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OF
BOMBAY CITY and ISLAND.

Volume II.

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CONTENTS.

VOLUME. II.

CHAPTER VI—HISTORY.

	Page
THE HINDU PERIOD	1—17
„ MUHAMMADAN PERIOD	17—24
„ PORTUGUESE PERIOD	24—46
BRITISH PERIOD (1661-1677)	46—70
„ (1677-1722)	70—96
„ (1722-1764)	96—112
„ (1764-1819)	112—138
„ (1820-1860)	139—160
„ (1860-1890)	161—190
„ (1891-1909)	190—197
APPENDICES I AND II	198—203

CHAPTER VII—JUSTICE AND PROTECTION.

JUDICIAL SYSTEM (1661-1727)	204—213
MAYOR'S COURT (1727-1798)	213—219
RECORDER'S COURT (1798-1823)	219—223
SUPREME COURT (1823-1861)	223—225
HIGH COURT (1861-1909)	225—230
THE PRESIDENCY SMALL CAUSES COURT	230—233
THE PRESIDENCY MAGISTRATES	233—237
POLICE	238—248
THE JAIL	248—254
THE MILITARY FORCES	254—272
THE MARINE FORCES	272—301
APPENDICES I TO III	302—307

CHAPTER VIII—LAND ADMINISTRATION.

GENERAL HISTORY	308—327
SURVEYS	327—335

	Page
TENURES—	
PENSION AND TAX	335—340
QUIT AND GROUND RENT	340—347
TOKA	347—358
FORAS	358—374
INAM	374—381
LEASEHOLD	381—389
NEWLY ASSESSED	389—391
SUFFERANCE	391—408
TENANCY-AT WILL	408—411
SANADI	411—414
LAND REVENUE ADMINISTRATION AND COLLEC-	
TION	414—433
APPENDIX I	434
CHAPTER IX—REVENUE AND FINANCE.	
FINANCIAL CONDITION OF BOMBAY PRIOR TO	
	1700
	435—439
“ “ “ 1708—44	439—443
“ “ “ 1794—1803	443—444
CUSTOMS	445—457
COTTON DUTIES	457—459
SALT REVENUE	459—464
EXCISE	464—478
TOBACCO REVENUE	478—483
INCOME TAX	483—485
STAMP REVENUE	485—487
REGISTRATION	487—488
STEAM BOILER INSPECTION FUND	489
APPENDICES I AND II	490—492

APPENDIX I.

Statement showing land revenue demand and collection from 1841 in thousands of rupees (000 omitted).

Year.	Khist or estimated revenue.			Realization.	Year.	Khist or estimated revenue.			Realization.
	Permanent.	Fluctuating.	Total.			Permanent.	Fluctuating.	Total.	
1841-2	66	1	67	84	1875-6	77	2,61	3,41	3,76
1842-3	69	1	70	1,04	1876-7	77	1,6	2,15	2,12
1843-4	69	2	71	1,07	1877-8	82	1,49	2,31	2,26
1844-5	68	2	70	80	1880-1	84	1,39	2,23	2,32
1845-6	68	6	74	92	1879-80	86	1,41	2,27	2,18
1846-7	68	11	79	96	1880-1	90	1,6	2,51	2,59
1847-8	69	14	83	1,07	1881-2	2,13	38	2,51	1,87
1848-9	69	11	80	96	1882-3	2,14	61	2,75	2,68
1849-50	69	11	80	92	1883-4	2,14	1,51	3,65	2,66
1850-1	70	3	73	73	1884-5	2,14	1,10	3,24	3,24
1851-2	70	7	77	59	1885-6	2,4	90	3,04	3,03
1852-3	69	2	71	66	1886-7	2,10	53	2,69	2,67
1853-4	70	9	79	92	1887-8	2,22	20	2,42	2,40
1854-5	70	8	78	94	1888-9	2,23	61	2,84	2,76
1855-6	69	50	1,19	1,01	1889-90	2,23	30	2,53	2,59
1856-7	71	2	73	74	1890-1	2,23	38	2,61	2,54
1857-8	73	4	77	55	1891-2	2,24	27	2,51	2,58
1858-9	73	5	78	85	1892-3	2,24	36	2,60	2,59
1859-60	73	1,11	1,84	2,16	1893-4	2,25	20	2,53	2,53
1860-61	77	11	88	78	1894-5	2,25	22	2,47	2,47
1861-2	77	24	1,01	1,05	1895-6	2,25	45	2,70	2,70
1862-3	78	6	84	67	1896-7	2,20	70	2,98	2,92
1863-4	77	2,18	2,95	2,98	1897-8	2,3	47	2,80	2,77
1864-5	77	1,31	2,08	1,94	1898-9	2,4	32	2,66	2,60
1865-6	77	1,06	1,83	1,90	1899-1900	2,35	60	2,95	2,81
1866-7	77	62	1,39	1,19	1900-1	2,65	56	3,21	2,61
1867-8	77	2,11	2,88	2,81	1901-2	2,60	30	2,98	3,01
1868-9	82	84	1,66	1,74	1902-3	2,67	31	2,97	3,03
1869-70	79	80	1,59	1,72	1903-4	2,61	88	3,49	3,46
1870-1	80	95	1,75	1,77	1904-5	2,59	1,70	4,29	4,37
1871-2	85	1,54	2,39	2,28	1905-6	2,51	1,68	4,24	4,27
1872-3	86	1,40	2,26	2,32	1906-7	2,67	10,97	13,64	13,49
1873-4	87	1,3	2,21	1,69	1907-8	2,50	3,4	6,43	6,33
1874-5	1,16	2,11	3,27	3,03	1908-9	2,74	1,20	3,94	3,71

CHAPTER IX

REVENUE AND FINANCE.

WHEN the Portuguese gained possession of Bombay in 1534, the annual quit-rent of the island was 14,400 fœdeas (about Rs. 500), which rose to 27,000 fœdeas during the next four years. The amount was collected directly from the farmers. In 1537 the revenue of the island was stated to be 3,335 Xeraphins made up as follows¹:— Mahim land, 1,098 Xeraphins; Mahim customs, 1,239 Xeraphins; Mazagon, 300 Xeraphins; Bombay, 698 Xeraphins. Bombay proper was apparently let out on an annual quit-rent, payable at the treasury in Bassein, which amounted in 1548 under Mestre Diogo's tenure to 1,375 pardaõs and under the ownership of his successor, Garcia da Orta, to 1,432½ pardaõs.² In addition to the payment of this quit-rent, the tenants of Bombay were expected to provide military aid to the Portuguese Government in India, whenever called upon to do so. A certain revenue was also drawn from the sale of the right of fishing and from taxes upon cocoanut palms and certain commodities.³

Financial
condition of
Bombay
prior to 1700

When the English received possession of Bombay, one of their first acts was to make up an account of the produce of all the lands of the island, which showed the annual produce to be worth 80,000 Xeraphins (Rs. 43,656) and the actual income to be 20,000 Xeraphins. But owing to the ill-feeling which subsisted between them and the Portuguese, the revenue during the first few years of the British occupation was "paid very ill." Though in the words of Sir G. Lucas the island was "an orto or place planted with trees which yield great profit,"⁴ the

¹ Unpublished Records printed in Lisbon, vol. v, p. 142; Bombay Gazetteer Materials, III, 306. Da Cunha (Origin of Bombay, p. 95) states that soon after the cession of Bombay to the Portuguese in 1534, the Cacabe of Mahim was rented for 36,957 fœdeas, and the custom-house of that district was let out for 37,975 fœdeas; while the island of Mazagon yielded 8,500 fœdeas and Bombay 17,000 fœdeas.

² Da Cunha, p. 95; Bombay Gazetteer Materials III, 257.

³ Edwardes' Rise of Bombay, pp. 69, 71 and 84, 85.

⁴ Lucas' Report of 21 March 1667.

full benefit of its productiveness was not at first received by the crown and its yearly revenue was calculated at no more than £2,833. Both Sir G. Lucas and Mr. Henry Gary, however, did much towards improving the revenues of the island. The former compelled "the Customer of Mahim" to disgorge in the shape of goods, lands and cash about 9,000 Xeraphins, which he had wrongfully held back for his own benefit,¹ while the latter definitely increased the total revenue of Bombay in 1667 by 5,214 Xeraphins. The tavern-excite for example rose from 400 to 2,400 Xeraphins, the *stanque* or farm of tobacco from 6,000 to 9,550 Xeraphins, and the customs from 4,100 to 18,000 Xeraphins. To the above revenue was added the revenue of all oarts belonging to the Jesuits and inhabitants of Bandora, amounting annually to Xeraphins 20,435. These were confiscated by Sir G. Lucas, because the owners attempted to obstruct the customs authorities at Mahim. The details of the revenue of the island in 1667 were as follows:—

	Xs.	Qrs.	Reas.
Town of Mazagon with all its rents and pretences	9,300	0	40
Mahim with its rents	4,797	2	45
Parel with its rents	2,377	1	56
Vadala	1,738	0	40
Sion	790	0	62
Varli	571	1	34
Bombay	6,344	2	61
The rent of Tobacco	9,550	0	0
,, Taverns	2,400	0	0
,, Customs	18,000	0	0
Cocoanuts and rents of gardens	18,000	0	0
	<hr/>		
More may be advanced ... {	73,870	1	18
	1,129	1	62
	<hr/>		
Roughly	75,000	Xeraphins	
	=	£ 6,490	17 9
	<hr/>		

In spite of the efforts of the Crown representatives, the island was regarded as hardly worth the trouble and expense of maintenance; and it was accordingly transferred without hesitation in 1668 to the East India Company "in free and common soccage" for an annual rent of £10, payable on the 30th September each year. The first real attempt to organize and increase the revenue was

¹ Gary's letter of 12th December 1667.

made in 1669 by Gerald Aungier, who discovered that the amount of revenue from lands had been greatly overrated and that the amount of the cesses in land customs had been underestimated. His land-settlement made provision for the payment by the land holders of the island of a definite yearly contribution or in composition a lump sum of 20,000 Xeraphins, which included the quit-rent or Foras which they formerly paid, while the peaceful possession of their lands was in return guaranteed to them. By 1672 the general condition of the island had much improved under Aungier's far-sighted policy. Merchants and manufacturers were encouraged to settle by a promise of exemption from taxation for five years, the loss of revenue consequent upon this practice being counter-balanced by the levy of a one per cent. port duty ;¹ while various other proposals for the encouragement of trade and revenue were submitted to the Court of Directors, which however was debarred from sanctioning them owing to the disturbance of trade, mutiny and political troubles which characterized the latter portion of the 17th century. In April 1675 the following estimate was made of the public revenue of Bombay island :—

	Xeraphins.				
Mahim	2,432
The Cooliaris ² of Mazagon	4,154
„ „ Bombay	4,109
					10,695
Rents of Lands	1,017
The Customs ³	31,050
Tobacco License	20,300
Passage Boats	1,210
Punch License	5,050
Tribute or Contribution	20,000
Mint computed nearest at	10,000
Vatav being more than what was formerly received at 8 per cent.	7,985
					1,07,807 ⁴

¹ Bruce's Annals, II, 271.

² This was a head-tax collected from every Koli in return for the right of fishing and performing other duties (Bombay Gazetteer Materials, III, 308). In 1673 Aungier wrote :—“Cooliaris or rights of fishing in the open bays of Bombay, Mazagon, Veroly and Parell are still pretended to by the Portuguese who formerly enjoyed them as a right.”

³ In 1676 the Customs and revenue was raised to 2½ per cent., besides one per cent. devoted to the outwork of the Fort.

⁴ The difference of Rs. 500 in the total cannot be explained.

With a view to increasing the revenue about this period and bring receipts more into equality with a growing expenditure the Company let out portions of their own lands and houses, and also let out on a small quit-rent such lands as were reclaimed between 1672 and 1703. Further, about 1676 they imposed an anchorage duty, which in 1683 amounted to about half a dollar on every ship anchoring in the harbour. They levied a tax of one rupee a year on each fishing-boat, a tax of the same value on every shop-keeper and also created a new impost, called *Rende Verde*, on oil, opium, *bhang* and *mahuda*. The latter tax was farmed out for 1,600 Xeraphins in 1676; and a "cotton rent" was also devised, which sold in 1687 for 2,240 Xeraphins. The Dutch system of imposing taxes on provisions was to some extent followed, and the rents both of the tobacco and arrack farms were considerably augmented, the former rose from 14,000 to 24,000 Xeraphins per annum,¹ and the latter from 1,000 to 5,000 Xeraphins, during the three years ending 1676. In spite however of these financial expedients, the expenditure continued for some years to exceed the revenue. In March 1676, the Court of Directors remarked that "Bombay has been a very chargeable place to us. Though you have raised the revenues there, yet we do not find that it repays the annual charge but that we are great losers yearly;" and they followed up this letter in 1681 by peremptory orders to reduce the expenses to 72,000 Xeraphins and to so increase the revenues that "we may not be wanting to ourselves to make the place what may be towards the support of the annual charges we have been at and must constantly be at."²

The same letter contained a statement that since its transfer from the Crown, Bombay had cost the Company not less than £13,00,000. Between 1682 and 1694 the financial condition of the island continued at a very low ebb, in spite of Vaux's regulation of the accounts and the reduction of expenses to 70,000 Xeraphins a year. This reduction led to Keigwin's mutiny, which for the time being completely upset the economical condition of

¹ Bombay Letter of 22nd January 1677-

² London Letter of 31st January 1681.

the island. In 1687 it became necessary to impose a tonnage fee of one rupee a ton per annum on all ships; the duty on imports was raised to 5 per cent.; a tax was imposed on powder; and a small quit-rent was levied in 1688 on all houses.¹ Then came the trouble with the Sidi, which reduced the fortunes of Bombay to their lowest ebb, so that in 1694 the Bombay Council were forced to write:— “John Gayer at his arrival here found the miserable effects of the late war, and since a small plague which has almost depopulated and miserably impoverished the said island, so that the customs which before the war was farmed out at 62,500 Xeraphins per annum has since yielded but 17000.” Neglect and the lack of manure had ruined most of the Company’s personal estates; the forfeited estates of the Portuguese landlords brought in practically no revenue; and the various duties and farms had been so neglected that it was feared “several sorts of Rendires (farms) would have been in great danger of being wholly lost.” Matters improved not at all until 1708, owing to the rivalry between the representatives of the two companies in India, while the constant fear of attack by the “country-powers” prevented any steps being taken for the economic advancement of the island.

