M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 386-387 Press
Mis.

444-446

Dated 22-2- 1862.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 22nd February 1862.

No. 444. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Chepauk, 16th August 1861, No. 4,476:—

SIR,

1. I am directed by the Board to reply to the Government Proceedings, dated 21th July 1861, No. 1,475, Revenue Department, calling for a report on the appeal made to the Supreme Government by the Mercantile Community of Cochin, for a remission of duty on Cocoanut oil proved to have been purchased for export prior to the promulgation of the new Tariff which fixed the value for duty at Rupees 14 per cwt., the Tariff value previously rulling at that port having been Rupees 15 " per Candy of 5 cwt."

In Consultation 25th July 1861, No. 4,641.

2. The subject has already been submitted to Government in the Board's Proceedings of 18th February 1861, No. 907, but the facts of the case will be briefly stated here.

3. On 7th October 1841, the Board submitted to Government a letter from the then Collector of Malabar, pointing out that the re-opening of the port of Mullapuram in the Cochin Sircar territory north of, but closely adjoining the port of British Cochin and connected with it by inland water communication threatened to interfere seriously with the trade of the British port unless the Tariff values for duty at the latter place were modified to the extent proposed by him to place the duties on an equality with those of the Rájá.

No. 1,821.

4. In the Collector's Statement, the "present valuation" of Cocoanut oil in the Tariff of British Cochin was entered at Rupees 18 per candy, which it was proposed to reduce to Rupees 15. This Candy, according to Mr. Bayley's Memorandum of weights and measures, contains 20 *Cochin* maunds of 27¼ lbs. weight each *at least*, and would thus be equal to lbs. 545, or lbs. 15 less than 5 cwt. The *Malabar* maund however weighs lbs. 32½. The valuation of Cocoanut oil thus rated was about Rupees 3 per cwt.

5. The Collector's proposal was sanctioned by Government for adoption in their Proceedings, dated 5th July 1842, No. 824, Revenue Department, and, except as modified in regard to the import trade by the general introduction of the Bengal Tariff in 1854, the rates then sanctioned continued to determine the duties until the publication of the revised Tariff in December last, when, in reply to a Telegram from the Collector, the Board informed him that all pre-existing Tariffs were superseded by it.

6. Subsequently on 24th December, the Collector addressed the Board on the subject of the effect produced by this change on the Cocoanut oil trade, and more especially by its sudden introduction, and he forwarded numerous letters addressed to him on the subject by the Cochin Merchants, in which much stress was laid on the extent and suddenness of the change. The Board desired the Collector to report on the previous valuation, and on the authority for its adoption, but at the same time expressed their doubt as to extensive changes in the Tariff being unexpected when the existence of the Committee for the revision of the Tariff was so generally known, and they submitted the Collector's reply to Government in their Proceedings of 18th February last above quoted.

7. In those Proceedings they pointed out that the Tariff valuation of Rupees 14 per cwt. was equivalent to Rupees 62 per Candy of lbs. 500, or Rupees 70 per Candy of 5 cwt., and that the average price of Cocoanut oil at Madras for the last ten years was Rupees 76½ per Candy of 500 lbs. the extreme variations having been between Rupees 55 and Rupees 99, and the lowest price in any of the last seven years having been Rupees 70.

8. They called on the Collector for a Statement of the Malabar prices for the last three years, and the following Statement is taken from his reply :—

Price of Cocoanut oil per Candy of 560 lbs. for the last three years.

	Calicut.		Cochin.	
	Retail price.	Market price.	Wholesale.	Market price.
	Rs.	Rs. A. P.	Rs.	Rs. A. P.
1857-58.....	75 to 80	69 2 10	64	67 8 0
1858-59.....	75 to 82	70 0 0	62½	65 10 0
1859-60.....	85 to 95	72 2 7	65½	69 9 0
Average...	78½ to 85½	70 7 0	64	67 9 0

9. The Cochin wholesale price was given by an European Firm there. At Calicut there is scarcely any wholesale trade in the article. The Collector observed "most of it seems to find its way to Cochin, whence it is exported direct to the English and Continental markets," and independently of the attractions of the important trade carried on at that port, the extreme difference in the Tariff valuation of the articles for export duty offered necessarily the strongest inducements for trade to be so diverted.

