



COMMERCIAL. No. 34 (1881).

CORRESPONDENCE

RESPECTING THE RESULTS OF THE

TREATY OF COMMERCE

BETWEEN

HER MAJESTY

AND THE

KING OF PORTUGAL AND THE ALGARVES,

SIGNED AT LISBON, DECEMBER 26, 1878.



(In continuation of "Commercial No. 1, 1880.")

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Correspondence respecting the Results of the Treaty of Commerce
between Her Majesty and the King of Portugal and the
Algarves, signed at Lisbon, December 26, 1878.]

(In continuation of "Commercial No. 1, 1880.")

No. 1.

Mr. Morier to Earl Granville.—(Received May 21.)

My Lord,

Lisbon, May 16, 1881.

IT is with no small satisfaction that I have the honour to transmit to your Lordship herewith the inclosed translated extracts from the message addressed by the Governor-General of Portuguese India to the Council-General of Goa on the results yielded by the Goa Treaty during the first year that has elapsed since its execution, a Report the publication of which, by fortunate accident, has coincided almost to a day with the signature of the contract for the Marmagão Railway.

It had been my great object, during the course of the negotiations, to point out clearly that the Treaty in itself, and apart from the railway, which was only a contingent possibility, would prove an unmixed benefit to the population of the Portuguese Colony. My conviction that this would be so was based upon my estimate of the results which would follow on the establishment of a Customs Union, in the full acceptance of that term, and the consequent introduction of absolutely free commercial intercourse between the Portuguese *enclaves* and their British Indian environment. In originally suggesting the basis of the Customs Union, as that on which the superstructure of the Treaty should be built up, I had before my mind the precedent of the small State of Luxemburg before and after its union with the German Zollverein.

Though Senhor Corvo had all along kept before him, as the goal for which he strove, the construction of the Marmagão Railway, as the only means of utilizing the geographical importance of Goa, he was equally convinced with myself that, even if this goal were not attained, the results of the Treaty would prove in the highest degree conducive to the welfare and material happiness of the mass of the inhabitants, and especially of the poorer and more destitute classes, and he considered this as fully justifying him in signing the Treaty, though that instrument contained no positive engagements in regard to the railway. This view, however, as your Lordship is aware, was not shared by public opinion in Portugal, and the promulgation of the Treaty was the signal for an outburst of popular discontent directed against the Portuguese negotiators of the Treaty, both here and in Portuguese India, which I duly reported at the time.

In these circumstances, it is singularly fortunate that the Treaty should have had a full year's trial, whilst the question of the railway still remained in abeyance, and therefore outside the influence which the certain prospect of that undertaking would certainly have exercised.

After adverting to the extraordinary panic in regard to the Treaty which had existed on the last occasion that the Council-General of the province had met, and "to all that had been written and said without inquiry into the facts, without consideration, and without judgment," the Governor-General goes on to inform the Council "that he had addressed a 'questionnaire' to all the administrative authorities from the highest to the lowest, and that it was to the statistical facts, thus accumulated, that he appealed to refute the calumnies and follies which had been written and said, and he points out as the great result of the year's experience that all the neces-

saries of life had fallen from 25 to 30 per cent., whilst tobacco, which was equally a necessary of life to the poor, had fallen 50 per cent. in price.

"To refuse," his Excellency observes, "to acknowledge that the entire abolition of the customs duties, the full liberty of transit without any delays or trammels or fiscal vexations of any kind, is the cause of the diminished cost of imports, is a proof, either of the most determined bad faith, or else of a state of ignorance which is still more worthy of compassion."

After giving statistical details of the increased exportation caused by the Treaty, he sums up with an utterance which, to us, appears the merest truism, but which is one not often to be met with in the mouths of foreign officials:

"The larger importation of food and other articles is a sign of greater comfort being enjoyed, of greater facility in acquiring the imported articles and of the possession of larger means for purchasing them; in a word, of greater activity and life.

"The increase of exportation is likewise a proof of commercial activity."

Considering how very much at a discount free trade principles are just now, it is, I think, a matter of congratulation that a piece of international work, however small and humble it may be, built up from its foundations on free-trade principles, should have so soon vindicated the truth of doctrines so many are ready to cavil at.

In conclusion, the Governor-General records the friendliness, courtesy, and cordiality he had met with on the part of the Government of India, and of that of the Presidency of Bombay, and the flattering proofs of personal consideration and friendship which had been bestowed upon him by Her Majesty's Indian officials.

This Report, taken in connection with the simultaneous signature of the railway contract, has yielded a practical commentary, not without interest, on the late popular manifestations against the Lorenzo Marques Treaty, and the result, I am glad to say, has been the commencement of a reaction in favour of the patriotic statesman whose policy of intercolonial co-operation with Great Britain has, on the only field on which it has had fair play, already yielded results of such signal advantage to his country.

I have, &c.

(Signed) R. B. D. MORIER.

P.S.—I should be much obliged by being furnished with any data which may exist at the India Office with reference to the results of the first year's working of the Treaty from the British Indian point of view.

R. B. D. M.

Inclosure in No. 1.

Extract from the "Jornal do Commercio" of Lisbon of April 22, 1881.

(Translation.)

INDIA.

Report of the Governor-General, laid before the General Council of the Province ("Junta Geral da Provincia") on March 21, 1881.

Gentlemen and Members of the Junta Geral da Provincia,

IN compliance with the law I have come this day to inaugurate the labours of this Junta, and lay before you my Report respecting the most notable measures adopted by the Government during the past year.

I must, however, be allowed at once to offer you my congratulations at seeing you once more in this place, having your minds at rest, and free from the apprehensions which you felt last year with reference to the effects of the working of the Treaty of the 26th December, 1878. Fortunately for all, the experience of one year has certainly firmly convinced you that the new order of things has been productive of advantages to the population in general, and more especially to the poorer classes.

Last year the whole of the population of this dependency ("estado"), without exception, possessed, as it were, by an inexplicable panic, infallibly expected, I know not on what grounds, that the effect of the Anglo-Portuguese Treaty would be to bring about an increase in the cost of all the necessaries of life, and then famine and misery.

It was announced that the public squares and streets would be filled with

individuals with livid faces, and nearly lifeless, whose scanty means would not be sufficient to enable them to obtain the first and most urgent necessities of life.

All this was stated, written, and published without any previous inquiry into the facts of the case, without due consideration, without judgment.

Now, more than a year has elapsed since this Treaty, so little understood, has come into operation, and do you wish to know what has been its real economical influence upon the country as evidenced by the incontrovertible truth of figures?

Do you wish to know what is the extent of misery under which the people of this dependency are suffering after the Treaty has come into force?

What is the actual cost of the first necessities of life as compared with that cost at the corresponding periods which preceded the 15th January, 1880?

Go to the Office of the Secretary-General, or ask the Department to send you copies of the replies given by all the Maires ("Administradores") of the different districts ("concelhos"), and by the Presidents of the several Municipalities to a certain number of queries which I thought proper to put to them.

By means of these documents you will be able to appreciate the truth. You will thereby see that in India there is neither misery nor famine.

You will see that in the course of last year the cost of the principal articles of food has decreased, on some to the extent of 25 per cent., on others 30 per cent., and on tobacco 50 per cent.

This decrease in the cost of some of the first necessities of life is ascribed by some authorities to the abundant harvests beyond the Ghats.

I do not wish to gainsay that opinion entirely, as it is somewhat reasonable, but to ascribe the decrease in price noted on almost every article to the fact that there have been abundant harvests in British India is absurd. This is a proof of a prejudiced mind; this is deceiving those whom it is the principal duty of the authorities to enlighten; this is to be a bad citizen and a still worse official; this is an adulteration of economical facts which ought always to be weighed calmly and judiciously.

To refuse to acknowledge that the entire abolition of the customs duties, the full liberty of transit without any delays or trammels or fiscal vexations of any kind is the cause of the diminished cost of imports, is a proof either of the most determined bad faith, or else of a state of ignorance which is still more worthy of compassion.

It is a fact that this year there has been a remarkable fall in the price of cocoa,* which, unfortunately, constitutes the principal article of exportation from this dependency, but this depreciation was and is solely due to the fact that the various kinds of oil had been fully supplied at a very moderate rate to the whole of the markets of British India.

Consequently, this occurrence cannot be attributed to the operation of the Treaty.

On the contrary, had this taken place in past times, it might perhaps have given rise to a very serious crisis.

At present, the decreased price of that article only affects to a certain extent the well-to-do farmer, but it is advantageous to the people, who get their "hate" and cocoa cheap; and the want of work on the part of private individuals is made good by the great development given everywhere to public works.

The actual cost of salt, which, however, I do not consider to be exaggerated, is nevertheless higher than it was formerly. The cheapness, however, of tobacco, of which there is a general use, which has also become indispensable among all classes now-a-days, fully compensates by itself the higher price of salt.

Native liqueurs, which are also very largely consumed, maintain the same prices as formerly, "jagra" excepted, the price of which is 1 tanga per lb. higher.

As you are aware, the whole of the income derived from taxes, imposts, fines (and seizures), on sura, or all spirits and inebriating drugs, forms part of the revenue called "abkary." Consequently, this is no new source of revenue, and it was not established by the Treaty of the 26th December, 1878.

The taxes on spirits and on sura were already in existence.

The new feature in the matter brought about by the Treaty was the mode of levying those taxes, imposts, and fines, and of recovering the revenue derived therefrom.

If we examine the Customs statistics (which are also at your disposal), we shall find certain notable and important facts which are striking to those who devote themselves to the investigation of economical facts.

In 1880, the first year of the Treaty, we find an increased importation of

* Meaning coco-nut, not cacao or cocoa.

77,201 cwt. of rice, of the value of 165,580 rupees over that of the preceding year. In cotton stuffs there is an increased importation of the value of 130,389 rupees. In china and porcelain there is an increase of 55,960 rupees; in sugar, 46,380 rupees; in woollen stuffs, 27,015 rupees; in pulse, 17,700 rupees. In wine, in spite of certain restrictive measures and delays in clearing, there was an increase of 15,724 rupees; in petroleum an increase of 14,332 rupees; and in medicinal drugs, 11,929 rupees. From the statistics you will be able to see that there was an increased importation of many other articles, although the several results may not be so remarkable.

To these very important figures must be added the large importation which has unquestionably taken place through the land frontier of Goa, which must have increased very considerably in consequence of the total suppression of all the fiscal ports and petty custom-houses there. No figures can, however, be furnished by the Custom-house in support of this assertion.

With respect to Damão, we see that there was an increased importation of butter from India of 2,226 rupees; of spirits, 1,811 rupees; of cotton goods, 1,263 rupees; of building materials, 876 rupees, &c.

In the Diu Custom-house the analogous Tables likewise present favourable results with reference to some articles.

Thus, cotton goods show an excess of 6,322 rupees, or 52,651 yards; oil of "gergelim" (sesamum), 3,893 rupees; articles for colouring, 1,317 rupees; ivory, 1,380 rupees; petroleum, 1,145 rupees; sugar, 2,111 rupees; tobacco, 2,198 rupees.

That is as regards importation.

Now, as regards exportation, there is also an excess in some articles as compared with last year, especially in the exportation of teak and other kinds of timber from Damão, which shows an increase of 55,292 rupees. The exportation from Diu also exhibits a very favourable result for the first year of the Treaty: special mention must be made of dried fish, but not salted, on which there is an increase of 72,189 rupees as compared with the preceding year; on stuffs there was an increase of 33,171 rupees.

These are the results, therefore, of the execution of the Treaty, as based on statistical information.

A larger importation was made of articles of food and of others, which is a sign of greater comfort being enjoyed, of greater facility in acquiring the said articles, and of the possession of larger means for purchasing them; in a word, of greater activity and life.

The increase of exportation is likewise a proof of commercial activity.

If we examine the statistics of the Salt Commission, we shall see that the prophecies of pessimists as to the small quantity of salt accorded by the Treaty per head of the population were also groundless and exceedingly exaggerated. At least, gentlemen, we are not yet in a position to assert that the 14 lbs. is too little, inasmuch as the consumption of salt during the first year only attained the small quantity of 7·87, or nearly 8 lbs. per head. You see, therefore, that the consumption was far below the 14 lbs. granted by the Treaty.

On comparing the Customs receipts, which amounted in the year which preceded the Treaty to 249,018 rupees, with the sum of 45,640 rupees (including the so-called quay dues) received under the head of Customs during the year ended the 14th January, 1881, it is that one sees the important amount of indirect taxation which ceased to flow into the public exchequer, no less a difference than 203,378 rupees, which reverted directly and immediately in favour of the consumer.

This was, therefore, the enormous charge imposed by the Treaty upon the inhabitants of Portuguese India.

It is therefore now, and only now, that the real effects of the execution of the Treaty can be fairly and truly appreciated, and that one can see how very uncalled for and inopportune were the many and oft-repeated clamours of those who, instead of guiding public opinion, only led it astray.

The Report then goes on to give a detailed account of the manner in which the general provisions of the Treaty have been carried out, specially noting the benefits that have been conferred by the Extradition and Monetary Conventions.

It concludes the portion having reference to the Treaty as follows:—

"After a year has elapsed, during which our relations both with the Governor-General of India and with the Presidency of Bombay have been most frequent,

it is highly gratifying to me to record in this place that the relations in question have been carried on in the most friendly and courteous manner, and that I have always received from those two exalted officials the most cordial assistance in carrying out the Anglo-Portuguese Treaty, as well as the most flattering proofs of consideration and friendship.

“On my part, I have strenuously endeavoured to act in such a manner as to correspond to those proofs of friendship, and I feel firmly convinced that, without in any way neglecting the interests of the subjects of His Most Faithful Majesty, I have succeeded in combining them with the strict and loyal execution of the conditions and clauses of a Treaty agreed to and concluded between the Governments of His Most Faithful Majesty, and of Her Majesty the Queen of England, Empress of India.”

No. 2.

Sir C. Dilke to Sir L. Mallet.

Sir,

Foreign Office, May 26, 1881.

I AM directed by the Secretary of State for Foreign Affairs to transmit to you, to be laid before the Secretary of State for India in Council, a despatch from Her Majesty's Minister at Lisbon, inclosing a Report of the Portuguese Governor-General relative to the Goa Treaty.*

I am, &c.
(Signed) CHARLES W. DILKE.

No. 3.

Viscount Enfield to Lord Tenterden.—(Received July 4.)

My Lord,

India Office, June 30, 1881.

I AM directed by the Marquis of Hartington to acknowledge the receipt of Sir C. Dilke's letter of the 26th May, with inclosures, relating to the Indo-Portuguese Treaty, and, in returning the same, as requested, to state that the Secretary of State in Council has perused with much satisfaction the Report of the Governor-General of Portuguese India, containing so favourable an account of the results of the Indo-Portuguese Treaty during the first year of its operation.

I am to add that the Government of India have already been instructed to furnish, as speedily as possible, a Report embodying the information asked for by Mr. Morier in the postscript to his despatch of the 16th May last.†

I have, &c.
(Signed) ENFIELD.

No. 4.

Sir L. Mallet to Lord Tenterden.—(Received September 1.)

My Lord,

India Office, September 1, 1881.

WITH reference to this Office letter of the 17th June, I am directed by the Marquis of Hartington to forward herewith, to be laid before Her Majesty's Secretary of State for Foreign Affairs, copy of a despatch from the Government of India, explaining the circumstances connected with the negotiation of the Indo-Portuguese Treaty of the 26th December, 1878, and the results of its working, so far as they are at present known.

It will be seen that, although sufficient time has not yet elapsed to allow of the financial effect of the Treaty, so far as British India is concerned, being stated with precision, the Government of India is well satisfied with the results as at present ascertained, and anticipates that in the future great benefit will accrue both to the territories under its administration and to Portuguese India.

As observed in the despatch, the establishment of freedom of intercourse by sea and land, common coinage, and low uniform customs duties, must stimulate trade and

* No. 1.

† Communicated to Mr. Morier when in London in July 1881.

benefit consumers; the construction of a railway, now assured, from the port of Marmagõa into the interior, besides cheapening the price of salt to a large British population, cannot fail to develop the districts, whether British or Portuguese, through which the line will pass; while the Treaty has secured to the Government of India an important political advantage in a final and satisfactory settlement of the long-pending dispute as to the Firman privileges of the Portuguese factory at Surat.

