

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	811	Press
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Dated	3-6-1870	10

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*Proceedings of the Madras Government, Revenue Department,
3rd June 1870.*

No. 37. Read the following Proceedings of the Board of Revenue, dated 19th January 1870, No. 374:—

Read the following letter from the Collector of South Arcot, to the Acting Secretary to the Board of Revenue, dated Cuddalore, 29th October 1869, No. 257.

I HAVE the honour to acknowledge receipt of the Board's Proceedings, No. 4,715, of 1st July last, and to submit, as desired, the further explanation called for from my Assistant, Mr. Gribble, as to the practice obtaining in respect to cotton goods manufactured in English territory, passing free into the French Settlement of Pondicherry.

2. Mr. Gribble has not confined himself to the point on which he was called upon for information, but has touched at some length on other matters connected with the administration of the Land Customs; it is therefore incumbent that I should offer some remarks *seriatim* on what he writes.

3. First, as regards cotton manufactures passing free from British into French territory, the custom has been for cloth manufactured in the South Arcot District from thread originally imported from Pondicherry to re-pass free across the frontier into French territory. The practice has obtained for many years, and was specially sanctioned by a Government Notification of the 26th August 1858 in the *Fort Saint George Gazette* of 3rd September of that year, page 525; and it will further be found noticed in Board's Proceedings of the 10th August 1858, No. 3,009; so that Mr. Gribble is in error in stating that the system obtaining has been without due authority, but he was, of course, ignorant of the orders above quoted. The rules to which he refers were sanctioned by me at Mr. Gribble's suggestion, merely as an additional precaution against attempts at fraud or evasion of the indulgence in force. How far it may be thought advisable or expedient to continue hitherto-usage is another matter; but if any change be made, I presume it must be by the same authority which permitted the existing system, or the French merchants and others, both European and Native interested in the question, will naturally have a grievance, and doubtless they will not fail to represent it in objection to the cancelment of a privilege for so long past enjoyed by them. Time and notice should also be given before its withdrawal; but I am not myself prepared to recommend any change, and am of opinion that none should be made.

4. The next question relates to indigo. In the Export Tariff, indigo only is named, and the Board have ruled that in this, indigo dust was included, but not fresh or green indigo leaves; and Mr. Gribble in paragraph 3 of his present letter points out the apparent incongruity of this decision, inasmuch as indigo dust is of far less value than the leaves, and that the latter produces far better indigo than the former; and he contends that the fresh leaf is equally liable to duty with the dust under Article 16 of the Import Tariff. Mr. Gribble has not, perhaps, sufficiently explained himself. Indigo only being mentioned in the Export Tariff, what he wishes to argue is, that the ruling of the Board, including dust and dry

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leaf, should apply equally to the green; both are only taxable with duty as a dye, and the dust being inferior to the green leaf, both should be liable, or both exempt. Indigo, as a dye only, is dutiable on import. On export it is not dutiable as a dye, but only as an article of trade; and in view therefore of the entry in the latter Tariff of indigo only, I am inclined to the opinion that the manufactured article alone was intended, and my opinion has always been that neither the leaves nor the dust is strictly dutiable. The Board have ruled otherwise, and their orders are enforced; and I am not disposed to support Mr. Gribble in his recommendation to include the fresh leaves also, as my belief is they are purposely excluded, and cannot be embraced in the term "indigo," and I would prefer with him to see indigo dust excluded. It is to be further observed that under the Tariff no dyes of any kind are dutiable on export.

5. While on this subject, I think instructions are needed as to the rate of duty to be collected on indigo dust, if the duty be continued. A cart-load of dust or dry leaf indigo usually pays duty at 9 Annas, and is supposed to contain 100 Maunds of such material, and valued at Rupees 18-12-0; but there is clearly no warranty in the Tariff for the levy of this duty at all as far as I can see; but if leviable, it is only under Article I., "indigo;" and I presume that the duty should be estimated at the Tariff rate of 3 Rupees per Maund on the quantity of actual indigo, which a cart-load of the dry dust and leaves is known to be capable of producing, and any other scale of duty, such as is now in force, seems to me altogether illegal and unauthorized; and I am prepared to recommend its discontinuance, inasmuch as under the Tariff the dry leaf or dust appears to me no more dutiable

Sort and quantity raw.	Quantity when manufactured, and value of do.	Duty.
Dry leaf and dust indigo per bandy-load of from 3 to 400 Measures.	Three-fourth to one Maund of indigo, or one chest value per Maund or chest, 40 Rupees.	At 3 Rupees per Maund or two and a quarter per each bandy-load as per Export Tariff.
Fresh leaf Indigo per bandy-load as above.	A little more than one-third of a Maund of indigo, value about 15 Rupees.	At 3 Rupees per Maund or about Rupees 1-2-0 per each bandy-load.

than are the fresh leaves, and the one article appears as little contemplated by the Schedule as the other. The relative value of a cart-load of the fresh green indigo leaves and the dry leaves and dust is given in the margin, and also the duty leviable on each kind; and since every bandy-load of the latter is capable of turning out three-fourths of a chest equal to three-quarter Maund of indigo, a duty of Rupees 2-4-0 is strictly leviable on each laden cart, while on a bandy-load of the green leaf indigo, the duty would be about half that amount, or Rupees 1-2-0, as shown in the statement. The dry leaf and dust sometimes produces a full Maund, but the duty could not well be fixed at this scale as it fluctuates, and, besides, the indigo manufactured from the dust is usually inferior to that produced from the fresh leaf; so that I desire to know whether the duty on the dry leaf and dust indigo may not be discontinued and permitted to pass free equally with the green leaf. My recommendation is to that effect, but if not agreed to, then I am of opinion the duty on each bandy-load should be Rupees 2½ as above, and not 9 Annas, which is the rate fixed many years ago, and again recently adopted.