In the first half of the 18th century matters commenced to improve. The expenditure was jealously watched, and regular accounts were for the first time kept. Bad debts, which resulted from the frequent insolvency of the farmer, were largely obviated by fixing regular dates for the payment of revenue, and similar orders were issued for the monthly collection of customs and other receipts. The Court of Directors called for monthly statements of all receipts and expenditure, and by 1730 considerable reductions under the latter head had been devised under their orders. For the safeguarding of the company’s cash balances a Treasury Committee, composed of the President, the Second, and the Third in Council was appointed, with orders to keep all bullion, rupees and treasure under three different locks, excepting only a running sum of about one

1708-44.

¹ The rates of house-duty were 2 shillings and 6 pence for a great house, one shilling and 6 pence for a middling house, and one shilling for a small house per annum.

lakh to be kept in the President's own possession.¹ A covenanted assistant was also appointed to attend to the receipts and payments, and the members of the Committee were instructed "to examine the current receipts and issues of money in the treasury upon a medium of any one month and allot such sums as were reckoned sufficient with the receipt of the revenue and other incidental monthly sums to answer the payments." Meanwhile the lands of the island were surveyed and registered; the waste and reclaimed lands were let out for cultivation on easy terms; and the sale of the Company's lands was absolutely forbidden, leases with liberty of renewal being substituted for outright sale.² Besides the regular customs-duty, a few special taxes were from time to time levied on imports and exports, as, for example, a 2 per cent. duty towards the cost of the war with Kanhoji Angria, the duty of one Xeraphin a ton on water and a 2 per cent. duty to defray the cost of building the town-wall and the church. For a certain period also a tax of Rs. 4 per head was levied on all cattle belonging to the Gentus (Hindus).³ In 1720 the quit-rent was reduced by one-half on a representation from the principal inhabitants of the island, and in 1731 attempts were made to equalize the quit-rent and ground-rent, the former being fixed at 6 reas a square yard and the latter at 5 reas. Ten years later, however, the rates had largely increased and varied from 6 to 45 reas per square yard.⁴ From the few statements of account still extant, it appears that the revenue of Bombay in 1711-12 was Rs. 98,670 and the expenditure Rs. 1,92,411; that in 1717 the revenue had risen to Rs. 1,25,000; and that in 1727 it had again risen to Xeraphins 2,39,899 as detailed in the table on next page.

¹ Bombay Gazetteer Materials, III., 297. For arrangements for control of finance in 1710, see Bombay Gazetteer Materials, III., 283. The President kept the cash, the Second had charge of the books, the Third of the exports, the Fourth of the imports, the Fifth was Purser-General in charge of all disbursements, the Sixth had charge of all rents and revenues, and the Seventh of stores.

² Bombay Gazetteer Materials, III., 301.

³ Forrest's Selections, II., 32.

⁴ For further particulars see Bombay Gazetteer Materials, III., pp. 302 and 304.

Bombay Rental, 1727.

<i>Land.</i>		<i>Xs.</i>	<i>Miscellaneous.</i>		<i>Xs.</i>
Mazgaon	...	4,000	Colaba...	...	4,500
Varli	...	700	Koliwadas	...	7,000
Parel	...	4,000	Salt	...	2,650
Vadala	...	1,900	Distilleries	...	2,000
Naigam	...	1,000	Customs	...	52,000
Matunga	...	1,700	Tobacco	...	49,000
Sion	...	2,725	Spirits	...	12,000
Bombay	...	30,424	Quit-rents	...	3,000
Mahim	...	50,000	Ferries	...	12,000
Total		95,749	Total		1,44,150
Grand Total Xeraphins 2,39,899					

The following table shews the various heads of receipts and the collections under each head in the year 1735-36 :—

I —Rents and Revenues under the care of the Collector of Bombay—

Tobacco rent ¹	...	Rs. 29,225
Arrack rent ²	...	,, 14,300
Rent of the Old Woman's Island	...	,, 200
Rent of Malabar Hill	...	,, 131
Rent of brab trees on Butcher's Island	...	,, 15
Pension ³	...	,, 7,229
Quit and Groundrent	...	,, 5,461
Cooleries ⁴	...	,, 2,366
Petty tributes (on Company's estates).		
Salt grounds ⁵	...	,, 1,492
Batty grounds ⁶	...	,, 7,745
Miscellaneous ⁷	...	,, 1,952
Total Land Revenue		,, 70,116

¹ This was let out to the highest bidder for the sole liberty of selling country tobacco to the inhabitants. (See account of Tobacco Revenue).

² This was let out for the sole liberty of selling arrack and toddy to the inhabitants. (See account of Excise).

³ See Chapter on Land Administration. The amount agreed to by the inhabitants in 1672 was Rs. 20,000. Since that date several parts had fallen into the Company's possession, and the pension was proportionately reduced.

⁴ This was one of the items of the land revenue. It was a head tax collected from every Koli for the liberty of fishing and following other occupations. The head money paid by the fishing Kolis.

⁵, ⁶ and ⁷ See next page.

II.—Customs—

Imports and exports ⁸	Rs. 62,234
Contribution to the Town wall ⁹	„ 14,590
Weighing and measurage duty ¹⁰	„ 2,827
Additional pepper duty ¹¹	„ 945
Convoy duty ¹²	„ 1,290
Excise on Punch houses ¹³	„ 1,310
Duty towards building a new Custom House	„ 8,488
Total Customs	„ 91,684

was Rs. 3 to 4 a year. It was specially for those who followed callings other than fishing. Palanquin Kolis paid the same as fishing Kolis.

⁸ It was a duty on the salt made by persons on the pits belonging to the Company. The rate was fixed for each pit or was on produce. Half of what was actually made was given to the Company.

⁹ The batty grounds in general belonged to the Company and were cultivated by the Kunbis who used to give half of the produce to the Company. (See also Land Administration).

⁷ Includes tribute paid by the Bhandaris for drawing toddy from the Company's trees, and by Kolis for fishing. It also includes rent of sundry hills and small pieces of ground.

⁸ All goods imported and sold paid 3 per cent. Sundry articles were allowed free, and articles whose importation was judged detrimental paid special duties, e.g., timber, grain, plate and jewels were allowed free, and Indian tobacco was levied at 9 p.c., horses 6 p.c., soap 9 p.c., opium 9 p.c., country iron 9 p.c. The special export duty was levied on the following articles, which were necessary to the island:—Timber 5 p.c., grain 6 p.c., boats sold 6 p.c., salt 20 p.c., coconuts 9 p.c., cloth made in Bombay, 2½ p.c., sundry necessaries, such as corn, fish, and cudjans 9 p.c. (For further details see Customs).

⁹ This and the duty towards building a new Custom House were collected on all goods imported at the rate of 2 and ½ p.c. respectively. They were voluntarily paid by the inhabitants. The latter was originally given towards building the Church and when the Church was finished, it was applied to the Customs House and other services.

¹⁰ The weighing and measurage duty was ¼ p.c. on value of goods weighed or measured.

¹¹ This was a duty on pepper exported from the coast factories, levied to lessen the export of pepper on account of private persons.

¹² This was collected on small vessels belonging to the island (that did not pay tonnage). It was paid for every trip and varied from Rs. 10 (vessels of 100 Khundies) to 20 (vessels above 150).

¹³ The liquor sold by retail was taxed as under:—Goa Arrack Rs. 15 the hogshead, Europe wine one rupee a dozen, Persian wine Rs. 5 a chest, &c.

III -Other Heads—

Coinage duty ¹	Rs. 12,174
Account freight ²	„ 13,265
Account tonnage ³	„ 6,184
Cocoanuts and oart rents... ..	„ 7,226
Batty produced by salt grounds	„ 49
Pier and waterway... ..	„ 398
Fine, confiscation, interest, etc.	„ 9,614
	<hr/>
Total of III	„ 48,910
	<hr/>
Grand Total	„ 210,710
	<hr/>

By the close of this period (1744) the land revenue of Bombay had risen from Rs. 25,000 in 1728 to Rs. 35,000 and the customs revenue from Rs. 89,000 in 1735 to Rs. 1,19,000, while the tobacco and arrack farms fetched Rs. 44,000 and Rs. 27,000 respectively against Rs. 25,000 and Rs. 10,000 in 1725. Including miscellaneous receipts, which aggregated half a lakh in 1735-36, the total revenue of Bombay in 1744 must therefore have been at least 3 lakhs.⁴

The Honourable William Wake introduced during his governorship regular measures for reducing the charges and increasing the revenue. Encroachments upon the Company's property were checked by the introduction of a survey of the island under a special officer styled "clerk of the works," and the registration of deeds of sale in the Secretary's office was made compulsory. A good deal of land improvement was also executed. When he retired in 1750 he delivered to his successor, Mr. Bouchier, Rs. 97,766 as the balance of the current cash, Rs. 58,842 as the bank balance, Rs. 3,00,156 as the treasury

¹ It was settled at 1 p.c. on coins brought for coining at the mint by merchants.

² Goods were freighted on such terms as could be settled. Gold and silver brought on Company's ship paid 2 p.c.

³ Includes tonnage collected at Surat. It was collected for the pass given to vessels at the rate of 1 rupee a ton.

⁴ It is not clear how much was received annually as judicial receipts. The Mayor's Court deposited cash in the Company's treasury from time to time. In 1747, for example, it paid Rs. 6,000. (Bombay Gazetteer Materials, III, 15).

balance and £5813 as the balance of the foreign silver. The revenue however still fell short, it appears, of the expenditure; for in 1752 the Court asked the President to do all in his power "to encourage trade and augment the number of substantial inhabitants at Bombay that we may at least have the satisfaction of finding the revenue adequate to the charges and expenses."¹ Bouchier certainly did a great deal towards the increase of the island's trade, and simultaneously augmented the customs revenue by Rs. 14,504.² He also increased the Company's rents;³ he levied a 10 per cent. tax on landed estates in 1758; and took in hand the management of the batty grounds and salt pans to such good purpose that the revenue from them rose from Rs. 10,000 in 1751 to Rs. 12,000 in 1758. The land revenue which had declined to Rs. 29,000 in 1751-52 rose to Rs. 36,000 in 1759-60; the customs revenue increased to Rs. 1,64,000; and the rent of the tobacco farm rose from 46,000 in 1748 to Rs. 67,000 in 1760. No noteworthy measures were introduced between 1760 and 1805; but during the greater portion of this period, when the Bombay Government was prosecuting campaigns against the Maratha power and Mysore, they found great difficulty in meeting their expenditure. The financial distress under which they laboured in 1781 is portrayed in the order to Colonel Hartley to cover as much of the Konkan as possible, so as to enable the agents of Government to collect a part of the revenues and secure the rice harvest; while in his reply to an address presented to him at the close of the Mysore war, Lord Wellesley referred to the loan of 3 lakhs towards the prosecution of war with France which the Bombay Government had been forced to raise by public subscription. Meanwhile however the revenues were steadily increasing; the customs duties were revised; and the rent from reclaimed lands showed an upward tendency year by year.

¹ Bombay Gazetteer Materials, III, 373.

² See Customs article.

³ In 1755 the Court wrote:—"It gives us great pleasure to observe by your last sell-off books that our rents and revenues are increasing and that they exceed the amount of the preceding years by upwards of Rs. 60,000."

The later financial history of Bombay can be gathered from the succeeding chapters on Customs, Cotton Duties, Salt, Excise, Tobacco, Income-tax, Stamps, Registration and Steam Boiler Inspection. The following statement shows the receipts and disbursements in Bombay in thousands of rupees in 1890-91, 1900-01 and 1905-06, excluding military, post-office and telegraph transactions¹:—

	Receipts.			Disbursements.		
	1890-91	1900-01.	1905-06.	1890-91.	1900-01.	1905-06.
Land Revenue	3,75	2,72	4,27	1,05	80	1,61
Stamps	18,16	20,53	26,31	54	54	60
Excise	24,61	29,97	40,48	54	96	80
Justice	67	98	1,80	11,17	12,26	14,08
Assessed Taxes	16,89	20,35	23,33	36	44	60
Customs	25,38	1,49,78	2,10,26	3,36	6,34	7,72
Mint	20,47	3,27,87	1,19	5,64	3,20,68	8,15
Registration	66	72	1,23	39	22	22
Education	76	89	1,04	5,40	5,16	7,70
Police	1,00	1,59	1,65	6,64	11,60	11,64
Medicine	78	1,32	1,68	5,60	13,29	11,13
Other Sources	3,60,17	3,68,69	2,21,66	37,51	43,00	47,48
Total	4,73,30	8,65,41	5,34,90	78,20	4,15,29	1,11,73
Steam Boiler Inspection Fund	38	50	61	17	32	52
Govt. Central Book Depot Fund	1,44	94	82	95	89	83

Bombay by reason of its magnificent harbour has become the entrepot, not only of the commerce of Western India, and of the Gulfs of Arabia and Persia, but also of Great Britain and other foreign countries. The prosperity of Bombay in this respect has been materially strengthened by the propriety with which the scale of duties levied on imports and exports has been adjusted from time to time and the simplicity with which they have always been collected at the port. Customs.

The legislative enactments affecting the sea-customs of the Bombay Presidency were few and their direct operation was limited to the two ports of Bombay and Surat until the year 1827, when a general regulation was passed for the management of the customs at the subordinate ports as well as at the main port of the Presidency.

¹ This does not include revenue derived in the Public Works Department, which amounted in 1907 to Rs. 59,000.

In 1667 the customs were farmed for 18,000 Xeraphins, while from 1670 an "indulgence of 5 years custom free" was granted. In 1676 the duty was fixed at $2\frac{1}{2}$ per cent. besides one per cent. appropriated to fortifications. An anchorage duty of one rupee per ton was also levied on all ships in the same year. The collection of duty was farmed out by the Company.¹ The customs revenue in 1675 was 31,050 Xeraphins. Other items included in the customs but separately farmed were tobacco (20,300), arrack (5,050), Mahim passage (850) and Sion passage (360). Customs duty on all goods was raised to 5 per cent in 1685, to defray naval and military charges.

This system appears to have continued till 1715 with little alteration. In that year the Court being desirous of encouraging the trade of Bombay, directed the custom to be reduced to 3 per cent., and for the general benefit of the island all duties upon butter, oil, rice, paddy and wheat were also taken off.² In 1717 a consulage duty of 2 per cent. was ordered by the Court to be imposed on all goods imported into Bombay from Madras and on all other ships under the Company's protection trading in Bombay. This was followed in 1720 by an order to the effect that all goods belonging to persons living under the protection of the Company, which had paid the duties of this island, be exported custom-free to Surat or to any other port at which the Company enjoyed privileges, and that goods exported from Surat and other Mughal ports which had paid a 2 per cent. duty on export, should be allowed to set off the payment against the charges levied in Bombay.

