M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1083 Press ~~Mis.~~

Dated 12th August 1859.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, from 6th to 12th August 1859.

No. 62. Read the following letter from J. D. SIM, Esq., Secretary to the Board of Revenue; to J. D. BOURDILLON, Esq., Secretary to Government, R. D.; dated 7th June 1859, No. 2128.

In Con. 24th Aug .1858, *No.* 3756.

In Extract Minutes Consultation, 19th August last, No. 1159, R. D., Government called for a report on the result, in its second year, of the introduction of the Bonding and Warehousing system at Cochin, in Malabar.

From Malabar 6th in Con. 12th May 1859, *No.* 2149.

2. The Board regret to state that the result has been as unsatisfactory in the second as in the first year. Only one person applied for permission to bond a few cases of Brandy.

3. The Collector ascribes this still to the facility with which goods are introduced into Cochin by backwater, from the adjoining ports of Malleapoorum and Palliport, the former belonging to the Cochin State, and the latter to Travancore.

4. These States levy a lighter duty on Spirits, Wines, &c., than those in force in the British Territories and the preventive establishments on the frontier were removed some years ago. The recent enhancement of Customs dues (Act VII. of 1859,) renders the matter of greater importance now than formerly.

From Govt. 30*th May* 1859, *No.* 724, *in Con.* 1*st June* 1859, *No.* 2514.

5. As regards Travancore, Government have recently made concessions to secure tobacco monopoly of that State and restricted the introduction of that article into the British Towns of Anjengo and Tungacherry to what is required for the consumption of the residents. The Travancore Sirkar may therefore be required to adopt reciprocal measures to protect the British revenue.

6. The most desirable basis of arrangements with both States would apparently be to treat their ports as British Indian Ports giving them the benefit of Section 3, Act VI. of 1848, in consideration of the same Customs dues being levied on Imports and Exports by sea, at all their ports as are levied at British Ports.

7. The subject is noticed in the Board's Proceedings of the 11th Ultimo, No. 1711, and it rests with Government to determine on the course to be adopted. The season, owing to the monsoon, has now closed, and it is desirable that a decision should be arrived at, before it re-opens.

8. The Bonding system at Cochin puts Government to no expense, and the Board therefore do not recommend its discontinuance.

No. 63. ORDER THEREON, 12th August 1859, No. 1083.

The privilege of bonding goods at Cochin having been scarcely at all taken advantage of, the Governor in Council is not of opinion that it ought to be continued, and he accordingly hereby cancels it. A notice to this effect will be inserted in the Official Gazette.

NOTIFICATION.

The privilege of bonding goods at Cochin having been scarcely at all taken advantage of during the two years that it has been in existence, the Honorable the Governor in Council has resolved to withdraw it. He accordingly hereby cancels the notification of the 22d May 1857, declaring the port of Cochin a warehousing port, under Act XXV. of 1836.

FORT ST. GEORGE,
12th August 1859.

(By Order.)
(Signed) J. D. BOURDILLON,
Secretary to Government.

Rec-10/4-

6

Memorandum

These papers relate to the differences between the Madras Government and that of Travancore, on the subject of Frontier duties. Some articles heavily taxed by us are lightly taxed by them; and some which are Government monopolies with them are chargeable with moderate duties or none at all at our Ports. Formerly when the tobacco monopoly existed in Malabar, a strong preventive force was maintained on the Frontier; but when the monopoly was abolished in 1853, the preventive force was discontinued also.

2. The consequence is extensive smuggling to the injury of the revenue on both sides; British Cochin being the principal channel of entrepôt. Travancore complains

that tobacco from Coimbatore and Jaffna is largely introduced into that Port, & is then smuggled across the frontier into Travancore; thus defrauding the Govt monopoly, which is of the sale of that article like the Madras salt monopoly; and in like manner it is alleged that pepper, the production of which is a monopoly like that of opium in Bengal, is smuggled out of the country to cochin, to the evasion of the monopoly. General Cullen estimates the loss to Travancore on pepper only at from Rs 80000 to one lack within a few months

Letter to Chief Secy May 11 4/55 para 4

3 On the other hand it is alleged that salt from the Cochin back waters is introduced into Malabar & Coimbatore to the injury of the monopoly. And also that the sea Customs duty is defrauded in two ways. English and foreign goods intended for consumption in Malabar or Coimbatore or on the Fishery

see the orders of May 22 / 54 N° 488

Fisheries, are imported into Ports of Travancore and the Cochin State near British Cochin, where very light duties are chargeable, and thence brought across the frontier, and ~~also~~ ~~that~~ goods the produce of Travancore and Cochin State are smuggled into British Cochin and there shipped for Bombay, so avoiding payment of duty.