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6. Referring to the correspondence noted in the margin, and especially to my last communication to the Board, under date the 10th ultimo, No. 202, deprecating the institution of a differential duty on indigo, I take the opportunity of stating that I have since conferred with several European merchants of

Board's Official Memorandum, 7th July 1869, No. 711.
Collector's letter, 18th August 1869, No. 176.
Board's Proceedings, 3rd September 1869, No. 6,602.
Collector's letter, 10th September, No. 202.

Pondicherry in regard to the lump indigo, and the result of my inquiries has satisfied me that the treatment of this indigo as indigo proper will tell hardly on those accustomed to trade in it. It appears that the lump or fig indigo, as it is commonly called, is a distinct manufacture, and is used only for dyeing cloths manufactured in Pondicherry, and is seldom, if ever, exported to Europe. It is so totally distinct in its appearance and form from the trade-indigo that no difficulty could arise as to its identification, and it is manufactured by a different process, being made up mostly of the residue of the real or good indigo collected from the vat and mixed with mud. The relative value of this fig or lump indigo and the real indigo is very marked. The market-price ranges from 35 to 40 Rupees per Candy of 20 Maunds or 526 English lbs., while the price of the best indigo is from 1 Rupee 6 Annas to 1 Rupee 10 Annas per lb.

7. Heretofore, and for many years past, lump indigo has been charged duty at 3 Annas a Maund, while the duty on indigo, according to the Export Tariff, is Rupees 3 per Maund. As reported in my letter of the 10th ultimo I directed that the duty should be equalized, and no difference be allowed between one sort of indigo and another, there being no distinction in the Export Tariff; and the consequence has been an almost entire stoppage of the export-trade in this lump or fig indigo, and no doubt after a while the dyeing-trade in French territory will be considerably affected; and it is urged that as this species of indigo is altogether a distinct article, a differential duty may equitably be allowed, and I submit the question for instructions from the Board of Revenue, as the permission to continue such differential duty must, I conceive, emanate from higher authority, if not from the legislature itself.

8. The next point noticed by Mr. Gribble relates to the free importation of grains of all kinds into French from English territory. The history of the existence of this privilege will be known to the Board. No doubt the returns of the entry of all such grain, even when kept, are not very reliable, and it has been their evident inaccuracy and unsatisfactory character that has delayed my hitherto submission of these returns as required by the Board. It was not clear on what data they were prepared at the different Sayer Stations, and whether on the *ipse dixit* of the owners or on any sort of examination or scrutiny. I have now obtained all these particulars of information, and the returns duly revised in my office are submitted with this Report. Of course, the present establishments are not equal to enforce any rigid examination of bandy-loads passing the Sayer Stations, and the grain being free, it has not been thought necessary to institute careful scrutiny; but under my recent orders, the quantity of each grain only will in future be estimated after a casual inspection of the contents of each cart, and the current market-price or value with the duty will be entered in my own office; so that

these accounts hereafter will be tolerably reliable and approximately correct as far as it is practicable to make them.

9. Mr. Gribble states his opinion that the returns of grain exported by sea from Pondicherry, which are periodically submitted to my office, and are also published in the *Commercial Bulletin* of the colony, are not to be depended upon; but Mr. Gribble is not aware that the exportation of all grain from the French Settlement is wholly prohibited by a *lex loci* in the protection of the local wants of the population, and no grain can be exported on pain of heavy penalties; so that it is at the risk, and clearly not for the benefit of the Pondicherry traders in grain, that there should be any superfluity in the French markets, and competition secures this, while sufficiently acting as a check on high prices. The past two or three seasons have of course been equally unfavourable to French cultivation as to our own, and hence the export of grain from my district into Pondicherry during that period has no doubt exceeded what it may have been in previous years; but I have looked closely into the question, and it is in my opinion a mistake to suppose that there have been any undue imports of grain into the French Settlement. Without an outlet for surplusage of store owing to the law prohibiting exportation by sea, it is clear that grain-merchants would be cautious in their speculations, and when we compare the returns of exports from English into French territory with the population of the latter, it will be seen that in reality the quantity entering Pondicherry is no more than adequate in conjunction with local production to meet the reasonable requirements of the Settlement, and it is erroneous to assume, as so persistently has been done, that the privilege is abused, and the customs revenue fraudulently sacrificed, although I admit that until I closely looked into the matter, I was myself inclined to this opinion.

10. In connection with this question it is recommended by Mr. Gribble that English grain, which has been exported into Pondicherry, should, on re-importation by land into this district, be declared liable to duty; and he grounds his recommendation on the mistaken assumption that the exports of grain into Pondicherry are far beyond the amount actually needed for local consumption.