In 1720 a debate arose whether the additional duties (collected with the customs) towards carrying on the war against Kanhoji Angria and for finishing and repairing the church should be continued or not. It was decided that the duty towards carrying on the war against Kanhoji Angria should be taken off, and only the $\frac{1}{2}$ per cent. for repairing the church be continued.³ At the close of the year how-

¹ Surat Council to Court, 17th January, 1676. In the words of the letter the customs were exposed to sale "by the inch of candle" and were raised to Xeraphins 31,050 per annum.

² Bombay Gazetteer Materials III, 294-295.

³ Bombay Gazetteer Materials, III, 323-24.

ever, an additional duty of 2 per cent. for the term of six months was levied at Bombay, Persia, Surat and Mokha in order to defray the great expense incurred by the Company in fitting out fleets to go in search of the "pirates and other pickeruns" on the coast. The customs dues of one rupee a ton on all shipping entering the harbour, which were abolished for a time, were re-levied in 1720.

The following remarks of the President show details of the levy of customs-duty about 1737 :—

"(a) All goods imported and sold pay 3 per cent., unless they have already paid duties at Surat or Cambay. The only exception to this 3 per cent. duty is in the case of sundry articles whose importation being judged of advantage is allowed free, and of others whose importation is judged detrimental, and is subject to special duties. These articles are :—timber free, Indian tobacco 9 per cent., grain free, horses 6 per cent., jewels free, soap 9 per cent., plate free, opium 9 per cent., country iron 9 per cent.

"A special export duty is levied on the following articles which are necessary to the island, *vis.*, timber 5 per cent., grain 5 per cent., boats sold 6 per cent., salt 20 per cent., cocoanuts 9 per cent., cloth made in Bombay $2\frac{1}{2}$ per cent., sundry other necessaries, such as corn, fish and *cajans* 9 per cent.

"The duties of Bombay paid by the traders are esteemed as reasonable as at any port in India. When it is considered that goods brought from Bengal have already paid a consulage there and if exported from hence to Persia pay another duty at that place, we cannot suppose the Hon'ble Company will think it reasonable to augment the one without taking off the other. In this respect we trade on a more disadvantageous footing than the Moors, who, having paid the Mughal's duties at one of his ports, are at liberty to carry their goods to all the rest within the year custom free. We can from experience affirm that the Hon'ble Company are the greatest gainers by the private trade carried on by the English in India. The amount of this article in 1735-36 was Rs. 62,234.

"(b) The Town wall duty was voluntarily paid by the inhabitants of Bombay to defray the expenses of building

the town wall. They no doubt expected, when the cost was repaid, they would be relieved from the duty, though, I believe, they may be prevailed willingly to continue the 2 per cent. if our Hon'ble Masters gratify them in relinquishing the ground and quit rent. I am inclined to hope our Masters will agree to this proposal. The difference will be greatly in their favour, and by their compliance the body of our merchants will be gratified and our poor relieved. The amount of this item was Rs. 14,591.

“(c) The duty towards building a new Custom House is collected on all goods imported; it was originally given towards building a church and when the church was finished the merchants hoped it would be taken off. It has since been applied to the Custom House and other services, $3\frac{1}{8}$ per cent. being collected upon all imports without separating this duty from the real customs. The traders seem to despair of being relieved from this duty, though when a donation of that kind is made, they think it ought to be applied to no other use and ought not to be continued after the work for which the duty was first levied is completed. The amount collected was Rs. 8,488.

“(d) All goods weighed and measured at the Custom House pay $\frac{1}{4}$ per cent. on their value over and above the customs contribution. This in effect increases the custom to $3\frac{3}{4}$ per cent. This duty was laid on by the late President and Council and has been submitted to by the traders in general who do not pretend to dispute the Hon'ble Company's power of levying and continuing what duties they please on the trade carried on under their protection. In spite of this whether the over-burthen of it will not have a bad effect and lessen the customs revenue is referred to our Hon'ble Masters. The amount realized was Rs. 2,828.

“(e) I cannot but confess I think the pepper duty a hardship on the English traders who alone are subject to it. I apprehend the original design of the tax was to lessen the export of pepper on account of private persons from the Hon'ble Company's settlements. But it has been taken in a much more unlimited sense; for this duty is collected on all pepper sold by the English traders in any of the Hon'ble Company's settlements, though

bought from such parts of the coast as no ways interfere with our Hon'ble Masters' trade. Nay the duty was carried even further and collected on pepper bought at Cochin and sold in China. From this we were obliged to desist on the Dutch threatening to deny us the liberty of their port. As at this time all merchants (except those under the English protection) can buy pepper at Karwar, Onor, Cochin and other parts of the coast where our Hon'ble Masters have not settlements, and sell it at any market in India without paying this additional duty, the levy puts the English on a worse footing as regards pepper than any other merchants, even than the Moors or Banias. It is to be hoped that the Hon'ble Company taking the same into their consideration will be pleased to relieve them by taking it off. The amount in 1735-36 was Rs. 946.

“(f) Convoy duty is collected on small vessels belonging to the island (that do not pay tonnage) according to the following rates:—Those under 100 khandis, Rs. 10; from 100 to 150, Rs. 15; from 150 upwards, Rs. 20. Vessels pay this duty every trip and some boats make two, others three voyages in a season. As upon such boats the convoy duty amounts to more than the tonnage, I think it is for the Company's interest not to attempt to enhance this duty. The amount collected was Rs. 1290:

“(g) All private ships that take in water at this port pay Re. 0. qr. 1 res. 60 a ton for the same. The amount of the pier and waterway duty is small and will not admit of any considerable addition. The collections were Rs. 398.

“(h) Account freight is very uncertain. Goods are freighted on such terms as can be settled. All gold and silver belonging to black merchants brought on the Company's ships or vessels from Persia or the Red Sea, pay 2 per cent. and from Basra 27 the thousand, and what belongs to the Company's covenant servants pays 1 per cent. Should this duty be augmented the merchants would freight on other vessels on more easy terms. It is certainly the Company's interest to continue the rate as hitherto. The encouraging the merchants to freight their money to this island is of very great consequence to the Hon'ble Company as well as to the merchants of the place. For the greatest

part of the silver freighted on the Company's vessels is coined in our mint; whereby the Company receive an advantage, besides the freight. And the proprietors of such silver being generally the northern merchants export near the whole amount of it in goods, which tends to the benefit of the island and the increase of the Hon'ble Company's customs. The realizations in 1735-6 were Rs. 13,265.

“ (z) All ships that take our pass pay one rupee the ton to the Company, which duty is also collected on the English ships from the other side of India. Also all foreign boats belonging to the inhabitants of Cutch, Sind and other places are obliged to take our pass and pay the said duty of one rupee a ton. Many of those people think it very hard to be obliged to take our pass on such terms, pleading that without passes their vessels and boats would be as safe from any of the pirates who infest this coast. Therefore, whether it will be prudent to attempt increasing this article of the Hon'ble Company's revenue and hazard the whole by disgusting these traders must be submitted to their consideration. The amount collected here and at Surat in 1735-36 was Rs. 6184 ”.

In 1744 a set of orders for the guidance of the Bombay Customs Master was published, in which it was ordered that all merchandize imported by Europeans, subject to certain exceptions, should pay a duty of $4\frac{1}{2}$ per cent., of which 1 per cent. was allocated to the Town Ditch and $\frac{1}{2}$ per cent. to the new Custom House. Goods imported by native merchants in three-masted vessels paid $4\frac{1}{2}$ per cent.; but when imported in smaller vessels paid an additional 2 per cent. towards the cost of the Town Walls. Grain and timber exported by native merchants paid a duty of 5 per cent.¹ In 1747, the Court wrote to Bombay that they did not think it reasonable that merchants should pay customs duties on goods that had not been landed, nor that they be any longer charged for the Town Ditch or Walls as their engagements upon these heads had been fully complied with. From what date the duties were abolished is not

¹ Bombay Gazetteer Materials, III,

known. In 1752 a special 1 per cent. duty *ad valorem* was levied in addition on the value of all goods imported and exported at Bombay and Surat in ships hired of the Company and in all country ships and vessels whatsoever, that were entitled to the Company's protection and bore the English colours, subject to the proviso that the said duty was not to be levied on shibars, galivats and boats that supplied the island of Bombay with timber, wood, fruit, grain, cattle or provisions of any kind from the adjacent rivers and countries. In 1765 the Bombay Customs Master brought to the notice of Government instances of evasion of payment of duty at Surat by merchants purchasing cotton at Jambusar instead of Surat and afterwards landing it at Bombay for exportation. In order to prevent this, Government ordered that all goods coming from the northward, notwithstanding that they might have been landed for exportation, should pay the usual duties, unless they could produce a certificate of their having paid them at Surat, and that the duty on cotton be levied agreeably to its valuation there. The Customs Master was likewise ordered to oblige all merchants not under the Company's protection, bound from the southern to the northern ports, who came in at Bombay for the benefit of convoy, to deliver in an account of their cargo upon their arrival. On this cargo the Customs Master was ordered to levy the duties, valuing the same 10 per cent. under the market price. The same rule was ordered to be observed also with respect to all merchants under the Company's protection, who proceeded to the northward without landing their goods at Surat. But such as declared their intention of proceeding to Surat and landing their goods there were exempted from the above rule. Government also made it a standing rule to levy customs on all goods imported and remaining unsold on the 31st July every year at the market price the respective goods might bear at that time.

The customs collections at Bombay during the nineteen years ending 1773-9 fluctuated between Rs. 1,57,000 (in 1761-62) and Rs. 3,25,000 (in 1777-78) and averaged about Rs. 2,01,000 in the first ten years and about Rs. 2,84,000 in the last nine.

The first Customs Regulation (Regulation VI of 1799) was passed in 1799 and was "principally founded on the Regulation passed by the Bombay Government in 1795, in pursuance of orders of the year preceding from the Court of Directors and with various subsidiary rules now reduced into form." Under the Regulation an import duty of 2½ per cent. was levied on manifest prices with an established advance, grain was exempted from duty, and export duties were withdrawn. Duty was also collected on arrack and tobacco imported by farmers according to their leases. A duty of Rs. 100 was levied on each slave imported. In 1805 the above regulation was amended and an addition of 1 p.c. was made to the rate of duty, raising it to 3½ per cent. This additional duty was originally intended to cover the expense incurred in protecting trade by means of armed vessels and the Company's Marine. Under 'Land Customs' a town duty was established at Bombay by a Regulation of 1803; and the Customs Master was directed to collect it. This duty was 4 per cent. upon the prime cost, with advances as in the case of the sea customs at Bombay. The articles liable to this duty were shawls, pepper and spices, sandal-wood and rose-water, sugar and molasses, oil, ghi and turmeric, tobacco, betel-nut and leaf, piece-goods, wax candles and saltpetre. Wine, beer and liquors were subjected to certain fixed duties. Cotton paid one rupee per *khandi*. Certificates from the other Presidencies, exempting from sea customs at Bombay, were not to exempt from the town duty, if the goods were otherwise liable thereto. Certain of these articles for re-exportation were allowed to be warehoused. But the privilege of drawback was withheld on re-exportation of any articles taken out for town consumption on payment of the duty. This town duty was abrogated in 1805, but re-imposed on May 1st, 1810. Ghi, turmeric, oil for culinary purposes, betel-nut and leaf were excluded from the above list, and China piece-goods* and nankeens added to it; as well as *bhoesing*, *cocum* and tamarinds, which latter were thenceforth to be exempted from sea-customs. Town duty was imposed upon pearls, precious stones and jewellery.

The rules of the port of Bombay remained unaltered till 1813, when the general regulation passed by the Court of Directors for the conduct of the trade of British India with foreign nations was promulgated for the three Presidencies. This and the subsequent Regulations, enacted by order of the Court for the port of Bombay were nearly word for word the same as those for the other Presidencies.¹ Under this Regulation the rate of duty at Bombay upon goods imported in foreign bottoms was raised from $3\frac{1}{2}$ per cent. to $4\frac{1}{2}$ per cent. with the advance of 60 per cent. as before, which made the rate of duty $7\frac{3}{16}$ per cent. On exports it was fixed at $3\frac{1}{2}$ per cent. on the invoice value for goods purchased at Bombay, which, with the original import duty of $3\frac{1}{2}$ per cent., averaged about the same as the import duty of 7 per cent. In 1815 when the trade between Great Britain and India was rendered, with respect to some articles, free, and the duty on others was reduced to $2\frac{1}{2}$ per cent., the port of Bombay shared in the benefit of the reduction of duty ; and by a special enactment, published in 1817, the duty on goods coming from other European countries in British or registered ships, which in 1815 was at the three Presidencies fixed at 5 per cent., was at Bombay again reduced to $3\frac{1}{2}$ per cent., being the rate of duty levied prior to promulgation of Regulation XIII of 1815. Imports of British goods originally imported by British ships at any port in the Company's territories, and coming thence under certificate to Bombay or any subordinate port were declared free. And at the same time British free imports were, on import from Bombay at any subordinate port, admitted to free entry. The rule originally obtain-

¹ The only enactments of a strictly local nature passed between 1805 and 1827 were one (11 of 1810) for the regulation of the port of Bombay, embodying the rules for anchoring, port clearances, ballast, docks, pilotage, light-house and other dues, and matters arising out of the resort of ships to the port, but not connected with the customs or the passing of goods; one (VI of 1811), authorizing confiscation and sale of smuggled goods, conveying, in fact, a power hitherto wanted to legalize the acts of the officers of the Customs within the jurisdiction of the Recorders, now the Supreme Court; one (VIII of 1816), defining rules for entering manifests of country boats and one (II of 1826) for punishing bribery on the part of the customs officers. Report of Commissioners relative to the Customs and Post Office systems, India, pages 43-51, 1851, by J. C. Melville.

ing at Bombay was that all goods landed expressly for re-exportation as well as those transhipped in the harbour must pay the same duties as other goods and no drawback or exemption whatever was to be allowed. It was however modified in 1815 under the law then promulgated at all the three Presidencies for trade with United Kingdom and the whole duty on indigo, cotton, wool and hemp, the produce of British India, exported to the United Kingdom¹ was returned in drawback, and so much drawback was allowed on the export of all other articles as would reduce the amount of duty retained to $2\frac{1}{2}$ per cent. In 1827 a new regulation for the Port of Bombay and for the conduct of trade with foreign nations and with Great Britain was promulgated. It maintained the regulations for the Bombay town duties with certain modifications and provided for a tariff valuation, founded on a comparison of the invoice value of goods for the past three years with the market rate of such goods during the same period. This tariff was to be revised every three years by a committee composed of the Collectors of sea customs and land revenue of Bombay, with two more respectable merchants.² Meanwhile the inconvenience of the system under which the town duty was levied, led to a new arrangement, embodied in a new regulation of 1834, whereby a $1\frac{1}{2}$ per cent. duty was substituted for the old 4 per cent. duty, and all drawback was withdrawn except on goods exported direct to the United Kingdom, and then only to such extent as would reduce the total duty payable to Government to $2\frac{1}{2}$ per cent. In the same year the duty on cotton was fixed at a uniform rate of 5 per cent. on the tariff valuation, and all transit duties upon it were abolished.

