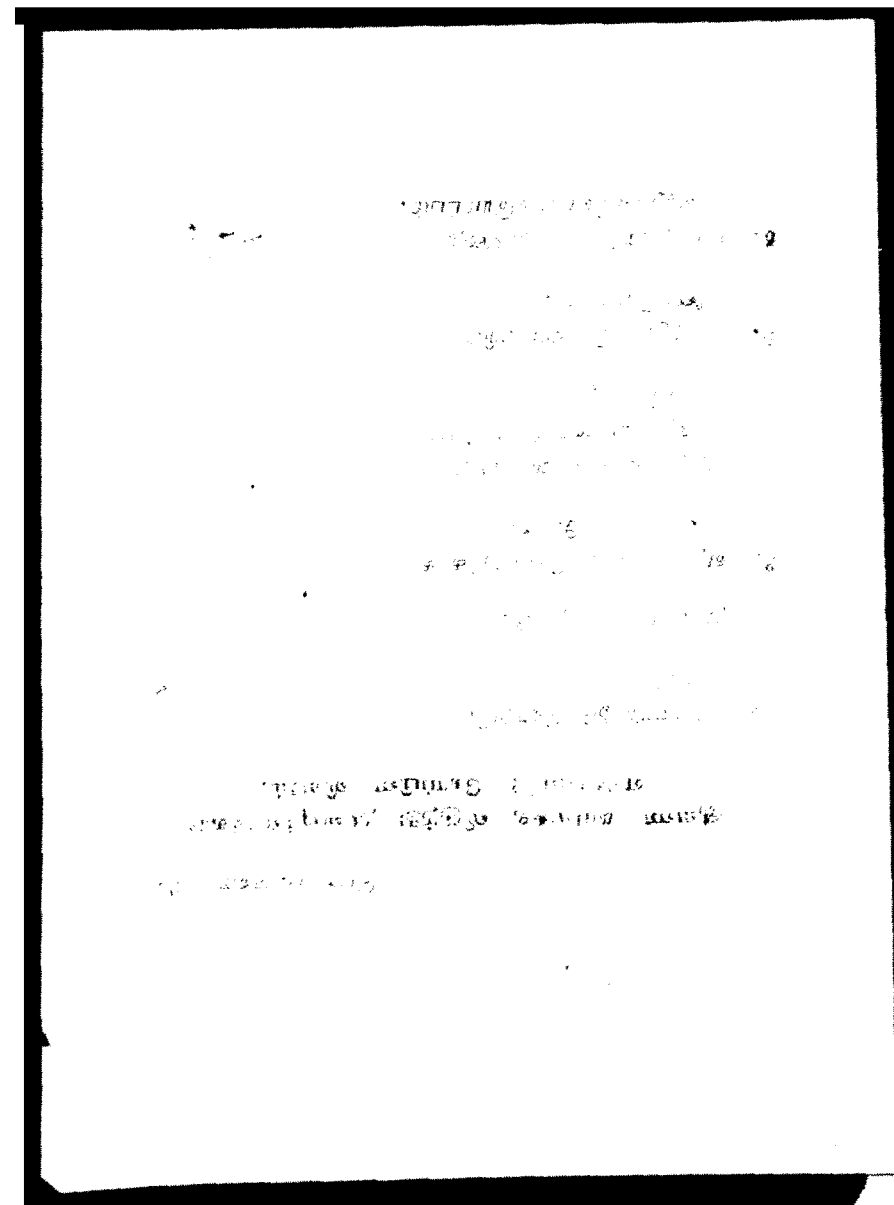


1860

Political

Go. No. 601 (22.23)

dated - 8-10-1860.



MADRAS RECORD OFFICE.

Government of Madras.

Political **DEPARTMENT.**

G.O. No.	601	Press
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8th October 1860.*

No. 22. Read the following letter from F. N. MALTBY, Esq., Resident, Travancore and Cochin, to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated Cape Comorin, 20th September 1860, No. 64.

I have the honor to state for the information of Government, that on receipt of their orders of the 30th April last, I placed myself in communication with Mr. Grant, Collector of Malabar, on the subject of the trade of British Cochin and the States of Travancore and Cochin. Several Memoranda passed between us, with the view of mutually affording and obtaining the information necessary to enable us to judge of the measures required to place the trade on a satisfactory footing.