11. Of course, if the opinion be wrong on which the recommendation is based, the latter calls for no further consideration, and that Mr. Gribble is in error I am prepared to show. In the first place, mercantile competition and interests would alone offer a tolerably sufficient guarantee against any glutting of the French markets; and, secondly, the ruling prices of the town and interior would indicate if there were any such glutting as assumed. Now, while the prices fluctuate at Pondicherry as they do in our own towns, it is a fact that on an average no more than one Measure of grain per Rupee has ever been obtainable in the large market and bazaars of Pondicherry over and above the rates prevailing in Cuddalore for staple-grains, such as paddy and rice, and, ordinarily, from half to three-quarter Measures has been the difference. Now, when the population of the two places is considered, and the circumstance that Pondicherry is a sort of metropolis with a very considerable European and East Indian community, and with extensive and well-organized markets and bazaars, while in Cuddalore we have nothing in the shape of a market, the difference in the price of grain (I speak

chiefly of paddy and rice) is very insignificant, and is fully accounted for, while I submit that it is rather below than above the mark, that might have been looked for.

12. Besides, the surplus grain, supposing there be any, is English grain, and clearly could not be made liable to duty on re-import into our territory, nor has any account of such re-importation ever been noted or kept, and I could not recommend any scrutiny of the kind.

13. The effect of any such duty would be to prevent and hinder the French grain-merchants from providing for the wants of the local population, in the fear, lest, if by any accident, they overdid it, they would be subject to tax for the surplusage for disposal to others; and in the case of indifferent seasons, it might operate injuriously on the French colony as well as on the grain-producers in our own district. It seems to me that exports by sea being wholly prohibited, the object of the Convention on the subject conceding grain free into Pondicherry is sufficiently secured, and that the quantity imported into the French Settlement can only be, as a rule, equal to the wants of the population for local consumption.

14. The population of Pondicherry, with its rural district, is 122,500; of the town only 84,000. The returns of grain entering Pondicherry for the three months of April, May, and June, a statement of which is enclosed, show 48,275 Maunds of paddy and 178 Maunds of rice, or, say, a total of 48,453 Maunds, and of the other grains, a comparative trifling quantity; and in reviewing these returns, I think no great calculation is required to prove that the quantity supplied is wholly inadequate to meet the requirements of the townspeople. The above amount added to the total of the other grains in the list excluding grain, equals nearly 50,000 Maunds, which is equivalent to lbs. 12,50,000. This quantity divided by 84,000, the number of the town-inhabitants, exclusive of the rural population, gives a fraction under 15 lbs. of grain, or at $3\frac{1}{2}$ lbs. per Measure, say $4\frac{1}{4}$ Measures per head per quarter. Again, if the returns for the quarter just closed, ending with September last, be examined, the following results are obtained:—Grain of all kinds, exclusive of gram, Maunds 30,940 or lbs. 7,73,500, or divide this latter amount by 84,000, the population of the town, the result is 9 lbs., or a fraction less than three Measures per head for the period of three months; so that but for considerable local production in the colony itself, and the probable stock in hand taken into store in the very early part of the year during the harvest, it is clear that the quantity of grain entering Pondicherry during the last six months would be altogether insufficient to supply the actual wants of the inhabitants; and I think these calculations, with all I have now stated, conclusively negative the belief that the concession to our French neighbours is in any wise abused, or that more grain finds its way into Pondicherry than is needed for local requirements.

15. But, as I am aware of the very strong belief prevailing contrary to the results now shown, I am anxious to disabuse the mind of the Board and Government of this erroneous impression, because while it lasts, there will ever be an unpleasant, though vague idea, that somehow our liberality to the French is unduly taken advantage of, and that our Land Customs Revenue is defrauded or suffers injury through this means, and therefore I submit a further calculation which I think must satisfy the most scrupulous or suspicious on the subject.

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16. It is unfortunate that we have no reliable returns for previous years for any of the stations except Mortandy; but as by that route by far the largest imports into Pondicherry are made, being upwards of twenty times what they are through any other Sayer Station, (*vide* the two statements for the past two quarters) I propose to take the return for Mortandy for the year 1868 as given by Mr. Gribble in the margin of paragraph 4 of his letter, and which is 1,31,500 Madras Maunds (not Indian Maunds as supposed by the Board), and I will assume, which is a large proportion, one-tenth of that quantity as having entered at each of the other stations and sub-stations in number 5, and which, for the entire year, will give the following results as particularised in the subjoined statement.

Table.

Grain entering through Mortandy Sayer Station for 1868 as per Return from the Station Ameen for that year.	Quantity entering at the five stations and sub-stations of Madalapet, Valdavour, Kundamungalum, Cottakuppum, and Thookanambakam for 1868.	Total of columns 1 and 2 in Maunds, lbs. and Measures.	Estimated quantity of grain consumed in the year 1868 per head of the Pondicherry Town population taken at 81,000.
1	2	3	4
Maunds 1,31,500 or lbs. 32,87,500 or Measures 10,60,483 at $3\frac{1}{4}$ lbs. per Measure.	Maunds 65,750 or lbs. 16,43,750, or Measures 5,30,241 at $3\frac{1}{4}$ lbs. per Measure.	Maunds 1,97,250, lbs. 49,31,250, or Measures 15,90,725 at lbs. $3\frac{1}{4}$ per Measure.	Maunds 2, lbs. $8\frac{1}{2}$, or lbs. $58\frac{1}{2}$, or, say, 60 lbs. which gives about 19 Measures per head, per annum for the population.