For the six years ending 1834-5 the average annual receipts from sea customs were Rs. 9,77,000. The general

¹ In 1819 the title of Custom Master of Bombay was altered to Collector of Customs and Town Duties."

² When the regulations were remodelled in 1827 the provisions relating to wines and liquors in the regulations of 1803 and 1810 were, by an oversight, omitted, thus freeing those articles from town-duty. This oversight was remedied in 1835.

trade contributed Rs. 5,53,000. The following statement shows the rates of duty levied between 1799 and 1835:—

	Aggregate value including advance per cent. of rupees.	Rate of Duty by Regulation.		
		VI. of 1799.	I. of 1805.	X. of 1813 and II of 1822.
	Rs.	Rs.	Rs.	Rs.
<i>Duty on Imports.</i>				
On foreign bottoms	160	2½	3½	4½
On Europe, China and other foreign goods from Goa or other foreign European ports in India.	160	2½	3½	4½
On imports from Europe by the Gulfs of Persia and Arabia on all vessels, British, foreign or native.	160	2½	3½	..
From Batavia	125	4½	3½	..
From China and the Cape of Good Hope	120	2½	3½	..
From the Coromandel Coast, the Persian and Arabian Gulfs, Africa and Malacca.	115	2½	3½	..
From the Malabar Coast, (not British) Goa, Guzarat, Cambay, Cutch, Sind, Mahratta Ports, &c.	110	2½	3½	..
Trade with the United Kingdom	100	2½	3½	2½
For all other cases	100	2½	3½	3½
<i>Duty on Exports.</i>				
Of such articles as may have been purchased at this port, and exported on foreign bottoms, or exported under British or foreign colours to Goa, &c., foreign European port in India and ultimately intended for Europe, China or any foreign Asiatic State.	100	None.	None.	3½
	Invoice valuation.			

From 1859 to 1864 the general rate of import duty was 10 per cent., this heavy rate having been imposed by the Government of India as one of the means of redressing the financial position which had been seriously affected by the Mutiny of 1857. The rate was found to be so high that it operated to restrict consumption, and in 1864 it was reduced to 7½ per cent. The general rate of export duty from 1859 to 1867 was 3 per cent. Many articles were subject to taxation in 1859, but the list was gradually reduced until, in 1867, it consisted of cotton manufactures, indigo, rice, wheat and other grains, tanned and dressed hides and skins, lac, oils, seeds, spices and shawls. The import rate of 7½ per cent. was further reduced in 1875 to 5 per cent. In 1878 the question of abolishing the customs duties was raised.¹ The Government of India desired to give full play to free trade principles and the Lancashire cotton manufacturers finding a competitor in the growing Indian industry were pressing for the removal

¹ For further details see Imperial Gazetteer of India, Vol. IV.

of the artificial advantage given to the latter by the 5 per cent. duty. The first step was the repeal of the duty on cotton goods containing yarns not finer than 30's¹ if similar in character to goods already manufactured in India. Railway material was exempted from duty and about 25 minor items were removed from the dutiable list. In 1882 Government abolished the rest of the cotton duties and all the general duties except those on liquor, arms, opium and salt. Until 1894 no further import duties were levied, except a duty of half-an-anna per gallon on petroleum, first levied in 1888.

Until 1860 the bulk of the export trade was taxed, and the general rate in that year was 3 per cent. *ad valorem*. Many articles were exempted between 1860 and 1865, and by 1874 the list comprised only cotton goods, grain, hides, indigo, lac, oils, seeds and spices. In 1875 it was further reduced to oil, rice, indigo and lac: but in 1880 the duty on lac and indigo was remitted, and from that date rice has been practically the sole source of export revenue.

In 1894 the heavy burden thrown on the Government of India by the fall in exchange made it necessary to consider how to increase the revenue. The import duties were reimposed and the tariff was re-established by the Government of India much as it had stood in 1875 subject to some alteration and to a revision of valuations. Imports generally were subjected to duty at the rate of 5 per cent., but a few articles remained exempt from duty, the most important being food-grains, machinery, railway materials, and coal, cotton yarn and manufactured goods. Most classes of iron and steel were taxed at the low rate of 1 per cent.

In December 1894 cotton yarn of a certain fineness and cotton manufactures containing such yarn were made dutiable at the general rate of import duty (5 per cent.), but a further change was made in February 1896, when cotton yarn and cotton securing thread were exempted from duty, and the rate of duty on all other cotton goods, irrespective of fineness, was reduced to 3½ per cent. This

¹ Cotton yarns are said to be of 20's, 30's, &c. counts when not more than a like number of hanks of 840 yds. go to the pound avoirdupois.

reduction in duty and the encouragement given to speculative purchases by the exaggerated reports circulated in 1896-97 as to the shortness of the American Cotton crop, led to an increase in the Bombay imports to the extent of nearly a crore of rupees in value, the total amount being 726½ lakhs.

In 1896 the exemption of machinery was restricted to machinery required for certain specified industries, and from time to time additions were made to the industries. In 1899 the restriction was removed, and all machinery was exempted without reference to the industry for which it was required. In 1894 a special import duty on sugar in certain cases was levied. With effect from March 1899 a countervailing duty was imposed on bounty-fed beet sugar from foreign countries, that it might not affect the Indian industry and with the intention of counteracting bounties paid directly or indirectly by foreign Governments. The manufacturers in the chief beet-growing countries obtained high prices in the home markets, owing to the operation of the protective duties, so that they were able to sell their surplus stocks at rates considerably below cost prices. Further duties were therefore imposed in 1902 on sugar imported from countries which by their protective system rendered possible the formation of trade combinations to manipulate the price of sugar. A customs duty, at the rate of a quarter of a pie per pound, has also been levied from the 1st April 1903, on all tea produced in India and exported from any customs port to any place beyond the limits of British India, the collections being paid to a Committee for promoting the sale and consumption of Indian tea.

The customs receipts from 1800-01 down to 1908-09 are given in appendix I. The gross receipts of the Customs at Bombay during the year 1907-08 amounted to Rs. 227 lakhs and were the highest on record at Bombay. The export receipts, which were derived from the duty on rice and rice flour exported to foreign countries, aggregated Rs. 2 lakhs and the receipts from imports were Rs. 224 lakhs.

Act XVII of 1894, which imposed a 5 per cent. duty on cotton yarn over 20's count spun in British Indian mills, came into force on the 27th December 1894, and was repeal-

Cotton
Duties.

ed with effect from the 22nd January 1896. On the 3rd February 1896, a new Act (II of 1896) was promulgated, which imposed a duty of $3\frac{1}{2}$ per cent. on cotton goods produced in British India, "cotton goods" being used to denote all manufactures of cotton except yarn and thread. The duty thus leviable is collected by the Collector of Bombay in the form of an assessment on the monthly returns of cotton fabrics issued from the mills, exemption from assessment being granted in the case of all fabrics exported to "declared" foreign ports. The tariff values for the various classes of cotton goods are from time to time revised. The revenue collected under the old Act from mills in Bombay city amounted to about $4\frac{3}{4}$ lakhs; and when the new Act came into force in 1896 the stocks of cloth awaiting issue from the mills on the date of the passing of the Act were allowed to be issued free. These stocks amounted to about $1\frac{1}{2}$ million lbs., and took nearly two years to pass entirely out of the mills.

The following table shows the revenue collected under the Cotton Duties Act from mills in Bombay city since the year 1896 :—

Year.	Number of Mills.	Quantity of cloth produced.	Net collection of duty.
		Lbs.	Rs.
1896-97	33	4,831,476	6,02,000
1900-01	32	58,239,742	7,16,000
1905-05	41	95,592,707	15,68,000
1908-09	44	107,274,581	21,52,000

Of recent years there has been a marked increase in the production of the city's mills. Those which are furnished with both spinning and weaving machinery number 38, and produce annually about 110,000,000 lbs. of cloth *i.e.*, 71 per cent. of the total produce of the mills in the Presidency) and export about 10 million lbs. The chief classes of goods produced are chadars, long-cloth, domestics, dhotis,

shirtings, T cloth, sheetings, and coloured and fancy goods, and of these long cloth, T cloth; chadars and domestics are the chief kinds exported. The markets for these goods are Zanzibar, Mauritius, Aden, German East Africa, Portuguese East Africa, Persia, Hongkong, Shanghai, Arabia and the Straits Settlements.

At the earliest period of which record remains, there appear to have been salt-works in the northern portion of the island. In 1686, for example, the Padre Superior of Bandora was summoned for converting the Company's fishing-weir at Rauli into a salt-pond, and in 1731 about Rs. 800 were expended in enlarging the salt-pans at Vadala. The system in vogue in the middle of the eighteenth century was that "the Kulambis or husbandmen" manufactured the salt and paid the Company a *toka* (rent) or moiety of the annual product of the pans, which were in charge of Portuguese stewards directly responsible to the Company's revenue officials. While the rules regarding the export and sale of salt laid down that for the first two or three months of every year, or until 50 *ras* had been sold, the Company alone had the right to sell salt; and that on the expiry of that period the sales by the Company (on behalf of themselves and of the Kunbis) and the sales by private salt-manufacturers should be in the ratio of two-thirds to one-third. In 1751 all the salt-pans, belonging both to the Company and private persons, were farmed out together for a period of seven years at the rate of Rs. 9,725 a year, the joint farmers being Bhiku Sinay (Shenvi), Newrekar and Manoel Texeira. The farmers were permitted to sell at what rate they chose, to export whither they pleased, and to maintain an entire monopoly of sale, so long as they had any salt to dispose of. On the expiry of the term of this contract a petition was received by the Council from the inhabitants of the island, who alleged that the farmers charged too high a price, sold very impure salt, and would not deliver salt from house to house, as the Kunbis formerly did. In consequence, the new contract of 1758 contained more stringent provisions, the chief of which were that the retail price of salt should never exceed by more than 50 per cent the price paid at the pans, that the Collector should regulate and publish

Salt Revenue
General
History

the selling-prices once a fortnight, and that the farmers should always maintain twelve retail-shops open every day from sunrise to sunset in different localities.¹

This system of periodically farming out the salt-pans at Matunga, Rauli, Vadala, Shaikh-Misri, and Sewri proper seems to have continued until the early portion of the nineteenth century.

The later history of the salt-revenue of Bombay city cannot be dissociated from that of the salt-revenue throughout the Presidency. As early as 1816 the question of organizing a regular revenue from salt attracted the attention of the Bombay Government, and in 1823 they submitted to the Court of Directors a proposal to establish a salt-monopoly, similar to that at Madras, at a maximum selling-price of 45 pounds to the rupee, or Rs. 1-13-6 per Indian maund, which was estimated as equivalent to an annual tax of 4 annas per head of population. This proposal was however negatived, on the grounds that the Bombay Presidency was still unsettled and depressed, and that such a monopoly might cause a scarcity of salt. Three years later (1826), however, both the Court of Directors and the Bombay Government approved of a suggestion of Mr. Bruce, a member of the Bombay Customs committee, to substitute an excise duty on salt, equivalent to annas $6\frac{1}{3}$ per Indian maund, for the various transit and town duties, taxes on crafts and professions, and similar cesses then in existence. Much correspondence took place on the question; and in 1836 the whole proposal was referred for decision to the Indian Customs committee, then sitting in Calcutta, which came to the conclusion that an uniform excise and import duty of 8 annas per maund on salt was the most suitable method of replacing the objectionable transit-dues. Accordingly Act XXVII of 1837 was passed, which imposed an excise-duty of 8 annas per maund on all salt delivered from any work in the territories of the Bombay Government, forbade the manufacture of salt without previous notice being given to the Collector, and em-

¹ For further details of prices, quantity exported between 1735 and 1748, and for the full text of the farm-contract, see *Bombay Town and Island Materials*, II., 164-175.

powered the Collector to arrange to keep accounts of all salt manufactured and stored and to prevent smuggling.

This Act was followed by Act I of 1838, which established a revised system of sea and land customs, imposed an import-duty of 8 annas per maund on salt imported from foreign territory, and abolished the transit-dues which had been suspended in 1837. The practical effect of this measure, which also provided for preventive cordons and abolished various petty taxes amounting to about 6½ lakhs a year, was a loss on transit-dues of 16·6 lakhs and an average annual revenue from salt of 14 lakhs. To recoup the net annual loss of 2½ lakhs, the excise-duty on salt was raised by Act XVI of 1844 to one rupee per maund, being subsequently reduced to 12 annas per maund, in accordance with orders received from the Court of Directors; and to obviate the smuggling which the rise in duty tended to produce, Act XXXI of 1850 was passed, which legalized the levy of an import and export duty equal to the excise-duty and imposed various measures on unauthorized manufacture of and traffic in the commodity. In 1856 there were 22 salt-works, which produced annually about 600,000 maunds of salt.

The financial difficulties of 1859 urged the Bombay Government to increase the excise-duty; and after the question had been referred to a committee, composed of the two Revenue Commissioners and the Commissioner of Customs, the rate was enhanced, with the approval of the Government of India, to one rupee per maund on the 17th August in that year. In 1861 the rate was enhanced to Re. 1-4-0 per maund, the increase being legalised by Act VII of 1861, which empowered the Governor-General in Council to raise the Bombay tax to Re. 1-8-0 per maund; in January 1865 it was raised to Rs. 1-8-0 by notification; in 1869 it was increased to Rs. 1-13-0 and again in 1877 to Rs. 2-8-0 per maund. A slight reduction to Rs. 2 was effected in 1882, but in 1888 it was again found necessary to raise the rate to Rs. 2-8-0, which subsisted unaltered for fifteen years. A large surplus of revenue, however, enabled the Government of India to

reduce the tax to Rs. 2 in March 1903, and again to Re. 1-8-0 in March 1905. Act X of 1882, it may be noted, empowers the Government of India to raise the salt-tax to Rs. 3 per maund.

