicherry.

செப்பனுவலர் பெயர்
செப்பனுவலர்க்காக நெத்தைக்
கொள்வப்பட்ட நாள்
செப்பனெடு முடித்த நாள்
சாபார்க்கும் ஆராய்ச்சி உதவி
முரண்பா. எ. யாளர்
கையொப்பம் கையொப்பம்

Fort Saint George, Revenue Consultation of 27th April 1858.

2. The statement of his Excellency Monsieur D'Ubraye that the thread exported from Pondicherry when accompanied by a Certificate of origin, was formerly allowed to pass free of duty into our Territory, is correct; but this privilege was granted in consequence of the regulated duty being then levied on cotton wool from which the thread was manufactured, and this article has since been altogether exempted from duty in pursuance of the order of Government dated 6th March 1848.

3. On the introduction of Act VI. of 1844 and under the special sanction of Government conveyed in para. 3 of Extract from the Minutes of Consultation of the 2d October 1844 an ad-valorem duty of 14 per cent. was collected on thread imported into our Territory, but this was reduced to 7 per cent. on the promulgation of Act VI. of 1848, at which rate it now continues to be charged.

Fusly.	Rs.	A.	P.	4. Most of the thread woven at Pondicherry is sold to the manufacturers of cloth on the spot, and very little is introduced into our Territory as will be seen from the marginal note, which exhibits the amount of duty collected on this article during the past 3 Fuslies. I must observe also that cotton twist imported by Sea into Pondicherry from the European markets, is included in this item.
1264.....	466	15	8	
1265.....	521	2	4	
1266.....	1,073	13	6	
	2,061	15	6	
Average...	687	5	2	

5. A candy of thread is valued at 175 Rupees and the duty upon it, at 7 per cent., is Rupees 12-4. A candy of thread will produce 5 corges of cloth valued at 250 Rupees, the duty upon which at 3 per cent. amounts to Rupees 7-8. The import duty levied upon the thread is thus Rupees 4-12 per candy higher than the export duty paid by the cloth into which it is manufactured. So far therefore as our revenue is concerned it is desirable to exempt the cloth, rather than the thread, from duty.

6. Should the Right Honorable the Governor in Council be pleased to allow the cloth manufactured in our Territory from the thread imported from Pondicherry to pass free of duty on its being re-exported to that settlement, I would respectfully suggest in order to prevent abuse and to secure our customs revenue, that the indulgence should be made applicable only to those exporters who can produce a Certificate showing that the regulated frontier duty has been paid by them on the importation of the thread from Pondicherry.

Ordered in consequence that the following letter be despatched.

No. 35. From H. FORBES, Esq., Acting Secretary to the Government of Fort Saint George; to the Secretary to the Government of India, Military Department; dated 24th April 1858, No. 526.

SIR,

I am directed by the Right Honorable the Governor in Council to submit, for the consideration of the Government of India, a copy of the correspondence noted in the margin, relative to the duty now levied on thread imported from Pondicherry into the British Territory and on the cloth manufactured therefrom, and exported into Pondicherry.

2. The correspondence originated in a representation from His Excellency the Governor of Pondicherry, regarding the prejudicial effect on the trade of this double duty on the same material; and the following are briefly the facts of the case.

Thread is manufactured at two places in Pondicherry, and is thence sent into the British Territory to be made into cloths called Sallampoyes, which are afterwards carried back to Pondicherry to be dyed. The duty levied on the thread, on its import into the British Territory is 7 per cent.; and that on the same material, when converted into cloth and exported into Pondicherry, is 3 per cent. The duty on a candy of thread, at 7 per cent. is Rupees 12-4, and that on the cloth manufactured therefrom, at 3 per cent. is Rupees 7-8, being Rupees 19-12 in all

Fort Saint George, Revenue Consultation of 27th April 1858.

on a candy of thread manufactured into cloth. The Governor of Pondicherry proposes that the 7 per cent. duty on the thread should be remitted; the Acting Collector of South Arcot recommends that the 3 per cent. duty on the cloth should be foregone, and in this recommendation the Board concur.