These are considerable results, and, while cordially concurring in the acknowledgments which the Indian Government has recorded of the enlightened co-operation of the Governor-General of Portuguese India, and of the valuable services rendered by Senhor d'Aguiar, Mr. Hope, and Mr. Crawford, in bringing these difficult negotiations to a successful issue, Lord Hartington desires to add the expression of his opinion that their satisfactory termination would have been scarcely possible without the invaluable assistance rendered by Her Majesty's Minister at Lisbon, of whose great ability, unremitting attention, and remarkable exertions he is glad of this opportunity of expressing his high appreciation.

Lord Hartington will be glad if Lord Granville will cause a copy of the despatch of the Government of India, and of this letter, to be communicated to Mr. Morier.]

I have, &c.

(Signed) LOUIS MALLET.

Inclosure in No. 4.

The Governor-General of India in Council to the Marquis of Hartington.

My Lord,

Simla, August 5, 1881.

IN accordance with the desire expressed in your Lordship's despatches dated respectively the 29th April and 30th June last, we have the honour to submit, in as succinct a form as the complicated nature of the subject and the prolonged correspondence and negotiations regarding it will permit, a Report setting forth the objects which Her Majesty's Government had in view in concluding the Treaty of the 26th December, 1878, between Great Britain and Portugal in reference to the Indian possessions of the two countries, and the results of its working, so far as they are at present known.

2. This Treaty originated in the suspension by the British Government, in July 1872, of the privilege of importing goods at a uniform duty of $2\frac{1}{2}$ per cent. *ad valorem*, which had been enjoyed by the Portuguese factory at Surat since the year 1714, under a Firman of the Mogul Emperor Ferokhsir. Under this document, goods carried in Portuguese vessels and owned by Portuguese traders were placed on the same favoured footing, in respect of customs duties, as those of the Mahommedan subjects of the Empire, the rate levied on both being only $2\frac{1}{2}$ per cent., while Hindoos paid 5 per cent., and other foreigners various rates, some even more favourable, others the reverse. These "Firman privileges," as they are termed, were from time to time recognized as in existence by the executive and legislative action of the British Government, and attempts to exceed them were restrained; but their exercise gradually dwindled down, with the cessation of the Portuguese ocean trade and loss of vitality by the factory, until, notwithstanding a decision in 1845 that coasting trade might be comprised in them, the average annual value of the trade, and the duty, at Firman rates, leviable on it, did not exceed the amounts shown in the margin.*

3. From 1868-69, however, the privileges were used to cover a new class of trade. Wines and spirits (principally the latter) were imported, at first from Goa, but afterwards from Bombay out of bond, into the Portuguese port of Damann, shipped thence in Portuguese coasting craft to Surat, entered there by the factory under its "Firman privileges," and at once retransmitted by railway to Bombay. The trade, though possibly originating in *bonâ fide* Portuguese transactions, expanded under the enterprise of British subjects, to whom certificates of Portuguese ownership from the authorities at Damann, and support from the agent of the factory at Surat, became too readily obtainable. The profit by the transaction was of course very large, amounting, in the case of spirits, to the difference between $2\frac{1}{2}$ per cent. *ad valorem* and

	Total value.	Duty.
	£	£
* 1845-46 to 1851-52	64	2
1852-53 to 1861-62	512	13
1862-63 to 1867-68	645	16

3 rupees per gallon. The losses to the British customs revenue and to legitimate trade were proportionate. The former amounted to 60,941*l.* between June 1870 and June 1872, and were increasing so rapidly as to have reached 1,299*l.* in the month of May 1872 alone. The latter gave rise to urgent remonstrances and memorials on the part of the Bombay Trades' Association and Chamber of Commerce. Under these circumstances the Government of India in July 1872, with the previous sanction of the Duke of Argyll, then Secretary of State for India, directed the suspension of the "Firman privileges," giving one month's notice, and keeping an account, pending a final settlement, of the excess duty levied.

4. Simultaneously with this measure, the Secretary of State for India moved Earl Granville, then Secretary of State for Foreign Affairs, to cause negotiations for the entire abolition of the privileges to be entered into between the two Governments; and shortly afterwards the Portuguese Government, through their Minister at the Court of St. James', protested against what they described as an injury to their commerce, and an invasion of a long-recognized right of the Crown of Portugal.

5. Into the elaborate details of the diplomatic controversy which ensued it appears unnecessary for us to enter. On behalf of Portugal, it was contended that the Firman of the Great Mogul granted a perpetual right to trade on payment of duties fixed at $2\frac{1}{2}$ per cent. *ad valorem*, and no more; that this right had been exercised without variation for upwards of 150 years, and repeatedly recognized, both legislatively and executively, by the British Government; that if abuses of the right had grown up, the Portuguese Government was ready to do its best to put an end to them; and that the summary suspension of its exercise was contrary to usage between friendly and allied nations.

6. The Government of India and Her Majesty's Government in reply explained—

(1.) That the Firman was "simply an order, not containing any reference to the future, or anything to imply that the privilege which it conceded was granted in perpetuity. The effect was to place the Portuguese of Surat on the same footing in regard to trade as the Mahommedan subjects of the Emperor, or, in other words, as the most favoured community of the Emperor's natural-born subjects; and it seems in the last degree improbable that, if the Emperor had raised the duties paid by Mahommedans, he would have abstained from raising those paid by the Portuguese. The British Government treats all its subjects on an equal footing; and, in our opinion, the utmost that could be contended with reference to the Firman is, that it would give the Portuguese a right to share in that equality;"

(2.) That such Firmans were, under the rule and practice of the Mogul Government, in their nature revocable, and therefore equally revocable by the British Government, which succeeded it;

(3.) That long continuance and recognition could not alter the nature of the grant, or convert a matter of favour into a matter of right;

(4.) That the withdrawal of the privilege is not in any way contrary to Treaty obligations;

(5.) That the privilege had been abused, to the serious detriment of the British Indian revenues, and that the recurrence of abuses could not well be prevented, in the event of its restoration: also that Her Majesty's Government, while sincerely regretting any apparent discourtesy, considered that these reasons and the urgency of the matter afforded a full justification of the course they had pursued.

7. When the discussions had been protracted for about three years, Lord Salisbury, then Secretary of State for India, informed the Secretary of State for Foreign Affairs that he did not anticipate that any advantage would result from a prolongation of the correspondence; and the Earl of Derby, who then filled the latter office, decided to close it by a simple acknowledgment of a further note on the subject received from the Duke of Saldanha, the Portuguese Minister in London.

8. In November 1875 a new turn was given to the affair by a suggestion from Lord Northbrook, then Viceroy of India, that Sir Louis Mallet, who was about to pay a visit to India, should negotiate with the Governor-General of Portuguese India a Treaty for the settlement of all customs and excise questions which had arisen between the two countries. This suggestion was communicated to the Government of Portugal by Lord Lytton, then Her Majesty's Minister at Lisbon, who added that he thought himself "authorized to interpret the proposal now made for fresh negotiations on a wider basis as indicative of a sincere desire on the part of Her Majesty's Government to settle all outstanding questions of this character in a comprehensive and conciliatory spirit." The Government of Portugal readily accepted the proposal, with

the unofficial remark that the name of Sir Louis Mallet was "a conspicuous guarantee for the liberal and impartial spirit with which the proposed negotiation would be conducted by Her Majesty's Government," and for a solution at once satisfactory to that Government and safeguarding the dignity of Portugal. The terms on which the Portuguese Government expressed its readiness to treat were as follows:—

(1.) Cession by Portugal of the Surat "firman privileges, and construction by the two Governments jointly of a railway from the Portuguese harbour of Marmagão, near Goa, to the British Indian frontier.

(2.) Free transit through Portuguese India of exports and imports from or into British India, on payment of port dues only.

(3.) Mutual exemptions from and reductions of import duties, with the object of facilitating trade.

(4.) Mutual extradition of criminals.

The Governor-General of Goa and Senhor D. G. N. Soares, Director of the Commercial Department of the Foreign Office, were at the same time named Plenipotentiaries. This arrangement unfortunately fell through, owing to the illness and return of Sir Louis Mallet in March 1876, before Senhor Soares had started from Lisbon for India.

9. Both Governments being, however, desirous of an amicable understanding, the proposed basis of negotiations was carefully considered by the Government of India, and reported on to your Lordship in a despatch dated the 28th September, 1876. The first of the heads just specified was shown to be open to very serious objection. Summarising with completeness and force the arguments which had led to and justified the abrogation of the "firman privileges," the Government of India urged that compensation for their surrender could not in any form be one of the acknowledged bases of negotiation. Eliminating the question of compensation, they further held that the proposal to connect the port of Marmagão with some point, presumably New Hubli, on the contemplated railway from Bellary, could not be "entertained with a due regard to the essential interests of British India." The line, crossing a most difficult portion of the Ghâts, would be so costly to the Portuguese Government, even with the aid of a liberal subsidy, as to preclude any hope of its proving financially remunerative, while from a political and commercial point of view it seemed to them unwise to concentrate the trade of the Southern Mahratta country at a foreign port, in preference to utilising the British port of Karwar, which was in itself not inferior to Marmagão, and accessible by a less expensive and more productive railway project. While thus objecting *in toto* to the first head of the proposed basis, the Government of India held that the remaining three heads afforded the means of concluding a Treaty decidedly advantageous to both States. The light taxation on salt and spirits in Portuguese India led to a considerable amount of smuggling into British India, and necessitated the maintenance of a customs preventive line along the entire frontier. If the Portuguese Government would, on the analogy of the Convention subsisting between British and French India, suppress their manufacture in consideration of an annual indemnity, and would also raise their duty on spirits to the level of that in the adjacent British districts, and undertake not to lower their customs duties below the British Tariff and to collect the British duties on goods in transit, then the preventive cordon could be abolished, and various financial and commercial advantages would accrue to both parties. Provisions regarding the transport of arms, ammunition, and opium across the frontier, and for the extradition of criminals, would complete a measure which the Government of India could cordially promote, and which would materially conduce to the prosperity of Goa.

10. But the objections thus raised to the railway line from Marmagão disclosed an essential divergence of views between the Governments of India and Portugal. Senhor João de Andrade Corvo, the Portuguese Minister for Foreign Affairs, had firmly grasped the statesmanlike design of restoring the foreign possessions of Portugal to their former reputation and affluence, by remodelling their fiscal and administrative institutions in accordance with the most liberal systems approved by modern experience; and in the proposed railway he saw the means of securing for this design the fullest practical development, and of conferring on the Goa territories new outlets for its produce, new sources for industry, and a full participation in the prosperity of British India. To reconcile these conflicts of interest, and to strike out a *via media* neither distasteful nor detrimental to either Government, was the somewhat arduous task which devolved on Mr. R. B. D. Morier, then lately appointed British Minister at Lisbon, and to which he devoted himself with much sympathy and zeal.

The details of his communications it is perhaps unnecessary for us to describe. The necessity, under which the Government of India lay, of promptly suspending the "privileges," and the entire absence of intentional discourtesy, were convincingly explained, while the representation, in a draft preamble to the Treaty, of the new arrangements as having been substituted for the old by mutual agreement, left no room for ruffled sensibilities on either side. The propositions regarding customs and excise were expanded into a Customs Union of the most intimate kind, by which the full benefits of the low British Tariff, of internal commerce with British India, and of the coasting trade with both British India and its feudatory native States, were secured to all Portuguese subjects. The ancient alliance between Great Britain and Portugal was also to be recognized by an allusion to former Treaties. Finally, it was arranged that every facility, without subvention, should be given to the construction of a railway from the Portuguese frontier to Bellary by a private company, perfect freedom being at the same time reserved as to the opening of another line from New Hubli to Karwar. This amended basis having been accepted by Portugal, as also by Her Majesty's Government and the Government of India, it was further arranged that the Treaty in detail should be negotiated in India *ad referendum* between delegates, Portugal being represented by Senhor Soares, and India by the Honourable Sir Alexander Arbuthnot, K.C.S.I., and the Honourable T. C. Hope, C.S.I., the former a Member of the Governor-General's Executive Council, the latter a Member of the Governor-General's Legislative Council, and also specially qualified through being acquainted with the Portuguese language and having for some years held the post of Political Agent and Collector at Surat.

11. Senhor Soares arrived in Calcutta on the 27th March, 1877, and proceeding to Simla had numerous conferences and communications with Sir Alexander Arbuthnot and Mr. Hope, to whom Mr. John Jardine, of the Bombay Civil Service, had been attached as Secretary. On the 3rd August he left Simla on his return to Portugal. The result of the meeting of the delegates may be most conveniently described by the following extract from our despatch to your Lordship, dated the 16th August, 1877:—

"4. From these papers your Lordship will perceive that, while in respect to many matters of importance, including the reciprocal freedom of commerce, the establishment of a Customs Union, assimilation of coinage, weights and measures, excise and extradition, a satisfactory understanding was arrived at; in regard to certain other matters, some of them unfortunately of a fundamental character, the Delegates were unable to agree. These matters relate to the admission of the feudatory States of India to the same commercial privileges in the Portuguese settlements as those enjoyed by the British Government, the arrangements regarding the proposed railway connecting Goa with the British railway system, the arrangements regarding salt, the amount of the indemnity payable by the British Government, and the extent to which the principle of mixed commissions should be applied.

"5. Failing to come to an agreement on these important points, our Delegates properly informed Senhor Soares that, as he was unwilling to adopt *en bloc* the draft Treaty as finally presented, he should consider it withdrawn, and that the Government of India remained free from every obligation which it might otherwise have involved."

"6. This unsatisfactory termination of the negotiations is much to be lamented, but the failure of the Conference cannot, in our opinion, be ascribed to any want of patience, or of liberality, or of reasonable concession on the part of the Delegates of the Government of India. The terms offered to the Delegate of Portugal were extremely liberal, and it is matter for sincere regret that they were not more favourably received.

"7. We have considered the arguments of Senhor Soares with the most sincere desire to deal liberally with the interests of Portuguese India, and to meet to the utmost extent in our power what we understood to be the wishes of the Government of His Most Faithful Majesty. But the concessions which, in accordance with this desire, our Delegates were authorized to offer the Portuguese Envoy, were necessarily conditional on his concurrence in the accompanying stipulations, which he has felt unable to accept on behalf of his Government. These stipulations are, in our judgment, necessary safeguards to the interests of Her Majesty's Indian Empire in any commercial arrangements concluded with Portuguese India. The various clauses, therefore, of the inclosed draft Treaty, must stand or fall together, and the Treaty itself be accepted or rejected as a whole. We feel sure that your Lordship will appreciate our reasons for declining to acquiesce in any other treatment of it."

12. The return of Senhor Soares to Lisbon was followed by a variety of circumstances, chiefly political, which for some months prevented the Portuguese Government there from taking into consideration the question of the Treaty. In September 1878, however, Senhor Corvo, who was again in office after a change of Ministry which had occurred during Senhor Soares' stay in India, instructed the Portuguese Minister in London formally to propose a renewal of negotiations, and at the same time explained to Mr. Morier that he did so on the basis of the draft Treaty offered by the British Indian Delegates in 1877, the liberality of which he fully acknowledged. This proposal was accepted by Her Majesty's Government, with the assent of the Government of India, given on the general understanding that no substantial deviation from the draft of 1877 (excepting an adaptation of the railway Article to the then altered circumstances) should be sanctioned without reference to them. It was further arranged that the negotiations should be conducted between Senhor Corvo and Mr. Morier, and, at the request of the latter, Mr. Hope, who then happened to be in England, was deputed to Lisbon to afford him any explanations and assistance of which he might stand in need.

