M.R.O. 1—39,000—16-10-29.

MADRAS RECORD OFFICE.

Government of Madras.

Political DEPARTMENT.

G.O. No. 369 Press Mis.

Dated 19-8-1861

Not to be folded or roughly handled

Proceedings of the Madras Government, Political Department, 19*th August* 1861.

No. 39. Read the following letter from Captain C. M. WHITE, Assistant Resident in charge ; to T. PYCROFT, Esq., Chief Secretary to Government, Fort Saint George, dated Trevandrum, 10th July 1861, No. 39.

1. I have the honor to forward for the information of Government the following letter to your address from F. N. Maltby, Esq., Resident, Travancore and Cochin, which he was prevented from transmitting by indisposition.

* *No.* 465, *28th February* 1861.
„ 212, *24th April* „

"I have the honor to reply to the Proceedings of Government noted in the margin,* having reference to the trade of British Cochin, and of the States of Travancore and Cochin.

Two subjects are touched upon in these papers :

1st.—The first is the injury which the revenues of Malabar suffer from the States of Travancore and Cochin, imposing a lighter duty on Wines and Spirits than is imposed in Malabar, whereby the import trade is led to the ports of those States.

2nd.—The second is the injury which the trade of British Cochin is likely to suffer from the introduction of the revised Tariff of British India, which abolishes a distinctive Tariff formerly granted to British Cochin.

1st. With regard to the first of these, I beg to observe that the inconveniences of the different Tariffs are very obvious. The British revenues suffer undoubtedly from the prevalence of lower duties on Wines and Spirits in Travancore, than those levied at the British ports ; and in the same manner, but to a much greater extent, the revenues of Travancore suffer from the British Tariff especially in the article of Tobacco.

The subject was laid before the Government at some length in my letter of the 20th September 1860, No. 64, and the Government approved of the suggestions therein offered. The measures suggested by me as calculated to put the trade on a proper footing were ;

1st. That the produce of these States should enter the ports of British India, on the same terms as the produce of other ports of India, *i. e.*, duty free.

2nd. The Tariffs of Travancore and Cochin to be assimilated to the Briti sh Tariff.

3rd. The British Government to prohibit the importation of Tobacco into British Co chin, the Rajahs in return agreeing to sell Salt only at the monopoly price.

4th. The Rajahs to withdraw their Custom Houses around British Cochin, a Convention being entered into to levy the Customs at British Cochin, on behalf of the three States.

The first of these measures strongly supported by the Madras Government is now under the consideration of the Supreme Government.

On the subject of the second a Commission was appointed by His Highness the Rajah to examine the Travancore Tariff, and report what would be the effect on his revenues of adopting the British Tariff. The Commission have given in their report, and it has been under consideration by myself and the Dewan.

The result is that the adoption of the *valuations* of the British Tariff will effect an important improvement in that of Travancore. The Travancore *duties* on Exports are 5 per cent., while the British Customs are only three. It does not appear that in the present state of the Finances, a reduction of the duties from 5 per cent. to 3 per cent. is practicable or desirable. Money is required for the improvement of the country, and no less exceptionable means of raising it than this extra 2 per cent. on exported produce has yet suggested itself.

The British duties on imports can be adopted with advantage to the State, except on the articles forming the subject of Mr. Grant's letter, *i. e.* Wines and Spirits. The effect of equalizing these would be to sacrifice the revenue now accruing from them.

This the Travancore Government is willing to do if the British Government will in return impose the same duty on all sea borne Tobacco as is now levied on Jaffna Tobacco. Mr. Wilson's

Act imposed a duty of 150 Rupees per candy on foreign Tobacco, and the effect of this has been greatly to check the smuggling of Jaffna Tobacco. But now the importation of Coimbatore Tobacco takes its place, and the marginal statement shews how greatly the revenues of Travancore are injured, for all of this, with the exception of the very small quantity consumed in British Cochin, is imported for smuggling purposes.

Tobacco imported by Sea into British Cochin.

November.			December.			January.			February.			March.			April.			Total.		
Cans.	M.	lb.	C.	M.	lb.	C.	M.	lb.	C.	M.	lb.	C.	M.	lb.	C.	M.	lb.	C.	M.	lb.
196	12	21¾	74	4	20	199	11	4	258	15	8	301	8	12	356	8	8	1,387	...	23¾

1,387 candies of 500 lbs., or 1,156 candies of 600 lbs. @ 171 Rupees per candy, Rs. 1,97,676.

* *Dated 14th June* 1861.

