M.R.O. 14—10,000—31-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1033 — Press / ~~Mis.~~

110-111

Dated 15—5— 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 15th May 1861.

No. 110. Read the following Proceedings of the Board of Revenue, dated 6th April 1861, No. 1,764:—

Read the following letter from P. GRANT, Esq., Collector of Malabar, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Angadiprom, 15th March 1861, No. 63.

SIR,

1. You are aware that in May 1857, Government sanctioned the introduction of the Bonding system in Cochin under the provisions of Act XXV of 1836 and withdrew the privilege in 1859, after an experience of two years had shown that it had not been taken advantage of to any extent worthy of notice.

2. On the 9th February 1861, the Secretary of the Chamber of Commerce Cochin, again brought the subject forward, and requested, that in accordance with the expressed wishes of the Chamber, the system might be again introduced, in view to the encouragement of the direct trade between the Home Ports and Cochin.

3. On the 15th February, I replied to the above that I saw very little in the present circumstances of Cochin that would justify the expectation of any greater success now than formerly in the re-introduction of the Bonding system.

4. The Chamber in reply point out that the indirect trade from Home has increased, and that had the system been in force, advantage would have been taken of it; that even now a ship is expected direct from Home, and that no doubt a portion of its cargo will be placed in bond. Although this latter opinion is not expressed in words, such is the tenor of the argument used.

5. In fact the Chamber anticipate considerable increase in the direct and indirect trade from Home, and are anxious to have the Bonding system in force in anticipation. It, therefore, remains for Government to decide whether the wishes of the Chamber shall be complied with. There are no public warehouses at Cochin in which to bond goods, so that the merchants must be permitted to bond them in their private warehouses.

6. One point, however, deserves consideration, and that is the bonding of tobacco, which will no doubt, unless prohibited, be taken advantage of to a great extent. Shipments of the article to Cochin will be large; it will then, as required, be re-shipped nominally for Mahe or Pondicherry, but in reality to be smuggled into the Travancore and Cochin States in which a monopoly of it exists.

7. Under these circumstances, I do not think that anything should be done to encourage this illicit trade, which, under the bonding system at Cochin, if allowed to be taken advantage of, would flourish more than it has ever hitherto done.

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1. Resolved that the above letter be submitted for the consideration and orders of Government.

Ex. Mins. Cons. 22nd May, in Cons. 4th June 1857, R. D., No. 488.
G. O. 12th, in Cons. 13th August 1859, R. D., No. 1,083.

2. The Bonding and Warehousing system under Act XXV of 1836 was introduced into Cochin in 1857; but as scarcely any advantage was taken of it, it was abandoned in 1859. The Cochin Chamber of Commerce are now anxious that the privilege should be restored, and as it costs Government nothing, the Board think their request may be complied with.

3. As regards the exclusion of tobacco from the lists of goods which may be warehoused, a reference had better be made to the Resident at Travancore and Cochin.

4. The Board doubt whether permission to bond it would have any material effect on smuggling, for it may be as easily re-exported from private stores as from bond, and the only advantage gained by Bonding is postponement of the duty on Foreign tobacco.

(A true Copy and Extract.)

(Signed) J. D. SIM, *Secretary.*

Proceedings of the Madras Government, Revenue Department, 15th May 1861.

No. 111. ORDER THEREON, 15th May 1861, No. 1,033.

1. The Governor in Council observes that the introduction of the Bonding system was tried at Cochin for two years (1857 to 1859), but in only one instance was advantage taken of the privilege. The Government therefore abandoned the experiment in the latter year.

2. The Governor in Council doubts whether the experiment would be more successful now than it was then, and he deems it unadvisable at present to accede to the Collector's recommendation. The subject will be reconsidered when the discussion now pending with the Travancore and Cochin States regarding the coasting trade between British ports and those in their territories is brought to a close.

(Signed) J. D. SIM,
Secretary to Government.

trade has greatly increased in the
& will increase much more
last two years & though in another
year or two the Portuguese
Settlements should cease to be
the Port it will nevertheless
continue of the most significant
importance in the Southern
Seas.