2. I have now the honor to lay before the Government, a letter addressed by me to the Collector of Malabar, which embodies the purport of those Memoranda, and Mr. Grant's answer signifying his entire concurrence in the purport of that letter, and in the recommendations which it contains.

3. It appears inadvisable to carry our proceedings farther, until the views which we entertain have been submitted to the Government, and I have the honor to request their instructions.

4. Should the Government approve of the measures proposed, and authorize me to enter into official communication with the Rajahs of Travancore and Cochin, there are some difficulties to be overcome, but I believe that I shall have the cordial assistance of both the Governments in endeavouring to free the trade from its present embarrassments. The chief difficulty arises from the very large proportion of its revenues which the Travancore State derives from the Tobacco Monopoly, and the difficulty of protecting this revenue if the inland custom houses are removed, but I hope that this difficulty is not insuperable.

From F. N. MALTBY, Esq., Resident, to P. GRANT, Esq., Collector of Malabar, dated Trevandrum, 22nd August 1860, No. 1,421.

I have the honor to acknowledge your demi-official note of the 10th July and the Memo. and Statistical papers which accompanied it, and I now beg to forward for your consideration the following remarks on the present state of the trade of British Cochin, of Travancore and of Sirkar Cochin, and to suggest the measures which appear to me best calculated to place the trade on a footing advantageous to the three States.

2. The Memoranda which have passed between us show that we are agreed on nearly all the points which we have touched upon. But it is necessary here to give a succinct view of the subject.

3. The situation of British Cochin at the mouth of the large estuary, which bears nearly the whole produce of Travancore and Cochin, renders it the natural emporium of the trade of these two States.

4. At the same time, these States having a full right to an export duty on the produce of their territories, the trade is placed at the disadvantage, compared with other neighbouring territories, of being liable to pay duty twice, once to the Rajahs at the frontier stations or Chowkies on the backwater, and once at the British Custom house.

5. These frontier Chowkies being situated on broad backwaters, it is difficult to prevent an extensive smuggling trade, but this is enormously increased by the Fiscal regulations of both States.

6. (1). A large portion of the revenues of Travancore and Cochin is derived from the Monopoly of Tobacco, Pepper and Cardamoms. Tobacco has hitherto been imported into British Cochin at such a low duty that the profit derived from storing it there and running it into Travancore and Cochin was immense.

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7. The same was the case with the export of Pepper.
8. Thus the value of Tobacco imported into British Cochin at the selling rate of the Travancore Monopoly has, for the last ten years, amounted to 10 and 12 lacs of Rupees a year, and nearly the whole of this is lost to the revenues of Travancore and Cochin.
9. The value of Pepper exported from British Cochin has averaged for the last 5 years about 1,10,000 Rupees.
10. (2). But besides this enormous smuggling which may be due in a great degree to the inherent evils of the Monopoly system, the most legitimate trade of the country is withdrawn from its natural channels by the Fiscal laws of the British Government. The British Government view Travancore and Cochin as foreign territory. Goods, therefore, shipped from Allepey or Malliappooram (the ports of the Sirkars) to Bombay and other British ports, are liable to a duty of 10 per cent. (lately 20 per cent.) while goods shipped at British Cochin are entirely exempt under the Port to Port Act. But they can be imported into British Cochin free of any duty from inland. The goods are thus drawn by backwater to British Cochin, and generally by the smuggler to evade the Rajah's Custom houses. In this way an extensive smuggling trade is fostered, but without any benefit to the British Government, for no duty is paid to them.
11. One or two instances may suffice. The value of Coconut oil exported from British Cochin on the average of the last five years is just 4,50,000 Rupees (1,79,000 cwt.). The value of that which paid duty at the Travancore Chowkey in 1034, was 57,000 Rupees, and at the Sirkar Cochin Custom houses 66,000 Rupees.
- In all 1,23,000 "
12. The difference between this sum and 4,50,000 Rupees must consist in a great measure of smuggled goods.
13. Again with Coir and Coir Rope. The export from British Cochin (minus the imports by sea) amounts to 2,03,000 Rupees in value. The quantity paying duty at the Travancore Chowkies is under 50,000, and that at Sirkar Cochin 58,000 Rupees.
- In all.....1,08,000 "
14. The average total value of exports from British Cochin for 5 years, is about 17,00,000 Rupees. The value of goods paying duty at the Rajah's Custom houses, is for
- | | | |
|-----------------|----------|--------|
| | V. | Duty. |
| Travancore..... | 3,00,000 | 16,916 |
| Cochin..... | 1,74,000 | 8,709 |
| Total | 4,74,000 | 25,715 |
- Looking down the list of exports, all the larger items consist of staple articles of Travancore and Cochin.
15. The above statements afford a rough calculation of the loss sustained by the two Sirkars from the smuggling trade of British Cochin, and from the Fiscal laws which treat their produce when shipped from their own ports as foreign, although both States contribute largely to the expenses of the Imperial Government.
16. The demoralization and the bloodshed caused by the smuggling trade have often been brought to the knowledge of Government, and are fully detailed in Mr. Carmichael's Memorandum of May 1858.
17. On the other hand, the British Customs revenue is injured, and the Salt Monopoly still more so, by the Fiscal laws of Travancore and Cochin.
18. (1.) The Monopoly price of Salt in Cochin is considerably below that of the British territory. Large quantities of Salt are therefore imported into Cochin to be carried over the frontier into British territories.
- Per Indian Maund.
- | | |
|--------------|--------|
| British..... | As. 18 |
| Cochin..... | " 9 |
- Raised last year to 13 As. 9 P.
19. The calculation of this is given in your Memo-