I have the honor to annex the letter* of the Dewan of Travancore on this subject. He does not ask that the duties collected be paid over to Travancore, but merely that a duty be imposed by the British Government at all parts south of Calicut.

This reciprocating measure appears to me to be in every respect desirable. Conjoined with the raising the duty on Spirits and Wine, it will destroy a very demoralizing system. I have been informed that the smugglers of Cochin are divided into three gangs. One gang who land smuggled goods on the beach, one who convey them from the beach to the back-water, and one who run them by back-water into Travancore and Cochin. I believe the British revenues, as well as those of Travancore suffer largely. At any rate, it seems very undesirable that the fine port of Cochin should be used as a smuggling depôt to the injury of an allied State, while no revenue accrues to the British Government from the Tobacco trade so injurious to Travancore.

The larger question of collecting these duties on behalf of Travancore and Cochin, on those States raising their Salt to the rate of the British Monopoly affects Cochin more than Travancore, and is complicated with the difficulty of guarding the northern land frontier of Cochin from the import of Coimbatore Tobacco. This may, I think, be left over for future consideration.

With regard to the second subject, the effect on the trade of British Cochin of the new Tariff, I have the honor to state, that the representation of the Chamber of Commerce appears to me to be quite correct.

	Cochin.			*Travancore.*		
1031	*Rs.* 25,977	4	10	*Rs.* 16,777	14	7
1032	,, 29,749	15	3	,, 19,023	13	9
1033	,, 28,306	15	7	,, 21,238	10	0
1034	,, 28,862	13	3	,, 25,383	11	1
1035	,, 36,146	0	2	,, 35,948	5	10
	1,49,043	1	1	1,18,372	7	3

I have the honor, as directed, to annex a sketch shewing the position of British Cochin, and the cordon of Custom Houses surrounding it. The margin gives the amount of duties collected at each.

Goods from British territories have free access to British Cochin; but on the produce of Travancore and Cochin, the Rajahs have a full right to levy their duties.

The trade of British Cochin has hitherto risen in spite of these Custom houses from two causes: Firstly, the ease with which the duties were evaded in consequence of the venality and connivance of the Officials of the Sirkars, and secondly, the differential Tariff and lighter duties prevailing at that port.

It cannot of course be a subject of regret or complaint if the Native States, by employing a higher paid establishment and a general system of reform, are collecting their dues with more punctuality. I believe that both Dewans are endeavoring to enforce integrity in the collection of the revenues and with considerable success. Each State has a sea port of its own, and if the superior advantages of Cochin draw the trade to that port, the duty is fairly demanded on the back-water.

That it is a great disadvantage to the trade of British Cochin that the goods should have to pay duty first to the Rajahs and then to the British Government is obvious; but it is equally obvious, that if either party should abandon the duties, it is the British Government that should do so."

Proceedings of the Madras Government, Political Department,
19th August 1861.

2. With reference to the first subject alluded to in the above letter from the Resident, I have the honor to enclose one* from the Dewan of Travancore, from which you will observe, that it is proposed by the Travancore Sirkar to adopt at once a revised Export Tariff assimilated in most particulars to that of British India, and I have concurred with the Dewan in thinking, that effect should be given without delay to the new Export Tariff referred to by him.

* *No.* 1,566 *of 5th July* 1861.

3. With regard to a revision of the Import Tariff, which embraces the question of raising the duty on Wines and Spirits, the Travancore Government will at present take no further steps, as their measures will of course be to a great degree influenced in this matter by the view which may be taken of the proposal made in the foregoing letter from Mr. Maltby relating to the levying by the British Government of a duty on sea borne Tobacco.

From T. MADAVA ROW, Dewan; to F. N. MALTBY, Esq., British Resident of Travancore, dated Trevandrum, 14th June 1861.

Adverting to your communication, No. 205, of the 13th February last and its enclosures, and to other correspondence which has passed on the subject of the injuries sustained by the British Customs revenue from Wines and Spirits, and by the Travancore and Cochin Sirkar's Tobacco revenues, in consequence of the existing fiscal rules of the several States concerned, I have the honor to inform you that this Sirkar is quite prepared to assent to the following arrangement.

That Travancore should assimilate the values of, and duties on, Wines and Spirits to those of the British Indian Tariff, provided the British Government would afford some aid to our Tobacco revenue by levying at the British port of Cochin the same duty on all Tobacco as is now levied on Tobacco imported from Ceylon, &c.

2. Such an arrangement, it is superfluous for me to repeat, will effect much reciprocal benefit with disadvantage only to the smuggler.