10. The Board can find nothing on their records to explain the every low valuation put on the article by Mr. Conolly in 1841, but it is evident from the foregoing that the Cochin Merchants have since then and until the present time been paying duty on a Tariff value of Rupees 15 for what probably at the market rate has averaged not less than Rupees 50 wholesale, and has for, some years past been upwards of Rupees 60.

11. The Collector's Statement above quoted purposes to be for the Candy of 5 cwt. or 560 lbs. but the Candy of 20 maunds will at the Cochin maund of 27¼ lbs. equal 545 lbs., or at the Malabar maund of 33⅓ lbs. equal 650 lbs. Whatever may be the weight used, there can be no doubt that the Merchants must have hitherto benefited largely by an extreme undervaluation for duty, and that the Tariff value of Rupees 70 per candy of 5 cwt. is not unsuited to the Cochin market.

12. It remains to offer an opinion on the claim advanced by the Merchants for a remission of duty on the quantity of oil purchased for export prior to the publication of the revised Tariff.

13. There can be no doubt, from what has been stated above, that the calculations of the Merchants engaged largely in the oil export trade from Cochin must have been seriously affected by the change, and although they probably have been unduly favored formerly in comparison with other ports in British India, the Board do not think that this is a sufficient reason for denying them relief in the present instance.

14. The case is one that, in the Board's opinion, merits liberal consideration, and they would recommend that the old Tariff value be allowed to stand in the case of all oil (Cocoanut) proved to the satisfaction of the Collector to have been purchased on contracts that were concluded prior to the publication of the revised Tariff at Cochin.

15. No smaller measure of relief will, in the Board's opinion, meet the equitable requirements of the case.

No. 445. ORDER THEREON, 22nd February 1862, No. 386.

1. Ordered that the following letter be despatched to the Government of India.

2. A copy of it will be furnished to the Board of Revenue, with reference to the foregoing Proceedings.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

Ordered that the following letter be despatched :—

No. 446. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Secretary to the Government of India, Financial Department, dated 22nd February 1862, No. 387.

SIR,

1. I am directed to furnish the following report with reference to the orders of the Government of India in the Financial Department, No. 7,443, dated 8th June 1861, forwarding copies of the documents marginally noted, and calling for information on the subject to which they referred, more particularly as regarded the statement of the Cochin Chamber of Commerce, that a specially low Tariff was in force at that Port prior to the 20th December 1860.

Letter from Chairman Cochin Chamber of Commerce, dated 8th May 1861.
Do. from Messrs. Lawson, Brothers & Co. dated 8th May 1861.

2. In 1841 it was reported by the Collector of Malabar that the Cochin Government had re-established a Port at Malliapuram, in the immediate vicinity* of the British Port of Cochin, and that as their rates† of Import and Export duty were considerably lower than those ruling at Cochin, a portion of the trade was diverted from its usual course to the evident detriment of the latter Port.

* Five miles distant.

† 3 per cent. on Exports.
4 per cent. on Imports.

3. In pursuance of the policy which had been determined upon in 1819, viz., that without questioning the right of the Cochin Government to form Ports wherever they pleased in their own dominions, we should, in case any new Port was formed in our neighbourhood, take measures for preserving the continuance and welfare of our trade, by bringing our duties to a level with theirs, the Collector submitted a Memorandum of reductions which he recommended should be made in some of the more important Cochin charges. Between thirty and forty articles were enumerated, and in juxtaposition with the present and proposed valuations, he marked the charges at the Port of Malliapuram.