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- "The average sales per annum in those Talooks of the Malabar district which border on the Cochin Territory give, with reference to population only, 7 lbs. per head, while the sales in other Talooks amount to more than double that figure or 16 lbs. per head. The difference of 9 lbs. comes as per accompanying statement to 45,525 Indian Maunds when calculated upon the whole population to which it relates. This can only be accounted for on the supposition that much of the Cochin Salt finds its way into the British territory."
20. This calculation is made only with reference to the population of Malabar, but it would appear that much of the inland trade is also supplied from Sirkar Cochin.
21. The nearest calculation I can make is as follows: The population of Cochin amounting to 3,99,056, would at 16 lbs. per head consume 77,900 Indian Maunds. Whereas the sales in last year amounted to 2,55,161, or 1,77,000 Indian Maunds in excess.
22. The difference between the British price (18 Annas) and the Cochin price (9 Annas) or 9 Annas per Indian Maund, on this excess amounts to about 99,500 Rupees. This sum is lost to both States and enriches the illicit dealer only. A profit at 14 Annas per Maund (the usual profit on the Salt Monopoly) on 1,77,000 Maunds, or about Rupees 1,54,000, is the measure of the loss of the British Government.
23. But while the Cochin Sirkar inflicts this loss (1,54,000 Rupees) on the British Government, the whole gain on its own Monopoly was only Rupees 39,092 in 1033 (1857-58) and in 1034 (1858-59) (owing to a rise in the price of salt) only 22,189 Rupees.
24. If the Cochin Sirkar sold only to its own subjects 77,900 Indian Maunds at the British price of 18 Annas, it would realize 87,000 Rupees, of which, in ordinary years, there would be a profit of 14 Annas per maund, or 76,000 Rupees.
25. (2). The Travancore and Cochin Tariffs on imports by sea lead to the effect described in your Memo: in the following words: "The British Government is injured in its revenues by the amount of trade which is drawn to Malliappooram, Paliport and Allepey, ports of the Cochin and Travancore States, where the rates of duty are much lower than those levied at British ports. It was only three months ago that wines and spirits, evidently intended for consumption within the British limits, were landed at Paliport at a loss to our revenue of upwards of 10,000 Rupees, the amount of duty which would have been collected on them, had they been landed at any of the British ports."
- Large importations have lately been made at Allepey for the same reason.
26. Thus the present rules appear to be detrimental to the three States. At the same time the trade of British Cochin is embarrassed by the Cordon of Custom houses drawn round it, and although it has greatly increased of late years, it has done so, in a great degree, through the agency of a low class of illicit dealers, in connivance with the corrupt underpaid officials of the two Sirkars, and at the cost of two States in friendly alliance with the British Government, and who contribute largely to the Imperial Government of India.
27. I believe that the trade of Cochin admits of large development, if placed on a sound basis, and I know that the commercial community of the port would desire that the trade should be freed from its present state and placed in fair competition with other ports.
28. The remedies which are required are very obvious, and we are fully agreed upon the main points.
29. The measures which suggest themselves are:—
- I. To declare that the produce of Travancore shall enter the ports of British India on the same terms as the produce of other ports of India, *i. e.* duty free.
 - II. The Tariffs of Travancore and Cochin to be assimilated to the British Tariff.
 - III. The British Government to prohibit the importation of Tobacco into British Cochin except on paying duty to the Rajahs, in return for which:—
30. The Rajahs shall bind themselves to sell Salt at the Monopoly price of the Madras Presidency and not below it.
31. These measures should, I think, at once be adopted. A further measure most advantageous to the three States but more difficult of adjustment is as follows:—