3. The losses to the British Customs Revenue, so strongly dwelt upon by the Collector of Malabar will thus be prevented, I hope very successfully, while the imposition of the proposed duty on all Tobacco imported at Cochin may be expected to diminish so largely the profits of the smuggling trade, from that port to Travancore and Cochin as materially to assist the efforts of the Sirkar's preventive services to check that trade.

4. I need hardly say that the earlier this arrangement is effected, the better it is for the interests of all parties.

From T. MADAVA ROW, Dewan; to the Assistant Resident in charge, dated Trevandrum, 5th July 1861, No. 1,566.

I have the honor to address you on the revision of the Export Tariff of this State.

2. As it is now about twenty-four years since the existing Tariff was framed, the values have, in several instances, been much altered, and it is but fair that they should be re-adjusted.

3. A Committee was appointed to consider the revision of the Tariff and to report their views. Messrs. Crawford and D'Albedyhll, who formed the Committee, have sent in their report, and it has been duly considered.

4. For several reasons, I consider it of immediate importance to revise the Export Tariff.

5. Mr. Maltby and myself agreed that the rates of export duty hitherto in force, should not be lowered.

6. The revision of the Export Tariff values is proposed to be made on the following principles:

That the valuations given in the British Indian Tariff be adopted generally, save in particular instances where a deviation is called for.

That in these exceptional instances, the old valuations be retained, or those recommended by the Committee be adopted, or the average market price be used, as it may be found desirable.

That the classification of goods into several sorts be reduced as much as possible, with a view to prevent delay and vexation on the part of the Merchant, and to obviate the scope to corruption on the part of the Customs House Officers.

That British Indian weights be generally substituted for the Native weights.

That the values in the Travancore Tariff be in Travancore Rupees and not in Queen's Rupees, the difference being but small and immaterial.

That the old Tariff rates be retained for those goods which are not found entered in the British Tariff.

7. The British valuations are found rather too high in some cases, as compared with prices current here. But as the duty is only 5 per cent. on the value, the difference in the duty cannot be very material, especially when it is recollected that, under advantages peculiar to the country, the cost of production of many staples is low, and the profits of the producer are large. I am satisfied that the adoption of the British Indian Tariff valuations will not in any appreciable degree, affect production unfavorably.

8. I beg to send herewith an Export Tariff revised on the principles above set forth.

9. I proceed to make a few concise observations on some particular goods.

10. Sugar-cane jaggery.—The old Tariff value of this article is 40 Fanams per cwt. The average market value is above 50 per cwt. The British Tariff value is 28½ per cwt.

The market value is preferred. It is only fair. This article is a luxury largely consumed in the neighbouring territories, and sugar-cane cultivation in this country is taxed no higher than that of rice.

11. Wood in logs, &c.,

It is desirable not to alter the old valuations without very full further consideration. The rate of duty is now 10 per cent. in most Chowkies and only 5 per cent. in some. There is no reason to maintain this inequality. It is therefore proposed to make the former rate applicable to all Chowkies.

12. Vetoopauk or Chickney Soopary.

This is a most important staple of the country. It is consumed very largely by the Native population in the neighbouring territories. It is already taxed high, and therefore it is best to leave it untouched. The Committee's proposed valuation leads to a small variation in favor of the tax payer which it is not worth securing to him at the expense of disturbing a long established and well understood valuation and rate.

13. Piece goods.

Are exported to a small extent, and old Tariff rates are to be continued.

14. Rice and Paddy and other grains.

These are exported in no large quantities. Still, they are legitimately subject to moderate duties, and average market values have been adopted.

15. Coir yarn and Coir rope.

The rates given in the Allepey Committee's Tariff will do; but the number of classes is too large, and must give scope to exaction. I have therefore preferred to have but one class or rather none, adopting the average of the three prices given by the Committee.

16. The foregoing are all the chief articles which call for remark.

17. The financial result of the adoption of the accompanying Tariff will obviously be an augmentation of the Customs revenue. It cannot of course be precisely calculated; but I think may be estimated at about 40,000 Rupees a year.

18. The present time appears very favorable for the adoption of the accompanying Export Tariff. I would propose its publication at once without giving previous notice. By giving previous notice the Sirkar may materially lose by forced exports, in the interval allowed, to British Cochin and the Cochin Sirkar territory for instance. On the other hand, if no preparatory notice be given, no one is likely to lose, because the shipping season having closed only a short time since, all deliveries of produce must have likewise closed.