The increase in production and in sale throughout the Presidency necessitated the formulation of an elaborate system for checking the trade in contraband salt, which was described by Mr. Plowden in 1856 as having attained large proportions in Bombay. Accordingly Mr. W. G. Pedder was appointed in 1869 to enquire into the salt administration of the Presidency, and in 1870 submitted a report showing that the contraband trade in salt amounted to more than 800,000 maunds a year; that all the salt used in Bombay city as well as 31,000 maunds exported from it was smuggled salt, and that the bulk of the smuggling took place at the regular salt works. To put a stop to this illicit traffic, Mr. Pedder also formulated exhaustive proposals, which contemplated *inter alia* the stoppage of the free export of salt to Calcutta and the Malabar Coast, and the formation of a new Salt Department under a Collector and Assistant Collectors, aided by a strong staff of Preventive and Coast Guard Officers. These proposals were approved by the Bombay Government and by the Government of India in 1871, and Mr. (afterwards Sir Charles) Pritchard was appointed to carry out Mr. Pedder's suggestions and to draft a new Salt Act which eventually came into force as Act VII of 1873. Mr. Pritchard had no easy task before him; but, in spite of considerable opposition and an actual strike among the salt-makers, the new arrangements were introduced by him during 1874 and 1875 with what the Secretary of State characterized as "great intelligence" and "remarkable success."² Until the passing of Act V of 1882, the Collector of Salt Revenue was directly subordinate to Government, their immediate superiority being vested by that Act in the Commissioner of Customs, Opium and Abkari as Commissioner of Salt Revenue; and some further changes in the powers exercised by local officers were introduced by the Bombay

² Secretary of State's De-patch to the Government of Bombay, No. 2 of the 20th April, 1876.

Salt Act of 1890, which superseded the Act of 1873 and is still in force.¹

The manufacture of salt is only permitted under a license from the Collector of Salt Revenue, and no salt can be removed from a salt-work without a permit signed by the Sarkarkun. Besides the salt-tax a ground-rent at the rate of 3 pies per maund is recovered on salt sold and is credited as salt-revenue.² The duty on salt is recovered at the office of the Collector of Salt Revenue in Bombay city, where the trader is furnished with a receipt which he presents to the Sarkarkun, together with his application for removal of salt. If the trader executes a bond and deposits securities in promissory notes, he is permitted to remove salt on credit. The ground rent charges are paid in cash in the Sarkarkun's office at Matunga. All salt is checked by the Preventive officer at Matunga before removal to Bombay for local consumption or for consignment to other places. Under the orders of Government Matunga Salt is now (1909) issued free of duty for industrial purposes to various companies. The rate at which salt is sold at the Matunga works varies from one pie to 2 annas per maund, the greater portion being sold at one anna per maund. Formerly the prevailing rate was 2 annas; but the recent reductions in duty have resulted in a considerable reduction of prices, inasmuch as the trade on the one hand is expanding and on the other hand the capital required to finance it is about 37 per cent. less than it used to be.

Revenue and market price.

The repeated enhancements of the salt-tax up to 1888, coupled with a special demand for Bombay salt, engendered a large increase in revenue, which rose from 1½ lakhs in 1840 to 25 lakhs in 1902-03. The increase is also partly due to additional salt works opened during the last 25 years.

Smuggling and Preventive Measures.

¹ For further information see Mr. Pedder's report of 1870, the memorandum of the Government of India and the report of the Salt Committee of 1904.

² The Wadia Mahal salt-works at Matunga, being situated on Inam land, are exempt from this charge.

The subjoined table shows the annual average production, sales and revenue of the Matunga salt-works from 1860-61 to 1908-09 :—

Period.	Produce in maunds.	Sales in maunds	Revenue. Rs.
Ten years ending 1869-70...	668,623	644,318	93,443
„ „ „ 1879-80...	562,513	539,749	8,23,340
„ „ „ 1889-90...	630,163	588,529	11,53,648
„ „ „ 1899-1900.	820,513	801,742	19,89,577
Five years ending 1904-05.	1,036,793	954,350	21,29,427
For the year 1908-09.	965,333	910,064	8,83,751

Excise.

From the earliest period of British rule in Bombay, revenue was derived from the manufacture and sale of liquor, and the fact that there were two *bandvastaes* or distilleries on the island at the time of the cession seems to show that the Portuguese Lady of the Manor also derived a certain amount of revenue in this manner. Subsequent to the cession of the island, the earliest reference to the excise administration and revenue is contained in a letter from the Court of Directors to the Council at Surat of March 27, 1668, in which they describe the arrack-farm as yielding 2000 *pardaos* a year, while in 1672 the tavern-rents of the island were declared to have been farmed out for about 300 Xeraphins by Mr. Hill. In 1675 "punch-licenses" yielded 500 Xeraphins, and in 1676 the arrack-farms fetched 5340 Xeraphins.¹ In the latter year also a new tax styled *Rende Verde* or fresh customs appears to have been imposed upon oil, *bhang*, and *mahuda* or mhowra and was farmed out for 1600 Xeraphins, one of the conditions being that no one but the farmer should sell less than a maund (*man*) retail. By 1687 the proceeds of the arrack-farm had risen to 8800 Xeraphins, while in 1694 fresh regulations for the licensing of punch-houses were framed, in which it was laid down that licenses for the retail-sale of all sorts of

¹ Bombay Gazetteer Materials, III, 271.

wine, beer, mum, ¹ arrack should be granted only to persons of good behaviour and that fixed tavern-charges should be drawn up "to prevent extortion by the tavern-keepers in taking more for punch or wine than what had been formerly ordered and practised."² The receipts from the farm and the licensing of punch-houses gradually rose. In 1737 the liquors sold by retail in the punch-houses were Gca arrack, which paid a duty of Rs. 15 per hogshead; European wine of all kinds paying a duty of one rupee per dozen; Persia or Shiraz wine paying Rs. 5 per chest; drams in cases paying Rs. 5 per case; and brandy and beer, which paid a duty of 8 annas per dozen. The realizations from the punch-house licenses varied from Rs. 1,000 to Rs. 2,000. The arrack-farm rose gradually to Rs. 10,000 a year in 1728 and to Rs. 14,300 in 1734. Latterly they were let by public auction for a term of three years. In 1737 the Company, seeing that the Bhandaris had suffered under this system, advised the letting of the farm to them for Rs. 12,000, in view of their faithful services. This lease expired in 1740 and was again renewed. Shortly afterwards the Bhandaris complained that they suffered hardship under their Mukadam and besought Government to intervene. As a result certain new rules were framed appointing Esaji Naik as administrator of the farm on Rs. 30 a month, with four inspectors on Rs. 10 a month each, who were to ascertain what each Bhandari ought to pay. The rate per tree payable by the Bhandaris was definitely fixed; and the *Chaugulas* and *Patels* of the caste were, in pursuance of an old custom, allowed each to enjoy 36 trees free of all taxes. The general result was that the bulk of the Bhandaris obtained the trees at a smaller price than before and enjoyed the privilege of selling³ what they distilled in the most profitable manner, while the Company's rent rose to

¹ Mum was a kind of ale brewed from wheat malt.

² Bombay Gazetteer Materials, III, 274.

³ Prior to 1741 the Bhandaris could sell only one kind of country liquor called *arrack*, which was toddy-spirit of roughly 10° U. P. The two other kinds *phul arrack* (toddy or mhowia spirit) above 10° U. P. and *nipa* (commonly called lip-toddy of 40° to 50° U. P. and styled *urakh* when 70° U. P.) were sold only by the farmer. [Bombay Gazetteer Materials, III, 348-50.]

Rs. 12,500 including the amount of *aut-salami*.¹ The system, however, was still far from perfect, and Esaji Naik appears to have treated many individual Bhandaris with considerable injustice. Consequently in 1742 the administration of the farm was transferred to one Manuel Barretto,² who was authorized to levy from each holder of a cocoanut or brab-tree the rates mentioned in the rules of the previous year, and a standing council was appointed to decide all matters of dispute. It was further ordained that "all Goa or country arrack imported from the continent (*i.e.* mainland) should be reported to the manager of the farm for the levy of the tax." In 1743 it was observed that the Bhandaris' monopoly of the arrack farm resulted in the growth of the number of arrack-houses, and consequently in frequent brawls and disturbances in the garrison.³ The Company therefore decided to discontinue the monopoly and put the farm up to public auction. It was sold to Savaji Dharamset for Rs. 27,000 (including the sum for *aut-salami*), on conditions which limited the sale, distillation and import of liquor, restricted the number of arrack-shops, and, to some extent, checked the sale of liquor outside the shops.⁴ Three years later (1746), however, the

¹ To the Rs. 12,000 for the farm was added an extra Rs. 500 a year, which represented the value of an ancient tribute known as *aut-salami* or toddy-knife-tax.

² Barretto was paid Rs. 20 a month by the Company for this duty.

³ Bombay Gazetteer Materials III. 353. The Bhandaris were formed into regular bands under their own headmen and had the right, if dissatisfied, to petition the officer in command of the Fort Guard who had to submit it to the President in Council.

⁴ The following detailed agreement was passed with Savaji Dharamset, and was the first important measure introduced to check the sale, distribution and import of liquor:—

That the said President and Council doth by these presents grant unto Savaji Dharamset the arrack farm and *aut-salami*, or toddy knife-tax, of this island of Bombay for three years at the rate of Rs. 27,000 a year to be made good and paid to the said President and Council or their successors in manner following: That is to say two months from the date hereof or on the 1st of October the sum of Rs. 4,500 and from thenceforward on the 1st of every month the sum of Rs. 2,250 until the expiry of this farm. In consideration of these payments the following conditions and privileges are granted the said farmer. That all the Indian inhabitants of this island be forbid to bring or sell on it any sort of arrack commonly called parriar arrack (a native spirit) under penalty of Rs. 50 for every offence, the fine to be divided between the Honourable Company and the farmer. Should they or any

farm was again given to the Bhandaris for a period of five years for Rs. 30,000, in consequence of repeated complaints from them as to the conduct of the farmer. The term was extended to five years, as the Bhandaris represented that "the first year will chiefly be spent in preparation for carrying on the business." On their side the

foreign merchants bring Goa arrack for sale and shall not be able to vend the same to the English inhabitants, the importer in such case shall be obliged to tender it to the farmer. Upon his refusing to buy it the importer may then be at liberty to sell it to any of the country people the buyer paying the farmer one rupee a (*man*?) for such liberty. At the same time the buyer shall be obliged to sell not less than one-eighth part of a hogshead at one time on penalty of Rs. 50 for every offence, to be divided as aforementioned. No Bhandari shall distil arrack of any kind without leave from the farmer. Upon his obtaining leave he shall be obliged to sell such arrack to the farmer at Rs. 2-3-0 the Bombay *man* of 50 *seers* as hath been customary. Neither shall the Bhandari buy or sell any arrack on penalty of Rs. 50 to be divided between the Honourable Company and the farmer. In case any of the caste of people called Parsis or others shall buy or distil for sale or distil for use any arrack or spirits the person so offending shall be liable to the aforesaid penalty to be divided as aforementioned. The farmer may set up three shops for selling arrack at Bombay to the European soldiers and sailors namely one at a convenient distance without each of the town gates and in like manner one at Mahim and one at Sion. He may set up other shops for selling arrack to the natives to such a number as he shall think proper, the Honourable Company allowing ground for that purpose as well as for the five shops permitted as aforesaid. All charges of building shall be on the farmer's account. The farmer shall not sell or permit to be sold by those under his direction any kind of arrack to the European soldiers or sailors at other shops or places than at the five shops mentioned in the foregoing article under the penalty of Rs. 50 for each offence to be paid to the Honourable Company. Nor shall he entertain any European soldiers or sailors after sunset, or suffer them to be drunk at his shops. In case any such soldiers or sailors will not depart or return to the barracks then the farmer or his people shall give notice to the officers of the gates who will send a guard for them. But if the farmer or his servants shall neglect to acquaint the officers, the farmer shall be fined Rs. 50 and the servants punished as they may deserve. Should the selling country arrack to such persons be forbidden the farmer must pay a strict regard to all such orders or be liable to the fine already mentioned in this article for every such offence. The farmer shall sell his double distilled arrack at 7 pice the *ser* and single distilled at 4 pice the *ser* full measure, and without any mixture of water so that any person buying arrack shall see that it is good and full measure before he carries it from the shop. If it proves bad or short in measure the person so endeavouring to impose upon the buyer shall, if the buyer insists upon it, go with him and carry the arrack to the clerk of the market. If the complaint be found just the farmer or his servant shall be subject to the penalty of 16 *laris* for every offence to be paid to the clerk of the market as was formerly customary. No complaint shall be admitted after the arrack has been carried by the buyer from the shop. The fazindars of this island shall be obliged to let the Bhandaris have three cocoanut

Bhandaris undertook to take over the arrack remaining in the former contractor's hands and to pay for the shops built by him and for all utensils belonging to the farm.² Under this new contract the Bhandaris obtained the right of selling arrack to the natives at their own houses outside the town, and Manuel Barretto, who stood security for

trees in the 100 for drawing toddy at the price of six pice the month for each tree as hath been customary. Further as the fazindars have allowed the Bhandaris a greater number of trees than the three per cent. aforementioned at their own rate, they shall not take them away during the term of this lease and the farmers of the Company's oarts on this island shall allow the said farmer three trees out of every 100 at the customary rates. But the farmers of the oarts may let the farmer of the arrack rent have in the whole to the amount . . . the thousand trees upon the terms they shall agree with. The Bhandaris, who may have leave from the farmer to draw toddy and distil arrack shall pay him monthly for each tree ten and twenty pice or 50 and 100 *res*, that is, they shall pay 10 pice or 50 *res* for the trees hired from the fazindars at their own rates and 20 pice or 100 *res* for the trees which he has as the three per cent. on the said fazindar's estate. That should the farmer suspect or have notice of any persons distilling or selling arrack, he has liberty to make search with the proper officers as hath been customary. And in like manner he may examine any boats or vessels, and where any arrack, except such as by these articles is allowed to be imported, or utensils for distilling it are found they shall be forfeited and the party offending be fined Rs. 50 to be divided between the Honourable Company and the farmer. That the *mukadam*, Esuji Naik, four *chaughulas* and three *patils* of Bombay with five *patils* of Mahim shall be obliged to assist and serve the farmer receiving no more than is customary for such assistance. That is the *mukadam* shall have two coits and each of the *chaughulas* and *patils* one coit. From the two coits the *mukadam* may as usual make arrack and sell in his own house. He must not sell it elsewhere without being subject to the penalty aforementioned. And although the *chaughulas* and *patils* may distil their coits they must as hath been customary sell such arrack to the farmer or be liable to the fine aforementioned. In case the farmer shall receive damage in his farm by any unforeseen accident, such as war, dearth, famine, pestilence, or the like, the Company will make him such an abatement in his rent as may be judged reasonable by the Governor and Council or by any other chosen for that purpose. Should the farmer for the recovery of his debts and dues have occasion to put any of the Bhandaris under charge of the guard the several officers at the gates, custom-house, and outposts will be directed to receive such person, and to give the farmer in all other respects such assistance as hath been usual heretofore. He shall also be allowed six sepoy's for collecting his debts and every Bhandari that shall be delivered into the custody of the guard must pay no more than six pice at his release. In confirmation whereof the said President and Council have caused the common seal of the said Honourable Company to be affixed in Bombay Castle this day of August 1742. By order of the Honourable W. Wake, Esq., President and Governor and Council of Bombay.