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- IV. The Rajahs to withdraw all Custom houses between their territories and British Cochin, the British Government agreeing to levy the Customs at British Cochin dividing the Customs revenue in fair proportions among these States.
32. This last proposition will, I hope, be considered as quite distinct from the former ones, of which it forms no necessary part.
33. (I.) The first measure is one of obvious equity towards allied States who already contribute to the Imperial Government, and the Court of Directors* have remarked that it "would apparently be consistent with our own laws," and "and would be one of the concessions which by every consideration of friendship and equity we are bound to offer in consideration of the abolition or relaxation of the Monopolies," and, In a despatch so far back as 1846 the Court observed: "It is our desire that the commercial policy pursued towards all Native States similarly situated as those of Travancore and Cochin) should be of the most liberal description and that they should as far as possible be treated with the same favor as the territories under our direct administration."
34. I trust that, whatever may be decided with regard to the other propositions, this will be decided on its own merits, and I beg to refer to my letter to Government of the 21st February 1860.
35. (II.) In return for this concession, I consider that the Sirkars should adopt the British Tariffs so that all the trade of the coast may be placed on an equal footing.
36. III.) The revenue derived by the Travancore Government from Tobacco is so large and so essential to meet the expenses of the State that it has to be dealt with, with great caution—an article of luxury not grown within the territories is a legitimate subject of taxation; and the State is not in a position to make a large sacrifice of present revenue even though a future increase should be safely predicted.
37. As the subject is extensive, I append a separate Memorandum on the Tobacco Monopoly, and I think I show clearly that if Tobacco is admitted on payment of duty, the duty must not be less than 4 Annas per lb.
38. Should the British Government agree to levy a duty at that rate at British Cochin on all Tobacco imported, whether from Ceylon or from British India, to be shared in just proportions, I believe that an extensive smuggling trade will be put down, the Sirkars will be enabled to lower their Monopoly price, and I trust gradually to substitute an import duty for the system of Monopoly.
39. In return for the aid thus given, the Sirkars will protect the British Monopoly of Salt from present depredations.
40. I quite agree with you that the Salt trade will be best regulated by raising the Rajah's prices to the British price; rather than by the Rajah of Cochin binding himself not to import above a certain quantity.
41. By the above means, the revenues of all three States will be improved and smuggling will be greatly checked, and I am not aware of any impediment to the immediate carrying out of these measures, and I hope that the suggestion of a fourth and more complete arrangement will not lead to delay in carrying out these.
42. (IV.) A convention by which the three States should share in the duties of British Cochin and all frontier Custom houses on that side be removed, would be one of the greatest boons that could be conferred on Travancore and Cochin.
43. As a proof of one of the evils of the present system, I may mention that one of the Missionaries of Cotyam told me that boats are stopped three times between Cochin and their stations, and with Natives a bribe to prevent detention must be paid at each. I was told that a hawker never visits their station in consequence of the vexatious imposts.
44. As I am about to show that, in order to carry out this measure, some special Regulation for the Port of Cochin will be necessary, I beg to call attention prominently to the fact that this is already the case. The duties are now shared between the Rajahs and the British Government. It is arranged in this way. In order to compensate to British Cochin, the duties levied by the Rajahs, the Cochin Tariff is made lower than that of the rest of Malabar, that is to say, the duties are lower in consideration of the duty already raised by the Rajahs.