19. It is proposed to print a large number of copies of the revised Export Tariff both in English and Malayalum, for general circulation.

20. In conclusion, I beg to be favored with your views at your early convenience.

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19th August 1861.

PROPOSED TRAVANCORE EXPORT TARIFF.

No.	Articles.	Per	Tariff value. Fans.	Ch.	Per centage.	Remarks.
1	Rice	Cwt.	23	0	5	Average Nerreck value.
2	Cashew nut	do	14	0	5	British Tariff do.
3	Do. kernel	do	39	0	5	Do. do.
4	Tortoise Shell	do	5,488	0	5	Do. do.
5	Marsh	do	26	0	5	Average Nerreck value.
6	Gingelly	do	30	0	5	British Tariff do.
7	Katcholom	do	70	0	5	Value proposed by Committee.
8	Bang	do	50	0	5	Do. do.
9	Myrobalam	do	14	0	5	British Tariff value.
10	Coir of all sorts	do	48	0	5	Average of the values proposed by Committee.
11	Do. Rope	do	36	0	5	Do. do.
12	Jaggery and Sugar Candy from the Cocoanut and Palmyra	do	25	0	5	British Tariff value.
13	Cassia buds	do	25	0	5	Value proposed by Committee.
14	Cinnamon	do	210	0	5	Do. do.
15	Coffee	do	140	0	5	British Tariff value.
16	Tar	Barrel.	98	0	5	Do. do.
17	Arrow-root	Cwt.	14	0	5	Value proposed by Committee.
18	Do. powder	do	140	0	5	British Tariff value.
19	Coppra	do	56	0	5	Do. do.
20	Sticlac	do	147	0	5	Do. do.
21	Buffaloe's horn	do	56	0	5	Do. do.
22	Deer do.	do	70	0	5	Do. do.
23	Galengal	do	25	0	5	Do. do.
24	Cloves	do	98	0	5	Do. do.
25	Dry Fish	do	14	0	5	Do. do.
26	Dry Ginger	do	70	0	5	Do. do.
27	Do. do. (rough and undried)	do	42	0	5	Do. do.
28	Coir fibre	do	50	0	5	Old Tariff value.
29	Cherunagapoo	do	33	0	5	Do. do.
30	Piece goods	...	0	0	5	Do. do.
31	Nutmeg	Cwt.	392	0	5	British Tariff value.
32	Mace	do	343	0	5	Do. do.
33	Honey	do	128	0	5	Nerreck value.
34	Sheep's Hide	do	112	0	5	Value proposed by Committee.
35	Bison and Deer do.	do	70	0	5	Do. do.
36	Bullock's do.	do	84	0	5	Do. do.
37	Indigo	do	392	0	5	Do. do.
38	Do. (2nd sort)	do	196	0	5	Do. do.
39	Hog's lard	do	175	0	5	Do. do.
40	Ghee	do	175	0	5	British Tariff value.
41	Bullock's fat	do	140	0	5	Do. do.
42	Fish Oil	do	70	0	5	Value proposed by Committee.
43	Paddy	do	14	0	5	Average Nerreck value.
44	Croton seed	do	105	0	5	Value proposed by Committee.
45	Silk Cotton	do	15	0	5	Do. do.
46	Green Gram	do	28	0	5	Average Nerreck value.
47	Do. do. (large)	do	21	0	5	Do. do.
48	Chickney	do	0	0	5	Old Tariff value.
49	Pinjel	do	23	0	5	Do. do.
50	Laurel seed	do	48	0	5	Value proposed by Committee.
51	Tamarind (without seed)	do	25	0	5	British Tariff value.
52	Do. (with seed) and Gorka.	do	11	0	5	Do. do.
53	False Mace	do	42	0	5	Do. do.
54	Coculus Indicus	do	18	0	5	Value proposed by Committee.
55	Turmeric	do	35	0	5	British Tariff value.
56	Timber	...	0	0	10	Old Tariff value.