4 Such is the state of the case, and it is obvious that under the present greatly augmented rates of duty, smuggling to the loss of Madras revenue will largely increase; it seems necessary therefore that some means should now be taken to check it.

5 The most obvious course would be that the two States should assimilate their import and export duties to ours. With the same rates of duty and the same tariff of values

...ales. General Cullen complains of
the very low tariff value on certain
articles at the port of Cochin; if
the ports would be on an equal
footing, and then also all frontier
duties and frontier customs establish
ments might cease. In reply to a
representation to this effect, the
Travancore State did raise their
duties on wine and spirits, but
there the reform seems to have stop
ped. It may be worth while to make
a representation of the case now; if
it should be unsuccessful, it may
be necessary in self defence, under
the present high duties, to re-esta-
blish the frontier preventive force.

5. The two monopolies of Tobac
co and pepper in the two States
rather complicate the question.
I don't see how we could give
effective protection there, with
out keeping up frontier estab
lishments for the protection
of the revenue of another
State, a thing unheard of,
I fancy. But something might be done to

From Resident
May 11th 1853 Para 2

smuggling depôt which it seems to be
now. In particular as respects Tobacco
a similar arrangement may perhaps
be made to that lately ordered in
the case of Anjengo and Tangachery
viz to allow only so much to enter
Cochin as is required for its own
consumption and that of the adjoin
-ing British villages. This alone
would do much to check the smug
-gling of pepper; as it is stated
by General Cullen that the chief in-
-ducement to that is to get tobacco.

7. With regard to the loss
to Madras Revenue by the smuggling
of salt, I do not fancy that this is very
great, or such as alone to make it
worth while to maintain a frontier
preventive force. The salt of Cochin
is of extremely bad quality and is only
consumed in Malabar and Coimbatore
by the poorest classes.

8. It remains to notice the
immediate

immediate object of the papers now before Government which is a report for the second year, on the bonding ware house at Cochin. Mr. Robinson thought that liberty to bond wines &c. at Cochin might check the practice of smuggling them in by the Cochin Port; but the expectation has wholly failed, as the privilege has been scarcely at all made use of.

J. K. 3 Aug 1.

Anjengo and Tangacheri are a <u>cases exceptus</u> - for they are rented by the Travancore Government expressly for the purpose of preventing smuggling. It forms no part of our duty to prevent smuggling in the Travancore Territory - British Cochin, like British Gibraltar, may furnish facilities for evading the fiscal arrangements in the neighbouring independent country. but this imposes no obligation upon us except that of not going out of our way to favor smuggling - It is not only unnecessary, but would be positively objectionable - for the British Government to interfere to support the Travancore Monopolies.

As for the smuggling into our own territory, we must take care of that ourselves on our own frontier. ~~[illegible]~~

[illegible]
2 Jul 59

3 Aug 59

Gentlemen

Yes
Will.

Notification

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Note. With this taken I send out also Patents 1300 & 1398, as all three are in connection.

Dr. Engl.

Port of Lobos a
warehousing Port
under Act [illegible] of
1836.—

No. 2128.

From

J. D. SIM, Esq., Secretary to the Board of Revenue.

To

J. D. BOURDILLON, Esq., Secretary to Government, R. D.

Sir,

In Con. 24th Aug. 1858, No. 3756.

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8. The Bonding system at Cochin puts Government to no expense, and the Board therefore do not recommend its discontinuance.

Revenue Board Office,
Fort St. George,
7th June 1859.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary.

Copy to Collector of Malabar.

Cour. 24th August /58 No 13-16
" 31st May /59 " 9-10
" 10 June " 14-15

2nd Sept 15/59 No 47

Proc of the Board of Revenue dated 1st Sept 59 No 946 - on Proc 15 May 59 No 110 - 111 -

No 62 & 63.

1 Encl to Govt No 110

Revenue 1859 Depart
Rec'd from Govt 12th August
No 1074.

From
The Secretary to the
Board of Revenue

To
The Secretary to
Government
R. D.

Dated 7th June 1859
Desp'd
Rec'd

No 2128

1 Encl.

Submitting with the Board's remarks and suggestions, a report on the result, in its second year, of the introduction of the Bonding and Warehousing system at Cochin in Malabar.—

No 1083 - 12th August 59.
Write a letter to Govt

No 1083.

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Fort St. Geo. &
12th Aug. 1859.

M. S. Copy to Bd of Rev. Dis. 12/
to Bd