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45. Thus there is already special legislation for Cochin and the British Customs are in part abandoned. What is now proposed is, to do the same thing in a way which shall save all the expense of the inland Custom houses, and all the vexations and frauds consequent upon them.

46. I find that the net revenue which the Rajahs each derive from their Custom houses on the Cochin frontier is about 22,000 and 17,000 Rupees, in all 39,000 Rupees.

47. The Revenue from Customs at British Cochin was,

Exports	31,000
Imports.....	21,000
Total.....	52,000

48. The total Revenue to be collected to prevent loss is thus 91,000 or say 90,000 Rupees.

49. Any thing above this gained by Customs and divided in just proportions would be a gain to all parties.

50. Now, to show how wide a field there is for improvement, I will instance one article. Coconut oil is valued in the Malabar Tariff at 40 Rupees per candy, in that of Cochin at only 15, or $\frac{3}{4}$ of the proper price. The duty collected at Cochin was 12,000 Rupees. At 40 Rupees per candy, it would have been 32,000 Rupees. Thus the British Government abandon 20,000 Rupees, a sum equal to the whole profit of the Travancore Custom houses.

51. The measure which I beg to recommend is as follows: The Rajahs are entitled to duties on all exports from and imports into their territories; whereas at British Cochin duties are only levied on exports to foreign countries and none are levied on imports from Bombay and other Indian ports.

52. I would advise that to avoid the inconvenience of placing British Cochin on a different footing from other ports, and levying duty on goods which have already paid duty at Bombay, the whole should be made a matter of account. The duties should be calculated on all articles imported into and exported from British Cochin and a certain proportion of the estimated duty be credited to the Rajahs.

53. Thus, the duty collected on imports in British Cochin is 21,000 Rupees. But if collected on all the imports (from Bombay, &c.) it would be 73,000. All these goods are liable to duty, if they enter Travancore and Cochin; supposing (for example) it is calculated that the trade of Cochin is in the proportion of $\frac{2}{8}$ with Travancore, $\frac{1}{8}$ with Cochin, and $\frac{5}{8}$ with British Territories, then the duty should be divided in that proportion of 73,000 Rupees, 36,500 would belong to the British Government, about 9,000 to Cochin and 28,000 Rupees to Travancore. The same with the exports.

54. I merely state this as an example, and I beg to recommend that if the plan is approved, the Chamber of Commerce at Cochin be requested to state their opinion as to the proportion of the trade carried on with each country.

55. It will be remembered that all the foreign articles which enter Cochin, free of duty, have paid duty at Bombay or elsewhere. Most of those which leave Cochin, free of duty, are shipped for England at Bombay and there pay duty.

56. There is only one other point to which it is necessary to allude at present, which is that I think that a special duty should be imposed on Cardamoms. Being an article of mere luxury, consumed chiefly in India, they form a legitimate source of revenue, they now (if they evade the Rajah's monopoly) escape taxation altogether.

57. I believe that I have now stated all that is necessary in the present state of the enquiry. If the plan in general is approved, it will only remain to adjust the proportion of the duties to be paid to each State.

58. My conviction is that by a proper regulation of the trade, all inland customs may be abolished, the trade of British Cochin be placed on an equality with other ports, and the Revenues of the three States be largely increased, not by additional burdens on trade, but by lightening the burdens now upon it and recovering several lacs of Rupees which now go to the illicit dealers in Tobacco, Pepper, Salt and Cardamoms and all staple articles of the country.

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59. If the Rajah's duties are abandoned and the British Government resolve to give the Rajah a share of the Customs of British Cochin without any additional duties being imposed, it will be a liberal but I believe a wise concession. Any revenue which the British Government thereby abandon, will, I am satisfied, be amply repaid by the enhanced Salt revenue and the general development of trade.