3. Remarks on the Coasting Trade
by the Country Craft to and
from Cochin from Jonks; but not
in a legitimate way.

4. Cochin is a great emporium
for smuggling both into British Ter-
ritories & into Native Territories &
particularly Spices, Ivory, & other Ex-
port articles for the Europe
Stations are largely supplied in an

were till checked & nearly extinct.

5. This was done by necessity
by the articles from Cochin & the
Native Port of Mallapuram on
Palliport a few miles distant. Being
for a foreign Port drawbacks are
granted; but as there are now no
land frontier custom houses be-
tween British Territories & Native
the goods were conveyed full from
the landing place to the Village
or elsewhere.

6. To stop this illicit traffick
other measures besides increasing the
present & erecting Stations or Vessels
are recommended to Malapuram & Palli-
port. + Visit of the Governor in
Dec 10/59 + Visit of the Governor in
No. 1864. Cochin is assumed at Cochin, this

Proceedings of His Majesty's Hon. and Honourable Council of Cochin dated the 15th May 1861.

Submitting with 3 Bds. for recommendation a petition from the Collector of Malabar, intimating the request of the Chamber of Commerce, Cochin, to subscribe to the Bonding System established for

Read Pars. 18 of Rule 6 April 1861 No. 1764

The first Memorial that the introduction of the Bonding System has had at Cochin for the years 1857 & 1859 / has had only one instance has arisen of the privilege. The first there was the Experiment in the latter year,

The first Petitioner the Chamber desired the Experiment should be discontinued, that it has not been, and the Petitioners state a Resolution of the Council &c. to the Collector &c.

trade will revive, for there would not be re-exported without Payment of duty - No drawbacks will be granted - It is evident that the present Petitioners desire a Premium on their trade, & Petitioners ask that the former application is denied entirely "to a system of wholesale smuggling."

6. The Board have on this subject in 1859, (see Pr. 5 of their letter of Dec. 15 - that they have now forbidden the

7 - This regard to smuggling Tobacco into Travancore, the Resolution (Enclosure Par. Para 4) that binding will make no difference this Province is an mistake; as drawback is not allowed to Malabar on passport. The binding system will relieve the smuggler from the further temptation of foreign Tobacco. dft. 29

commencement.
The Objection will
be considered
when the Question
arises pending
in the Massachusetts
Cochin State
respecting the Coasting
Trade between British
ports & States in
their territories and
brought before the Court.

I. D. S.

Note.

In the Bill stating
this draft, I beg to
point out a mis-
-apprehension in
page 5 of the Brown
Bill's note on the
Bd. proc: The Brown
Bill's Counsel thought that
proofs could be re-
-quired

13 Copies to the Boards of Rev:
Copies 15

rested from Board
in part payment
of duty - but this
is a mistake - they
pay just the same
duty as if they had
been sent in Bond.
Bonding merely de-
fers payment of
duty for the time
being - and it is in
this that its convenience
lies to the Merchant.
For instance - if
Foreign Tobacco were
landed at Cochin,
the duty would not
be demanded till
it passed out of Bond.
Then if it passed
into British Territory
it would pay Same
as seen - just as if it
had that moment
been landed out of
a

a Ship – if it here re-exported within 2 yrs to a foreign port, ½ p.c. of the duty only would be levied. ~~and in Indian~~

To Mall: Spoorum & Pallipoort no Drawback is allowed, so that if the Articles here Exported thither should be levied on 2 sh Land – The same Misapprehension occurs in Paras 6 & 7 of the Mem.o

I have drafted according to the Wishes of the Mem.o as the Cases stated Seems Each or other Remedy. Thus the Mem.o & the Letter

L. D.

C. & Treasy 8/13.

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Revenue 1861. Dep.t
Pro.s of Govt for May.

No 1033.

Pro.s of the Madras Govt.
Dy 15th May 1861.

To Declined to accede to the
Board's recommendation for
the introduction of the Bonding
System into the Port of Cochin
as proposed by the Collr of
Malabar until the discussion
now pending with the Travan-
core and Cochin States re-
garding the Coasting Trade
between British Ports and
those in their Territories
shall have been brought
to a conclusion.

No 110 to 111.