M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1664 Press ~~Mis.~~

73-74

Dated 10—12— 1859.

Not to be folded or roughly handled

No. 73. Read the following letter from W. HUDLESTON, Esq., Acting Secretary to the Board of Revenue; to J. D. BOURDILLON, Esq., Secretary to Government, R. D., dated 15th November 1859, No. 4683.

14th November 1859, *No.* 4675.

In their recent communication on the subject of the proposed general abolition of drawback on re-export, it was mentioned that the Board proposed to address Government separately on the question as more immediately connected with the port of British Cochin.

Dated 18*th July* 1859, *No.* 177, *in Con.* 25*th July* 1859, *No.* 3688.
In Con. 21*st June* 1852, *S. C. No* 145.

2. I am now directed to submit the accompanying letter from the Collector of Malabar on the subject, and to recommend that the orders of Government, dated 11th June 1852, No. 557, R. D., disallowing drawback on re-exports from Cochin to the port of Mullapuram in the territories of the Cochin Sirkar may, for the same reasons as led to the former measure, be now extended to the Travancore port of Palliport.

3. A glance at the sketch map which accompanies Mr. Grant's letter will suffice to show, the singular facilities that each of these places affords for the fraudulent evasion of import duty on European goods in demand in the Cochin market. Such goods are re-exported from Cochin for the foreign port, and drawback demanded and obtained. They are conveyed to their destination by sea, a distance of but a few miles, and are then again transferred to Cochin by the inland navigation on the backwater, and come into the market free of seven-eighths of the import duty, to compete with the goods of the fair dealer on which full duty has been paid.

4. The withdrawal of the privilege of drawback on exports to the port of Mullapuram at once put an end to this system so far as that port was concerned, but Mr. Grant now reports an attempt to revive the abuse by means of the Travancore port of Palliport, and it is scarcely necessary to remark that the recent enhancement of the rates of import duty holds out still greater inducements to the fraudulent evasion than formerly existed.

5. The general abolition of drawback would remove the immediate difficulty, but if, as contemplated by the Home Government, this is to be compensated by the extension of the Bonding system, and goods in bond are to be exported free of all duty, or on payment of a light reserved duty, the present facilities will be restored.

6. It is not, however, necessary now to consider how to guard against a danger which is not operative. It will be sufficient for the present to meet the existing difficulty and to defer the consideration of the point above raised, till the decision of the Supreme Government shall be announced.

7. Meanwhile I am directed by the Board of Revenue to recommend that the Collector of Malabar be authorised to refuse drawback on re-exports from British Cochin to the Travancor port of Palliport.

No. 74. ORDER THEREON, 10th December 1859, No. 1664.

In accordance with the recommendation of the Board of Revenue and on the grounds stated in paragraph 3 of this letter, the Honorable the Governor in Council hereby prohibits, for the future, the grant of drawback on goods re-exported from Cochin to the port of Palliport.

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

1859 Depart

Enclosure in a letter from the Acting Secretary to the Board of Revenue to the Secretary to Government P.D. dated 15th November 1859 No. 4683.

73971

R 2118/59.

Letter from the Collector of Malabar to the Acting Secretary to the Board of Revenue dated 18th July 1859 No. 177 - regarding the Drawback

IN CON. 25TH JULY 1859, No. 3688.

From P. GRANT, Esq., Collector of MALABAR,

dated Calicut, 18th July 1859, No. 177.

With reference to Extract Proceedings of the Board of Revenue, dated 7th ultimo, No. 2100, I have the honor to submit the accompanying statement, by which it will be observed, that there have been no exports or re-exports from Cochin to Maliporom for the last three* years, and that there were none even for the four† previous years. In fact, the re-exports from the former to the latter place have entirely ceased since the orders of Government, dated 11th June 1852, No. 557, R. D., for withholding draw-back on such re-exports, were passed.

* Official year... ... 1856–57
57–58
58–59

† Official year..... 1852–53
53–54
54–55
55–56

Thus the object of these orders, which was to check the re-exportation of goods from Cochin to Maliporom, with intent to defraud Government by bringing them back to the British territories by back-water, has apparently been realized so far as Maliporom is concerned; but as the orders in question have not been extended to Palliport, advantage is taken of that port to defraud Government in a similar way.

2. Palliport* forms part of the Travancore territory, and lies about 11 miles north of Maliporom. A quantity† of Columbo Arrack was imported into British Cochin on the 18th February 1859, paying the prescribed import duty,‡ and was then re-exported on the same day to Palliport. Draw-back has been claimed, but the reasons which led to the withholding of draw-back on re-exports to Maliporom, exist, with all their force, in regard to Palliport.

* NOTE.—From a clerical error it was stated to be "within the limits of Cochin state," and its distance from Maliporom was given as 20 miles instead of 11, in my first letter.