13. Mr. Hope returned from Lisbon on the 14th November, 1878, bringing a revised draft of the proposed Treaty, initialed by Mr. Morier and Senhor Corvo in token of their concurrence in recommending it for adoption by their respective Governments. The draft was approved by Her Majesty's Government, and the matter communicated to us by Lord Cranbrook's despatch dated the 5th December, 1878, in the following terms:—

“The negotiations carried on at Lisbon resulted in the practical acceptance by the Portuguese Government of the draft Treaty of 1877, with Article V revised in the terms already reported to you, and with a few other modifications favourable to India. Under these circumstances, and as the Portuguese Minister was anxious to be in a position to lay the Treaty before the Cortes on the 1st January next, I deemed it unnecessary that the final formalities should be delayed pending a further reference to your Government. Accordingly, the Law Officers of the Crown having advised that there was no technical objection to the terms of the draft Article providing for the extradition of criminals, Her Majesty's Minister at Lisbon has been authorized to intimate the assent of the Queen to the Treaty as it now stands,* and instructions with full powers for its conclusion will be sent to Mr. Morier forthwith.

“3. This result of a protracted discussion is, in the opinion of Her Majesty's Government, extremely satisfactory. They are sanguine that the Treaty about to be concluded, while it closes a controversy with the Government of Portugal upon which Her Majesty's Government entered with reluctance, will greatly conduce to the commercial interests of both British and Portuguese India. The favourable issue of the negotiations is immediately due to the energy and ability shown by Her Majesty's Minister at Lisbon, to whom, on the part of the Indian Government, I have expressed my acknowledgments through Her Majesty's Secretary of State for Foreign Affairs. Mr. Morier, in his despatch of the 9th November, speaks in cordial terms of the assistance which he has received from Mr. Hope. That gentleman, since his return to London, has given equally valuable aid in discussions which have taken place on the question of extradition; and I do not doubt that the service which he has rendered will be appreciated as highly by your Excellency's Government as it is by that of Her Majesty.”

14. The execution of the Treaty took place on the 26th December, 1878, in conformity with the initialed draft, except that the Extradition Article was couched in general terms, leaving the details to be the subject of a separate Convention between the Governors-General of Portuguese and British India. A Declaration was on the same day signed by the Plenipotentiaries, Mr. Morier and Senhor Corvo, confiding to the Delegates to be named under Article XVII of the Treaty the duty of preparing, after communication with the Portuguese Indian Customs authorities, an official Portuguese version of the Tariff in harmony with the English text annexed to the Treaty, which was declared to be the official and authoritative text of the Tariff agreed to by the High Contracting Parties. On the 8th March, 1879, an Additional Article was signed, providing that the arrangements in Article XII of the Treaty relating to the manufacture and sale of salt should be open to revision, with the consent of both the Contracting Parties, at the expiration of three years from their coming into operation. The Treaty having been submitted for the approval of the Cortes, in accordance with Portuguese Constitutional Law, passed the Chamber of Deputies on

* See English and Portuguese text enclosed in Foreign Office letter of the 28th November.

the 11th, and that of the Peers on the 18th June. The law giving effect to it received the assent of His Most Faithful Majesty on the 26th of the same month. On the 6th August the Ratifications were exchanged, and a Declaration was also executed by the Plenipotentiaries providing that the Treaty should come into force, not within three months as provided in Article XXII, but on such day as the Governors-General of British and Portuguese India, on report from the Delegates to be appointed under Article XVII, might conjointly determine. The Delegates were Mr. A. T. Crawford, of the Bombay Civil Service, and his Excellency Councillor Senhor d'Aguiar, the former appointed by Her Majesty and the latter by the King of Portugal. Senhor d'Aguiar reached India on the 21st October, 1879, and the Treaty, on the joint Report of the Delegates that all preliminary arrangements had been completed, was brought into force by the two Governors-General on the 15th January, 1880. We append to this despatch, for ready reference, copies of the Treaty and the subsequent Declarations, Acts, and Conventions connected with it.

15. We have purposely reserved, till the present stage of this despatch, all detailed account of the provisions of the Treaty, because it appeared to us that particulars regarding each Article might be supplied with most convenience in conjunction with the account of its working up to date, which your Lordship desires to receive. We now propose to describe and comment on each Article as briefly as its subject will allow. The special significance of the Preamble has already been alluded to.

16. Articles I, II, and III.—The first two of these Articles secure, in terms analogous to those in standard European Treaties, complete freedom of commerce, navigation, transit, residence, possession of property, and trading, to the subjects of either Government within the dominions of the other, with liability to the same imposts and laws only as are applicable to nationals. The third Article similarly throws open the ports and harbours, and the coasting and carrying trade.

17. Article IV provides that the privileges and engagements of the three preceding Articles shall be extended to such of the native States as the Governor-General of British India may declare to be, by Treaty with Her Britannic Majesty or otherwise, entitled to be placed in such matters on the same footing as British India. The preparation of lists to be communicated under this Article has been found a matter of some difficulty, and necessitating a careful review of the relations of the British Government with the numerous States in Western India. Article I has been extended to the States of Sawantwadi, Sachin, and Bansda, between which alone and British India complete reciprocity exists. Under Article II no list has been furnished, as the extension to native States of the general privileges to which it relates might have the effect of conferring on Portuguese European subjects, by reciprocity, privileges in those States that are not specially secured to European British subjects, or to those of any other nation. The list under Article III comprises the native States of Cambay, Baroda, Bhaunagar, Sachin, Sawantwadi, Cochin, and Travancore. The effect of the Article has been carefully explained by the Political Officers to each State, and its observance has been formally agreed to. Upwards of 450 miles of native seaboard have thus been thrown open to the Portuguese coasting trade.

18. Article V.—This Article binds the Contracting Parties to use their best endeavours to establish uniformity between their respective systems of money, weights, and measures, and requires that a Convention on the subject shall be entered into by the Governors-General of British and Portuguese India within two years from the date of the Treaty coming into force. The Delegates, Senhor d'Aguiar and Mr. Crawford, visited Calcutta in March, and, in communication with Sir John Strachey, Mr. R. B. Chapman, and Mr. T. C. Hope, settled the terms of the Convention, which was executed by Lord Lytton and Admiral C. A. d'Almeida Albuquerque on the 12th April, 1880, and acquired the force of law in British India by Act XVII of 1881.

19. As regards money, this Convention provides that silver rupees, half-rupees, quarters and eighths, and copper halves, quarters, eighths, and twelfths of a tanga (or anna), corresponding in weight, &c., to the coinage of British India, shall be coined on behalf of the Portuguese Government by the Government of India, and by no other agency. This coinage is to be performed free of charge for three years in the case of silver and for five in that of copper, in order to effect the conversion as rapidly as possible, and new coin is to be advanced by the British Government for repayment in existing coin within two months. After the periods just specified, the coinage will be subject to the usual mint charges; and from the 1st November, 1883, 4,000 rupees per annum will be paid to the Portuguese Government in lieu of any seignorage or profits which it might otherwise claim. The new Portuguese coinage will be legal

tender in British India, and the British Indian coinage will be so in Portuguese India. Considerable delay has taken place, first in furnishing the necessary effigies from Lisbon, and afterwards in engraving at the Calcutta Mint; but the quantity of rupees and quarter-tangas required by the Governor-General of Portuguese India to start with was recently supplied, and the remaining coins will all be complete in a few weeks. The Convention contains a clause declamatory of the terms on which the Governor-General of Portuguese India is authorized to issue curreney notes; and we forwarded to your Lordship, with our despatch dated the 22nd ultimo, specimens according to which his Excellency desires that the notes should be manufactured by the agency employed for British India. These notes, however, are not to be legal tender in British India.

20. In the matter of weights and measures, the Convention provides that, whenever the "Indian Weights and Measures of Capacity Act, 1871," is put into operation in British India, similar provisions shall be enforced in Portuguese India. The difficulties which have hitherto prevented the application of this Act are not unknown to your Lordship, and need not be here recapitulated.

21. Article VI relates to the railway, already alluded to in paragraphs 8 to 10 of this despatch. It provides for two eventualities. First, in the event of the formation of a joint-stock Company for the improvement of the port of Marmagão, and the construction of a railway thence to New Hubli, with capital and a concession from the Portuguese Government as regards the part of the line within its territory, which the British Government deems sufficient and suitable, the latter Government undertakes to give the Company a contract for the portion in British India upon certain terms specified in detail, but not including any pecuniary aid or guarantee. That Government agrees, moreover, to include in the contract the extension of the line from New Hubli to Bellary, provided the contract is executed within two years from the Treaty coming into force, and a State railway between those towns has not then been already completed. A general right to construct railways from any point on the new line to Karwar or other places in British India, together with running powers over it for the purposes of any such lines, is, further, expressly reserved. Secondly, in the event of no such arrangement with a joint-stock Company being found practicable or expedient, but of a mixed Commission establishing to the satisfaction of both Governments that a railway to New Hubli from Marmagão would be remunerative and preferable for commerce to one from Karwar, then the two Governments engage to adopt in concert such measures for the early construction of the line as their respective financial circumstances will allow.

22. During the years 1877 and 1878 overtures for the construction of the Marmagão-Bellary Railway were made to your Lordship and the Portuguese Government at Lisbon by Mr. F. Campbell, and he received a concession conditional on certain requirements being fulfilled within a specified time. This concession he proved unable to take up. The matter had, however, in the meantime occupied the attention of his Grace the Duke of Sutherland and other gentlemen, who had formed themselves into an Association styled "The Stafford House Committee;" and in the winter of 1879-80 they carried out, under agreement with the Portuguese Government, and with permission and every facility on our part, a careful survey of the harbour of Marmagão and the proposed line thence to New Hubli. This survey was conducted under the supervision of Mr. E. E. Sawyer, the Government of India deputing Mr. W. Lind Buyers, an officer of the Indian Public Works Department, to accompany and take part in the survey, and also to watch its interests and submit a Report on it.

23. The results of the survey proved to be very satisfactory, a favourable line being obtained through the Western Ghâts by the Kulmul gorge, a pass hitherto unnoticed, although only distant 3 miles to the south of the Tini Pass, and lower than it by 335 feet. The total length of the railway from Marmagão to New Hubli, as determined by this survey, is 124 miles, of which $49\frac{1}{4}$ miles are in Portuguese and $79\frac{3}{4}$ in British territory. The first section of 34 miles in Portuguese and the last of 69 miles in British territory present no serious engineering obstacles to the construction of a railway; but on the Ghât section, 21 miles in length, of which $3\frac{1}{2}$ miles are in British territory, the works will be heavy and the gradients severe. The following comparison of this Ghât with those by which the Great Indian Peninsula Railway crosses the same range shows, however, that the works will be lighter, and the gradients somewhat more favourable than those of the Bhoire Ghât:—

				Kulmul.	Bhore.
Rise from base to summit	..	..	..	1,610 feet	1,831 feet
Worst gradient	..	..	..	1 in 40	1 in 37
Length of Ghât incline	..	..	..	13 miles	15 miles

The objectionable feature of a reversing station, moreover, which adds so much to the difficulties of working the Bhore and Thal Ghâts, does not exist on the Kulmul Ghât.

The total estimate for a single line of railway on the standard Indian gauge of $5\frac{1}{2}$ feet amounts to 1,530,676*l.* (at 1*s.* 8*d.*), to which 220,000*l.* must be added for the harbour works. The portion of this outlay falling on Portuguese territory is computed at about 800,000*l.* A further addition, roughly estimated by Messrs. Hawkshaw at 100,000*l.*, must also be made for a double line of rails over the Ghât section, the necessity of providing which at the outset we indicated in our railway despatch of the 27th May last. The total will, however, be considerably modified by the adoption of the metre gauge, which your Lordship has preferred.

24. Upon the receipt of the Reports of the survey in London, the terms on which a Company could be formed were the subject of long negotiations between your Lordship, the Stafford House Committee, and the Portuguese Government, represented by their Minister, Senhor d'Antas, and the Portuguese Delegate under the Treaty, Senhor d'Aguiar. In December 1880 your Lordship decided that British India might, in her own interest no less than in that of commerce generally, safely co-operate in furtherance of the proposed railway, provided the Portuguese Government were willing to accept certain reasonable conditions, to be put before them. Your Lordship at the same time held the metre gauge to be indispensable for this line, in order that future extensions might cover a maximum extent of country with the minimum financial burden.

25. The conditions above referred to provided for (1) improvement of the port of Marmagão and construction of a single metre-gauge line to the Portuguese frontier; (2) Tariff charges not exceeding the rates prevailing on the Great Indian Peninsula Railway, and shipping and port dues not higher than those of the Bombay Port Trust; (3) conveyance of the British Government mails, stores, &c.; (4) right of the British Government to construct the line to Karwar after a reasonable interval, if found expedient. In consideration of these conditions, the British Government engaged to continue the metre-gauge railway from the frontier to Bellary. These terms were accepted by the Portuguese Government in January last; and in April a contract for the incorporation of the Company was executed between that Government and the Stafford House Committee. The Company has since been formed, and having issued its shares very successfully, is now making arrangements for the immediate prosecution of the works.

26. In view of our obligations for the continuance of the line eastwards from the frontier, as also of the necessity of protecting the Southern Mahratta country from famine, as recommended by the Famine Commission, we lately recommended to your Lordship that the lines of railways specified marginally,* together with a line from some point near Bellary to the delta of the Kistna, should be constructed by private enterprise, through the agency of the Marmagão Company or otherwise. We believe that the undertaking would be remunerative, especially to that Company, and trust that, under the present favourable conditions of the money market, some arrangement may be concluded at an early date. Meanwhile, your Lordship has approved generally our estimates for the lines between the Portuguese frontier and Bellary, and between Hutgi and Bagalkot (part of the above-mentioned Gadag-Hutgi line), and orders have already issued to the Bombay Government to commence work by departmental agency on the portion lying between Bellary and Hospett, and to permanently locate and prepare final estimates for the part between Hospett and the frontier. Orders regarding the prosecution of the Hutgi (Sholapur)-Bagalkot line will also shortly

					Miles.
* Portuguese frontier to New Hubli	..	..	..	..	77
New Hubli to Bellary, <i>viâ</i> Gadag	..	..	..	..	126
„ to Bunkapur	..	..	..	..	36
„ to Poona	..	..	..	..	235
Gadag to Hutgi	..	..	..	..	103
Total	..	..	..	..	577

issue. It is not anticipated that, in the event of this system of railways, or any portion of it, being taken up by private enterprise, any difficulty is likely to arise in making over to a Company any works on which a commencement has already been made.

27. Article VII provides for the abolition of all customs duties of import or export levied on the transit by land or sea of goods between British and Portuguese India, and the removal of all preventive establishments maintained on the frontier, so that the Indian dominions of the Contracting Parties may "become one territory in all matters relating to commerce." It also allows of the extension of its advantages to such native States as the Governor-General may declare to be entitled to the same customs privileges as British India. The duties accordingly ceased on the Treaty coming into force, and the preventive frontier establishments, which had been maintained for a time in expectation of a temporary increase of salt smuggling, were entirely removed on the 30th November last. The native States of Cambay, Sachin, Habsan, Sawantwadi, and Cochin have already been admitted to full customs privileges. Others may possibly be added to the list hereafter; for the inquiries consequent on this article led in September last to the appointment of Mr. A. T. Crawford, the British Delegate, to negotiate a complete Customs Union with the principal native maritime States of Western India. The addition of Cambay, Habsan, and Cochin to the list is the result of his endeavours; but in other cases obstacles exist which may defer for some time the adoption of free-trade principles by the native Rulers.

28. Articles VIII and IX.—These Articles provide for uniformity of customs laws, regulations, and duties throughout the two dominions, subject to certain reservations of detail. The duties are fixed according to a Tariff annexed to the Treaty, which is, in fact, the British Tariff; and provision is made for future modifications at the instance of the British Indian Government, together with compensation to the Portuguese Government for loss occasioned by any such changes in the expediency of which it may not concur. In pursuance of this Article and of the Declaration of the 26th December, 1878, already mentioned, the Portuguese official version of the Tariff was duly promulgated. The Portuguese custom-house system has been considerably modified on the model of our own; and Mr. Crawford states that the Portuguese officials are "loyally and scrupulously" carrying it out. Panjim, or New Goa, has been declared a warehousing port under the Indian Sea Customs Act.