17. Of course, the above calculations are somewhat in the rough, but they will be found tolerably accurate. In making them I have throughout assumed 25 lbs. to the Maund, and one Measure to every $3\frac{1}{4}$ lbs., which I believe is approximately correct, and is in excess rather than below the actual comparative standard; and I think if these results be carefully considered the proportion of grain to the population here assumed, and which will be found to exceed the actual quantity passing from our territory into French, the Board will be fully convinced how mistaken is the supposition that there is any abuse of the indulgence granted, or that any necessity exists for imposing a duty on any grain which may happen to find its way back again into this district—a suggestion I entirely deprecate. As regards gram and other grains not in ordinary use as food-grains, etc., the prices ordinarily range about the same in Pondicherry as in Cuddalore, and in the seasons of 1866-67 and 1867-68 there was very little difference, and whenever I visit the former place gram for my horses is invariably carried from this, because the price of it in Pondicherry is usually higher than here; so that if the trouble I have now taken in working out and submitting the foregoing calculations has the effect of dissipating the vague and unsatisfactory notion so commonly entertained as to the injury committed on our Land Customs Revenue by abuses in connection with the privilege granted to our French neighbours I shall be amply repaid, for as the head of the district, it is, of course, vexing and annoying to me to hear statements of the kind continually broached, and which really have not the slightest ground or warranty, and more than any other officer I am necessarily

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interested in fathoming the truth, and in placing beyond all doubt the actual state of the case, if only to enable me to remedy the *quasi* abuses so readily charged. Finally, I am of opinion that no interference should be had with the system which has so long obtained, and which I unhesitatingly affirm, for the reasons recorded above, is fully and sufficiently guaranteed from any great abuse. If it could possibly be shown that more grain entered the colony than was required for its consumption, the matter would be different; but I trust I have clearly demonstrated that only as auxiliary to local production do the exports from English territory adequately meet the requirements of the French population.

18. The subject of arranging the various orders and other records in the Sayer Department, noticed in paragraph 5 of Mr. Gribble's letter, will be disposed of departmentally under my instructions, and Mr. Gribble will be authorized to codify the orders as he proposes, and they can, if necessary, readily be printed as a sort of Manual at the District Press.

19. I must leave the Board to deal with the final paragraph of Mr. Gribble's letter treating of the subject of rewards and recommending the extension of Act VI. of 1863 to the Land Customs, and which no doubt would greatly simplify our Land Customs Administration. I think one prominent evil of the existing system is the great delay in granting the rewards, and if the power now conferred on the Board only were vested in the Collector, it would be an improvement and afford all the requisite facilities, and if, as it would seem, hitherto procedure has no legal sanction, the change may readily be introduced. I am further of opinion that the proceeds of all confiscations after deducting the Government rightful dues may, with advantage, be formed into a common fund as provided in Section 229 of Act VI. of 1863. At present, after deducting the State-dues, a proportion only is paid to the informers or seizures, and the remainder is carried to the public credit. But the formation of this surplus into a common fund might at times be

Vide Board's Standing Circular, No. CLXV., dated 17th December 1863, as regards Sea Customs.

very useful in affording means to the Collector to reward many persons who now go unrewarded, and the distribution or appropriation of the fund should be at the Collector's disposal, subject of course to control and supervision by the Board, to whom all accounts can be rendered.

20. I have been some little time in submitting this report, but its very nature must be my apology, and it was needful that I should point out certain mistakes and misapprehensions, as I consider them, on the part of my Assistant, Mr. Gribble, and of late I have been much pressed with work of various kinds which has greatly interfered with my taking up the questions mooted by that officer.

ENCLOSURE No. 1.

From J. D. B. GRIBBLE, Esq., Assistant Collector, to the Collector of South Arcot, dated Cuddalore, 11th September 1869.

With reference to paragraph 4 of the Board's Proceedings, dated 1st July, I have the honour to forward the following report:—Some delay has occurred, but it was owing to a press of work, and to the fact of old records requiring to be looked over.

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2. The practice alluded to in paragraph 3 of my Report, embodied in the Board's Proceedings, is what has existed for some time. On taking charge of the Sayer I found it to be the custom that on the production of a Pass for cotton which had paid duty as twist, an equivalent amount of cloth was allowed to pass free. Although I could find no authority for this procedure, I did not wish to suddenly change a custom which appeared to have been for some time prevalent. In order, therefore, to prevent abuses to which I saw the system as it existed was open, I proposed to you certain rules, of which I enclose a copy. These rules were sanctioned by you. I now am of opinion that the rules embody a principle which is entirely illegal. As, however, I was the first to suggest the rules, I am of course responsible for the illegality. The following is the present practice:—Cotton in a raw state is largely imported into French territory free of duty. It is there manufactured into twist, and then imported into English as twist, and pays duty according to the Schedule of Act XVII. of 1867 at the rate of 3½ per cent. *ad valorem*. It is then manufactured into cloth in English territory, and again exported into French territory free, up to the value of the twist which has paid duty. Now the Import Tariff declares that cotton twist is liable to duty, and the Export Tariff places manufactured goods under the same liability; and I do not see what authority we have to exempt either article, either as import or export. I have therefore the honour to request that in forwarding this explanation to the Board, you will give me orders to levy duty both ways, and to discontinue for the future this system so open to fraud and so analogous to the now-obsolete system of drawbacks.