No.	Articles.	Per	Tariff value. Fans.	Ch.	Percentage.	Remarks.
57	Horse Gram	Cwt.	16	0	5	Nerreck value.
58	Pepper	Candy.	Co.'s Rs. 75	0	20	
59	Wax	Cwt.	Fans. 385	0	5	British Tariff value.
60	Orris root	do	16	0	5	Do. do.
61	Beetle leaf	do	22	0	5	Old Tariff value.
62	Sapan Wood	do	28	0	5	British Tariff Value.
63	Molasses	do	50	0	5	Average Nerreck value.
64	Cheyaka	do	18	0	5	Value proposed by Committee.
65	Shark Fins...	do	140	0	5	British Tariff value.
66	Gingelly Oil...	do	84	0	5	Do. do.
67	Laurel do.	do	56	0	5	Do. do.
68	Cocoanut do.	do	98	0	5	Do. do.
69	Palmyra Cadjans	1,000	6	0	5	Value proposed by Committee.
70	Sugar Cane	do	100	0	5	Old Tariff value.
71	Bulrushes	100	10	0	5	Do. do.
72	Arrack ... ...Bottles...	Doz.	9	0	5	Do. do.
73	Cocoanut Leaves	100	5	0	5	Nerreck value.
74	Cocoanut	1,000	175	0	5	British Tariff value.
75	Gunnies	100	100	0	5	Old Tariff value.
76	Bamboo Mats	do	58	0	5	Do. do.
77	Cadjan do.	do	20	0	5	Do. do.
78	Thayem do.	do	300	0	5	Do. do.
79	Poolapa do. &c....	do	12	2	5	Do. do.
80	Fine do.	do	250	0	5	Do. do.
81	Northern do.	do	15	0	5	Do. do.
82	Arrecca Nuts...	1,000	15	0	5	Do. do.
83	Blackwood boxes...	No.	35	0	5	Do. do.
84	Wooden boxes	do	15	0	5	Do. do.
85	Laterite	100	5	0	5	Do. do.
86	Shanks	100	77	0	5	Market price.

(Signed) T. MADAVA ROW,
Dewan.

(True Copies.)
(Signed) C. M. WHITE, Captain,
Assistant Resident in Charge.

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No. 40. ORDER THEREON, 19th August 1861, No. 369.

The Government see no objection in the immediate adoption of the Export Tariff for Travancore, submitted with the above letter, to have effect until some final arrangement be made with that State, relative to its commercial intercourse with British India. The result may, in the opinion of the Dewan, be an increase to the Sircar Customs Revenue of about Rupees 40,000 per annum. For many articles the values of the British Tariff have been adopted, while in others where the valuations are lower, the higher rate of export duty levied by the Travancore Government, on 5 per cent. against the British 3 per cent., will prevent the export trade being diverted to the Sircar ports from those of British India.

2. The British duties on imports may be adopted with advantage in the Travancore State, except those on Wines and Spirits. The Sircar would however be prepared to adopt the British duties on their articles also, if the British Government would in *return* impose the same duty for their own benefit not for that of the Sircar on *all* sea borne Tobacco, as is now levied on Jaffna Tobacco. On the same condition the Sircar might, also, it would seem, be induced to assimilate the selling price of their Salt to that which obtains in the Madras Districts.

Proceedings of the Madras Government, Political Department,
19*th August* 1861.

3. The Government observe that duty could not be levied at Cochin on Tobacco imported from a British Indian port, unless in virtue of a special enactment which would to that extent set aside Act VI, 1848, on the port to port Act. They are not prepared to apply to the Government of India on this subject singly. But as the general question of the commercial intercourse between Native Indian States and the British Indian Provinces, has been referred for consideration to the Revenue Department, with Mr. Secretary Grey's letter of 20th March 1861, No. 617, that part of the Resident's letter which relates to the levy of duty on *all* Tobacco imported by sea will also be referred to that Department. Meanwhile, it will be ascertained from the Travancore Government, whether they will at once adopt the British rates of import duty on all imports except Wines and Spirits, as also whether their import Tariff of valuations has been revised, and if so, on what principle, and whether it could be assimilated wholly to the British Tariff.

4. With respect to the proposal of the Cochin Chamber of Commerce, letter 3rd April 1861, that the Inland Chokies on the Sircar back-waters be abolished, and that in their stead the duty levied at British Cochin be shared with the Travancore and Cochin States, the Resident's letter is not clear, and appears to have been left unfinished in consequence of his recent illness.

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

Exd. F. Cartledge.

No. of the Madras Govt. Political Dept.

Read the following letter

From the Assistant Resident in 17
charge of Travancore and Cochin - (M.E. 10 July 1861 No 39)

Order thereon. 19th August 1861 No. 369

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Revenue Department
Resident of
Travancore and
Cochin.
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Political 1861 Dept.

No. 369.

Proceedings of Govt.

8/19 August 1861

Offer Certain remarks on the questions reported upon the Resident of Travancore and Cochin, relative to the higher duty on Wines and Spirits imposed in those States and to the introduction there of the revised Tariff of the British India

39140