² Bombay Gazetteer Materials, Part III, 360.

them, was entrusted with the administration of the farm. On the expiry of each period, the contract was renewed, and the farm remained in the hands of the Bhandaris until 1775.

Changes, however, were gradually introduced to restrict the distillation and sale of liquor. The fazindars of the island, for example, had for many years enjoyed the privilege of drawing toddy without paying anything to the farm, they in return allowing the Bhandaris to tap as many trees on the fazindari estates as they pleased on reasonable terms (*i.e.*, one rupee for every six or eight trees). This privilege was withdrawn in 1757. Another measure designed to check the illicit distillation of arrack was the vesting of the right of purchasing imported mhowra liquor in the farmers on condition that they should give to certain authorized Parsi distillers such quantity of the spirit at prime cost as was required for the use of themselves and their families.¹ A quaint reflection of the political circumstances of the latter half of the 18th century is found in the contract of 1760, which laid down that the Bhandaris should furnish 600 sepoy, without any pay or allowance, whenever called upon to do so by the Bombay Government.² The value of the arrack farm in 1760 was Rs. 38,000. This system of arrack-farming continued until 1804.

At the opening of the 19th century, the monopoly of the sale of country liquor and toddy was farmed yearly or for a term of years at the option of Government.³ Regulation I of 1804, under which this arrangement was continued, provided among other things that no mhowra should be imported for distillation except on a permit from the farmer under a license issued by two Justices of the Peace and countersigned by the Collector of Land Revenue.⁴ The farmer levied on such mhowra a duty of 100 per cent. *ad valorem* and Government duty at 3½ per cent. Mhowra imported merely for private consumption was admitted

¹ Bombay Gazetteer Materials, Part III, 478.

² *Ibid.* 483.

³ C. W. Bell's Report of Oct. 1st, 1869.

⁴ The Bench of Justices was deprived of this power by Government of India Act XVIII of 1840.

under a permit from the farmer and paid only the Government duty. The import as well as the manufacture and sale of country spirits by any one except the farmer was forbidden. Spirits and *agua ardente* from Goa might be imported only in casks, containing of the former 35 gallons and of the latter $4\frac{1}{2}$ gallons; but its sale to the native inhabitants of the island was confined to the farmer. The farmer granted licenses for the sale of sweet and fermented toddy and of vinegar made from toddy, with the sanction of the Collector and two Justices of the Peace. The retail-rate for spirits and toddy was fixed; and the Bhandaris who tapped the trees had to obtain a license from the farmer before they could sell toddy or vinegar, and had to pay 5 and 6 *reas* per *banda* of 2 sers. The importation of Goa spirits for the use of taverns frequented by Europeans was allowed under a permit, and formed no part of the farm. European spirits, Batavia or Ceylon arrack, and Bengal rum were also free from the farmer's interference, but could be sold to natives only wholesale. In 1812 the sale of country arrack and foreign liquor in any quantity and of any description was prohibited, except under a licence from the magistracy; and this rule was in 1815 extended to the retail sale of toddy and all other fermented and intoxicating liquors. At this date the farmer seems to have distilled spirits in fixed places under supervision similar to that exercised in *sadr* distilleries. But some few years later these distilleries were declared a nuisance and were removed to Karanja island, it being held that stricter supervision could be maintained there than in a large city. In the meanwhile Government took into their own hands the levy of the duty upon toddy.

In 1830 this duty was again given in farm for a period of three years and new rules for its levy were promulgated. The rate fixed was four annas per month for each cocoanut tree and for each brab tree in Bombay proper. In Mahim a lower and variable rate was fixed on brab trees. The juice of the date-palm was always sold as sweet toddy, and the duty thereon levied at the old rate of 5 *reas* per *banda* or measure of 2 sers. A still-head duty was also imposed of 8 annas a day on a still for the manufacture of the produce of 60 trees. In 1832 an impost of

8 annas was levied on date trees in lieu of the rate per *banda* of juice, and the prohibition against the distillation of the juice was removed. The farming of these duties was not successful; and so on the passing of Regulation X of 1833, which legalized the above-mentioned impost excepting the still-head duty, the Collector resumed the management of the Abkari revenue. The licenses granted under this Regulation required that 30 or 60 trees should be taken up by the licensees, for one month certain if cocoanut trees, and for one year certain if date or brab trees. When the system was in full working order, the Bhandari usually had to pay the following amount annually:—

Per tree,	To the owner of the tree.	To Government.	Total.
Cocoanut ...	Rs. 6	Rs. 3	Rs. 9
Brab ...	Rs. 1 to 1½	Rs. 1½ to 3	Rs. 2½ to 4½
Date ...	Rs. ½ to 1½	Rs. 2	Rs. 2½ to 3½

About 1840 no license was granted for less than 60 cocoanut or brab trees or 700 date trees.¹ A proposition was submitted by the Collector of Bombay in 1841 to withdraw from the Bhandaris the permission to distil and to establish a central distillery. This formed the commencement of a lengthy discussion regarding the advisability of establishing *sadr* distilleries in Bombay, which was not concluded till 1847, when Government objected to them on the score of scarcity of water in the island and the probability of their becoming a nuisance. In 1842 the Collector recommended that the proprietors of the gardens, in which toddy-yielding trees grew, should be called on to pay the abkari cess, as they were the owners of the trees, and should therefore be held responsible for the revenue leviable thereon. This recommendation resulted from an enquiry which showed that for some years

¹ Mrs. Postans in 1839 described the sale of toddy as the most profitable trade in Bombay. "On account of the great and general use of this intoxicating drink Government has been forced to issue an order forbidding the existence of toddy stores within a regulated distance of each other. So great is the use of this liquor that the Magistrates have been constrained to remark that the increase of depravity and crime has been more rapid since toddy-stores have become general."

previous from 10 to 50 per cent. of trees had been tapped in excess of the number for which licenses had been issued. Government approved of the recommendation, but finding that it was unpalatable to the owners of the gardens, directed that the duty should still be levied from the Bhandari, but that no license should be granted except on the security of the owner of the trees. In 1843 orders were issued that 120 trees should in future be the minimum for which a license should be issued. In 1844 the attention of Government was drawn to the great increase in the number of date-tree plantations which had sprung up since the removal of the restriction on the distillation of the juice of these trees in 1833; and considering it necessary that the progressive increase of these plantations should be checked, directed the Collector of Bombay to revert to the plan that obtained prior to 1833 and to refuse licenses for tapping date trees, unless the applicants bound themselves not to dispose of the juice for distillation. On the representation of the Collector however Government modified their order, and directed that the number of date trees licensed in each estate should be reduced 10 per cent. yearly, and that licenses should be withheld in the case of trees in gardens not properly looked after. This order was vigorously opposed by the owners of the gardens, and in 1848 Government, considering the grounds for the imposition of the restriction insufficient, cancelled their former order. During the next ten years little alteration was made, except that the minimum number of trees for which a license was issued was raised as follows :—cocoanut trees 150, brabs in Mahim 300 and elsewhere 150, date trees 850.

The need of an Act to put the liquor excise in Bombay on a good footing had for some years engaged the attention of Government. Accordingly Act XVII of 1859 was passed. By it the prevailing system was not interfered with, but the hands of the executive were strengthened to punish illicit distillation and generally to enforce rules which up to that time had only the sanction of custom. The rates were doubled, and the minimum of trees qualifying for a still was reduced to 50.

The Bhandaris at first passively opposed the increase, chiefly at the instigation of the owners of the trees, but the strike ceased on Government making it clear that they had no intention of yielding.

The working of the Abkari system in Bombay in the year 1870 is thus described by Major Laughton, then Superintendent, Bombay Revenue Survey:—

“The collection of the revenue is made monthly and paid by the Bhandaris direct to the Head Inspector at the Collector’s office. No license is granted unless 50 or more trees are taken up¹. The licenses are given on the 1st August. Each license includes one still. Every Bhandari is obliged by the end of July to inform the Inspector of his district, which and how many trees he intends taking up the next year. The Inspector makes his report to the Collector, and on the license being granted he marks upon the wall of the oart the number of the license and the number of trees in the same oart under that license, e.g., $\frac{58}{100}$.”

“The Bhandari pays Government for each cocoanut or brab tree 8 annas per mensem, and 1 rupee per annum for each date tree. Should any of the cocoanut trees run dry during the year, he can change them for others upon informing the Inspector, and he is not required to pay anything extra. Should however a brab tree run dry, which it generally does after about four months, he is still required to pay for the number he took up at first until the end of the year, as well as 8 annas per mensem for every extra brab tree taken up; thus a man taking up 50 cocoanut trees will only have to pay 25 rupees for the year, even if he changed the whole of them during that time; but should he take up a like number of brab trees he would have to pay 25 rupees for them, and an extra 8 annas per mensem for every other tree taken up until the end of the year. In like manner the date trees.”

“As soon as the licenses are granted, the Inspector of the division, or portion of the division, paints out the old number on each tree and wall, and re-numbers those under

¹ This was increased to 100 cocoanut and brab and 300 date trees in 1877, causing a decrease in the number of stills.

the new license consecutively, finishing off by painting the number of the license on the wall, and the number of trees under that license in that oart, as aforementioned. Should any of his trees run dry, the Bhandari informs the Inspector, who satisfies himself of the fact, paints out the number on the tree, and applies the same number to another tree, reporting the circumstance to the Head Inspector. If a Bhandari is caught drawing toddy from an unnumbered tree he is fined by the Police Magistrate, and half of the fine goes to the peon or Inspector, whoever first discovered the delinquency. The Inspector is supposed to visit all the oarts in his division at least once a day, his peons and patrols being continually on the alert. The rates paid to the fazindar are various—cocoanut trees running 3 to the rupee, brab about $1\frac{1}{2}$ each, and date about 2 rupees. There are so very few purely Government trees that I make no mention of such beyond that double rates are paid on them. Trees on free lands (of which also there are very few) are numbered and charged for in the same manner as above, but the whole of the collection goes to the inamdar. There is little or no spirit made from the toddy obtained from the date trees, this is drunk raw, simply as toddy. The spirit obtained is from cocpant and brab; the first distillation is called *rasi*, and the second distillation is called *phenne*. The first sort sells for about 6 rupees the half maund of 25 seers (it was but lately 3), and the second at 12 rupees for the same quantity which used to sell at 7 rupees." The income derived from license-fees, distillery fees and still-head duty was about 41½ lakhs in 1871-72.

This system continued until 1875 when certain reforms in excise revenue and administration were introduced. By the Tariff Act of that year the Customs duty on imported pirts was raised from Rs. 3 to Rs. 4 per gallon. The town duty on imported spirits imposed in 1870 for the benefit of the Municipality was raised from annas 2 to annas 4 per gallon in 1875. The rates of tree-tax were also raised to 7 and 2 rupees per cocoanut and date-tree respectively. The still-head duty was one rupee.

The changes made in the rates of duties from 1870 are shown in the following table on the next page.

	1870	1873	1875	1876	1878	1880	1884	1909
Town duty on spirits imported : per gallon ; Annas	(a) 2	2	4	4	4	4	4	4
Still-head duty on Uran liquor Rs.	(b) 1	(c) 1	1	1 $\frac{3}{4}$	2 $\frac{1}{4}$	2 $\frac{1}{4}$	2 $\frac{1}{4}$	(d) 2 $\frac{3}{4}$
Tree Tax—								Still-head duty. 4
Cocoa-nut and brab each tree per annum Rs.								Still-head duty. (e)
Date ...Rs.	6	6	7	9	12	15	18	3
	1	1	2	3	4	5	6	1 $\frac{1}{2}$

(a) In 1827, the town duty was annas 4 on the produce of Salsette, Caranja, and Fort William, and for other places annas eight.

(b) For London proof special.

(c) For Spirit 25° U. P.

(d) Rates of still-head duty in 1888 were—

Rs. 2-12-0 ... 25° U. P.

Rs. 1-4-0 ... 60° U. P.

(e) Plus tree-tax Rs. 12 and Rs. 6 for cocoanut (including brab) and date respectively.

The enhancement of the rates of duty greatly stimulated illicit distillation and other practices and checked consumption. As explained above, a tree-tapping tax was levied and the tappers were allowed to manufacture spirit from the juice. In the absence of control, they manufactured at a high strength and this spirit competed unfairly with the duty-paying mhowra spirit from Uran. Accordingly the tree-tax was raised and a limit was placed on the number of stills which reduced them in 1877 to 242 as against 500 (the former average number) ; and eventually in 1872 two enclosures were erected at Chaupati and Dadar, within which the distillers were required to place their stills. In 1879 the sale of toddy by licenses was restricted to persons licensed to retail the same and the right of collecting the revenue was purchased by Government from the Municipality for an annual compensation of

Rs. 1,43,750.¹ In 1884 the tree-tax was abolished and a still-head duty was levied at the rate of Rs. 2-6 per gallon.² This measure was stoutly opposed by the fazindars and Bhandaris and was followed by a strike among the Bhandaris who refused to take out any tapping licenses for 1884-85.³ The strike continued throughout the year, the only license taken out being one by a Parsi for tapping 200 brab trees, and in consequence arrangements were made for the manufacture of toddy from Government brab trees near Bassein, which was exported thence for sale in Bombay. Another result of the strike was an increased importation of mhowra spirit from Uran.

At the present date (1909), the Abkari administration and the collection of excise revenue are conducted by the Collector of Bombay under the control of the Commissioner of Customs, Opium, Salt and Abkari and subject to the provisions of Bombay Abkari Act V of 1878, and the Government orders thereunder. The Collector is assisted by an Assistant Collector of Excise, who belongs to the Uncovenanted Civil Service.

The principal items of excise revenue in Bombay are :—

	1880-81.	1890-91.	1900-01.	1908-09.
I. Foreign liquors—				
(a) License fee...	66,466	68,433	98,855	1,33,501
(b) Duty at Tariff rates.		23,202	1,727	390
II. Country liquor—				
(a) Still-head duty.	9,36,762	15,92,578	18,55,131	25,30,927
(b) License fee for retail sale	1,53,623	3,00,237	4,72,471	7,71,317
(c) Tree tax. ...	3,05,594	1,86,534	1,58,326	1,84,378
(d) Rent of Govt. Toddy-trees.		188	469	954
III. Hemp drugs—				
(a) Duty. ...	542	...	...	1,80,614
(b) License fee ...	13,624	39,931	83,636	32,180
IV. Miscellaneous ...	1,802	1,309	1,095	2,356
Total ...	14,78,413	22,12,412	26,71,710	38,36,617

¹ The right of licensing the shops was vested in the Justices of the Peace in 1793, and was transferred to the Municipality on the establishment of the latter.

² This measure had been recommended in 1877.