29. Article X constitutes the customs duties at all British and Portuguese Indian ports practically affected by the Treaty a "common receipt," to be divided (after deduction of refunds, but not of expenses of collection) between the two Governments, on the principle of securing to Portugal the whole duty, wherever collected, on dutiable articles consumed or produced in Portuguese India. The division is to be made on the basis either of ascertained traffic from year to year, or of estimated consumption per head of the population of Portuguese India, or otherwise, as the Government of Bombay and the Governor-General of Portuguese India may in concert determine. The Portuguese share so ascertained is to be augmented by three-fourths—a concession asked for by Senhor Soares in imitation of the arrangement with Hanover and Frankfort on their admission to the Zollverein, but granted as a part of the general compensation for concessions in the Treaty other than those relating to salt. The division for the first year has been made without dispute, on the basis of ascertained traffic, the Portuguese share being 70,387 rupees. The difference of about two lakhs of rupees between this sum and the customs duties formerly collected are a measure of one of the advantages, that of free imports in a large number of cases, and reduction of duty from 14 per cent. to 5 per cent. in the rest, which have accrued to the Portuguese Indian people from the Treaty.

30. Article XI is declaratory of the general desire of the two Governments to maintain uniformity of system and rates in their excise administration, and prefatory of the special stipulations regarding salt, spirits, and opium, to follow in succeeding Articles.

31. Article XII.—This Article, relating to salt, is fiscally the most important in the Treaty. Goa and Damaun possess special natural facilities for producing sea-salt; and the manufacture being untaxed, the smuggling into British India was estimated at from 200,000 to 300,000 mannds (of 82 lbs. each) a-year, representing an annual loss of duty, at present rates, of from 50,000*l.* to 75,000*l.* The original proposal of the Indian Government was, as has been already stated (paragraph 9), that the salt manufacture should be suppressed, as in French India; but Senhor Soares showed that the loss of the industry would be severely felt by the local population; and the British

Delegates saw in the supply of Goa salt, if conveyed by the proposed railway, a means of greatly cheapening to the whole British population of the Southern Mahratta country this necessary of life, which at present costs them $3\frac{1}{2}$ to 4 rupees per maund, while at the same time improving the revenue. The Article therefore takes the form of a grant to the British Government of the exclusive privilege of regulating or undertaking the manufacture and sale of salt in Portuguese India. The salt works being private property, two methods of working them under the grant are provided—either the proprietors or tenants of the works are to manufacture under the direction of the British Agents, on terms mutually agreed on between them; or, failing such agreement, the Portuguese Government is to hand over the works to the British Agents for the term of the Treaty. Works not convenient or profitable are to be suppressed, if the Agents so desire. Compensation to the proprietors of works so handed over, or suppressed, is to be assessed by a Mixed Commission, and paid by the British Government. The Portuguese Government undertakes to prohibit the manufacture and sale of salt without license from the Agents, and to prevent, and aid the Agents in preventing, all contraband practices. The British Government, on the other hand, is to hand over to the Portuguese, at the cost of manufacture only, a supply of salt for domestic consumption of Portuguese Indian subjects, at the rate of 14 lbs. per head per annum on the ascertained population. The Article also contains numerous minor stipulations.

32. The arrangements just described for obtaining a control over the manufacture were the only ones which, on general principles of equity, it was possible to have adopted; but it is obvious that the former method, of working through the proprietors, is very preferable to the latter, of expropriation, especially considering that the Portuguese expropriation law requires the deposit of the estimated value of the property at the outset, but does not give possession to the expropriator until after the final award of the Tribunal, and that the statistics of the area and produce of the salt-works were most meagre and untrustworthy. The Delegates, therefore, earnestly addressed themselves to effecting an understanding with the proprietors. Their difficulties were extreme, and they eventually deemed it advisable to consent to an agreement on the principle of assuring a fixed price for all salt, up to a certain maximum quantity, which the manufacturers might at the end of the year find themselves unable to sell. The price fixed was unquestionably high; but they deemed its payment preferable to the risks and delays of a Mixed Commission, and they looked to any loss being covered by the excise duty. This agreement was accepted by 678 proprietors in Goa, possessing an area of 1,016 acres; while 139 proprietors of 450 acres preferred to take their chance before the Mixed Commission. In Damaun, all the proprietors elected to work under the agreements. Upon the result the Bombay Government, in a Resolution dated the 29th March, 1880, and forwarded to us, remarked as follows:—

“Very great credit is due to Mr. Crawford for the energy, ability, and judicious tact displayed by him in the conduct of these negotiations. The difficulties with which he had to contend in the form of the cupidity and ignorance of the proprietors of salt-works, the general hostility in Goa to the provisions of the Treaty relating to salt, the absence of any trustworthy statistics, and the unreasonable nature of the many demands preferred, were very serious; and had it not been for the energy, fairness, and courtesy which characterized Mr. Crawford’s action, and the most valuable and cordial co-operation afforded by Senhor d’Aguiar, the Portuguese Delegate, the degree of success which has attended the carrying into execution of Article XII of the Treaty would have been materially diminished, and very great delay and trouble might have arisen in giving any effect to its provisions.”

The Bombay Government at the same time forcibly pointed out, what the Delegates themselves had deliberately accepted, that the price fixed was beyond that at which the salt could be expected to sell. The event has proved that, in a choice of difficulties, the Delegates selected the least; for the Mixed Commission awarded compensation on an estimate of out-turn far in excess of anything which the other works, even under the stimulus of the agreement, have been able to attain. We look to the reconsideration of this Article, which will be open to us about eighteen months hence under the Additional Article of the 6th August, 1879, for the removal of any defects that may have hindered the equitable working of the agreement and Mixed Commission.

33. It would be impossible for us to touch, within the limits of this despatch, upon the various points of interest raised in course of working this article. We may mention that the Portuguese Government have fixed a price of rupees 1 : 8 per maund upon the salt for domestic consumption with which we supply them (under clause (i) of the Article) at the cost price of less than 2 annas per maund. This is a material

assistance to us in the prevention of smuggling, and would have already become a highly profitable source of income to the Portuguese but for an unfortunate misapprehension, under which the Governor-General, on the introduction of the Treaty, permitted private individuals to retain untaxed salt up to about 16 lbs. per head instead of 5 lbs. only, as had been previously arranged with the Delegates. Upwards of a-year's free supply being thus left in the hands of the people, they naturally will not consume taxed salt until it has been worked off, and in the meantime we also indirectly suffer by preventive arrangements being weakened. Another point we may mention is, that the arrangements for issuing duty-free salt for manure, and salt at 6 annas a maund only for fish-curing, have been worked without difficulty. The Portuguese Government have organized a Preventive Police, which has done good service, and are otherwise faithfully endeavouring to carry out the provisions of the Article.

34. We are not yet able to state very precisely the financial results of the Salt Article, as the salt season and the Treaty periods do not correspond with any of our administrative years, and the accounts are incomplete; but we understand the following figures for the year ending the 31st May last to be approximately correct:—

Receipts—		Rupees.
Duty on exports by sea and land of 1,92,628 maunds, at 2½ rupees	..	4,81,570
Duty on sales to retailers, &c.	..	11,202
Proceeds of salt sold to retailers, 3,357 maunds, at 4 annas 10 pies	..	1,014
“ “ Portuguese Government for domestic consumption,		
“ “ 70,819 maunds, at 1 anna 8 pies	..	7,377
“ “ fish-curing yards, 44,527 maunds, at 6 annas	..	16,698
“ manure (nominal as yet)	..	7
“ salt exported by agents, 20,985 maunds, at 2 annas 1 pie	..	2,732
		<hr/>
Total receipts	..	5,20,600
Expenditure—		
Payment under Article XV for salt, abkari, and opium stipulations	..	4,00,000
Compensation awarded by Mixed Commission	..	91,022
Cost of salt department	..	90,420
Cash to proprietors for salt bought under the agreement	..	1,42,860
		<hr/>
Total expenditure	..	7,24,302
		<hr/>
Excess of expenditure over receipts	..	2,03,702
Balance of salt in hand with British agents—		Maunds.
Goa	..	5,00,011
Damaun	..	2,19,706
Diu	..	2,029
		<hr/>
Total	..	7,21,746

The necessity of taking over large stocks of salt at the commencement and other circumstances have necessarily weighted the undertaking; but when these stocks, worth rupees 2 : 8 per maund in duty, have been somewhat worked off, and the advantage from the “abkari” arrangements, together with the saving by abolition of frontier lines (52,000 rupees per annum), on the one hand, and the cost price of old stocks taken over, the frontier preventive force for ten and a-half months, and the loss by abolition of customs duty, on the other, have all been duly brought to account, the balance-sheet of the Treaty from its commencement will show more than equilibrium.

35. Article XIII provides for the introduction into Portuguese India of the British system of excise on spirituous liquors. As the Goa territory alone has been estimated to contain 3½ millions of palm-trees, and there was no effective excise system, the smuggling into adjacent British districts was formerly very great. It will necessarily take some little time to raise the Portuguese rates to an absolute equality with our own. But the Governor-General has bestowed so much care on the question, that his new arrangements yielded no less than 1,72,229 rupees in 1880, and 1,97,788 rupees for the current year, against 50,000 rupees per annum before the Treaty came into force. Further alterations are in contemplation, which are calculated to produce 2,63,490 rupees in 1882. The Portuguese Government will thus recoup itself from this item alone for the whole of its pecuniary sacrifice (of customs duty) under the Treaty, while imposing a wholesome check on the vice of drinking on its subjects. The profit which will accrue to our excise revenue from this removal of inducement to smuggle out of Portuguese territory cannot yet be estimated, but it will undoubtedly be considerable.

36. Article XIV engages that the Portuguese Government will, if so requested, prohibit the exportation of opium, and the cultivation or manufacture of it, except on account of the British Indian Government. The Article was inserted as a precaution, but appears likely to remain a dead letter, various attempts to introduce the cultivation of the poppy having failed.

37. Articles XV, XVI, and XVII.—The first of these provides for 4 lakhs of rupees being paid by us as compensation for the salt, “abkari,” and opium stipulations of the Treaty. Article XVI relates to the Mixed Commission which may from time to time be appointed to settle questions arising under Articles VI, IX, X, and XII. The claims of salt proprietors is the only question which has yet been submitted to this Tribunal. The Commission worked smoothly, and submitted a unanimous Report.

38. Article XVII relates to the appointment of Delegates with the object of adjusting differences, preparing statistics, and generally promoting the working of the Treaty. Senhor d’Aguiar returned to Europe in March 1880, and was subsequently deputed to London in connection with the railway negotiations. Mr. Crawford retains the functions of Delegate in conjunction with his regular appointment of Commissioner of the Southern Division of the Bombay Presidency, of which the Goa territory is an *enclave*. An officer of the Salt Department, Mr. Oliver, is located at Goa in the double capacity of Assistant Delegate, or intermediary between the Delegate and the Portuguese Government, and of head of our salt administration. A census of Portuguese India was taken simultaneously with that of British India on the 17th February last, but the result is not yet known.

39. Article XVIII contains various agreements relating to the punishment of smuggling, the pursuit of criminals across the frontier, the entry of armed forces of either Contracting Party into the territories of the other, and the exportation of arms, ammunition, and military stores. Under the last of these the Portuguese Government has prohibited the exportation of arms, &c., from Portuguese into British India or any native State, and the British Government has similarly prohibited exportation into Portuguese India, except under certain limitations. The native States of Sawantwadi, Dharampur, and Junagad, whose frontiers march with, or are contiguous to, the Goa, Damaun, and Diu territories, have been placed on the same footing as British India in this matter.

40. Article XIX.—The Extradition Convention contemplated by this Article was drawn up in almost exact accordance with the draft which had been framed in consultation with Senhor Soares in 1877, and was executed by Lord Lytton and Admiral Albuquerque on the 20th January, 1880. Shortly afterwards it obtained the force of law by Act IV of 1880. It has been found to work smoothly, and some extraditions have taken place under it; but it has not been extended yet to any native States, as contemplated by clause (d), because it was believed that the Treaty generally would suffice to obviate the recurrence of difficulties in connection with them.

41. Article XX.—The Article just quoted also gives effect to this Article on the subject of commissions in criminal trials and inquiries and in civil suits and proceedings. The remaining three Articles of the Treaty call for no remark.

42. We have now laid before your Lordship the objects, nature, and results of the Treaty, so far as the latter are at present known, and would add our opinion that it cannot fail to be in many ways beneficial to both States. The establishment of freedom of intercourse by sea and land, common coinage, and low uniform customs duties, must stimulate trade and benefit consumers. The construction of the railway, now fortunately assured, will cheapen salt to a large inland British population, while encouraging industry, bringing prosperity at its Portuguese outlet. The Portuguese Government will find itself, after the exchange of customs for excise duties, in a financial position much better than before, independently of the compensation of 4 lakhs of rupees, which have afforded to it the means of guaranteeing the railway Company from loss. The salt proprietors, again, are either fully employed or handsomely compensated; the enhanced price of salt has been recently affirmed by the Governor-General of Portuguese India to be fully compensated for by the reduced price of tobacco; consumers generally enjoy imported articles at a cheaper rate; and the only persons to suffer are those addicted to spirituous liquors. For ourselves, we have a final and satisfactory settlement of this dispute about the Surat Firman privileges. In conclusion, we may repeat the statement in paragraph 6 of our despatch of the 27th April, 1881, that if our anticipations that the Treaty will be found satisfactory in its practical working are realised, “the success will be largely due to the cordial and energetic co-operation of his Excellency the Governor-General of

Portuguese India, and to the address, tact, and conciliatory spirit evinced by Senhor d'Aguiar. Mr. T. C. Hope, C.S.I., whose ability and perseverance contributed so materially to the conclusion of the Treaty, has spared no pains in superintending and advising upon the details preliminary to its introduction; and Mr. A. T. Crawford has, in our opinion, well merited the commendation passed by the Government of Bombay upon the judgment and discretion with which he performed the special duties entrusted to him."

We have, &c.
(Signed) RIPON.
D. M. STEWART.
W. STOKES.
RIVERS THOMPSON.
J. GIBBS.
E. BARING.
T. F. WILSON.

APPENDIX (A).

Treaty of Commerce and Extradition between Her Majesty and the King of Portugal and the Algarves with reference to their Indian Possessions.—Signed at Lisbon, December 26, 1878.

[*Ratifications exchanged at Lisbon, August 6, 1879.*]

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Most Faithful Majesty the King of Portugal and the Algarves, being equally animated by the desire to draw closer the ancient ties of friendship which unite the two nations, and to improve and extend the relations of commerce between their respective dominions, and judging it convenient to substitute for the privileges accorded to Portuguese commerce at Surat a system more in harmony with the fiscal interests of British India and those of Portuguese India, their Majesties have resolved, with these objects, to establish a Customs Union between the possessions of their respective Crowns in India, and to conclude a Treaty of Commerce and Extradition for the said possessions.

And for these purposes have named as their Plenipotentiaries, that is to say,—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, Robert Barnett David Morier, Esquire, Companion of the Most Honourable Order of the Bath, Envoy Extraordinary and Minister Plenipotentiary of Her Britannic Majesty at the Court of His Most Faithful Majesty, &c., &c., &c.,

And His Most Faithful Majesty the King of Portugal and the Algarves, Senhor João de Andrade Corvo, Councillor of State, Peer of the Realm, Minister and Secretary of State for Foreign Affairs, Professor in the Polytechnical School of Lisbon, Lieutenant-Colonel of Engineers, Knight Grand Cross of the Ancient, Most Noble and Illustrious Order of St. James for the reward of Scientific, Literary and Artistic Merit, Knight Commander of the Order of Christ, Companion of the Military Order of Aviz, Effective Knight Grand Cross of the Order of the Rose of Brazil, Knight Grand Cross of the Legion of Honour of France, of Leopold of Austria, of Saints Maurice and Lazarus of Italy, of the Royal Order of Charles the Third of Spain, of the Order of the Polar Star of Sweden, Officer of Public Instruction in France, &c., &c., &c.;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon and concluded the following Articles:—

ARTICLE I.

There shall be reciprocal freedom of commerce, navigation and transit between the Indian dominions of the High Contracting Parties.

Such freedom of commerce, navigation and transit shall not extend to contraband articles of war, or to articles of which the exportation or importation is prohibited by this Treaty, or by any law not inconsistent therewith, now or for the future in force in the Indian dominions of either Party.