4. This latter information could not be obtained however for some of the items. Among these was "Cocoanut Oil;" the then valuation of which in the British Cochin Tariff was 18 Rupees per "candy," and that proposed, Rupees 15: it was noted in the margin that in the Rájá's Tariff the oil being entered in local measures, the relative capacity of which with our "candy" was not known, no exact comparison could be instituted, but that the reduction proposed was with reference to "Khoppras,"‡ a kindred article, and might be considered sufficiently exact.

‡ The dried Kernel of the Cocoanut.

5. This Government on the recommendation of the Board of Revenue§ sanctioned the proposed alterations in the Cochin Tariff, and these rates were only altered on the receipt of the revised general Tariff issued at the end of 1860, and declared applicable to all British Indian Ports.

§ Extract Minutes Consultation 5th July 1842, No. 824, Revenue Department.

Articles.	Weight.	Tariff rates sanctioned on the 5th July 1842.			Tariff rates published in the "Fort Saint George Gazette" 11th December 1860.			Remarks.
	Cwt.	Rs.	A.	P.	Rs.	A.	P.	
Cocoanut Oil.....	1	3	0	0	14	0	0	
Fish Oil	1	4	0	0	0	0	0	Levied *ad-valorem* at
Heavy Pepper.....	1	9	0	0	16	0	0	Rupees 5½.
Sapan Wood.....	1	2	0	0	4	0	0	
Dry Ginger.....	1	4	0	0	6	0	0	
Do. refined.....	1	0	0	0	10	0	0	
Coir, 1st sort.....	1	2	0	0				
Do. 2nd sort.....	1	1	9	7	0	0	0	Do. do. at 7, 6 and
Do. 3rd sort.....	1	1	3	2				5 Rupees.
Coir Rope, 1st sort.....	1	3	0	0				
,, 2nd do.....	1	2	0	0	0	0	0	Do. do. at Rupees 7.
,, 3rd do.....	1	1	6	5				

6. The effect of this alteration as regards some of the chief articles of export is shown in the marginal Statement, which is taken from a letter‖ received from the Collector of Malabar in February last.

‖ Recorded in G. O. 28th February 1861, No. 405.

7. The Board of Revenue, to whom the papers now under reply were communicated

for report, have, in their letter* noted in the margin, and copy of which is forwarded for the information of the Government of India, shown that the "candy" referred to in paragraph 4, *supra*, would at the Cochin estimate equal 545 lbs., or a little less than 5 cwt. (560 lbs.), while if the Malabar standard was adopted, it might be taken at 650 lbs., *i.e.* not far from 6 cwt: at all events it is evident, supposing the "candy" to be 5 cwt., that the difference between the former valuation of 15 Rupees per "candy," and the present revised Tariff valuation of 14 Rupees per cwt. or 70 Rupees per "candy," is enormous.

* 16th August 1861, No. 4,476.

8. It remains to be seen whether any real hardship has been sustained by the Merchants of Cochin in consequence of the change. The Board of Revenue go on to show that the average price of Cocoanut oil at Madras for the last ten years has been 76½ Rupees per candy of 500 lbs; the extreme variations, between Rupees 55 and Rupees 99; and the lowest price in any of the last seven years, Rupees 70: while at Cochin the average of the last three years is calculated at 64 Rupees "wholesale," and Rupees 67-9-0 "market price," for a candy of 560 lbs.

9. The Board remark upon this that it is evident that the Cochin Merchants have since 1841, and until quite lately, "been paying duty on a Tariff value of Rupees 15 for what "probably at the market rate has averaged not less than Rupees 50 wholesale, and has for some "years past been upwards of Rupees 60." This Government, I am to add, agree with the Board in thinking "that the Merchants must have hitherto benefitted largely, by an extreme under-"valuation for duty, and that the Tariff value of Rupees 70 per candy of 5 cwt. is not unsuited "to the Cochin market."