60. I think that the only point upon which there is any dissent as to the agreement of our views is with regard to the right of the Rajahs to share in the future trade of British Cochin. You observe that "there is every prospect of much of the trade which now flows to British Cochin, being diverted to the ports of the Travancore and Cochin States, from whence it is now diverted by the high duties on the port to port trade."

The question of granting them a share in the future trade of Cochin, beyond the average of the past 5 years is one not so easily solved. The present prosperous state of Malabar, the early completion of the Railway, and the measures being made to improve the communication of the country generally, are all circumstances irrespective of any connexion with these two States, that warrant a large expected increase in the trade of British Cochin, which must bring it advantages tending directly to their benefit.

61. But I would observe that the territories of the Rajahs of Travancore and Cochin are rapidly improving, roads are opening out the rich coffee lands of the mountains, and works executed at the expense of the Rajahs are connecting British Cochin with the Railway on one side and Cape Comorin on the other. It cannot be expected that two Sovereign Princes should relinquish their right to derive an increasing revenue from the advancing prosperity of their territories.

62. That some of the trade now drawn to British Cochin will revert to its natural channel and be exported at Allepey, I fully believe; but it will only be the produce of Travancore which never should have been diverted from that port. There is no reason to think that any British produce whatever, or any foreign produce intended for consumption in British territories, will seek that port.

63. Cochin and Allepey will compete fairly for the trade of Travancore. When the great advantages of the Cochin harbour attract the produce to that port, the British Government will receive a just share of the revenues.

64. My belief is that by the arrangement proposed, the trade of British Cochin will, on the whole, be so increased that the British Government will not lose on the Customs, although sharing them with the Rajahs.

65. To the mercantile community of Cochin, the advantage will be very great. With perfect freedom of communication by backwater and equal duties at the two ports, the firms will generally have establishments at Cochin and Allepey, and when the Cochin harbour is closed, business will be carried on at Allepey.

66. To sum up the purport of the foregoing remarks. The advantages which I anticipate from the proposed measures will be

67. *To the three States generally.*—Entire freedom of commerce and a large development of trade; the destruction of a nursery of crime in the present smuggling trade. The adjustment of a very complicated question regarding the ports of Anjengo and Tangacherry and the Company's Farms.

68. *To the British Government separately.*—The recovery of upwards of a lac of Rupees on the Salt revenue; the recovery of a considerable revenue on wine and spirits; and in all probability a larger revenue from the Custom house at British Cochin. The assurance that two friendly States, long seriously injured by smuggling carried on under British laws, have no longer a ground of just complaint, acknowledged to be a just and serious one by the Home Government.

69. *To the Travancore Government.*—The abolition or modification of the two great Monopolies of Tobacco and Pepper, long a serious opprobrium, effected by the recovery from the smugglers of a fair duty on the Tobacco and Pepper now smuggled through Cochin, a larger revenue from Salt and a larger revenue from Customs, free trade with British Cochin, and trade on equal terms with the rest of India.

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70. *To Cochin Government.*—The abolition of the same Monopolies; an increase of probably half a lac of Rupees on Salt and of half a lac on Tobacco with an increasing Customs revenue.

71. *The people of the two States gain,* the abolition of the Pepper Monopoly.

The abolition or modification of the Tobacco Monopoly.

The reduction in the price of Tobacco one half.

The removal of all Customs on the backwaters.

Relief from duties of 10 per cent. on their produce when imported into British India.

Against this the increase in the price of Salt to an equality with the rest of the Madras Presidency is the only counterpoise.

72. Should you concur in the above views, I beg to suggest that a joint recommendation be made by us to Government for the adoption without further delay of the three first measures above proposed; and that should the fourth measure meet with the approval of Government, the Native Governments be invited to express their views on the proposition of the British Government, to divide with those States the Customs revenues of British Cochin, on the abolition of the inland Custom houses.

73. I have the honor to append some remarks by the Dewan of Cochin on the above suggestions, which are very satisfactory.

From P. GRANT, Esq., Collector of Malabar, to F. N. MALTBY, Esq., Resident of Travancore and Cochin, Trevandrum, dated Calicut, 31st August 1860, No. 5,155.

I have received your report, dated August 22nd, on the trade of British Cochin, of Travancore and of Sirkar Cochin.