ARTICLE II.

The subjects of each of the High Contracting Parties shall be entitled to enter into and to travel and reside in the Indian dominions of the other; to have and own

lands and houses therein; to open warehouses and wholesale and retail shops, and otherwise to trade with perfect freedom therein.

The subjects of each of the High Contracting Parties availing themselves of the above permission shall enjoy in the Indian dominions of the other, in respect of commercial and industrial pursuits, all privileges, immunities and other advantages which are or may be accorded to the subjects of the other, and shall not be liable to any general, special, or local imposts whatever, except those which are or may be imposed on such subjects; but they shall be in all respects amenable to the general laws and statutes in force in such dominions.

ARTICLE III.

The ports, harbours, roadsteads, basins, creeks and rivers in the Indian dominions of each of the High Contracting Parties shall be open to the commerce and navigation of the subjects of the other, on the same conditions as those on which they are open to the subjects of the party in whose dominions they are.

The coasting and carrying trade between one port and another in the Indian dominions of each of the High Contracting Parties shall be open to the vessels of the other, without any restriction except such as is or may be imposed upon national vessels.

No vessel of one of the High Contracting Parties shall be subjected by the other to any harbour or navigation dues of any description whatsoever, or to any regulations for stationing, loading, unloading, or otherwise, to which national vessels are not equally subject, or shall be denied any privilege which is accorded to such vessels.

The High Contracting Parties reserve to themselves respectively the right of retaining, increasing, modifying and abolishing the dues and charges on navigation in their respective Indian dominions, and of establishing new dues and charges of a like nature.

ARTICLE IV.

The privileges and engagements comprised in Articles I, II, and III of this Treaty shall extend to native States which, by Treaty with Her Britannic Majesty, or otherwise, may be entitled to be placed, in the matters referred to therein respectively, on the same footing as British India. The Governor-General of British India will, from time to time, communicate to the Governor-General of Portuguese India a list of such native States.

ARTICLE V.

The High Contracting Parties agree to use their best endeavours to establish between their respective systems of moneys, weights, and measures the harmony desirable for the development of commercial relations between their respective dominions.

The detailed measures to be adopted shall form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed within two years from the date when this Treaty comes into force.

ARTICLE VI.

The High Contracting Parties, being equally animated by the desire of procuring for their respective subjects new facilities of communication, and of extending the external commerce of India, agree to the following stipulations:—

(a.) Whenever His Most Faithful Majesty shall give notice to Her Britannic Majesty that a joint-stock Company has been formed for the construction of a railway from the port of Marmagaum to the town of New Hubli, and that His said Majesty proposes to give to the said Company a concession of powers and facilities for the construction and maintenance of the portions of the said railway lying within Portuguese India, and the rendering of the said port safe and suitable for purposes of commerce, Her Britannic Majesty engages, upon being satisfied that such concession is suitable and sufficient, and that the capital necessary for the undertaking is forthcoming, and upon the said concession being actually granted by His said Majesty, to enter into a contract with the said Company, providing for—

(1.) The grant, upon the same terms as those upon which land has been granted to guaranteed railway Companies in British India, of whatever land may be temporarily or permanently necessary for the construction and maintenance of the portion of the line lying within British territory.

(2.) The use of Her Majesty's best endeavours to obtain from any native State whose territory the line is intended to traverse the grant on the same terms of whatever land may be so necessary for the said purpose, but subject to Her Britannic Majesty's Imperial jurisdiction and sovereignty.

(3.) The affording of all usual and reasonable facilities for the making and working of the line.

(4.) The conveyance by the said Company, on the whole line of railway between Marmagaum and New Hubli, or any part thereof, upon terms similar to those on which the same are conveyed upon the guaranteed railways in British India, of Her Britannic Majesty's mails, Post Office officials, police, artisans, and stores, and also (subject in the case of transit through His Most Faithful Majesty's territory, to the provisions of Article XVIII of this Treaty) of her troops, arms, and munitions of war.

(5.) The right of Her Britannic Majesty to construct and maintain an electric telegraph on such whole line, or any part thereof.

(6.) The right of Her Britannic Majesty to construct, from any point or points of the said whole line, a line of railway to Karwar, and lines to any other places in British India, and the use, with engines, carriages, and otherwise, for the purposes of any such lines, of the whole or any part of the Company's said whole line, and the stations, works, watering places, and conveniences thereof, upon such terms and considerations as may be mutually agreed upon or settled by arbitration.

(7.) The exercise by Her Britannic Majesty, in respect of the portion of the said whole line situated within British India, of all powers usually exercised, or provided to be exercised, over any of the guaranteed railways aforesaid, and the subjection of the said Company to any enactment for the regulation of the affairs of railways which may be passed by the Legislative Council of the Governor-General of British India.

(b.) In the event of a contract, as contemplated in clause (a) of this Article, being entered into within two years from the date of this Treaty coming into force, or otherwise previous to the completion by Her Britannic Majesty of an Imperial State railway between the towns of New Hubli and Bellary, Her Britannic Majesty further engages to include in such contract, should the said Company so desire, the further right to complete and maintain the line of railway between the said towns, upon the same terms as those applicable to the line between the Portuguese frontier and New Hubli, together with the addition of an engagement on the part of the said Company to take over on equitable terms to be mutually agreed upon, or settled by arbitration, any portion of the said line then completed or under construction, and the works, stock or appliances appertaining thereto.

(c.) Whenever either of the High Contracting Parties may be desirous of ascertaining the feasibility and the expediency of constructing a railway from the port of Marmagaum to the town of New Hubli, and the advantages of such a railway to commerce generally, as compared with a railway from the port of Karwar to the said town, the said parties shall in concert appoint a Mixed Commission under the provisions of Article XVI of this Treaty, which shall cause a thorough survey to be made of the routes available, and any other investigations which may be necessary, and shall submit a report on the question. Each of the High Contracting Parties shall pay the salaries of its own engineers or officers engaged on the Commission or investigations, together with the expenses which the Commission may occasion in its own territories.

(d.) In the event of His Most Faithful Majesty not finding it practicable or expedient to grant a concession to any joint-stock Company as contemplated in clause (a) of this Article, but on the report of a Commission appointed under clause (c) of the same establishing to the satisfaction of both Governments that a railway can be constructed from Marmagaum to New Hubli at a reasonable cost, and with fair prospects of becoming remunerative, and that such a railway would be preferable, in the interests of commerce generally, to one from New Hubli to Karwar, the High Contracting Parties engage to adopt, in concert, such measures as may be compatible with their respective financial circumstances, with the view to insure the construction thereof at as early a date as may be practicable.

ARTICLE VII.

In order, further, to carry out the desire of the High Contracting Parties that their respective Indian dominions shall become one territory in all matters relating to commerce, it is agreed as follows:—

All customs duties, whether on import or export, now levied on the frontier lines between the Indian dominions of the High Contracting Parties, shall be abolished, and all Customs establishments connected therewith shall be discontinued. All articles of commerce, of whatever origin, which, according to the provisions of this Treaty, may be imported into or exported from the Indian dominions of either party, shall pass freely into or out of such dominions, across such frontier lines, without being subject to any import, export, or transit duty, and shall be in all respects treated not less favourably than similar national products.

All goods the growth, produce, or manufacture of the Indian dominions of one of the High Contracting Parties, or which have been legally imported into such dominions, may be conveyed by sea out of such dominions into the Indian dominions of the other without payment of duties of customs.

With the view of preventing injury to the joint interests of the High Contracting Parties for the passage, free of duty, of dutiable articles across those frontiers of Portuguese India which march with native States not entitled to the same customs privileges as British India, and by the import from and export to such States, by sea, of such articles, the Government of Portuguese India will levy on all goods passing such frontiers, or so imported or exported, duties at the rates for the time being in force under this Treaty in respect of similar goods respectively imported into or exported from Portuguese India from or to foreign countries.

The Governor-General of British India will from time to time communicate to the Governor-General of Portuguese India a list of the native States entitled to the same customs privileges as British India.

ARTICLE VIII.

In order to insure that the complete freedom of intercourse between their respective Indian dominions, which it is the desire of the High Contracting Parties to provide, shall produce beneficial results, without prejudice to the financial interests of either, it is hereby agreed that there shall be a Customs Union between the said dominions on the following terms:—

The laws and regulations relating to the levy of customs duties on goods exported or imported by sea, and the administration of the Department of Customs, shall be uniform throughout the said dominions, in so far as the High Contracting Parties, acting in concert, may deem practicable, after taking into consideration any special circumstances which may exist in the case of the dominions of either of them.

The Tariff of customs duties to be levied on goods exported or imported by sea shall, except as hereinafter provided, be uniform throughout the said dominions.

The Tariff annexed to this Treaty shall come into force upon the same date as the Treaty itself.

ARTICLE IX.

In order that each of the High Contracting Parties may preserve its legislative independence as regards its own dominions, without interfering with either the interests of the other or the objects of the Union, it is agreed as follows:—

(a.) His Most Faithful Majesty reserves to himself the right to increase, reduce, or abolish the export duties on any articles grown, produced, or manufactured in Portuguese India. The Portuguese Indian origin of any articles for which any such privilege is claimed shall be duly established at the custom-house of the port of exportation.

(b.) His Most Faithful Majesty also reserves to himself the right to increase, reduce, or abolish the import duties on such quantity of any articles as may be *bonâ fide* required for consumption within Portuguese India.

The quantity so required shall be from time to time determined by a Mixed Commission. The Commission shall be guided in its decision either by the consumption in the said dominions previous to the Union, with an augmentation, if necessary, for subsequent increase of population and resources, or by the consumption per head of population in other parts of India the circumstances of which are generally similar.

The whole quantity of any such articles which may be imported shall, in the first instance, be subjected to the payment of duty, and the amount of duty recovered upon any quantity for which exemption has been granted under the provisions of the preceding clauses shall at the end of the year be handed over out of the common receipt to the Government of Portuguese India, to be by them refunded *pro rata* to the several importers.

(c.) A fixed quantity of the wines of Portugal, intended exclusively for consumption in His Most Faithful Majesty's Indian dominions, shall be admitted into the said dominions on payment of the same import duty as at present, that is to say, at the rate of 2 xerafins and 2 tangas per almude, or 2 annas 9 pies per gallon. The quantity entitled to this privilege is now fixed at 500 pipes, or 41,500 imperial gallons, but shall, so long as this Treaty remains in force, be open to revision by a Mixed Commission at the expiration of successive periods of three years.

(d.) Wines of Portugal intended for consumption in British India shall not be subjected to duties different from or higher than those to which the wines commonly known as "Claret" and "Burgandy" may from time to time be subjected.

(e.) Subject to the reservations contained in clauses (a), (b), (c), and (d) of this Article, His Most Faithful Majesty engages to give effect, in all custom-houses in Portuguese India, to any modifications in the Tariff which the Government of British India may deem necessary: Provided always, that if the said modifications reduce or abolish duties on importation, and His Most Faithful Majesty does not concur in them, the amount of loss of duty occasioned thereby on the quantity of any articles *bonâ fide* required for consumption within Portuguese India, as compared with the duty previously levied on such quantity, shall be added to the share of His Most Faithful Majesty in the common receipt which may be determined under the fourth paragraph of Article X of this Treaty. The said quantity shall, in the event of any difference of opinion, be determined under clause (b) of this Article.

ARTICLE X.

The produce of the said customs duties at the ports of British India and at the ports of Portuguese India, or at all of such ports as may from time to time be found to be practically affected by the present Treaty, shall constitute a common receipt.

The said common receipt, after deduction of refunds (if any), but not of expenses of collection, shall be divided, at the close of each year, upon the principle of securing to His Most Faithful Majesty the whole of the duties collected, at both British Indian and Portuguese Indian ports, on all dutiable articles consumed in or produced in Portuguese India.

Such registers and accounts of traffic shall be kept at the custom-houses of both the High Contracting Parties, and upon any railway which may now or hereafter serve to connect their respective Indian dominions, as may be necessary to facilitate the division of the said common receipt.

The said division shall be practically effected either in accordance with the actual ascertained traffic from year to year, or upon the basis of the estimated consumption per head of the population of Portuguese India, or otherwise, as the Governments of Bombay and of Portuguese India may from time to time determine, after full and fair consideration of all the circumstances of the case. In the event of any difference of opinion between them on the subject, the question shall be determined by a Mixed Commission.

The share of His Most Faithful Majesty in the common receipt, as thus ascertained, shall be augmented from the said receipt by three-fourths of its amount; the remainder shall constitute the share of Her Britannic Majesty.

ARTICLE XI.

The High Contracting Parties reserve to themselves respectively the right to maintain, modify, increase, or abolish all internal duties of excise, or otherwise, on production, manufacture, or consumption existing in their Indian dominions, and to establish new duties of a similar nature: Provided always, that the products of the Indian dominions of the one shall not be subject, in the Indian dominions of the other, to any duties except such as may be imposed on similar national products.

The High Contracting Parties recognize, however, that in the case of all products subjected to a duty sufficiently heavy to cause a serious difference in the price to the consumer, it is highly important to adopt in their respective dominions, as far as may be practicable, a uniform system of administration and duties.

Consequently, and with the view as well of preventing injury to the revenues of Her Britannic Majesty from a diversity of systems, as of securing for His Most Faithful Majesty's Indian dominions the advantages of uniformity, the High Contracting Parties respectively engage to carry out the following stipulations regarding salt, spirits, and opium.

ARTICLE XII.

His Most Faithful Majesty engages to grant to Her Britannic Majesty's Government of Bombay, for the period during which this Treaty may remain in force, the exclusive privilege of regulating or undertaking the manufacture and sale of salt in Portuguese India under the following conditions:—

(a.) The proprietors or tenants of salt-works may, under the direction of the Agents of the said Government, and subject to conditions mutually agreed upon between them, continue to manufacture salt on their own account, or manufacture salt on account of the said Agents, or farm out their salt-works to them.

(b.) If the said proprietors or tenants cannot arrive at a voluntary agreement with the said Agents, the Government of Portuguese India will take such measures as may be necessary to let the said salt-works in farm to, and under the direction or administration of, the said Agents, so that the said Agents may be able to cause salt to be made there in such manner as they may judge most suitable: provided that when, on the expiration of the farm, the said proprietors obtain possession of the salt-works, they shall be entitled to compensation for damage (if any) resulting thereto from the farm, but shall not be liable to payment of compensation for improvements which may have been effected therein.

(c.) The Agents shall have the right to use the land adjacent to all salt-works for the purpose of transporting or depositing salt or other operations connected with the manufacture, provided that they do not interfere with the cultivation of the same. The proprietors or tenants of the said land, on their part, shall have the right to derive from the salt-works the same advantages, in respect of the cultivation of rice or other crops, as they have enjoyed hitherto, provided that they do not interfere with the manufacture of salt. The relations in this matter between the said proprietors or tenants and the said Agents shall be determined by special rules made by the Government of Portuguese India.

(d.) The Government of Portuguese India will cause the suppression of any salt-works which, in the opinion of the said Agents, may be difficult to superintend or guard, or cannot be worked with profit.

(e.) The Government of Portuguese India will secure to the said Agents the acquisition, at a fair and reasonable price, of all the salt existing, or in course of manufacture, in Portuguese India at the time this Treaty comes into force: provided that, if the said Agents do not wish to purchase the whole of the said salt, the owners thereof shall have the right of selling it locally, or of exporting it under the same conditions as hitherto.

(f.) His Most Faithful Majesty will prohibit the manufacture and sale of salt, the collection of salt spontaneously produced, and the transit and exportation thereof both by sea and land, by any persons not delegated in this behalf by the said Agents, or who have not obtained from the said Agents a permit in due form; and he will adopt in Portuguese India the procedure and penalties in force in British India for the repression of smuggling and contraband practices in respect of salt, with such modifications as the Portuguese Indian system of legislation and administration, or the diversity of circumstances, may necessitate.

(g.) In order to insure the effective exercise of the privileges granted by this Article, His Most Faithful Majesty invests the said Agents with the right—

(1.) To enter and inspect at any time any salt-work, or any warehouse or premises used for storing salt, or any vessel which has been or is proposed to be laden with salt.