10. The Board, it will be observed, in paragraph 10 of their letter, state that they can find nothing on their records to explain the very low valuation put on Cocoanut oil by the Collector of Malabar in 1841; that it must, even then, have been excessively low is apparent from a letter written in 1853 by General Cullen, Resident of Travancore, when in reporting on the various causes which had of late tended to encourage smuggling to the detriment of that State, he instanced the low Tariff rate and low duty levied at the port of Cochin. "The market price, for instance, "of Cocoanut oil at Cochin is at present 50 Rupees per candy, yet the Tariff is only 15, and the "duty only 3 *per cent.*, while in Travancore the Tariff is 32 Rupees and the export duty 5 per "cent."

11. The Export duty established by the Cochin Government was, as has already been noticed in paragraph 2, *supra*, 3 per cent. when the reduction in the Tariff valuation in British Cochin was made in 1841, but the remark of General Cullen that the *rate* at Cochin was only 3 *per cent.*, though borne out by the statement accompanying Messrs. Lawson Brothers & Co.'s letter now under consideration, seems incompatible with the intention of the Collector of Malabar in 1841, for he specifically stated that he proposed "still to keep our duties somewhat "higher than those of the new rival port. The excellence of the Harbour at Cochin, and the "advantages appertaining to an old established place of trade will I consider "warrant the continuance of this difference." Now if the rate* at our port was to be 3 *per cent.*, or the *same* as at Malliapuram, and our valuations here lower than those of the Cochin Government, it is manifest that our duties would be less instead of being "somewhat higher" than those of the rival port. It is evident from Mr. Conolly's Memorandum of reductions which received the sanction of Government in 1842, that the valuations were reduced because the rate was then 8 *per cent.*, so that when the Customs Act VI of 1844 reduced the export rate to 3 *per cent.*, there should have been a corresponding rise in the valuations to keep things on an equal footing between the Cochin Government and our own. As it appears, however, this escaped notice, and the Merchants for whose benefit the reduction of valuation was made in 1842 have not only been enjoying *that*, but also the *further* reduction in the rate of duty since 1844. It is no wonder, therefore, that smuggling increased as pointed out by General Cullen.

* Export.

12. The Port of Cochin has then been enjoying such advantages for the last twenty years as no other Port in India has possessed; and although the change must have fallen with greater severity on its Merchants than on those of places where the effect was merely to double instead of quintuple the existing rates, this Government do not see how the relief recommended by the Board can be given, without a similar concession being granted at every other Port.

of the Collector to have been purchased on Contracts
that were concluded prior to the publication of the
revised Tariff at Cochin.

16. I do not think any smaller measure of relief will in the
Board's opinion meet the equitable requirements
of the case.

Revenue Board's Office
Chepauk
15th August 1861.

I have the honor to be
Sir,
Your most obedient servant.
C. Lushington
Secretary

To
The Secretary to Government
Revenue Department.

24th July /61. No. 341 - 342
25th " " " 414 - 415.
5th " /62 " 41 - 42.

Rev. 1861
Pro: of Govt for 1951

From
The Secretary to the
Board of Revenue

To
The Secretary to
Government
Revenue Depart.

Dated 16th
Despd 15th August 1861.
Rec. 17th

No. 556 - 20th Feby /62
No. 4476

Allowance

Submitting report on the appeal made by the Merchants of Cochin for a remission of duty on Cocoanut Oil purchased for export prior to the publication of the New Tariff with the recommendation of the Board that the old Tariff value may be allowed to stand in the case of all oil which is satisfactorily proved to have been so purchased.

From the Govt. of India
11 March /62 No. 1083

Copy to the Govt of
India - 22 Feb /62.
No. 387.

No. 386.

Ordered that the following letter be despatched to the Govt. of India -

A copy of it will be furnished to the Board of Revenue with reference to the foregoing Proceedings.

Memorandum 22d Feby 1862 No. 387

Fort St. George
22d July 1862

Dy Secy to Govt.

14 Copies to the Secy of Rev Depart 22d

Rev Dept.

No. 387.

4 Copies
Dy 22 (?)

To
The Secretary to the
Government of India
Financial Depart.