³ There had been a previous strike in 1876, when the tree tax was raised. It continued till 31st July 1877.

The revenue from country liquor which forms by far the most important item is obtained from licenses and still-head duty on spirits imported from Uran and issued from the Dadar distilleries. The excise system in Bombay is known as the public or private distillery still-head duty and license fees system. Under this the manufacture of country spirit is separated from sale and there is no monopoly of either. The number of shops for the sale of country-spirit is fixed, and the vend licenses are disposed of either by auction or on payment of fees assessed periodically by the Collector on the basis of actual sales. The vendors are at liberty to procure their liquor, on payment of the prescribed rates of still-head duty, from any of the private spirit distilleries at Uran or from the public toddy distillery at Dadar. There are no restrictions in regard to maximum price. The rates of duty are Rs. 1/8 per gallon of toddy spirit of 60° U. P. and Rs. 3 per gallon of 25° U. P. Liquor is issued at two fixed strengths from the distillery, *vis.*, 25° U. P. and 60° U. P. The duty per gallon of Uran spirit of 25° U. P. is Rs. 4 to be increased or decreased *pro rata* according to the strength. Uran liquor for consumption in Bombay city is being issued in 3 fixed strengths only, *vis.*, 20° U. P., 25° U. P. and 60° U. P.

The minimum license-fees and the number of licenses for the privilege of selling (a) foreign liquors and Indian-made liquors at tariff rates, (b) country spirit, (c) toddy, (d) intoxicating drugs, and (e) opium at shops are given in Appendix II at the end of the Chapter.

The number of licenses, particularly for the sale of country liquor by retail is being gradually reduced, and care is always taken to consult local needs and opinion before a new liquor-shop is opened. Duty is levied on all spirits and wines from Shahjahanpur imported for consumption in any part of the Bombay Presidency, on all perfumed spirits manufactured by Messrs. Buna and Co. of Navsari, and on spirits of wine imported from Uran into the city. The passes for transport are granted by the Collector of Bombay. The collections under this head amounted to Rs. 277 in 1908-09 and it is estimated that the whole of the amount imported was consumed in

Bombay. The still-head duty on mhowra from the Uran distillery is Rs. 4 per gallon of 25° U.P., excluding annas four payable to the Bombay Municipality as octroi duty. The still-head duty on toddy spirit issued from the Dadar distillery is Rs. 3 and Rs. 1-8 per gallon of 25° and 60° U.P. respectively. These rates together with the incidence of the tree-tax on toddy distilled into spirit equal the rates fixed for mhowra spirit. The incidence of taxation is higher than in any other part of the Presidency. But the consumption though it is now decreasing is higher than elsewhere. The tax upon trees tapped for distillation and for the sale of toddy at shops is Rs. 12 for cocoanut palms, Rs. 12 for brab palms, and Rs. 6 for date palms. To those who possess their own stills distilling licenses are granted free, but those who use other persons' stills have to pay 8 annas for each day on which they make use of the stills. The privilege of drawing toddy from Government toddy trees is annually disposed of by auction, usually in October.

The rates of duty now levied on hemp drugs are Rs. 4 per ser for *ganja*, annas 8 per ser for *bhang*, Rs. 6 per ser for *charas* and annas 4 per ounce for extract of *Cannabis Indica*. *Ganja* is imported either from the central warehouses at Ahmednagar and Satara or from the Central Provinces, *bhang* from the Punjab or United Provinces, and *charas* from the Punjab. There is a bonded warehouse for their storage. Licenses for the retail sale of hemp drugs and opium are sold by public auction. *Balgolis* or infants' opium pills are permitted to be manufactured and sold at certain specified shops. Opium is not grown in the Bombay Presidency. The Malwa opium, which is the quality most largely imported, is first deposited in the warehouse and is then removed to shops for local consumption on payment of a fee of Rs. 700 per chest. A regular export of opium from Bombay to China has been in existence for many years.

Tobacco.
Revenue.

From the earliest period of British rule in Bombay, Government appear to have derived a revenue from tobacco. In 1668, for example, the "estaque of Tobacco" (*i.e.*, tobacco-farm) was declared to be worth

12,000 *pardāos* a year,¹ while Henry Gary was stated to have raised the proceeds of the farm from 6,000 to 9,550 Xeraphins a year.² In 1669 the value of the tobacco-farm rose to 11,620 Xeraphins³ and by 1675 it had again increased to 20,300 Xeraphins a year.⁴ In 1720 the company put the farm up to auction and obtained Rs. 20,105 from one Pasquel Baretto, while in 1733 it was farmed to Bhikhu Sinay (Bhiku Shenvi) for three years at Rs. 28,200 a year, and in 1745 to Savaji Dharamsett, Maneckji Naoroji and Dhanji Gopal jointly for Rs. 40,000 a year.⁵ During this period tobacco was largely shipped to Bombay from Surat, and was sold on the island by the farmers at "10 bujeruks the *tolā* of 32 *vals*," after paying an import duty of 9 per cent. Among other articles of the contract of 1736 it is interesting to note that "when the Sidi's fleet may arrive in ports belonging to this island, the said renters shall have liberty to make search on board them and all tobacco found shall be shut up in a warehouse under their key, whilst the said fleet may remain here. The people belonging to the fleet shall be obliged to buy from the aforesaid farmers all tobacco they require for their use, and at their departure any tobacco so deposited shall be redelivered to them"; also that "in case of war or any enemy invading the island, a general drought, storm or other public calamity (which God forbid), the Honourable Company shall make the said farmers such reasonable abatement as shall be judged adequate to their loss." In 1773 the people of Mahim submitted a petition that the tobacco imported by the farmer was of very inferior quality, and Government therefore inserted in the farm contract of that year a provision for the examination of all imported tobacco by their customs officials, and for the inspection of retail shops and the hearing of appeals by the Collector or Customs Master of Bombay or Mahim. In spite of this,

¹ Court to Surat, March 27th, 1668.

² Gary to Lord Arlington, 12th December 1667.

³ Deputy Governor to Surat, March 17th, 1668-69.

⁴ Aungier to Deputy Governor, September 28th, 1675.

⁵ Bombay Gazetteer Materials, III, 363-66. See *ibid* p. 365 for detailed articles of agreement between the farmer and Government.

the farm was sold for three years for Rs. 88,600 a year.¹

The following table shows the details of the tobacco revenue between 1748 and 1778:—

Year.	Rent.	Year.	Rent.	Year.	Rent.
	Rs.		Rs.		Rs.
1748	45,700	1760	67,300	1773	88,600
1751	46,760	1763	75,200	1775	52,100
1754	48,205	1767	68,000	1778	61,400
1757	56,001	1770	80,000		

In 1797 and again in 1800 Government issued regulations relating to the levy of duty on tobacco,² and stated in the preamble of the latter (Regulation X of 1800) that “the United East India have from a long time past derived a public revenue from the tax imposed on the sale of tobacco for the use and consumption of the inhabitants of this Presidency; and it has been the usage of the Government of this island from the earliest times to let the said revenue to farm, and sundry rules and orders have been established from time to time by authority of the Governor in Council for the management of the farm of the said revenue.” This doubtless refers to the Regulation of 1797 and to earlier enactments of which no trace now exists. In a book of indentures, commencing with the year 1800, are two deeds, one dated October 25th, 1803, and the other October 29th, 1806, both granting to one Raghunath Dadaji the right to collect the tobacco revenue on payment annually of Rs. 1,46,400. This farming system lasted until the 31st October 1810, after which the control was transferred to the Collector of Customs. The rates of duty levied, irrespective of the 3½ per cent. customs import duty, were as follows:—

On tobacco, including snuff..Rs. 31/8 per Indian maund.

On ganja³ ,, 261 ,, ,, ,,

On foreign manufactured

snuff ,, 1 per lb.

¹ Bombay Gazetteer Materials, III, pp. 498-500.

² Collector's Diary XXXII.

³ Ganja was treated as a kind of tobacco from 1800 to the introduction of the Bombay Abkari Act in 1878. In 1838 the duty on ganja was assimilated with that on tobacco and reduced from Rs. 261 to Rs. 5 per Indian maund.

In 1825 the duty on tobacco was reduced from Rs. 31½ to Rs. 15 per Indian maund and by Regulation XXI of 1827 a further reduction to Rs. 9 per Indian maund was effected. Regulation XV of 1828 lowered the duty to Rs. 1½ per maund in places other than Bombay. In February 1831 the farming system was re-introduced and continued till 1851.

The Tobacco duty was in Act I of 1838 styled "Special Abkari Duty." In 1848 Government authorized the abolition of the excise duty on the importation or the exportation of tobacco by sea at the subordinate ports. By Act XXIV of 1850 the special duty was fixed at Rs. 7½ and the customs duty at Re. 1½ per Indian maund. The special duty has since remained at Rs. 7½ per Indian maund, while the customs duty has been changed to an *ad-valorem* duty of 5 per cent. under the Indian Tariff Act. In 1857 Act IV, an Act "to amend the law relating to the duties payable on tobacco and the retail sale and warehousing thereof in the Town of Bombay" was passed. That Act has since remained in force without undergoing any material change.

The collections from the special tobacco duty originally formed a portion of the Imperial Revenue. In 1857 the proceeds were made over to the Board of Conservancy as a state contribution, but this arrangement was discontinued at the close of the official year 1858-59, in consequence of an impression prevailing that the Act contemplated the absolute and unconditional surrender to that Board of the special duty on tobacco. This action of Government was approved by the Secretary of State for India. To the end of 1865 the revenue derived from this tax was credited to Government. In November of that year the Bench of Justices renewed their application for the transfer of the proceeds of the special duty on tobacco to themselves, and being supported by the Government of Bombay the revenue was restored to the Municipality by the Government of India with effect from the 1st January 1866. The control of the Department has since rested with Government while the revenue has been handed over to the Municipality. It has always been recognized

as a state contribution towards the Municipal funds and can be withheld at any time.¹

The Tobacco Department is regulated by Act IV of 1857 which is applicable only to the Town and Island of Bombay. Merchants are allowed to warehouse their tobacco on importation, if they do not clear it direct for home consumption. The warehouses belong to the Port Trust, are rented direct by the merchants, but are controlled by the tobacco department, the controlling staff consisting of a supervisor, 4 clerks and 22 peons. The supervisor is responsible for the collection of duty and for the correct weighing of all tobacco passed from the warehouses into the town. For the prevention of smuggling of tobacco into the island, a staff consisting of 4 Inspectors and 50 peons is employed. The Inspectors enquire into applications for new licenses, and for removal of licensed shops, make investigations about the smuggling of tobacco, patrol the northern foreshore and railway stations and examine accounts of the country tobacco shops. The peons are stationed at the railway stations and at Varli, Mangalwadi, Mori, Dharavi, Dubba and Sion chaukis on the northern foreshore of Bombay. The preventive and warehouse staffs are under the control of the Assistant Collector of Excise, who is directly responsible to the Collector of Bombay.

Up to the year 1813-14 there was a gradual increase in the revenue from tobacco, and from 1814-15 to 1816-17 a sudden decrease, due to smuggling and the inability of the department to cope with it. This led to the passing of Regulation VII of 1817. From that year up to 1823-24 the revenue tended to expand, but subsequently decreased and continued to do so till 1830-31, when the farming system was re-introduced. The decline was partly due no doubt to the reduction in the rate of duty in 1825 and 1827. The amount received from the farmers varied from Rs. 70,000 to 112 lakhs a year. In 1852 Government again assumed direct management of the tobacco revenue. The gross revenue, when the tax was made over in 1856, amounted to Rs. 1,01,584. In 1865-66 the gross revenue

¹ Bombay Government letter No. 146 of 19th January 1886
Government of India letter No. 3130, dated 31st October 1866.

had risen to Rs. 1,40,853, and in 1878 to Rs. 1,80,000. During the year 1908-09 the gross revenue was 3·3 lakhs and the net revenue 3·1 lakhs.

The following table gives details of the tobacco revenue in Bombay city and island from the year 1811-12 to 1908-09:—

	Gross Collections.	Cost of Establishment.	Nett Collections.
	Rs.	Rs.	Rs.
Tobacco revenue collected under Govt. management.			
1811-12	82,502	6,597	75,905
1815-16	1,06,311	10,464	95,847
1820-21	1,44,049	3,636	1,40,413
1825-26	80,063	3,768	76,295
Tobacco Revenue farmed on the 1st February 1831.			
1831-32	70,000	.....	70,000
1835-36	70,000	.....	70,000
1840-41	82,000	.....	82,000
1845-46	1,03,000	.....	1,03,000
1850-51	88,393	.....	88,393
Government management.			
1861-62 ... ..	.....	.....	1,12,183
1870-71	1,47,399	7,422	1,39,977
1880-81	1,61,114	15,705	1,45,409
1890-91	2,00,532	20,457	1,80,075
1900-01	2,42,364	25,384	2,16,980
1908-09	3,37,261	28,069	3,09,192

The income-tax was first levied in Bombay in the year 1860-61 under the provisions of Act XXXII of 1860. The tax was levied to relieve the financial difficulties which beset India after the Mutiny, and was imposed upon all incomes exceeding Rs. 200 per annum, including incomes derived from agriculture. The rate was 2 per cent. on incomes between Rs. 200 and Rs. 500 and 3 per cent. on large incomes with an additional one per cent. to be used for local public works. In 1862 the minimum taxable income was raised to Rs. 500. The tax produced on the average 15 lakhs a year in Bombay.

This Act ceased to operate in 1865, but its place was taken in 1867 by a new Act imposing a tax on professions and trades, which produced annual profits of not less than Rs. 200. The total collections in Bombay amounted to

4·2 lakhs. In 1868-9 some relief was given under a new Act by which the minimum assessable income was raised to Rs. 500, and the fixed rates were reduced to 1 per cent. on the minimum income of each class. The tax at that date produced nearly 6 lakhs in Bombay. Towards the close of 1869 the assessment was raised by 50 per cent. and yielded more than 11 lakhs in 1869-70. In 1870 the rates were again raised to about $3\frac{1}{8}$ per cent. on the minimum of each class up to Rs. 2000, an exact $3\frac{1}{8}$ being levied on incomes above that limit. The enhanced rates produced 17 $\frac{1}{2}$ lakhs. In 1871-72 the minimum taxable income was raised to Rs. 750 and a general rate of 2 pies in the rupee was levied, the fixed rates on incomes below Rs. 2000 being abandoned. In these circumstances the tax yielded Rs. 5,57,000. In the year following the taxable limit, was raised to Rs. 1000 and the collections fell to Rs. 5,24,000.