(2.) To search all persons, animals, carriages, vessels, goods, and packages, in or upon which they may have reason to believe contraband salt to be, or to be concealed.

(3.) To arrest any person found in the act of smuggling or contraband practices, and any accomplice present: provided that such person or accomplice shall be immediately delivered over to an officer appointed under paragraph (6) of this clause, or to the nearest revenue or police station, or to the administrative authority of the parish.

(4.) To seize any salt which they may have reason to believe to be contraband, and any animals, carriages, or vessels used in transporting it, or in or upon which it may be found, and all goods and packages in or among which it may be contained or concealed: provided that everything so seized shall be retained in provisional custody, pending orders for the disposal thereof by competent Portuguese authority, to whom the seizure and the circumstances thereof shall be reported.

(5.) To obtain from the competent local Portuguese authority, on written application, the arrest of any person whom such authority may have reason to believe to have been guilty of smuggling or contraband practices, and the search of any house, building, premises, or vessel in which there may be reason to suspect that contraband salt is, or is concealed.

(6.) For the purpose of co-operating with the said Agents in the proceedings contemplated under the preceding paragraphs (1) to (5) inclusive, and of repressing smuggling and contraband practices in respect of salt, His Most Faithful Majesty engages to appoint such number of officers as he may from time to time deem fit, to reside at or near the several salt-works. The said officers shall, when called upon by the said Agents, be legally bound to assist them in their proceedings aforesaid, and the said Agents shall, except as otherwise permitted in paragraph (3), hand over to them all persons arrested and property seized, for delivery to the charge of higher Portuguese authority, or for provisional custody, as the case may be.

(7.) It is to be understood that the said Agents will be subject in every respect to the laws of Portuguese India, and will be responsible, in accordance with those laws, for all abuses that may be committed by them, as also for all acts done on their requisition by the officers referred to in the last preceding paragraph.

(h.) In consideration of the preceding stipulations of this Article, Her Britannic Majesty engages to pay just compensation to the proprietors of salt-works which have been let in farm to the said Agents or suppressed, under the provisions of clauses (b) or (d) of this Article.

The compensation shall be awarded by a Mixed Commission, and shall be either in the form of an annual payment, or in some other form if the two parties interested prefer it. With respect to the amount, the Commission shall take specially into consideration—

(1.) The average annual proceeds of the salt-works during a series of years, up to ten if ascertainable.

(2.) The average price of salt in the locality and (excluding duty) in the neighbouring districts of British India during the preceding ten years.

(3.) The damage (if any) caused to the proprietors by the suppression of their salt-works, or by deprivation of the free use of them with respect to other cultivation, or with respect to the exercise of other vested rights of property.

But, with regard to salt-works which have been suppressed, the Commission shall make a deduction for the proceeds (if any) which the proprietors may gain from the lands if otherwise employed.

The Commission shall add to the sum determined on the above principles 15 per cent. on the amount thereof. The total shall be the compensation awarded by the Commission to the proprietors.

The compensation so awarded shall be paid to the proprietors, who shall be responsible for the satisfaction of all just claims of other persons connected with the salt-works.

Provided always, that if the proprietors are dissatisfied with the award of the Commission, they shall be at liberty to have recourse to the ordinary procedure for expropriation established by the local law of Portugal. The amount of compensation so awarded to them by any local Tribunal, whether more or less than that awarded by the Commission, shall alone be paid to them accordingly. But, in the event of such amount being in excess of the amount awarded by the Commission, the difference shall be defrayed by the Government of Portuguese India.

(i.) Her Britannic Majesty engages also—

(1.) To deliver to the Government of Portuguese India, at the price of manufacture in those possessions respectively, the quantity of salt necessary for the domestic use and consumption of the inhabitants of the various Portuguese possessions in India.

This quantity shall be calculated annually at the rate of 14 lbs. per head of the ascertained population.

It is understood that His Most Faithful Majesty reserves to himself the right of causing the said quantity of salt to be sold to consumers at whatever price he may think proper.

(2.) To sell to cultivators at a fair and reasonable price, and free of all duty, such quantity of inferior salt or salt spontaneously produced as they may *bonâ fide* require for the cultivation of the cocoa-nut tree, or for such other cultivation as may need this kind of manure.

(3.) To supply the markets of Portuguese India, under conditions similar to those

which may be from time to time in force in the neighbouring British Indian districts, with the quantity of salt which trade may require.

(4.) To furnish the salt necessary to the fish-salting trade under the most favourable conditions from time to time accorded to the same industry in British India.

(j.) All differences arising with regard to the price of salt under the preceding clauses, (e) and (i), shall be determined by a Mixed Commission, or in such other manner as may be mutually agreed upon by the Governments of Bombay and Portuguese India.

ARTICLE XIII.

His Most Faithful Majesty engages to take such measures as may be necessary to insure that the system of excise on spirituous liquors, including toddy, whether in its fermented or unfermented state, sanctioned by law in the Presidency of Bombay, shall be introduced into, and effectively maintained in, Portuguese India.

The rates of excise duty levied accordingly in the several Indian possessions of His Most Faithful Majesty shall not, except in so far as may be mutually agreed upon between the Governments of Bombay and Portuguese India, be less than those levied for the time being in the British districts nearest to them respectively.

The Government of Bombay shall render cordial assistance to the Government of Portuguese India for the accomplishment of this end, by affording full information to Portuguese officers who may be deputed to study the British system, or otherwise, as may be in accordance with the wishes of the said Government.

ARTICLE XIV.

His Most Faithful Majesty engages, on receipt of a request from Her Britannic Majesty—

(a.) To prohibit the exportation by sea or land of raw opium, or any preparation or admixture of opium, or any intoxicating drug made from the poppy.

(b.) To prohibit the cultivation and manufacture of opium except on account of the Government of British India, and under restrictions and limitations similar to those for the time being in force in the Presidency of Bengal, the arrangements in this case being made through the Government of Portuguese India.

ARTICLE XV.

In consideration of the stipulations contained in Articles XI, XII, XIII, and XIV of this Treaty, Her Britannic Majesty engages to pay annually to His Most Faithful Majesty the sum of four laes of rupees. The said payment shall be made quarterly, in equal instalments, by the Government of Bombay, within ten days after presentation to the said Government of bills of exchange drawn upon it by the Government of Portuguese India.

ARTICLE XVI.

Whenever it shall be necessary, under the provisions of this Treaty, to appoint a Mixed Commission, the Government of Bombay and the Government of Portuguese India shall each appoint not more than two Commissioners.

It shall be at the discretion of either Government to delegate its powers of appointing Commissioners to any officer whom it may think fit, and to cancel such delegation.

In cases of compensation, the Government of Portuguese India, or any officer delegated by it, may invite the proprietors or others interested to nominate persons for appointment as Commissioners on their behalf, and may appoint such persons, or any of them, accordingly.

In the event of the death, resignation, prolonged absence, or incapacity of any Commissioners, the Government appointing him shall forthwith appoint another Commissioner in his place.

The Commissioners shall, before proceeding to any other business, select another person as President of the Commission.

If they shall be unable to agree, the selection shall be made by the majority of votes, and if the votes shall be equal, the Commissioner or Commissioners on behalf of each Government shall name one person, and it shall be decided by lot which of the two persons so named shall be President.

In the event of the death, resignation, prolonged absence, or incapacity of any President, another person shall be selected in the same manner to be President in his stead.

The President and Commissioners shall then proceed to the investigation of the matters referred to them, and the decision shall, in the event of difference of opinion, be according to the opinion of the majority, and shall be given in writing.

The Commission shall be competent to decide all questions which may arise regarding the payment of the expenses of the Commission, and may impose the payment thereof upon either of the High Contracting Parties, or upon persons to whom compensation is awarded.

The High Contracting Parties engage, except as otherwise provided in clause (h) of Article XII, to consider the decision as conclusive, and to give full effect to it.

ARTICLE XVII.

Each of the High Contracting Parties shall appoint one or more Delegates for the purpose—

(a.) Of visiting the custom-houses in the Indian dominions of the other, and taking note of all arrangements relating to the import and export of goods and the collection of duties; and

(b.) Of taking cognizance generally of all matters of administration connected with the freedom of commerce, navigation, and transit, and the community of interest, established by the present Treaty.

The instructions to such Delegates shall be framed in concert by the Governments of British India and Portuguese India, on the principle that the Government to which they are accredited shall with full sincerity afford to them every facility and all information which concern the objects for which they have been appointed, and that the Delegates acting in concert, when necessary, shall use their best endeavours to overcome all difficulties, and to adjust all differences of system or opinion in a manner consistent with the common end and the ties which unite the two nations.

The Delegates shall, with the least possible delay, prepare a complete system of statistics for Portuguese India, affording means of comparison, for the purposes of this Treaty, with the existing British Indian statistics.

ARTICLE XVIII.

The High Contracting Parties mutually agree to adopt in their respective territories suitable measures for the prevention and punishment of smuggling, or other evasion of the spirit of the arrangements relating to navigation, customs, salt, spirituous liquors and toddy, and opium effected by this Treaty.

The revenue, magisterial, and police authorities of the Indian dominions of the High Contracting Parties shall cordially co-operate with each other for the maintenance, on the common lines of traffic and elsewhere, of perfect security of persons and property; and in the pursuit of criminals and persons engaged in smuggling and contraband practices, the said authorities of the one High Contracting Party may cross the frontier and enter the dominions of the other High Contracting Party: provided that in such dominions they shall act in accordance with the local laws and the provisions of this Treaty.

The armed forces of one of the two High Contracting Parties shall not enter the Indian dominions of the other, except for the purposes specified in former Treaties, or for the rendering of mutual assistance as provided for in the present Treaty, or except in consequence of a formal request made by the party desiring such entry to the other.

The exportation of arms, ammunition, or military stores from the Indian dominions of one of the High Contracting Parties into those of the other shall not be permitted, except with the consent of, and under rules approved of by, the latter. The Governments of British India and Portuguese India shall co-operate to enforce all such rules as are herein contemplated.

The Governor-General of British India will from time to time communicate to the Governor-General of Portuguese India a list of the native States to be placed, in respect of arms, ammunition, and military stores, upon the same footing as British India.

ARTICLE XIX.

The High Contracting Parties engage to deliver up to each other those persons who, being accused or convicted of crimes committed in the Indian dominions or jurisdiction of the one party, shall be found in the Indian dominions or jurisdiction of the other party.

The circumstances and conditions under which, and the crimes for which, such persons are to be delivered up shall form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed at the earliest date possible after the ratification of this Treaty.

Such Convention shall have the same binding character as the present Treaty, and shall continue in force for the same period.

ARTICLE XX.

The High Contracting Parties engage that Commissions issued in criminal trials and inquiries, and in civil suits and proceedings by the judicial Tribunals of the one party, for the examination of persons resident in the dominions of the other, shall be executed according to the provisions of the laws of the dominions where the witness resides.

ARTICLE XXI.

The High Contracting Parties engage to recommend to the Legislatures of their respective dominions all such projects of law, and to adopt such other measures as may now or hereafter be necessary for the due fulfilment of the several obligations contracted by them respectively under the provisions of this Treaty.

ARTICLE XXII.

The present Treaty shall come into force at the expiration of three months after the day of the exchange of ratifications, and shall remain in force for the period of twelve years; and in case neither of the High Contracting Parties shall have notified to the other, twelve months before the expiration of the said period of twelve years, its intention to put an end to its operation, the Treaty shall continue in force for another period of twelve years, and so on for successive periods of twelve years, until the expiration of a year counting from the day on which one or other of the High Contracting Parties shall have announced its intention to put an end to it.

ARTICLE XXIII.

The present Treaty shall be submitted for the ratification of the High Contracting Powers, and the ratifications shall be exchanged at Lisbon or at London as soon as possible.

In faith whereof the respective Plenipotentiaries have signed it, and have affixed thereto the seals of their arms.

Done in duplicate at Lisbon on the 26th day of December, in the year of our Lord 1878.

(L.S.)

R. B. D. MORIER.

(L.S.)

JOAO DE ANDRADE CORVO.

APPENDIX (B).

Declaration signed at Lisbon on the 26th day of December, 1878.

The Undersigned, Plenipotentiaries of Her Britannic Majesty and of His Most Faithful Majesty, taking into consideration that the official Portuguese version of the Tariff annexed to the Treaty of Commerce and Extradition signed by them this day could not, owing to the Indian technicalities, and the partly local terminology of that instrument, be satisfactorily completed at Lisbon without the assistance of custom-house experts from British and Portuguese India, hereby declare the English text annexed to the Treaty to be the official and authoritative text of the Tariff agreed to by the High Contracting Parties, and agree that the task of preparing the official Portu-

guese version, and bringing it into harmony with the English version, shall be confided to the Delegates to be named under Article XVII of the Treaty.

Done in duplicate at Lisbon this 26th day of December, 1878.

(L.S.) R. B. D. MORIER.
(L.S.) JOAO DE ANDRADE CORVO.

APPENDIX (C).

Additional Article to the Treaty of Commerce and Extradition between Her Majesty and the King of Portugal and the Algarves with reference to their Indian Possessions.—Signed at Lisbon, March 8, 1879.

[Ratifications exchanged at Lisbon, August 6, 1879.]

The Undersigned, Robert Burnet David Morier, Companion of the Most Honourable Order of the Bath, Her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of His Most Faithful Majesty, &c., &c.; and João de Andrade Corvo, Councillor of State, Peer of the Realm, Minister and Secretary of State for Foreign Affairs of His Most Faithful Majesty, Professor of the Polytechnic School at Lisbon, Lieutenant-Colonel of Engineers, Knight Grand Cross of the Ancient, Most Noble and Illustrious Order of St. James, for the reward of Scientific, Literary, and Artistic Merit, Knight Commander of the Order of Christ, Companion of the Military Order of Aviz, Effective Knight Grand Cross of the Order of the Rose of Brazil, Knight Grand Cross of the Legion of Honour of France, of Leopold of Austria, of Saints Maurice and Lazarus of Italy, of the Royal Order of Charles III of Spain, of the Order of the Polar Star of Sweden, Officer of Public Instruction in France, &c., &c.; being furnished with the authority of their respective Governments, have agreed upon the following Additional Article to the Treaty of Commerce and Extradition with reference to the Indian Possessions of the British and Portuguese Crowns, signed on the 26th day of December, 1878:—

“At the expiration of three years from the date at which the arrangements respecting the manufacture and sale of salt, provided for in Article XII of the Treaty aforesaid, shall have been definitively concluded, each of the High Contracting Parties shall have the right to invite the other Contracting Party to reconsider the stipulations of that Article with a view to their alteration, modification, or improvement, and, should it be alleged that abuses have arisen in the practical application of the stipulations aforesaid, the High Contracting Parties engage jointly to investigate such allegations, and, in the event of their being proved to be correct, to co-operate with each other for the removal of such abuses.

“It is, nevertheless, understood that, unless both High Contracting Parties shall mutually agree to substitute some other arrangements for the manufacture and sale of salt than those stipulated for in Article XII of the Treaty aforesaid, the arrangements stipulated for in the said Article XII shall continue in force for the remaining portion of the term of twelve years during which the Treaty has to run.”

The present Additional Article shall have the same force and validity as if it had been inserted word for word in the aforesaid Treaty of the 26th December, 1878, and shall be included in the ratification of the said Treaty.

In witness whereof the undersigned Plenipotentiaries have signed the same, and have affixed thereto the seals of their arms.

Done in duplicate at Lisbon this 8th day of March, 1879.

(L.S.) R. B. D. MORIER.
(L.S.) JOAO DE ANDRADE CORVO.

NOTE.—The Tariff *in extenso* annexed to the Treaty has not been printed, as it is no longer in all respects applicable, and has been replaced by the version, corresponding with the existing Tariff of British India, except as modified on the Treaty, which has been issued by the Delegates.

APPENDIX (D).

Declaration signed at Lisbon on the 6th day of August, 1879.