Sir,

I am directed to furnish the following report with reference to the orders of the Government of India in the Financial Depart No. 7443 dated 8 June 1861, forwarding copies of the documents marginally noted, and calling for information on the subject to which they refer more particularly as regarded the statement of the Cochin Chamber of Commerce, that a specially low tariff was in force at that port prior to the 20 December 1860.

Letter from Chairman Cochin Chamber of Commerce of 8th May 1861.
Letter from Messrs. Lawson Brothers & Co. of 8th May 1861.

2. In 1841 it was reported by the Collector of Malabar that the Cochin Govt. had re-established a Port

at Mallipuram, in the immediate vicinity of the British Port of Cochin, and that as their rates of import and export duty were considerably lower than those ruling at Cochin a portion of the trade was diverted from its usual course to the evident detriment of the latter port.

3. In pursuance of the policy which had been determined upon in 1819 viz. that without giving the right of the Cochin Government to form Ports wherever they pleased in their own dominions, we should, in case any new Port was formed in our neighbourhood take measures for preserving the continuance and welfare of our trade, by bringing our duties to a level with theirs, the following minute was recorded

* 5 miles distant.

* 3 per cent on exports
4 per cent on imports

which he recommended should be made in some of the most important Cochin Charges. Between thirty & forty articles were enumerated & in the present & proposed valuations be marked the changes at the port of Mallipuram.

4. This latter information could not be obtained however for some of the items - since no "Cocoanut Oil", the new indication given in the British Cochin Tariff was 18 Rs per "Candy", and that proposed, Rs 15: it was noted in the margin that in the Cheyakal Tariff the oil being entered in Local measure there no Cadine equivalent to which with our "Candy" was not known no exact comparison could be instituted,

but

but that the reduction proposed was with reference to "Khoppras," a Hundred article, and might be considered supperseded except.

5 This Gent on the recommendation of the Board of Revenue sanctioned the proposed alterations in the Cochin tariff, and these rates were only altered on the receipt of the revised general Tariff joined in the year of 1850, and declared applicable to all British Indian Ports.

6. The effect of this alteration as regards some of the chief articles of export is shown on the marginal statement which is taken from a letter received from the Collector of Malabar in February last.

7. The Board of Revenue whom the papers now under reply were commu-

* Mad 5th July 1842 No 824 R.D.

Articles	Duty &c	Tariff-rates Sanctioned on the 5th July 1842			Tariff rates published in the Fort St George Gazette 11 Jan 1850			Remarks.
	Cwt	Rs	a	p	Rs	a	p	
Cocoanut Oil	1	3	"	"	14	"	"	
Fish Oil	1	4	"	"	"	"	"	Levied ad valorem at Rs per 5½
Heavy Pepper	1	9	"	"	16	"	"	
Sapan wood	1	2	"	"	4	"	"	
Dry Ginger	1	4	"	"	6	"	"	
do Pounded	1	"	"	"	10	"	"	
Coir Yarn	1	2	"	"				
do 2d do	1	1	9	7	"	"	"	do do 5 per Ct
do 3d do	1	1	3	2				
Coir rope & Yarn	1	3	"	"				
2d do	1	2	"	"	"	"	"	do do 5 p Ct
3d do	1	1	6	5				

recorded in G.O. 28 Feb 1851. No. 465.

+ 16th August 1851 No 4476.

-nicated for report, (I have in their letter noted in the margin and copy of which is forwarded for the information of the Govt of India,) stating that the "candy" referred to in para 4 supra would at the Cochin establishment equal 560 lbs or a little less than 5 Cwt (560 lbs of which if the Malabar Standard was adopted, it might be taken at 650 lbs i.e. not far from 6 Cwt.) and that although it is evident, supposing the "candy" to be 5 Cwt, that the difference between the former valuation of 15 Rs per candy and the present revised tariff valuation of 14 Rs per Cwt or 70 Rs per "Candy" is enormous.