2. The perusal of the report has afforded me much pleasure, and I now beg to express my entire concurrence in all the measures advocated to place the trade of the Indian Government and the two States on a sound basis.

3. They are as follows:—

I. "To declare that the produce of Travancore shall enter the ports of British India on the same terms as the produce of other ports of India, i. e. duty free."

II. "The Tariffs of Travancore and Cochin to be assimilated to the British Tariff."

III. "The British Government to prohibit the importation of Tobacco into British Cochin, except on paying duty to the Rajahs in return for which the Rajahs shall bind themselves to sell Salt at the monopoly price of the Madras Presidency and not below it."

4. The third measure is the only one to which a person, unacquainted with the circumstances of British Cochin, might at first object; but when it is pointed out that a few candies of tobacco, would meet the requirements of that station, it at once becomes apparent that any large importations made, must be solely for consumption in the neighbouring States, and that in the spirit of the policy now advocated, they are justly entitled to the duties levied on the article.

5. To counterbalance any disadvantage at which the Indian Government might be placed by these measures, the Native States, you propose, should bind themselves to sell their Salt at the Indian Government monopoly prices: this step, as you show, will bring a large increase of Revenue to the Indian Government and Sirkar Cochin. The increase to the former, it is likely, will come to more than 1½ lacs of Rupees, whereas the latter will probably benefit by some 40,000 Rupees.

6. An adjustment of trade so manifestly to the advantage of all interests concerned, should, I think, be adopted with the least possible delay. To the Indian Government it is of the greatest importance that the arrangement should be carried out at once, for until it is, the loss on Import duty on merchandize entered by the Travancore and Cochin ports, is likely to be considerable. The present enhanced rates of Import duty have tended more than ever to drive trade to those ports, from whence goods can be conveyed into the Indian Territories by backwater, without payment of duty. At the present time, parties are, to my certain knowledge, speculating in spirits, wines, &c. to be thus introduced into India, and if not checked by the adoption of the measures now proposed for the improvement of the trade of the three States, it is likely that the trade will be

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developed to a very great degree. Even now, Malabar, Cochin, and Wynad and the
are largely supplied with spirits, &c. thus introduced.

7. The fourth measure you suggest is:
"A convention by which the three States should share in the duties of British Cochin
"frontier Custom Houses on that side be removed, would be one of the greatest boons
"be conferred on Travancore and Cochin."

8. In my first communication, I withheld my assent from the adoption of this
My objections rested chiefly on the fact that I was dealing with a state of things, which
as yet been experienced, and which I expected would result in a large development of
future.

9. With my imperfect knowledge, and expecting that the improvements now going on in
bar, would tend very materially to increase the trade of British Cochin, I was disinclined to
myself to any settled opinion, until I was further informed on the subject. Your report has
supplied the information by showing that great improvements have been projected, and are be
carried out in the two States. I therefore agree with you that any future increase in the trade
British Cochin must in fairness be attributed in no small degree to these measures and that
are entitled to participate in the expected profits.

10. The proportion in which the Indian Government and the two States are to participate
in the profits by a division of the Custom duties, may be left for arrangement by any person
or persons, whom they may nominate—the principle advocated in para. 52 of your report should
I think, be followed out.

11. The abolition of the Chowkies on the frontier of the two Native States, the severe blow
which will be struck at smuggling, with the consequent decrease of crime, the freedom of trade
and the prosperity resulting therefrom, are so important in themselves, in a political light, that
their attainment would be worth a considerable sacrifice of revenue, whereas an increase may be
safely anticipated.

12. Your report treats the subject of the measures proposed for the improvement of the trade
of British Cochin, and of the Travancore and Cochin States so clearly and fully, that I feel it
has been exhausted, and that further comment on my part is unnecessary and useless. I shall
therefore conclude by stating simply that I adopt the report, and recommend that the course
pointed out in para. 72, be followed without further delay.

(True Copies.)

(Signed) F. N. MALTBY,
Resident.

No. 21.

ORDER THEREON, 8th October 1860, No. 601.

The Honorable the Governor in Council has perused with great interest the correspondence
submitted with the above letter, and exhibiting the views of the Resident of Travancore and
Cochin, and of the Collector of Malabar on the measures necessary for placing the commercial
and fiscal relations of the two Sircars with British India, upon a satisfactory footing.