† Gallons. Value.
219 657 Rupees.

‡ Rupees 328–8.

By re-exportation, the owner, if allowed the draw-back claimed will not only get back seven-eighths* of the import duty he has paid, but be at liberty to bring the same article again into the British territories by back-water, free of duty.

* Rupees 287–7.

3. The payment of the draw-back adverted to, will, as it seems to me, tend to encourage such traffic to the prejudice of our revenues; and the only practicable step to avert the evil is, in my opinion, to extend the orders of Government quoted above, to re-exports from Cochin to Palliport.

4. I enclose a map of the localities, with reference to the latter part of paragraph 2, of the Board's Proceedings under acknowledgment.

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ENC. 1.

ABSTRACT.—Statement exhibiting the gross value of exports from Cochin to Maliporom and Palliport in the within-mentioned years.

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ENC. 2.

ABSTRACT.—Extract from the Trigonometrical Survey of India, shewing the position of Maliporom and Pullypuram in the estates of Cochin and Travancore.

No. 4683.

From

W. HUDLESTON, Esq., Acting Secretary to the Board of Revenue.

To

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

SIR,

14th Nov. 1859, No. 4675. In their recent communication on the subject of the proposed general abolition of Drawback on re-export, it was mentioned that the Board proposed to address Government separately on the question as more immediately connected with the port of British Cochin.

Dated 18th July 1859, No. 177, in Con. 25th July 1859, No. 3688.
In Con. 21st June 1852, S. C., No. 145.

2. I am now directed to submit the accompanying letter from the Collector of Malabar on the subject, and to recommend that the orders of Government, dated 11th June 1852, No. 557, R. D., disallowing drawback on re-exports from Cochin to the port of Mullapuram in the territories of the Cochin Sirkar may, for the same reasons as led to the former measure, be now extended to the Travancore port of Palliport.

3. A glance at the sketch map which accompanies Mr. Grant's letter will suffice to show the singular facilities that each of these places affords for the fraudulent evasion of import duty on European goods in demand in the Cochin market. Such goods are re-exported from Cochin for the foreign port, and drawback demanded and obtained. They are conveyed to their destination by sea, a distance of but a few miles, and are then again transferred to Cochin by the inland navigation on the backwater, and come into the market free of seven-eighths of the import duty, to compete with the goods of the fair dealer on which full duty has been paid.

4. The withdrawal of the privilege of drawback on exports to the port of Mullapuram at once put an end to this system so far as that port was concerned, but Mr. Grant now reports an attempt to revive the abuse by means of the Travancore port of Palliport, and it is scarcely necessary to remark that the recent enhancement of the rates of import duty holds out still greater inducements to the fraudulent evasion than formerly existed.

5. The general abolition of drawback would remove the immediate difficulty, but if, as contemplated by the Home Government, this is to be compensated by the extension of the Bonding system, and goods in bond are to be exported free of all duty, or on payment of a light reserved duty, the present facilities will be restored.

6. It is not, however, necessary now to consider how to guard against a danger which is not operative. It will be sufficient for the present to meet the existing difficulty and to defer the consideration of the point above raised, till the decision of the Supreme Government shall be announced.

7. Meanwhile I am directed by the Board of Revenue to recommend that the Collector of Malabar be authorised to refuse drawback on re-exports from British Cochin to the Travancore port of Palliport.

REVENUE BOARD OFFICE,
Fort St. George,
15th November 1859.

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

Acting Secretary.

Copy to Collector of Malabar.

Exd. J. Wright.

Cons. 11 June 1852 Nos 69-70

From the Bd of Revenue
27th July 1860 No. 232
in Cons: 20th July — 20-21-
Dis. 5 January 61 Cn. 66 ni

No 73 & 74

28th November 28 Dec.

Revenue 1859 Departt.
Pro. of Govt. 10th Decr
No. 2118

From
The Actg Secretary to the
Board of Revenue
To
The Secretary to Govt
Revenue Department

Dated 15th
Despd. 17 } November 1859
Recd 18
2 1 - write 2 3 Nos Encrs
3 Encls. No. 4083.
No 1664 - 10th December

Submitting a letter from the Collector of Malabar reporting on the question of Drawback connected with the port British Cochin and recommending that he be authorized to refuse drawback on re-exports from British Cochin to the Travancore port of Pallipoort.

With an order

No 1664

In accordance with the recommendation of the Board of Revenue and on the grounds stated in para 3 of the letter, the Honorable the Governor in Council hereby prohibits, for the future, the grant of drawback on goods re-exported from Cochin to the port of Pallipoort.

Fort St George
10th December 1859

6 Copies - Board of Revenue. Disp: 12