8. It remains to be seen whether any real hardship has been sustained by the Merchants of Cochin

in consequence of the discharge. The Board of Revenue go on to shew that the average price of Cocoanut oil at Madras for the last ten years has been Rs 6 ½ per Candy of 500 lbs; the extreme variations, between Rs 5 and Rs 9; and the lowest price in any of the last 3 years Rs 5: while at Cochin the average of the last three years is calculated at 64 Rs "wholesale" and Rs 67-9-0 "market price" for a Candy of 560 lbs.

9. The Board remark upon this that it is evident that the Cochin Merchants have since 1841, and until quite lately been "paying duty on a Tariff "value of Rs 15 for what probably "at the Market rate has "averaged not less than Rs 50 wholesale, and has for "some years past been "upwards of Rs 60." The Government cannot admit or agree with the Board in "thinking "that the Merchants "must have hitherto "benefitted largely by "an extreme undervaluation "for duty and that the "Tariff value of Rs 15 per "Candy of 5 Cwt is not "unsuited to the Cochin "Market."

10. The Board, it will be observed, in para 10 of their letter, state that they can find no thing on their records to explain the very low valuation put on Cocoanut Oil by the Collr of Malabar in 1844; that it must, even then, have been excessively low is apparent from a letter written

written in 1853 by General Cullen Resident of Travancore when in reporting on the various causes which had of late tended to encourage smuggling to the detriment of that State he instanced the low Tariff rate and low duty levied at the port of Cochin "The Market "price for instance of Coconut "oil at Cochin is at present "30 Rs per Candy, yet the "Tariff is only 15 and the duty "only 3 per Cent, while in "Travancore the Tariff is "32 Rs and the export duty "5 per Cent."

11. The export duty established by the Cochin Govt was as has already been noticed in para 2 supra 3 per Cent when the reduction in the Tariff valuation in British Cochin was made in 1851.

Last

and the remark of General Cullen that the Rate at Cochin was only 3 per Cent, though borne out by the Statement accompanying Messrs Arbuthnot Brothers & Co's letter now under consideration, seems incompatible with the intention of the Collector of Malabar in 1851 - for he specifically stated that he proposed "still to keep "our duties somewhat higher "than those of the New rival "port - The excellence of the "harbour at Cochin and the "advantages appertaining "to an old established place "of Trade will I consider "warrant the continuance "of this difference" - Now if the Rate at our port was to be 3 per Cent, or the same as at all adjacent, and our valuations here lower than those of the Cochin Government, it is manifest that our duties

Exports

would

would be less instead of being "some what higher" than those of the rival port. It is evident from Mr Conolly's Memorandum of reductions which received the sanction of Govt. in 1842, that the valuations were reduced because the rate was then 8 per Cent, so that when the Customs Act VI of 1844 reduced the export rate to 3 per Cent, there should have been a corresponding rise in the valuations to keep things on an equal footing between the Cochin Government and our own. As it appears however this escaped notice, and the Merchants for whose benefit the reduction of valuation was made in 1842 have not only been enjoying that but also the further reduction in the rate

rate of duty since 1844. No wonder then that smuggling increased as pointed out by General Cullen.

12. The port of Cochin has then been enjoying such advantages for the last 20 years as no other port in India has possessed, and although the multiple change may have fallen with greater severity on the Merchants of the port than it did perhaps on those of other places where the effect was merely to double instead of quintuple the existing rates, this Govt cannot, I am directed to say consider that they have any claim whatever for consideration. If such do not see how the relief recommended can by the Board be given, without a similar concession being granted at every other port.

Fort St. George
22d July 1862

14 Copies to Bd of Rev Cir 22d

J. N.S.

To Govt of India

All have as much right
to demand it, and Cochin
has less claim than any.

CGW

Revenue 1862. Deptt.
Pro: of Govt for February

No. 387.

To
The Secretary to the
Govt of India.
Finl. Deptt.
Dy 22d February/62.

From Do. Dr. 11 March/62.
C. No. 1083 in

Forwarding with remarks certain papers on the subject of the Low Tariff now in force at the Port of Calcutta prior to 20th Dec. 1860. 4 Encs.

No. 1846.