In 1873-74 the tax was once more abolished and was not re-imposed until 1877-78. In 1878-79 the License-Tax, (Act III of 1878) was promulgated with the object of permanently increasing Provincial revenues which barely sufficed to meet the necessary expenditure on recurring famines. The Act laid down that companies registered under the Indian Companies' Act of 1886, bankers, brokers, manufacturers, commission-agents, contractors, hotel-keepers, money-changers, ship-owners, owners of conveyances plying for hire, and all persons carrying on trade or industry of any kind, should take out licenses on payment of fees divided into fifteen different classes.¹ Traders earning less than Rs. 100 a year were exempted from the operation of the Act, and this exemption was further extended by an amending Act, VII of 1880, to traders earning less than Rs. 500 a year. The Act was administered by the Collector of Bombay until February, 1879, when a special officer, Mr. Dosabhoy Framji Karaka, C.S.I., was placed in sole charge of the department. In 1878-79 and 1879-80 the total collections in Bombay amounted respectively to Rs. 4,11,000 and Rs. 4,33,000, and the number of assesseees 25,241 and 26,641. The changes

¹ The lowest fee was Rs. 2 in class XV and the highest Rs. 200 in class I.

introduced in 1880 lessened the proceeds and the number of assesseses. The former varied between Rs. 3,81,000 and Rs. 4 20,000 and the latter between 9,858 and 10,649. The license tax was in 1886 converted into a general income-tax by Act II of 1886. A new post of assistant to the Collector of Income-Tax was created, and a commission of 2 per cent. was granted to non-officials, who might undertake to collect the tax from their employes. Since that date the chief events in the administration of the Act have been the enhancement of the minimum assessable income from Rs. 500 to Rs. 1,000 a year in 1903, and the reorganization of the department in 1905. The assistant to the Collector of Income-Tax was included in the cadre of Deputy Collectors, and the post of Examiner of Accounts was created in lieu of the old post of Personal Assistant to the Collector. At present (1909) the Income-Tax Department is divided into two branches, the in-door and out-door, of which the latter is under the direct supervision of the Deputy Collector, and comprises 7 inspectors and bailiffs. The latter are responsible for surveying and recovering dues in the seven wards into which the city is divided for income-tax purposes. The in-door establishment comprises an Examiner of Accounts and 28 clerks. An appeal from the decisions of the Collector of Income-Tax lies to the Collector of Bombay as Income-Tax Commissioner.

The progress of the tax between 1886-87 and 1908-99 is shewn in the following table :—

(In Thousands of Rupees.)

	1886-7.	1890-1.	1895-6.	1900-1.	1905-6.	1908-9.
Collection ...	14,66	17,27	19,81	17,88	20,42	28,19
Charges ...	40	41	43	51	66	79

The number of assesseses in 1886-87 were 20,715, in 1902-03 it was 32,684. Since 1903-04 it has varied between 18,500 and 20,000.

The levying of stamp fees was first introduced into Bombay under Regulation XIV of 1815, which provided for the imposition of fees on certain classes of documents,

Stamp
Revenue.

such as bonds, promissory notes, leases, mortgages and assignments of immoveable property. In 1827 a new Regulation XXVIII was passed which provided for the establishment of a Stamp Office in charge of a Superintendent of Stamps, who was also entrusted with the work of distributing and issuing stamps both to mofussil offices and to vendors in the city. This regulation was supplemented by Regulations III of 1828, VIII of 1830, III and XIV of 1831. Finally, after various enactments between 1860 and 1867, the present Court-Fees Act of 1870 was promulgated, while the Stamp Act XVIII of 1869 superseded all previous laws regarding stamp duties other than court-fees. This Act of 1869 was in its turn repealed by Act I of 1879 and by Act II of 1899, which *inter alia* provides for the cancellation of stamps, the fixing of rates of exchange for foreign currencies, and for refunds of excess duty. The duty on sea insurance and fire insurance policies is tenable under an amending Act V of 1906.

The Stamp Department is under the control of the Collector of Bombay as Superintendent, the direct management of the General Stamp Office being vested in an Assistant Superintendent. Among the various classes of stamps in use are judicial stamps, both adhesive court-fee labels and impressed court-fee papers, which are issued for sale to vendors at the various courts of the city and are also sold to the public for cash; non-judicial stamps, including foreign bill, notarial stamps, *hundi* stamps, etc., which are sold to the public and licensed stamp-vendors; adhesive stamps impressed at the General Stamp Office on conveyances, mortgages, leases, bonds, powers-of-attorney and other such documents; postage stamps, and postal service stamps. All the various classes and denominations of stamps and stamped papers are manufactured and printed in England by Messrs. De la Rue & Co., and are supplied from time to time on indents annually preferred to the Director-General of Stores at the India Office. On arrival in Bombay they are stored in strong rooms, and are divided into three categories:—the reserve, open reserve and current stock, the last-named being in charge of a storekeeper. The revenue from stamps varies in the

case, of judicial stamps according to the amount of litigation in the High Court and Small Cause Courts, and of probates and estates duties; and in the case of non-judicial stamps it depends upon the general state of the mercantile, share and financial markets.

The following table shows the receipts of stamp revenue in Bombay City in thousands of rupees since 1875-76 :—

Year.	Judicial Stamp Receipts.	Non-Judicial Stamp Receipts	Total Receipts.
	Rs.	Rs.	Rs.
1875-76 ...	5,42	5,73	11,15
1880-81 ...	5,14	6,64	11,78
1885-86 ...	6,22	7,50	13,72
1890-91 ...	8,84	9,33	18,17
1895-96 ...	9,82	10,16	19,98
1900-01 ...	10,50	10,04	20,54
1905-06 ...	10,84	15,46	26,30
1908-09 ...	11,94	12,97	24,91

The first registration law in force in Bombay was Regulation 9 of 1827 which required all deeds relating to real property to be registered,¹ the superintendence of the registers being vested in the Senior Assistant Judge. This was followed by India Act I of 1843, India Act IV of 1845 and India Act XVIII of 1847. Finally the whole law of registration was repealed by Act XVI of 1864, for carrying out the provisions of which six registering officers, including a Registrar, were appointed to the island of Bombay. This Act was again amended by Act IX of 1865, and was subsequently repealed by Acts XX of 1866 and XXVII of 1868, which in their turn were cancelled by Act VIII of 1871 and Act III of 1877. The latter Act was in force till 1908 when the revised Act XVI of 1908 was introduced. Up to 1866 the Registration Department

¹ Some form of registration appears to have existed in Bombay island in 1716.

was treated as a branch of the Judicial Department, but was from that date transferred to the Revenue Department of Government; and out of the five Sub-Registrars' Offices in Bombay three were abolished in 1868, 1873 and 1879, leaving two offices only, which were situated in the Fort and Mandvi. The average annual revenue from registration for the six years ending 1871-72 was Rs. 33,572. In 1886 these two offices were amalgamated under one Joint Sub-Registrar, and the city was formed into one district and sub-district in the following year.¹ Prior to this amalgamation the Sub-Registrar in the Fort acted as Registrar for the whole of the island; but since 1888 appellate powers have been vested in the Collector of Bombay as Registrar, while the Sub-Registrar performs all the functions of Registrar, save that of hearing appeals. The Bombay sub-registry office is directly subordinate to the Inspector-General of Registration for the Presidency, who exercises his control through the Registrar.

The total number of documents registered in 1908 was 4,714 against 3,601 in 1901-02 and 2,890 in 1881-82. The fees collected amounted to Rs. 1,12,000 in 1908 against Rs. 66,000 and Rs. 39,000 in 1901-02 and 1881-82 respectively.

The following table shows the number of documents of different classes registered in Bombay at decennial periods since 1881-82:—

Year.	Compulsory.					Optional.				Miscellaneous.				Wills.	
	Gifts.	Sales.	Mortgages.	Leases.	Other Deeds.	Copies of decrees	Sales.	Mortgages.	Leases.	Other Deeds.	Sales.	Obligations.	Gifts.		Other Deeds.
1881-82	27	948	601	427	603	3	33	3	9	44	19	15	0	128	30
1891-92	25	1010	930	332	1083	1	13	3	4	50	13	19	2	61	39
1901-02	28	1123	721	506	916	11	0	1	12	95	10	18	2	121	37
1908	37	1246	979	792	1153	0	0	0	8	186	15	10	4	250	34

¹ Recently it has been decided to create two offices to cope with the heavy work and to afford greater facilities to the public. This order will shortly be brought into force.

The Bombay Boiler Inspection Fund is administered as an incorporated local fund under the Steam Boiler Inspection Act II of 1891. The act is applicable to all boilers and prime-movers in Bombay, except the boilers of railway companies and marine boilers; and the inspection of boilers contemplated by the Act is performed by a Chief Inspector and six Junior Inspectors, who are under the control of the Collector of Bombay. Of the Inspectors, two are generally, and the rest are occasionally, employed for work within the island. In all questions of a technical character, the Collector takes the advice of the Chief Inspector, and appeals lie from his decisions to a Boiler Commission composed of three members. The working certificates of old boilers are annually renewed, after inspection and in certain cases subjection to a hydraulic test; while in the case of new boilers, both hydraulic and steam tests are applied before a working certificate is granted. Inspection fees vary, according to the horse-power of the boiler, from Rs. 10 to Rs. 40 and amounted in 1908-09 in Bombay island to nearly Rs. 22,530, the number of boilers liable to the provisions of the Act in that year being 1361. The object of the Act may be held to have been realized, as since 1900 only one serious fatality occurred in consequence of the bursting of a stop-valve. The Collector of Bombay is also President of a board of thirteen qualified engineers, of whom six meet a time and who hold quarterly examinations of candidates for engineering certificates under the Act. These certificates are of three classes, the examination for the third or lowest class consisting of a practical *viva voce* test conducted in the Government Dockyard.

Steam
Boiler
Inspection
Fund.

APPENDIX I.

Statement showing Growth of Customs Revenue at Bombay
since 1800-01.

In thousands of rupees (000s omitted.)

Year.	Rupees.	Year.	Rupees.
1800-01...	4,49	1857-58...	42,27
1801-02...	3,91	1858-59...	59,70
1802-03...	6,56	1859-60...	95,39
1803-04...	3,34	1860-61...	91,90
1804-05...	5,52	1861-62...	86,53
1805-06...	5,45	1862-63...	74,18
1806-07...	6,26	1863-64...	74,79
1807-08...	6,16	1864-65...	71,65
1808-09...	5,76	1865-66...	69,02
1809-10...	5,00	1866-67...	65,06
1810-11...	6,03	1867-68...	74,81
1811-12...	6,35	1868-69...	79,98
1812-13...	8,61	1869-70...	75,54
1813-14...	8,91	1870-71...	67,55
1814-15...	10,37	1871-72...	63,02
1815-16...	10,73	1872-73...	60,96
1816-17...	10,67	1873-74...	67,24
1817-18...	11,70	1874-75...	68,53
1818-19...	12,44	1875-76...	66,19
1819-20...	10,79	1876-77...	57,04
1820-21...	9,77	1877-78...	63,13
1821-22...	12,77	1878-79...	59,92
1822-23...	11,94	1879-80...	56,14
1823-24...	11,08	1880-81...	72,07
1824-25...	9,20	1881-82...	61,88
1825-26...	9,94	1882-83...	13,12
1826-27...	11,87	1883-84...	13,58
1827-28...	13,02	1884-85...	14,06
1828-29...	11,32	1885-86...	14,60
1829-30...	13,18	1886-87...	15,34
1830-31...	13,08	1887-88...	18,81
1831-32...	11,18	1888-89...	22,16
1832-33...	17,99	1889-90...	24,32
1833-34...	10,88	1890-91...	25,15
1834-35...	10,60	1891-92...	24,41
1835-36...	11,79	1892-93...	25,83
1836-37...	13,56	1893-94...	35,06
1837-38...	12,26	1894-95...	1,40,53
1838-39...	13,55	1895-96...	1,65,51
1839-40...	11,43	1896-97...	1,48,19
1840-41...	18,90	1897-98...	1,55,25
1841-42...	21,98	1898-99...	1,46,28
1842-43...	22,18	1899-00...	1,30,01
1843-44...	21,33	1900-01...	1,41,37
1844-45...	17,54	1901-02...	1,70,80
1845-46...	22,97	1902-03...	1,76,09
1846-47...	25,19	1903-04...	1,79,17
1847-48...	23,86	1904-05...	1,88,03
1848-49...	24,96	1905-06...	1,91,64
1849-50...	25,79	1906-07...	1,94,94
1850-51...	28,17	1907-08...	2,27,29
1851-52...	28,43	1908-09...	2,26,12
1852-53...	34,14		

Note.—Figures for 1841 to 1844 and 1847-8 are not available.

APPENDIX II.

List of Licenses issued in Bombay under the Abkari and Opium Acts.

Description of License.	No. of Licenses granted for 1908-09.	Minimum Fee fixed per License.
<i>Foreign Liquors.</i>		Rs.
Hotel Licenses	15	400
Refreshment Room Licenses	41	400
Permanent Refreshment Stall Licenses*	2	100
Temporary Refreshment Stall Licenses	...	5
Wholesale Licenses	79	100
Retail Licenses—		
First Class to be kept open till 11 p.m.	10	500
Second Class to be kept open till 9 p.m.	39	400
Licenses for the Manufacture of Perfumed Spirits by admixture ...	9	1
Licenses for the Manufacture of Perfumed Spirits by Distillation... ..	1	1
Methylated Spirit Licenses	41	50
<i>Country Liquors.</i>		
Wholesale Country Spirit Depôt License... ..	1	...
Retail Licenses—		
First Class to be kept open till 11 p.m.	40	900
Second Class to be kept open till 9 p.m.	171	700
Pure Mhowra Spirit Licenses	46	500
Pure Toddy Spirit Licenses	37	500
<i>Toddy.</i>		
Toddy Shop Licenses	100	50
Toddy Hawking Licenses	50	10
Distilling Licenses	41	...
Tapping Licenses	353	...
Tree-foot Booth Licenses	100	10
<i>Intoxicating Drugs.</i>		
License for the storage of Hemp Drugs at the Bonded Warehouse ...	7	175
License for the Wholesale vend of Hemp Drugs	3	15

* This includes the special license granted in the dining cars attached to the trains running on the G. I. P. Railway Lines, the annual fee for which is Rs. 75. No minimum or maximum fee is fixed for this license.

Description of License.	No. of Licenses granted for 1908-09.	Minimum Fee fixed per License.
<i>Intoxicating Drugs—(contd.)</i>		
License for the Retail vend of Hemp Drugs	49	...
Special license to qualified Medical practitioners for the sale of cocaine.	136	...
License to Chemists and Druggists for the sale of cocaine	27	...
<i>Opium.</i>		
License for the retail sale of Opium.	12	...
Special License to Medical Practitioners for the sale of opium and its preparations	523	...
License for the sale of Bala Golis or Infants' Pills	3	5