3. I would also take the opportunity of drawing your attention, with the view of a reference to the indigo question. Under the present system the Board* have ruled that indigo leaves are not liable to duty, but that indigo dust is. The indigo dust is merely the leaf dried. Now the dried leaf is not so valuable as the fresh one, since better indigo is manufactured from the fresh than from the dry leaf, and therefore we are now levying duty on the less valuable article, and allowing the one of greater value to pass free. For my part it appears to me that indigo, whether in dust or in leaf, is equally liable to duty under Article 16 of the Import Tariff, as a dyeing or colouring material. Gamboge is liable to duty in the plain wood, orchilla and saffron in the weed, sapan in the wood and root, and cochineal in the first stage as the insect; the last item of Article 16 declares that "all other sorts" are equally liable to duty, and I would respectfully submit that, as there is no other use for the indigo plant, whether in dust or in leaf, except that of a dyeing material, we should, according to the terms of the Act, levy duty on it in whatever form it passes our Sayer gates. In Board's Proceedings, No. 1,322, dated March 1, 1869, I observe that country-dyed English goods are declared by the Supreme Government not to be liable either for duty on the goods themselves, or on the dye used in the dyeing of them. The dye thus exempted from duty does not, I conceive, refer to country dye, passed as dye merely. The Schedule XVII. of 1869 makes no exception in favour of country-made dyeing materials, and when country-grown indigo is passed either in green leaf or in dried (or dust), I maintain it is still a colouring material, and in the former case, is subjected to an earlier and more lucrative manufacture than in the latter.

4. The Board have called for accurate returns of the grain exported to French territory. I have good reason to believe that in spite of the stringent orders issued on this head, these returns are not correctly kept, and that many bandies of grain pass through our gates which are never registered at all. I do not think that the returns published by the French authorities in the *Bulletin Commercial*, as being sent out of the colony by sea, are by any means to be relied upon. The grain imported into Pondicherry is, in my opinion, far above the amount required for consumption in the French territory. It is a thing well known that during times of dearth the French merchants buy up the whole of the grain that they can lay hold of. At the commencement of this year I ascertained that when a failure of the rains was expected, the French merchants were buying up in all directions. After having once been exported free to French

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territory, it is, on re-importation by land, not liable to any duty whatever, and passes our gates free, whereas, as an export, it is liable to duty of 3 Annas per Maund. I think that there can be no doubt that the quantity exported is vastly in excess of that required for consumption in French territory. Now the duty transmitted to this treasury by the French Government for grain exported by them by sea is quite nominal. A Tabular Statement of the duty transmitted is given in the margin for the last twelve months. A Tabular Statement of the grain imported, via Mortanday Sayer gate, for the last official year, (the only gate at which an account was kept,) is given in the margin, and also a Tabular Statement of the grain which has passed through all the Sayer gates since the Board's recent order was communicated to the Ameens. I think the Board will perceive from these that an alteration of the present system is required. I would respectfully ask why the same procedure is not adopted with reference to grain as is now adopted with reference to salt. In the latter case a demand is made for the probable amount required for consumption, and salt is supplied up to that demand. Were this adopted with

Memorandum showing quantity of grain exported from Pondicherry by sea from July 1868 to June 1869.

	Bags.	
Paddy	30	
Rice	9	
Other sorts	63	
	107	Duty at 4 Annas per bag, Rupees 26-12-0.

Grain exported via Mortanday in 1868.

Maunds.	Value. Rs.
13,150	2,63,710

Quantity of Maunds of grain passed from March 1869 to July 1869.

Maunds.	Value.
86,570	
721	
2,813	
464	
1,336	
1,565	
2,410	
95,909	

reference to grain it would deprive the French merchants of the facilities for storing grain in anticipation of a rise in the price, unless they choose to bring it in on payment of duty. Now, as this grain which is stored is not required for French consumption, but for increased profits to the merchants by re-sale in English territory when the prices rise, it is, I submit, an article on which duty can be fairly levied. Another course I would propose is this. Let all grain pass into French territory free, but on re-importation by land, let the *export-duty* (which the grain is liable to by the Schedule) be levied, since all grain which comes out of French territory has clearly not been required for* *French consumption*, and it therefore should have paid duty when it went in.

* Board's Proceedings, dated 13th August 1844, clearly shows that the concession is made solely for grain required for consumption in French territory.

5. I would now beg to bring to your notice the great difficulty that exists in ascertaining what orders the Sayer Ameens carry out, and what they do not. There are a mass of old records containing contradictory orders, and orders which were in force before Act XVII. of 1867, became law. I propose to draw up a brief Manual of Orders which the Ameens are to carry out, simply with reference to that Act. As this can be supplied to both the Police and the Ameens, I shall much more easily know whether the orders are carried out or not. I propose to have the Manual (which will be a short one) translated into Tamil, and it will thus be the only guide which the Ameen has to go by. To be allowed to do this I beg you will be good enough to obtain the permission of the Board, to whom I will submit the little work before it is published.

6. In conclusion, I would ask you to draw the notice of the Board to the fact that there is no legal enactment at present in force which authorizes the granting of rewards, etc.; Act No. XI. of 1869 extends certain Sections of VI. of 1844 to the Land Customs. The part of VI. of 1844, which referred to granting rewards, etc., has been repealed by VI. of 1863, and a new procedure laid down. Now VI. of 1863 refers only to the Sea Customs, and has not been affected or extended.