The Undersigned, Her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary at the Court of His Most Faithful Majesty, and His Most Faithful Majesty's Minister and Secretary of State for Foreign Affairs, having met this 6th day of August, 1879, at the Ministry of Foreign Affairs at Lisbon, for the purpose of exchanging the ratifications of the Treaty of Commerce and Extradition between Her Britannic Majesty and His Most Faithful Majesty with reference to their Indian Possessions, signed at Lisbon on the 26th day of December, 1878, made the following declarations:—

His Most Faithful Majesty's Minister and Secretary of State for Foreign Affairs declared that His Majesty's Government, whilst fully determined to do everything in their power to hasten the preparatory labours required for the full execution of the Treaty stipulations, so as, if possible, to bring them to a conclusion within the three months at the expiration of which, from the date of exchange of ratifications, Article XXII stipulates that the Treaty shall come into force, nevertheless cannot, in view of the varied and complicated nature of the reforms which it will be necessary to introduce into the administrative system of the Portuguese Colonies in India, engage with certainty that these preparatory labours shall be so far advanced, at the expiration of three months from to-day, as to enable the Treaty to come into force at the date thus specified.

Her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary having taken act of the declaration made by His Most Faithful Majesty's Minister and Secretary of State for Foreign Affairs, declared himself authorized by his Government to propose to the Government of His Most Faithful Majesty that the Delegates to whom, under Article XVII of the Treaty, is confided the task of preparing the measures requisite for the execution of the Treaty, shall, not later than six weeks from the date at which they commence their joint labours, and at an earlier date if possible, report to the Governors-General of British and Portuguese India at what date their labours will be so far advanced as to allow of the Treaty coming into force; upon which the Governors-General aforesaid shall conjointly determine the date at which the Treaty shall accordingly come into force. He further declared himself authorized to state that the first quarterly instalment of the annual sum of 4 lacs of rupees which Her Britannic Majesty engages, under Article XV, to pay to His Most Faithful Majesty, in consideration of Articles XI, XII, XIII, and XIV of the Treaty, will be paid at the expiration of three months from the date at which the Treaty shall accordingly come into force.

His Most Faithful Majesty's Minister and Secretary of State for Foreign Affairs thereupon declared that His Most Faithful Majesty's Government adhered to the proposal made by Her Britannic Majesty's Minister, and took act of his declaration with reference to the payment of the first instalment of the annual sum of 4 lacs of rupees payable to His Most Faithful Majesty under Article XV of the Treaty.

Done in duplicate at Lisbon this 6th day of August, in the year of our Lord 1879.

(L.S.)
(L.S.)

R. B. D. MORIER.
ANSELMO JOSÉ BRAAMCAMP.

APPENDIX (E).

Act No. IV of 1880.

PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.

[Received the Assent of the Governor-General on the 30th January, 1880.]

An Act to give effect to the Convention between the Governors-General of British India and Portuguese India regarding the Extradition of Criminals, and to the XXth Article of the Treaty between Her Majesty and the King of Portugal and the Algarves.

Whereas, by the XIXth Article of the Treaty of Commerce and Extradition between Her Majesty and the King of Portugal and the Algarves, executed at Lisbon

on the 26th December, 1878, and ratified on the 6th August, 1879, it was provided that the High Contracting Parties should deliver up to each other those persons who, being accused or convicted of crimes committed in the Indian dominions or jurisdiction of the one party, should be found in the Indian dominions or jurisdiction of the other party, and that the circumstances and conditions under which, and the crimes for which, such persons should be delivered up, should form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed at the earliest date possible after the ratification of the said Treaty, and that such Convention should have the same binding character as the said Treaty, and should continue in force for the same period ;

And whereas, in pursuance of the said Article, the Convention set forth in the schedule hereto annexed has been executed ;

And whereas by the XXth Article of the said Treaty it was provided that Commissions issued in criminal trials and inquiries by the Judicial Tribunals of the one party, for the examination of persons resident in the dominions of the other, should be executed according to the provisions of the laws of the dominions where the witness resides ;

And whereas it is doubtful whether under the existing law of British India there is authority to give effect to all the provisions of the said Convention and of the said XXth Article.

It is hereby enacted as follows :—

1. The provisions of the said Convention shall be followed in British India in every case to which they apply.

The procedure prescribed in the Code of Criminal Procedure shall, in so far as it is not inconsistent with the said Convention, be followed in every such case.

2. The testimony of any witness may be obtained in relation to any criminal matter pending in any Court or Tribunal in Portuguese India in like manner as it may be obtained in relation to any civil matter under the Code of Civil Procedure, Chapter XXV ; and the provisions of that chapter shall be construed as if the term "suit" included a proceeding against a criminal.

3. This Act may be called "The Portuguese Treaty Act, 1880."

Provisions of Convention to be followed.
Procedure.

Execution of commissions issued by Portuguese Criminal Courts.

Short title.

The Schedule.

Whereas by the XIXth Article of a Treaty dated the 26th day of December, 1878, and ratified on the 6th day of August, 1879, between Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Most Faithful Majesty the King of Portugal and the Algarves, it is provided that the High Contracting Parties engage to deliver up to each other those persons who, being accused or convicted of crimes committed in the Indian dominions or jurisdiction of the one party, shall be found in the Indian dominions or jurisdiction of the other party ; and whereas by the same Article it is further provided that the circumstances and conditions under which, and the crimes for which, such persons are to be delivered up, shall form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed at the earliest date possible after the ratification of the said Treaty.

In pursuance of the said Article, the undersigned Governors-General of British India and Portuguese India, acting respectively on behalf of Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, and His Most Faithful Majesty the King of Portugal and the Algarves (hereinafter called the High Contracting Parties), have agreed that the said persons shall be so delivered up under the circumstances, and subject to the exceptions, hereinafter stated, namely :—

(a.) When the crime for which extradition is claimed has been committed beyond the dominions of the party claiming, the requisition shall also be complied with, if the laws of the party applied to authorize a prosecution for such crime, when committed beyond his dominions, and if the person claimed is a subject of the party claiming his extradition.

(b.) The crimes for which the extradition shall be granted are the following:—

BRITISH INDIAN PENAL CODE.		PORTUGUESE PENAL CODE.	
Crime.	Section.	Crimc.	Article.
Murder, culpable homicide not amounting to murder, and causing death by rash or negligent act	299 to 304A	Voluntary homicide, including— Parricide Poisoning Infanticido And involuntary homicide caused by negligence	349 355 353 356 368
Attempt to commit murder or culpable homicide.	307, 308, 511	Attempt at homicido	350, 6 to 11
Voluntarily causing hurt or grievous hurt ..	319 to 333, 335 and 338	Wounding, causing contusions or hurts	359 to 367, 369
		Ordinary hurts under Articles 359 and 360 being excepted in the circumstances described in Articles 370, 377, and 378.	
Rape	375 and 376	Rape	394, 395 to 397
Kidnapping, abduction, concealing kidnapped person, slave-dealing, or selling minors for immoral purposes	360 to 373	Kidnapping and hiding of minors	342 to 344
Immodest assault on a woman	354	Immodest assault on a woman	391
Causing miscarriage and abortion	312 to 316	Abortion	358
Exposure or abandonment of a child	317	Exposure or abandonment of a child	345 to 348
Thefts	378 to 382	Thefts	421, 424 to 431
Extortions, robberies, dacoities, attempts to commit robbery, and belonging to a gang of thieves	383 to 402	Robbery.. .. .	432 to 444
Criminal misappropriations and criminal breaches of trust	403 to 409	Theft	313, 422 to 425, 453
Receiving stolen property	410 to 414	Receiving stolen property	463
Cheating	415 to 420	Cheating, false pretences	450 to 452, 456
Lurking, house-trespass, house-breaking	443 to 446	House-breaking	380, clause 1
Fraudulent bankruptcy and fraudulent disposition of property	206, 208, 421 to 424	Fraudulent bankruptcy and fraudulent disposition of property	447 to 449, 455
Dishonest opening of closed receptacle containing property	461 and 462	Dishonest opening or breaking of seals by public servants and others	310 to 312
Being a thug	310, 311	} Association of malefactors	263
Belonging to a band of dacoits or robbers	400, 401		
Aggravated cases of wrongful confinement	344 to 348	Aggravated cases of wrongful confinement	331 to 333
Mischief by fire or explosive substance.. .. .	435, 436, and 438	Arson	466 to 474
Mischief to a vessel, or after preparation to cause death, hurt, or wrongful restraint	437, 439, 440	Aggravated cases of mischief	475 and 481
Counterfeiting or altering money, or uttering counterfeit or altered money, making or possessing instruments for above purposes	230 to 254	Counterfeiting or altering money, or uttering counterfeit or altered money, making or possessing instrument for above purposes	206 to 214
Counterfeiting or fraudulently using of Government stamps issued for purposes of revenue	255 to 263	Counterfeit or fraudulent using of Government stamps or stamped paper	228 and 229
Forgery and using of forged documents, and making of seals for fraudulent purposes	463 to 468, 470 to 477	Forgery and using of forged documents, and making of seals for fraudulent purposes	215 to 217, 219 to 223, 230 and 231 230 and 231
Use of false trade-mark or property-mark, and frauds connected with such marks	478 to 489	Use of false trade-mark or property-mark, and frauds connected with such marks	230 and 231
Giving or fabricating false evidence to cause a person to be convicted of an offence, and subornation of the same	194 and 195	Giving or fabricating false evidence to cause a person to be convicted of an offence, and subornation of the same	238 to 240
Illegal gratification taken by a public servant, or to influence a public servant	161 to 165	Illegal gratification taken by a public servant, or to influence a public servant	314 to 323, 452
Causing the evidence of the commission of any offence to disappear	201	Causing the evidence of commission of an offence mentioned in this Convention to disappear	464
False certificate or declaration made by public servant, or used by any person as evidence	197 to 200	False certificate or declaration made by public servants or used by any person as evidence	216 to 218, 221 and 222
Escape from lawful custody on accusation or conviction of any crime specified in this Convention	224	Escape from lawful custody on accusation or conviction of any crime specified in this Convention	190 to 196
<i>Crimes against other Laws.</i>			
Piracy by law of nations		Piracy	162
Assaults on board a ship on the high seas, with intent to destroy life or to do grievous bodily harm		Voluntary homicide, as above	349, 353, 355, 356
		<i>Portuguese Maritime Code.</i>	
Sinking or destroying a vessel at sea, or attempting or conspiring to do so		Loss or destruction of vessel, caused by a person on board	42
Revolt or conspiracy to revolt by two or more persons on board a ship on the high seas, against the authority of the master		Act of revolt committed by more than third of crew	46

The extradition shall also take place for complicity or participation in any of the aforesaid crimes, and for any attempt to commit any such crime, provided such complicity, participation, or attempt be punishable by the laws of both the High Contracting Parties.

(c.) No British subject by birth or naturalization, shall be delivered up by the Government or authorities of British India to the Government or authorities of Portuguese India; and, in like manner, no Portuguese subject by birth or naturalization shall be delivered up by the Government or authorities of Portuguese India to the Government or authorities of British India. Naturalization after the commission of the crime shall not be an obstacle to the extradition.

(d.) The Governor-General of British India will from time to time communicate to the Governor-General of Portuguese India a list of native States which, with the subjects thereof, are entitled to be placed, for the purposes of this Convention, upon the same footing as British India and the subjects of Her Britannic Majesty.

(e.) The extradition shall not take place if the person claimed has already been tried and acquitted, or punished, for the same crime for which extradition is asked. If he should be under trial for any other crime, his extradition shall be deferred until the conclusion of the trial; and if the execution of the sentence, if any, would interfere with the extradition, it shall be postponed in order that the extradition may take place. If, upon extradition, he be sentenced to other further punishment, the two High Contracting Parties shall arrange that the punishments shall be fulfilled according to priority of date of sentence.

(f.) The extradition shall not take place if, after the commission of the crime, or the institution of the prosecution, or the conviction thereon, the person claimed shall have acquired exemption from prosecution, or punishment, by lapse of time, according to the laws of the State applied to.

(g.) A person surrendered shall not be kept in prison or brought to trial by the party to whom the surrender is made, for any other crime or on account of any other matters than those for which the surrender has been granted. This stipulation is not applicable to crimes committed after the extradition.

(h.) If the person whose extradition is claimed by one of the High Contracting Parties shall be also claimed by one or more other Governments on account of crimes committed in their respective dominions, the following rule shall be observed:—

If he is a subject of the High Contracting Party who claims him the surrender shall be made to such Party. If he is not so, the other High Contracting Party shall have the power of delivering him up to the reclaiming Government, which, in the case in question, may appear to the former best entitled to the preference.

(i.) The requisition for extradition may be made, on behalf of Her Britannic Majesty, by the Government of British India, or by the Government of the Presidency of Bombay; and, on behalf of His Most Faithful Majesty, by the Government of Portuguese India.

Provided that, when the person claimed is accused of any of the above crimes, which in British India is not exclusively triable by the High Court or the Court of Session, the requisition may also be made by the Governors of the Portuguese Settlements of Damaun and Diu, for any such crime committed in such Settlements respectively, and may be preferred directly to any District Magistrate or Political Agent within whose local jurisdiction such accused person may be found. Such District Magistrate or Political Agent shall, subject to the exceptions and conditions of this Convention, and unless he deem reference to higher authority to be absolutely necessary, comply with such requisition by delivering up the accused.

In like manner, any District Magistrate or Political Agent may make requisition to the Government of Portuguese India, or to the Governors of Damaun and Diu respectively, for the extradition of any person found in their jurisdiction who is accused of the commission, within the local jurisdiction of such District Magistrate or Political Agent, of any of the above crimes, the maximum punishment for which, by the Portuguese Penal Code, does not exceed imprisonment for seven years, or an equivalent thereto. Subject to the exceptions and conditions of this Convention, such requisition shall be complied with by the delivering up of the accused, unless reference to higher authority shall be deemed absolutely necessary.

The authority receiving a requisition may hold, or cause to be held, such inquiry as he may deem sufficient for the purpose of ascertaining the existence of *prima facie* proof of facts which constitute a crime for which extradition may be granted under clause (b) of this Convention, and, in the absence of such proof, may decline to deliver up the accused person.

(j.) Every requisition shall ordinarily be accompanied by the summons or warrant of arrest, or an authenticated copy thereof, issued by the competent authority of the State applying for it, and by a statement setting forth the facts of the offence, and sufficient particulars to enable the accused to be identified.

In cases of urgency, satisfactory proof of the existence of a warrant of arrest issued by competent authority may be provisionally accepted in support of a requisition.

(k.) If the person claimed has not already been arrested by the authorities of the State to whom the requisition is made, such authorities shall at once proceed to secure his appearance.

(l.) Any person accused of any of the above crimes, and whether a subject of the Party in whose dominions or jurisdiction he is found or otherwise, may be arrested by the authorities of such dominions—

On production of a warrant of arrest issued by the competent authority of the other Party ;

Or on advice from such competent authority, transmitted by post, telegraph, or other means, stating the existence of such warrant of arrest ;

Or on demand made by the Magistrate or police-officer of the other party who has pursued the accused across the frontier ;

Or on receipt of advice of the fact of the crime, whether communicated by a private complainant or otherwise, and whether or not the individual offender may be known or specified by name.

(m.) Every such Magistrate or police-officer who has pursued the accused across the frontier shall be entitled to the protection and assistance of the Magistrates and police-officers of the State to whose dominions or jurisdiction the accused has fled. They shall forthwith take up the pursuit, and, without waiting for the orders of higher authority, shall make all necessary searches, inquiries, pursuits, arrests, and recoveries of stolen property, in accordance with the local law of criminal procedure.

The Magistrate or police-officer who has pursued the accused across the frontier shall not enter houses or buildings, or make searches or arrests, except in presence or under the authority of a local Magistrate or police-officer, but shall act in subordination to the local Magistrates or police-officers, and shall assist them, if so required, in all necessary searches, inquiries, pursuits, arrests, and recoveries of stolen property.

(n.) Whenever any person is arrested in the dominions or jurisdiction of the one Party for any of the above crimes committed in the dominions or jurisdiction of the other Party, notice shall be given to the authorities of the other Party, who may then, if the accused is a subject of the State where he is found, claim that he be tried there ; or, if he is not such a subject, claim his extradition as provided in this Convention.

(o.) All weapons and articles necessary as evidence shall be seized in order to their production before the proper officer, and in case of extradition, in order that they may be delivered up with the accused when the extradition shall take place.