3. The Right Honorable the Governor in Council is of opinion that this double charge is excessive, and must have a prejudicial effect on the interests of both Governments. I am therefore desired to recommend that, as proposed by the Acting Collector of South Arcot, the cloth manufactured in the British Territory, from the thread imported from Pondicherry, may be allowed to pass free of duty on its being exported into that Settlement, on the understanding that the indulgence shall be granted only to those exporters, who can produce a certificate showing that the regulated frontier duty has been paid by them on the importation of the thread into the British Territory.

(Signed) H. FORBES,
Acting Secretary to Government.

426/1
Rep. of the
No. 29. 1-
Subunit here ha-
ves for order
The acting collector
letter and the board
of directors
decided to
order to be
carried out
The report
of the

into our lower long form
And having in at 7
percent, and the extra
cost on cloth now taken
back after manufacture
is 3 per cent.

The Governor of the
South Carolina
expressed that the
cost duty on the
should be changed,
the app. for 20.
- ~~was made~~ - ~~was~~ ~~made~~ ~~was~~ ~~made~~
should be 3 per

Cost duty on the cloth
that should be re-
vised, and in-
die the board as-
signed - $5\frac{10}{100}$

The double chair
appears excellent,
& the Gov. will be so
good as to say if
any will consider to
change either. It
will be necessary
to obtain the

13. 2. 58

From G. S. FORBES, Esq.,
Secretary to the Board of Revenue.

To H. FORBES, Esq.,
Acting Secretary to Government, Revenue Department.

I am directed by the Board of Revenue to submit for the information and orders of the Right Honorable the Governor in Council a letter from the Acting Collector of South Arcot, replying to a reference made to him by the Board regarding the effect of the duty now levied on thread manufactured in Pondicherry when imported into British territory.

2. The letter addressed to the Right Honorable the Governor in Council by His Excellency M. D'Ubraye Governor of Pondicherry and forwarded to the Board for report re-
F. Govt. 20th in con. 23d presents the effect of the rules now in force to be disadvantageous both to
Jan. 1865, No. 78. R. D. the trade of Pondicherry and to our own weavers inasmuch as the import duty on the thread added
to that which is levied on the same material when re-exported in the form of cloth reaches a total high
enough to act as a virtual prohibition to the trade.

3. M. D'Ubraye reverts to the former state of the law as more favorable to both parties and proposes that the import duty now levied on thread should be relinquished. The Government will observe from Mr. Taylor's letter that the duty on thread was imposed on the occasion of the repeal of the duty on cotton wool; it was fixed at first as high as 14 per cent in 1844, but was subsequently reduced to 7 per cent in 1848. This rate is equivalent to Rupees 12-4 on the Candy and the candy of thread again yielding 12-4 of cloth pays in this form an export duty which at 3 per cent gives Rs. 7-8. Thus a candy of thread brought for manufacture into our territories and carried back to Pondicherry, as is usual in order to be dyed, pays in all Rupees 19-12.

4. The exemption spoken of by M. D'Ubraye was accorded in 1831, and was in effect a concession placing the thread of the Pondicherry Filature on the same footing as our own manufactures; the result of this indulgence was unimportant, the import of thread under its operation amounting during three years to 29 candies or rather more than 9 candies per annum. This result was explained by the Collector of South Arcot in 1844 as attributable to the premium accorded by the French Government on cloth woven in their own territories, which caused the greater part of the thread produced by the Filature at Pondicherry to be consumed by the looms of the place. It does not appear to the Board under these circumstances that there is any reason to expect that a considerable increase of this traffic would follow a reduction of duty, but on the other hand no great sacrifice of Revenue is involved in the experiment if it should be decided to admit the reduction suggested by Mr. Taylor and which applies to the thread in its manufactured state when leaving our territory as cloth. This remission would relieve the Candy of thread which now pays in the aggregate Rs. 19-12 of the export duty of Rs. 7-8 leaving it subject to a payment of Rs. 12-4 if imported into British territory to be woven. The Board think this reduced rate quite as high a tax as it is expedient to levy on manufactured goods and on this ground would recommend the measure for the favorable consideration of Government.

REVENUE BOARD OFFICE,
Fort Saint George,
1st March 1858.