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ed to Land Customs by XI. of 1869. Were VI. of 1863 extended by law to Land Customs, as regards such matters as can be brought to bear on the Land Customs, our way would be much plainer, both in regard to confiscation, the granting of rewards, and many other matters. I would also draw your attention to the procedure laid down by Section 229 of VI. of 1863, regarding the funding of money arising from confiscation under the Act. I am not aware that in granting rewards under VI. of 1863 this procedure is adopted. If there is due authority for the one practised, there is, I submit, due authority for the other, but unless the view I have taken is incorrect there would appear to be no legal authority for either.

ENCLOSURE No. 2.—Copy of Notice.

ENCLOSURES Nos. 3 and 4.—Statements.

In these papers the information called for in paragraph 4 of Board's Proceedings, dated 1st July 1869, No. 4,713, is furnished.

2. It appears that British grown cotton passes free into Pondicherry where it is manufactured into twist. In this shape it is brought into British territories to be worked up into piece goods by British looms, and pays frontier duty at 3½ per cent. *ad valorem*. On re-export the manufactured goods pass free up to the value of the twist used in their manufacture on production of a certificate of payment of import-duty on the twist. This system was sanctioned by the Government of India under date 14th June 1858, No. 928, and duly notified in the Official Gazette of the 3rd September 1868. Export-duty was then leviable on raw cotton.

3. The Board concur with the Collector that no change should be made.

4. In his letter Mr. Gribble discusses the question of duty levied on indigo leaf. It appears that under the orders of the Board of Revenue, dated 14th March 1868, No. 1,857, duty at 7½ per cent. is levied on the dry leaf (dust), while the green leaf (weed) passes free, although it is the more valuable form of the raw material. The Tariff only specifies *indigo* as dutiable.

5. The Board agree with the Collector that in this respect the present practice requires modification, and both dry and green leaf should be put on the same footing as regards exemption from duty. They resolve to order accordingly.

6. Mr. Reade draws attention to the state of the Tariff as regards the lower quality of indigo. In the Tariff all indigo is classed under one head—the indigo of commerce. In this Presidency there are, however, two kinds, the indigo of commerce, and lump or fig indigo. Until recently, lump or fig indigo which is an inferior article made from the refuse of the vats and used only for local consumption, was charged with duty at 3 Annas a Maund on export to Pondicherry;

while the indigo of commerce is charged by Tariff 3 Rupees per Maund, the difference in the relative values* of the two articles being very great. Mr. Reade has equalized the rate of duty, and charges 3 Rupees per Maund on both sorts.

* Fig indigo Rupees 1-12-0 to Rupees 2 per Maund.
Indigo from Rupees 1-6-0 to Rupees 1½ per pound.

*Proceedings of the Madras Government, Revenue Department,
3rd June 1870.*

7. The export-trade of fig indigo has naturally ceased, and the dyeing-trade in Pondicherry will be seriously affected. This is clearly not intended by the Customs Law, and the Board recommend Government to move the Supreme Government to legalize the old rate of duty for fig indigo. The article is largely used for dyeing country cloth in Pondicherry, but is not exported.

8. The latter parts of both the Collector's and Mr. Gribble's letters are devoted to the discussion of the free export of grain into Pondicherry. Mr. Reade now holds that there is no excessive export of grain into that colony, and considers that the French statements of grain exports by sea are reliable; nor does he think that Pondicherry merchants store grain, as the export is prohibited by a local ordinance. Mr. Gribble holds the contrary view, and doubts the reliability of the accounts furnished; and he thinks that, inasmuch as the Pondicherry merchants import grain in large quantities free, they should, when they re-export it into British territory on a rise of prices, pay import-duty on such grains as they send back into British territory. The Board consider that in default of reliable returns of export and imports of grain, this matter is not ready for useful discussion.

9. Mr. Reade has now taken measures to have all exports and imports of grain registered, and should report fully on the matter so soon as he has the returns of one year before him. The Collector should give orders that carts laden with grain must be carefully scrutinized, as dutiable articles may be smuggled under grain carried in bulk.

10. Mr. Gribble draws attention to the absence of any provision for rewarding the detection of smuggling under the Land Custom Act. The Sections of Act VI. of 1844, which relate to this matter, were repealed by Act VI. of 1863, and have not been re-enacted by Act XI. of 1869, nor are the Sections of Act VI. of 1863, which relate to offences and penalties, extended to the Land Customs. This is an obvious defect, but the difficulty is not of sufficient magnitude to justify application to the legislature at present. The Collector will have the goodness to report whether any objection exists to grant rewards under sanction of the Board, as is the case in ordinary cases of detected smuggling.

No. 38.

ORDER THEREON, 3rd June 1870, No. 811.

Separate Revenue, No. 4.

Customs.

THE questions raised by the Board in the foregoing Proceedings relate to the levying of Land Customs on goods passing between English territory and the French Settlement of Pondicherry.

2. Mr. Gribble, the Assistant Collector, animadverted on the system under which cotton twist manufactured at Pondicherry pays Import-duty on being brought into British territory, but is permitted to be re-exported free when made up into piece goods on production of the certificate of Import-duty. The Board

Proceedings of the Madras Government, Revenue Department,
3rd June 1870.

concur with the Collector in considering that no change in the existing practice is needed, and the Government resolve to adopt their recommendation.