Such seizure and delivery shall extend to articles stolen or obtained by other offences, and the proceeds of such property, and to everything that may serve as evidence of the crime ; and shall be made even when the extradition cannot be made, or the trial cannot be held, on account of the flight or death of the accused.

Nothing in this clause shall affect the rights of third parties to any such weapons and articles.

(p.) The expenses occasioned by the arrest, imprisonment, maintenance, and transport of criminals, and the conveyance of articles, shall, within the dominions and as far as the frontier, be defrayed by the party in whose dominions or jurisdiction such criminals or articles are found ; the expenses by sea and beyond the frontier shall be defrayed by the other party.

(q.) A British subject accused of having committed any of the above crimes in the Portuguese Indian dominions or jurisdiction may be dealt with by the British Indian authorities as if the crime had been committed in British India ; and a Portuguese subject accused of having committed any of the above crimes in the British Indian dominions or jurisdiction may be dealt with by the Portuguese Indian authorities as if the crime had been committed in Portuguese India ;

Provided that the accused is found in the dominions or jurisdiction of the party to whom he is subject, and has not been acquitted or punished in the dominions or jurisdiction in which he committed the crime.

Complaints of any such crimes shall be inquired into by the police and judicial authorities irrespective of the nationality of the complainant, in accordance with the local laws.

(r.) In all such trials and inquiries the evidence of witnesses whose attendance cannot be procured without an unreasonable amount of delay, expense, or inconvenience, may be recorded by the judicial authorities of the State where the offence occurred, on receipt of an interrogatory Commission from the other State, and such depositions or certified copies thereof shall be received by the authorities of the other

State as valid evidence: Provided that the authorities of the one State shall in all cases aid those of the other, as far as may be, in securing the personal attendance of witnesses, and reasonable time shall be allowed for the production of evidence before the final discharge or conviction of the accused.

(s.) If within two months after receipt of notice of the arrest no requisition for extradition or complaint or application for a trial shall have been made, the accused may be set at liberty. He shall be set at liberty if, within one month of the day on which he was brought to the frontier or seaport, and there placed at the disposal of the party claiming, he shall not have been dispatched to the dominions of such party:

Provided that, until the extradition takes place, the accused may be liberated on bail or recognizance where such procedure is allowed by the law of the dominions or jurisdiction where he is found; and that, after the extradition, the procedure shall be that provided by the law of the other dominions or jurisdiction.

(t.) The High Contracting Parties engage to aid each other in the apprehension and surrender of deserters from their respective naval and military forces, and to apply all the provisions of this Convention to the offence of deserting.

It is agreed that this Convention shall have effect from the 1st day of February, 1880.

Done at Calcutta on the 30th day of January, in the year of our Lord 1880.

(Signed) LYTTON,
Viceroy and Governor-General of British India.

Done at Panjim on the 20th day of January, in the year of our Lord 1880.

(Signed) CAETANO AL^{DRE.} D'ALMEIDA ALBUQUERQUE,
Governor-General of Portuguese India.

APPENDIX (F).

Act No. XVII of 1881.

PASSED BY THE GOVERNOR-GENERAL OF INDIA IN COUNCIL.

[Received the Assent of the Governor-General on the 25th May, 1881.]

An Act to give effect to the Convention between the Governors-General of British India and Portuguese India regarding their respective systems of moneys, weights, and measures.

Preamble.

Whereas by the Vth Article of a Treaty of Commerce and Extradition executed at Lisbon on the 26th day of December, 1878, and ratified on the 6th day of August, 1879, between His Most Faithful Majesty the King of Portugal and the Algarves and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, it was provided that the High Contracting Parties should use their best endeavours to establish between their respective systems of moneys, weights, and measures the harmony desirable for the development of commercial relations between their respective dominions:

And whereas by the same Article it was further provided that the detailed measures to be adopted should form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed within two years from the date when the said Treaty came into force:

And whereas the said Treaty came into force on the 15th day of January, 1880:

And whereas, in pursuance of the said recited Article, the Convention set forth in the Schedule hereto annexed has been made:

It is hereby enacted as follows:—

Short title.

1. This Act may be called "The Portuguese Convention Act, 1881."

Local extent.

It extends to the whole of British India.

Commencement and continuance.

It shall come into force at once, and shall remain in force until the expiration of one year from the date of any notice which may be given under the 14th clause of the said Convention.

Provisions of Convention enacted.

2. The provisions of the said Convention, so far as they are binding upon the Government of British India, shall be deemed to have the force of law.

Act XXIII of 1870 to apply to coin and bullion made and brought for coinage to mint under Convention.

3. The provisions of the Indian Coinage Act, 1870, or any other law for the time being in force relating to coinage and the mint, shall, so far as they are consistent with the said Convention, apply to all coin made, and bullion brought for coinage to the mint, under the said Convention, as if such coin and bullion were respectively made and brought for coinage to the mint under the said Act.

The Schedule.

Whereas by the Vth Article of a Treaty of Commerce and Extradition executed at Lisbon on the 26th day of December, 1878, and ratified on the 6th day of August, 1879, between His Most Faithful Majesty the King of Portugal and the Algarves and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Empress of India, it is provided that the High Contracting Parties shall use their best endeavours to establish between their respective systems of moneys, weights, and measures the harmony desirable for the development of commercial relations between their respective dominions; and whereas by the same Article it is further provided that the detailed measures to be adopted shall form the subject of a separate Convention between the Governors-General of British India and Portuguese India, to be executed within two years from the date when the said Treaty comes into force: and whereas the said Treaty came into force on the 15th day of January, 1880:

In pursuance of the said Article the following Convention has been made:—

1. The Governor-General of Portuguese India shall adopt, in the Portuguese possession in India, the monetary system of British India for the time being in force, provided that the coins shall have on one side the effigy of the King of Portugal, with the legend "Ludovicus I, Portugaliæ et Algarbiorum Rex" around it, or such other effigy and legend as the said Governor-General may from time to time desire, and on the other side the value of each coin, the year of the Christian era, and the words "India Portugueza."

2. Subject to the provisions of clause 7, so long as this Convention remains in force, the following coins and no others shall be struck for Portuguese India:—

Silver.—Rupee, weighing 180 grains troy.

Half-rupee, weighing 90 grains troy.

Quarter-rupee, weighing 45 grains troy.

Eighth of a rupee, weighing 22½ grains troy.

The standard fineness of the said silver coins shall be eleven-twelfths of fine silver and one-twelfth of alloy, subject to a remedy not exceeding the following:—

	Remedy in weight.	Remedy in Fineness.
Rupee	Five-thousandths ..	Two-thousandths.
Half-rupee		
Quarter-rupee	Seven-thousandths ..	Three-thousandths.
Eighth of a rupee	Ten-thousandths ..	

Copper.—Half-tanga, weighing 200 grains troy, and corresponding with the double piee or half anna of British India;

Quarter-tanga, weighing 100 grains troy, and corresponding with the piee of British India;

Eighth of a tanga, weighing 50 grains troy, and corresponding with the half-piee of British India;

Real, or twelfth of a tanga, corresponding with the pie of British India.

In the making of copper coins a remedy shall be allowed not exceeding one-fortieth in weight.

The value in copper of one Portuguese rupee will be sixteen Portuguese tangas, sixty-four quarter tangas or piees, or one hundred and ninety-two reales or pies.

3. The Portuguese silver and copper coins established by this Convention shall be issued by the authority of the Government of Portuguese India, and shall be coined on behalf of the said Government by the Government of British India, and by no other agency whatever.

The Governor-General of Portuguese India engages that, while this Convention continues in force, no coins other than those established by this Convention shall be coined in or imported into Portuguese India.

4. With the view of obtaining in the shortest possible time the desired uniformity of coinage throughout the respective Indian possessions of the High Contracting Parties, the Governor-General of British India engages that the Government of British India shall—

(a.) Forego, for the period of three years from the date on which this Convention comes into force, all duty or other charge for melting, cutting, refining or recoinage any coin of the existing Portuguese Indian silver currency tendered for recoinage into Portuguese Indian coin.

(b.) Deliver, for the period of five years from the date of this Convention, copper coins of the Portuguese copper currency established by this Convention in exchange for copper coins of the existing Portuguese Indian copper currency which may be brought to the said mint for the purpose of such exchange, at the value represented by such last-mentioned coins in the existing Portuguese currency. The relative representative value of the old and new coin to be thus exchanged on equal terms, and without charge for manufacture, shall, if the Governor-General of Portuguese India so desires, be determined, once for all, by Mixed Commission appointed in the manner provided in the XVith Article of the above-cited Treaty.

(c.) Advance to the Governor-General of Portuguese India, in the Portuguese currency established by this Convention, such sums in such denominations of coin, and in such instalments (if any), as the said Governor-General of Portuguese India may require: Provided—

1stly.—That the amount of such advances outstanding at any time shall not exceed in the whole 10 lakhs of rupees.

2ndly.—That an interval of two months shall be allowed for compliance with any such requisition, and that no such advance shall be made after the expiration of eighteen months from the date on which this Convention comes into force.

3rdly.—That every such advance shall be, within two months, repaid in coin of the existing Portuguese Indian currency, equivalent thereto in intrinsic value ascertained upon assay at Her Majesty's mint, or in copper coin of the existing Portuguese Indian currency valued as prescribed in clause (b).

5. The Governor-General of British India engages that the Government of British India shall—

(a.) On presentation by or on behalf of the Governor-General of Portuguese India of any silver bullion or coin at the Mint at Bombay, or at such other Mint as the said Government from time to time appoints, deliver to the said Governor-General or his Agent, after such interval as in the judgment of the Mint Master is necessary for the process of coinage, the produce of such silver bullion or coin, in the silver coin established by this Convention, subject always to the same duty, charges, fees, and regulations as are for the time being in force for the conversion into British Indian currency of bullion and coin, presented at the said Mint: Provided that, save as provided in clause 4, the said Government shall not be bound thus to deliver more than 4 lakhs of rupees in any one year.

(b.) Coin for the Governor-General of Portuguese India the copper coins established by this Convention, to such amounts and in such denominations as the said Governor-General may require, upon payment of the value inscribed upon such coins in the silver coin established by this Convention or in British Indian rupees: Provided that, saving as engaged in clause 4, the said Government shall not be bound thus to coin more than 20,000 rupees' worth of such coin in any one year.

In lieu of any seignorage or profits which the Portuguese Government might otherwise claim on account of the coinage on their behalf provided by this clause, the Governor-General of British India engages to pay the Governor-General of Portuguese India an indemnity of 4,000 rupees per annum, commencing from the 1st day of November, 1883, and continuing as long as this Convention remains in force.

6. All silver and copper Portuguese coins coined under the provisions of this Convention shall, while this Convention remains in force, be legal tender in payment or on account throughout British India to the same extent, and subject to the same exceptions in the case of coin which has been called in, or is under weight, or has been clipped, filed or defaced, as in the case of the corresponding silver and copper coins issued by the authority of the Government of British India for the time being in British India.

All silver and copper coin which has been issued by the authority of the Government of British India shall, to the said same extent and subject to the same exceptions, be a legal tender in payment or on account throughout Portuguese India.

7. The Governor-General of Portuguese India agrees that, if at any time while this Convention continues in force the Government of British India should recall the whole body of British Indian coin corresponding to any description of Portuguese coin issued under this Convention, or change the monetary system of British India, he will, if requested by such Government so to do, recall all Portuguese coin of that description, or change in like manner, as the case may be, the monetary system of Portuguese India: provided that the expense incurred in recalling such coin or making such change shall be defrayed by the Government of British India.

8. When any silver coin, purporting to have been issued under the provisions of

this Convention, is tendered to any officer of the Government of British India, authorized by that Government to act under this clause, and is deemed by such officer to be counterfeit, or to have been reduced in weight otherwise than by reasonable wearing, he may, by himself or another (subject to the rules which the said Government prescribes in this behalf), cut or break such coin, and return the pieces to the person tendering the same, and the loss caused by such cutting and breaking shall be borne by such person.

9. When any such silver coin which has been called in is tendered to any officer of the Government of British India authorized by the Government to act under this clause, he may cut or break such coin, and shall receive it at the rate of 1 rupee per tola; but the expense thus incurred shall, except when such coin has been recalled under clause 7, be borne by the Portuguese Government.

10. In like manner, when any British Indian coin which has been called in is tendered to any officer of the Government of Portuguese India authorized by that Government to act under this clause, he may cut or break such coin, and shall receive it at the rate of 1 rupee per tola; and the expense so incurred shall be borne by the Government of British India.

11. The Governor-General of Portuguese India engages to appoint an officer who will receive, while this Convention continues in force, from any person tendering the coin next hereinafter mentioned, all silver coin issued under this Convention which may have lost, by reasonable wearing, more than 2 per cent., and shall pay for the same at the rate of 1 rupee per tola.

12. Nothing in this Convention shall be held to limit the powers of His Most Faithful Majesty the King of Portugal and the Algarves to establish at any time such system of paper currency as he may deem fit.

The Governor-General of Portuguese India has the power for the present to issue the following paper money:—

	5-rupee notes, payable in copper.
10	„ payable in silver.
20	„ „
50	„ „
100	„ „
500	„ „

The amount of paper money issued will never be above 4 per cent. of the value of the money in circulation, the Portuguese India Government notes being guaranteed by the Portuguese Government and payable to the bearer.

13. The Governor-General of Portuguese India engages that, whenever the Government of British India exercises in respect of British India generally, or of all the territories adjacent to Portuguese India, the powers conferred on it under a certain Act of the Governor-General of British India in Council, called “The Indian Weights and Measures of Capacity Act, 1871,” then he, the said Governor-General of Portuguese India, will enforce throughout Portuguese India provisions similar to those of that Act.

14. This Convention shall come into force on the 1st day of November, 1880, and shall remain in force until the expiration of a year counting from the day on which one or other of the Contracting Parties shall have given notice to the other of its intention to put an end to it: provided that no such notice shall be given until four years after the date on which the Convention comes into force.

15. The Governor-General of Portuguese India undertakes that, in the event of this Convention being put an end to under clause 14 or otherwise, no coins resembling any of the coins struck under this Convention shall be struck in or imported into Portuguese India, or shall be struck under the authority of, or with the sanction of, His Most Faithful Majesty in any other place.

Done at Pangim on the 12th day of April, 1880.

(Signed) CAETANO AL^{DRE.} D'ALMEIDA ALBUQUERQUE,
Governor-General of Portuguese India.

Done at Calcutta on the 18th day of March, 1880.

(Signed) LYTTON,
Viceroy and Governor-General of British India.

No. 5.

Earl Granville to Mr. Morier.

Sir,

Foreign Office, September 22, 1881.

WITH reference to your despatch of the 16th May, I have now much pleasure in transmitting to you a copy of a letter from the India Office,* forwarding a Report from the Government of India on the operation of the Treaty relative to the Indian Possessions of Great Britain and Portugal signed on the 26th December, 1878.

You will observe that the Viceroy expresses much satisfaction at the results of the Treaty, and that the Secretary of State for India expresses very high appreciation of your services in the negotiations which led to the conclusion of the Treaty.

I am, &c.

(Signed) GRANVILLE.

No. 6.

Mr. Lister to Sir L. Mallet.

Sir,

Foreign Office, September 22, 1881.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 1st instant, forwarding a Report from the Government of India on the operation of the Treaty of the 26th December, 1878, relative to the Indian Possessions of Great Britain and Portugal.

I transmit herewith a copy of the despatch which has been addressed to Mr. Morier,† forwarding a copy of your letter and the papers which accompanied it; and I am to request that you will inform the Marquis of Hartington that Lord Granville has learnt with much satisfaction the testimony of the Government of India as to the beneficial operation of the Goa Treaty.

I am, &c.

(Signed) T. V. LISTER.



COMMERCIAL. No. 34 (1881).

CORRESPONDENCE respecting the Results of the Treaty of Commerce between Her Majesty and the King of Portugal and the Algarves, signed at Lisbon, December 26, 1878.

(In continuation of "Commercial No. 1, 1880.")

Presented to both Houses of Parliament by Command of Her Majesty. 1881.

LONDON :

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