

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 897	<u>Press</u> <u>Mis.</u>
350-354	
Dated	20-4-1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
20th April 1861.*

No. 350. Read the following Proceedings of the Madras Government in the Political Department, dated 16th April 1861, No. 199 :—

Read the following letter from W. GREY, Esq., Secretary to the Government of India (Home Department, Separate Revenue), to T. PYCROFT, Esq., Chief Secretary to the Government of Fort Saint George, dated Fort William, 20th March 1861, No. 617.

SIR,

1. I am directed to acknowledge the receipt of your letter, No. 35, dated the 15th of January, recommending the admission of the States of Travancore and Cochin to the benefits of the free interport trade under Section 3, Act VI of 1848, and pointing out the injury inflicted on those States by the present system.

2. The Governor General in Council has no doubt of the general sound policy of removing all restrictions on trade with Native States in India. This was freely admitted by the Court of Directors when the question was raised by the Government of Bombay in the year 1856, and the adoption of the measure was prevented in 1859 by financial considerations alone. These considerations it is still necessary to regard, and it may be doubted whether the benefit of the measure will be sufficiently great and immediate to justify the abandonment of a considerable amount of revenue during the ensuing twelve months. Whatever is done for Travancore and Cochin must of course be done for the States under Bombay.

3. But in connection with the representation now received from the Madras Government, it has been suggested that the exclusion of the Native States of India from the benefits of the coasting trade, while it inflicts a very serious injury upon those States, does not in reality obtain any corresponding advantage for the British Government, but that on the contrary the policy became actually injurious to our Customs Revenue when once the Port to Port Trade was made free, and our Customs Revenue made mainly to depend on an over sea trade, which trade it is certain would greatly benefit by untaxed coasting trade with Native States. It has indeed been doubted whether even a temporary loss of revenue would ensue from the adoption of a more liberal policy, for it is supposed that the impulse given to our general coasting trade, and to our long sea trade from our great ports might more than compensate for any loss of revenue which is now derived from our trade with Native States.

4. I am desired to request that His Excellency the Governor in Council will be good enough to take the subject into his consideration, and state whether he is disposed to concur in the above view, and whether he thinks that the indirect gain to the revenue which may be expected to follow on the abolition of the existing restrictions on the freedom of trade between British India and Native Indian States would be likely to cover the actual loss of revenue which is now derived from the duties imposed upon that trade,—or at all events a considerable portion of it. It is requested that your reply may be accompanied by fresh returns showing what revenue is realized under the present tariff of duties upon the trade, by land and by sea, with Foreign States in India both Native and European.

5. With respect to details I am desired to observe that Salt and Opium which are excluded from the interport Act of 1848, would also of course be excluded from any arrangement of the kind made with a Native State. It has been proposed likewise to exclude Wine and Spirits, but the Governor General in Council is inclined to think this would not be necessary if the same import and export duties are levied on these articles as in British India; and, as regards Spirits, if excise duties were imposed on the manufacture in the Native State equal to those in force in our own territory.

6. I am desired to state that the correspondence referred to in the 11th paragraph of your letter has not been received.

(Signed) H. ULICK BROWNE,

For Secy. to the Govt. of India.

*Proceedings of the Madras Government, Revenue Department,
20th April 1861.*

To Government of India, 15th January
1861, Political Department, No. 35.
and Cochin, in reference to his letter of the 15th December last.

1. Resolved that a copy of the above letter, and of that to which it is a reply be furnished to the Resident of Travancore

From Collector of Malabar, 15th June 1859, No. 53.
G. O. 1st July " " 390.

G. O. 3rd January 1860, No. 2, and letter from Assistant Resident, 7th September 1859, No. 77, with accompaniments.
From Resident, 21st February 1860, No. 15.

G. O. " 9th March " " 19.
13th April " " 214.

From Resident, 20th September " " 64, with accompaniments.

G. O. 8th October 1860, No. 601.
From Resident, 15th December " " 87.

2. Resolved also that those papers, with the previous correspondence as per margin, be communicated to the Revenue Department, where the several questions mooted by the Supreme Government in paragraphs 3, 4, and 5 of Mr. Secretary Grey's letter will be considered, and the returns alluded to at the end of paragraph 4 will be called for.

(True Extract.)

(Signed) T. PYCROFT, *Chief Secretary.*

No. 351.

ORDER THEREON, 20th April 1861, No. 897.

Referred to the Board of Revenue for report.

(Signed) C. G. MASTER,

Deputy Secretary to Government.

Recd 1867 Sept 16
Ex: of Govt for 1867.

Receipts of the
Marine Hospital
at Chelsea Mass.
Oct 16 1867
Paid 194 1/2 1867.
Paid 194 1/2 1867.

Recd.

Nov 8 97. 20: Mich.

Forward for con

sideration correspondence
concerned with certain
questions made by the
Govt of India respecting
the abolition of existing
restrictions on the sale of
Native States in India.

William Carter &

No 897

Answered to the

Board of Revenue for reports

Chas

For the
20th April 1867

13 Colville
To the Board of Revenue with orig. Encl. & Encl. 20

11-10

73 55
14-6-95

17.7.97
10-1-18
17-8-18

Pro: of the Marine Hospital
for the Police in 1858
of 29 June 1858 in
no 1331
July 18 1831

Pro: of 1849 May 18 1851
no 1331
no 1331
no 1331

Pro: of the Marine Hospital
for the Police in 1858
of 29 June 1858 in
no 1331
July 18 1831

No 350 + 351.