3. The Board next touch on the subject of the duty on the dust and green leaf of indigo. This question has not been dealt with in a very lucid manner, and the purport of the Board's recommendation is somewhat obscure. Mr. Gribble in advocating a duty on the green leaf appears to have referred to imports. Mr. Reade while attempting to throw fresh light on the suggestions of his Assistant, seems to have shifted the latter's proposal to exports, and whether the Board refer to exports or to imports, or to both, is by no means clear from paragraphs 4 and 5 of their Proceedings. The Board in their Order, dated 14th March 1868, No. 1,857, sanctioned the imposition of an *ad valorem* duty at $7\frac{1}{2}$ per cent. on "imported indigo dust" which they considered came under the head "all other sorts" of "dyeing and colouring materials" in Article 16 of the Import Tariff, and they ruled that *exported* indigo dust was to be taxed at the same rate as "indigo," i.e., at Rupees 3 per Maund; but in both cases they ordered that the leaves should be passed free.

4. The Government now direct that both the dust, assuming it to be an unmanufactured article, and the green leaves be exempted from Export-duty as is recommended by the Collector. Both, however, manifestly come under the head "dyeing and colouring" materials in the Import Tariff, and should therefore be required to pay an Import-duty of $7\frac{1}{2}$ per cent.

5. The next proposal of the Board refers to the export of "lump" indigo. In his letter, recorded with Board's Proceedings, dated 18th October 1869, No. 7,735, Mr. Reade observed that lump or fig indigo, an inferior article made from the refuse of the vats, and used only for local consumption, had therefore only paid duty at the rate of 3 per cent. on the valuation of 40, 30, and 25 Rupees per Candy. He considered that Act XVII. of 1867 gave no authority for the levy of a differential duty on indigo. This is clearly the case, but Mr. Reade is now of opinion that the imposition of the full rate on lump indigo will tell hardly on those accustomed to trade in it, and ultimately affect the dyeing-trade in French territory. The Board therefore recommend Government to move the Supreme Government to legalize the rate of duty for lump or fig indigo, which was in force formerly as specified in Mr. Reade's letter, dated 10th September 1869, No. 202. The Government resolve to refer this proposition for the observation of the Collector of Sea Customs through the Board of Revenue.

6. The Board also allude to the alleged abuse of the free import of grain into Pondicherry, but observe that as no reliable returns of the quantity exported have been maintained, no positive opinion can be given as to whether the quantity exported is excessive or not. The Board have, however, given orders for a careful registration of all grain so exported, and have directed the question to be brought forward again in a year.

7. In conclusion, the Board draw attention to the absence of legal sanction for granting rewards for the detection of smuggling under the Land Customs Act, but doubt the necessity of applying to the legislature on the subject. The

Proceedings of the Madras Government, Revenue Department,
3rd June, 1870.

Government will, however, call the attention of the Supreme Government to this point after receipt of the report of the Collector of Sea Customs. The provisions of Section 229, Act VI. of 1863, might in the opinion of the Government be extended with propriety to Land Customs.

(True Extract.)

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

To the Board of Revenue.

Exd. F. R. Bantleman.

Rll

Memorandum for Anderson #365

In these Proceedings the Board of Revenue bring to notice the system under which cotton twist manufactured at Pondicherry pays import duty on being brought into British territory, but is permitted to be re-exported when made up into Piece goods, on production of the Certificate of import duty. They concur with the Collector in considering that no change in the existing practice is needed.

2. They also report that

Acct. of 1870-71

REVENUE.

THE BOARD OF REVENUE.

Dated June, 3rd.

Recd.

G. O., 3rd June 1871, No. 311.

JUNE.

1871-72.

Cotton Piece Goods exported to Pondicherry.
Proceedings Board of Revenue relative to the
levy of Customs-duty with orders thereon.

that they have directed the
same rate of duty to be
levied on Indigo whether
dry or in green leaf,
and request orders regarding
the duty upon ^{fig} lump indigo.
It seems that this lump
or fig indigo is an inferior
article made from the
refuse of the vats and used
only for local consumption
in Pondicherry. The value
is said to be about Rs. 2
per mamud, whereas the
value of real indigo is
about Rs. 1. 25 per lb.
Under the recent tariff
all indigo is charged Rs. 3
duty per mamud, and
it is stated that the
export of fig indigo has
therefore ceased and that
the

I think they are equal
the reverse. Their language
is susceptible of two in-
terpretations - the leaf
should, I think, be
examined - whether green
or dry. I O.S.
Yes there is confusion
here as I understand
it the Board exempt
both dry & green
Indigo leaves from duty
which seems right.
I don't quite understand
whether dry & dry
leaf are the same
thing? No.

the dyeing trade of Pondicherry
will be seriously affected.
The Board recommend
that the Govt. of India
be addressed in view to
an alteration in the rate
of duty on fig indigo.
3. The Board also allude
to the alleged abuse of the
free import of grain into
Pondicherry, but observe
that as no reliable returns
of the quantity exported
have been maintained,
no positive opinion can
be given as to whether the
quantity exported is ex-
cessive or not. The Board
have, however, given orders
for a careful registration
of all grain so exported, and
have directed the question
to

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cessive or not. The Board
have, however, given orders
for a careful registration
of all grain so exported, and
have directed the question
to

to be brought forward
again in a year.