I have the honor to be,
Sir,
Your most obedient servant

S. D. Ince
Secretary.

Dy to Comr 26th January 58 p. 475
 " 18th March 58 " 80232
 " 18th October 58 " 123-
 " 27th December 58 " 123-

Revenue 1858 Department.
 Dy to Comr: 27th April
 No 298

From
 The Secretary to the
 Board of Revenue

To
 The Acting Secretary to
 Government
 Revenue Dept.

Dated 15th }
 Recd 11th } March 1858.

1 Encl. Returned
 No 760.

R.O. 5th - 24 April

Submitting with
 the Board's remarks and
 commendation thereon, a
 letter from the Acting Collector
 of South Arcot reporting
 on the reference made to
 him by the Board regard-
 ing the effect of the duty
 now levied on Thread
 manufactured in Pondicherry
 when imported into the
 British Territory:-

Cpy with Encl.
 for Govt.
 24 April

No 34

Encl. 23rd 29th April

Revenue Dept.
 Dy to Comr: 27th April 58
 No 526
 To
 The Secretary to the
 Government of India.

Sir,
 I am directed
 by the Right Honorable
 the Governor in Council
 to submit, for the
 consideration of the
 Government of India,

From H. Ex. the Govt. of the French
 Establishments in India, 28th Decr.
 1857 No 50, with order thereon.
 From B. of Rev. 1st March 1858
 No 760, with enclosure.

a copy of the correspondence
 noted in the margin,
 relative to the duty
 now levied on
 Thread imported from
 Pondicherry into the
 British Territory, and

on

on the cloth manufac-
-tured therefrom, and
exported into Pon-
-dicherry.

The correspondence
originated in a re-
-presentation from
His Excellency the
Governor of Pondicherry,
regarding the prejui-
-dicial effect on the
trade of this double
duty on the same
material; and the
following are briefly
the facts of the case.

Thread is
manufactured at
two places in Pondi-
-cherry, and is there
sent

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sent into the British
Territory to be made
into cloths called -
Sullaimporas, which
are afterwards carried
back to Pondicherry
to be dyed blue. The
duty levied on the
thread, on its import
into the British Terr-
-tory, is 7 per cent; -
and that on the
same material, -
when converted into
cloth and exported
into Pondicherry, is
3 per cent. The duty
on a Condy of thread,
at 7 per cent, is Rs. 12-4,
and that on the
Cloth.

Cloth manufactured here.
from, at 3 per cent, is
Rupees 7.8, being
Rupees 19.12 in all,
on a Candy of thread
manufactured into
Cloth. The Governor
of Pondicherry proposes
that the 7 per cent
duty on the thread
should be permitted;
the Acting Collector
of South Arcot
recommends that
the 3 per cent duty
on the Cloth should
be foregone, and in
this recommendation
the Board concur.

The Right Honble

the

528
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The Governor in Council
is of opinion that
this double charge
is excessive, and
must have a pre-
judicial effect on
the interests of both
Governments. I am
therefore desirous to
recommend that,
as proposed by the
Acting Collector of
South Arcot, the
Cloth manufactured
in the British Terri-
tory, from the
thread imported
from Pondicherry, —
may be allowed
to pass free of duty

my

on its being exported
 into that settlement,
 on the understanding
 that the indulgence
 shall be granted only
 to those exporters,
 who can produce a
 certificate showing
 that the regulated
 frontier duty has
 been paid by them
 on the importation
 of the thread into the
 British Territory.

BZ

Fort St. Geo. 24 April 1858

I have the honor to acknowledge the receipt of your letter of the 14th inst. and in reply to inform you that the same has been forwarded to the proper authorities for their consideration.

526/10

Revenue 1858 Dep. art.
 Dy to Cons. 27th April

No. 526
 To the Secy to the Gov. of India
 Dy 24th April 1858

From the Secy of the India Office
 1042 m. Cons. 26 July 1858

Recommending that the
 cloth manufactured in the British
 Territory from the thread
 imported from Bondieberry, may
 be allowed to pass free of duty
 on its being exported into that
 settlement, on the understand-
 ing that the indulgence shall
 be granted only to those ex-
 porters, who can produce a
 Certificate showing that the
 regulated frontier duty has
 been paid by them.

No. 34 & 35

27th April