I. To declare that the produce of Travancore
shall enter the Ports of British India on the
same terms as the produce of other Ports of
India, i. e. duty free.

II. The Tariffs of Travancore and Cochin to
be assimilated to the British Tariff.

III. The British Government to prohibit the
importation of Tobacco into British Cochin
except on paying duty to the Rajahs, in re-
sponse for which, the Rajahs shall bind them-
selves to sell Salt at the monopoly price of the
Madras Presidency and not below it.

IV. The Rajahs to withdraw all Custom Houses
between their territories and British Cochin, the
British Government agreeing to levy the cus-
toms at British Cochin dividing the Customs
revenue in fair proportions among these States.

2. Of these measures as summed up in
paragraphs 29, 30 and 31 of Mr. F. Maltby's
letter to Mr. Grant, and quoted in the margin,
the first would require the sanction of the Go-
vernment of India—the second is connected with
the first—the third could only be effected by an
Act of the Legislature—the fourth must form
the subject of negotiation with their Highnesses
the Rajahs of Travancore and Cochin.

3. The Government entirely concur in the
views of the Resident as clearly set forth in his
letter to the Collector of Malabar and approve
of the several measures which he recommends.
Mr. F. Maltby will, as he has suggested, at once
place himself in communication with the Rajahs

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on the subject. On the result of his discussions with those Princes being known, this Govern-
ment will be prepared to address the Government of India on the whole question. It would
not be advisable to apply to that authority until the subject is complete.

(Signed) T. PYCROFT,
Chief Secretary.

Exd. F. Cartledge.

Political Department

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*Read the following Report
Resident of Travancore and Cochin
(S. Res. with 20th Sept. 1801.)*

Order thereon. 8th October 1801.

*The Honorable the
Governor in Council has perused
with great interest the corres-
pondence submitted with
the above letter, and exhibiting
the views of the Resident of
Travancore and Cochin, and
up the folio of Malabar on
the measures necessary for
placing the commercial &
fiscal relations of the two
Islands with British India,
upon a satisfactory footing.
Of these measures
as summed up in para.*

I. To declare that the produce of
 Travancore shall be free of
 British India on the same
 terms as the produce of other parts
 of India, i.e. duty free.

II. The tariff of Travancore, and
 one half the assimilated to the
 British tariff.

III. The British Govt. to prohibit the
 import of opium from Travancore
 into British India, and to prohibit
 the export of opium from British
 India into Travancore, and to
 prohibit the import of opium from
 Travancore into British India, and
 to prohibit the export of opium from
 British India into Travancore.

IV. The British Govt. to withdraw all
 custom duties between their territories
 and British India, the British
 Govt. agreeing to pay the
 cost of British India, and to
 pay the cost of Travancore, in full
 proportion, among these States.

29, 30 & 31 of Mr. S. Maitland's
 letter to Mr. Grant, and
 quoted in the margin - the
 first would require the
 sanction of the Government of
 India - the second is, in
 with the first, the third
 could only be effected by
 an Act of the Legislature
 the fourth much forms
 subject of negotiation
 their Highnesses the Rajs
 of Travancore and Cochin
 3. - The Government
 fully concur in the views
 of the Resident, as set
 forth in his letter
 the collector of Malabar
 and approve of the
 several measures which
 he recommends. Mr. S. Maitland
 will, as he has suggested,
 at once place himself
 in communication with
 the Rajs on the subject.
 On the result of his
 discussions with the
 Princes being known, the
 Government

Government will be pre-
 pared to address the Govt.
 of India on the whole
 question - It would not
 be advisable to apply
 to that authority until
 the subject is completely
 settled.

J.P.

To the Resident of
 Travancore & Cochin. 3
 Enclose spare copies of the
 letter forwarded to the Resident 16. Oct/60.

J.P.

17.7.07

10-1-10

17-8-1901

22000

Attendant

Department 1860.

No. 801

Proceedings of the Madras

Government.

Dated 8 October 1860.

Representing the

Board of British India

and the Board of

Commerce and India

For the

15/10/11 15/10/11 15/10/11

15/10/11