4. In conclusion the
Board draw attention
to the absence of legal
sanction for granting
rewards for the detection
of smuggling under the
Land Customs Act, but
doubt the necessity of ap-
plying to the Legislature
on the subject.

5. It is submitted that
their Pro^s may be approved,
and that the question
of the duty to be levied
upon foreign indigo may
well be referred for the
observations of the Director
of Sea Customs before the
Govt of India is addressed
on the subject. It is also
submitted that if it
be

I enclose

S. D. S.

H. A.

Enclosed

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be decided to apply for an
alteration of the Law
on this subject, the defect
in regard to the grant
of rewards may at the
same time be reported.

Revenue
Customs duty on Cotton
Piece goods &c.

Rev. Dy. Secy.
No. 811.
Proceedings of the Madras Government
Under date the 3rd June 1840.

Read the following Pro.
of the Board of Revenue

Concerning with the Colls.
of South Arcot that no change
should be made in the present
system in regard to levy of Customs
duty on Cotton piece goods manu-
factured in British territory &
exported across frontier to Pondicherry,
&c.

M. 19th Jan 1840, No. 374.

The questions raised
by the Board in the fore-
going Pro^s relate to the
levying of land Customs,
on goods passing between
English territory and the
French Settlement of
Pondicherry.

2. Mr. Gribble the
Asst. Collector animadverted
on the system under which
Cotton twist manufactured

Under the
duty on
cotton

N.
S. D. S.
M. A.

at

at Pondicherry pays im-
port duty on being brought
into British territory but
is permitted to be re-exported
free when made up into
Piece goods, on production
of the certificate of import
duty. The Board concur
with the collector in considering
that no change in the
existing practice is needed,
and the Govt. resolve to
adopt their recommendation.

3. The Board next
touch on the subject of the
duty on the dust and green
leaf of indigo. This question
has ^{not} been dealt with in a
very lucid manner, and
the purport of the Board's
recommendation is ^{somewhat} obscure.
Mr. Gribble in advocating
a duty on the green leaf,
appears to have referred
to Imports. Mr. Reade
while

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while attempting to throw
fresh light on the suggestions
of his Asst. seems to have
shifted the latter's proposal
to exports, and whether
the Board refer to Exports
or to Imports or to both
is by no means clear
from paras 4 & 5 of their P.O.
The Board in their order
dated 17th March 1880
No. 1054 sanctioned the
imposition of an ad valorem
duty at $7\frac{1}{2}$ per cent on
imported indigo dust
which they considered
came under the head
"all other sorts" of "Dyeing &
Coloring Materials" in article
16 of the Import Tariff,
and they ruled that exported
indigo dust was to be taxed
at the same rate as
"indigo", i.e. at Rs 3 per
maund, but in both cases
they

they ordered that the leaves should be passed free.

4. The Court now direct that both the East - assuming it to be an
and the green leaves be ex- unmanufactured
empted from Export duty article -
as is recommended by
the Collector. Both, however,
manifestly come under
the head "Dyeing & Coloring"
materials in the import-
tariff and should therefore
be required to pay an
import duty of $7\frac{1}{2}$ per
cent.

5. The next pro-
posal of the Board
refers to the export
of "lump" indigo. In
his letter recorded
with Board's Pro-
ceedings dated
18th

18th October 1869 N^o 7735,
Mr. Deade observed that
lump or fig indigo was
inferior article made from
the refuse of the roots and
used only for local consump-
tion and therefore only
paid duty at the rate of
three percent on the value.
-tion of 40, 30 and 25 Rs
per candy. He considered
that Act XVII of 1867 gave
no authority for the levy
of a differential duty
on indigo. This is clearly
the case, but Mr. Deade
is now of opinion that
the imposition of the
full rate on lump indigo
will tell hardly on those
assisted to trade in
it and ultimately affect
the dyeing trade in French
territory.

territory. The Board
therefore recommend
Govt to move the Supreme
Govt to legalise the rate
of duty for lump or fig
indigo which was in
force formerly, as specified
in Mr. Reade's letter dated
10th September 1869, N.º 202.
The Govt resolve to refer
this proposition for the
observation of the Collector
of Sea Customs through the B^d of Rev^y

6. The Board also
allude to the alleged abuse
of the free import of
grain into Pondicherry,
but observe that as no
reliable returns of the
quantity exported have
been maintained, no
positive opinion can be
given

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given as to whether the
quantity exported is ex-
cessive or not. The Board
have, however, given
orders for a careful registra-
tion of all grain so ex-
ported, and have
directed the question
to be brought forward
again in a year.

7. In conclusion, the
Board draw attention
to the absence of legal
sanction for granting
rewards for the detection
of smuggling under the
Land Customs Act, but
doubt the necessity of apply-
ing to the Legislature on
the subject. The Govt
will, however, call the attention
of the Supreme Government
to

To this point after receipt
of the report of the collector
of Sea Customs. The
provisions of Sec. 229,
Act VI of 1863 might in
the opinion of the Govt
be extended with propriety
to Land Customs.

the

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115 Letter of Rev. Deshpande
with 2 enclos

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m

Sydney Hall

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C. triseptata
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Despatch