M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 248 — Press / Mis.

497-498

Dated 31 — 1 — 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 31st January 1861.

No. 497. Read the following Proceedings of the Board of Revenue, dated 5th January 1861, No. 41 :—

Read again letters from the Collector of Malabar, dated 28th August and 22nd September 1860, Nos. 174 and 186, regarding the trade between the Cochin and Travancore States and the British Territory, and the Board's Proceedings thereon.

(In Cons. 3rd and 27th September 1860, Nos. 4,401 and 4,854.)

Read also the following letter.

From P. GRANT, Esq., Collector of Malabar, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Calicut, 12th November 1860 :—

SIR,

1. In the Board's Proceedings of 16th October 1860, No. 4,730, I am called on to report why the Notification of Government, dated 1st September 1858, given in the Board's Circular of 2nd dem, is not acted upon in this District in regard to Cochin and Travancore.

2. The Notification adverted to has not been deemed applicable to these States, the whole series of correspondence which passed at the time, referring solely to the French Settlement of Mahé so far as Malabar was concerned.

3. In the letters of Mr. Robinson* and myself† as well as in the Orders of the Board and Government bearing on the subject, no mention of Cochin and Travancore was made. It is true that in a foot note appended to the Notification, an allusion to Travancore was observed, but it related apparently to its trade with the Districts of Tinnevelly and Madura, for which special provision was made in the Schedules of 29th May 1851.

* *To Board, dated 19th Nov.* 1857, *No.* 180.
† ,, 16*th Aug.* 1858, ,, 137.
Ex. Mins. Cons. 15th July ,, ,, 971.
Ex. Procs. Board of Rev. dated 31st Aug. 1858, *No.* 3,311.
Ex. Mins. Cons., dated 3rd Sep. 1858, *No.* 1,202.

4. Under date the 29th July 1846, the Government directed the immediate removal of our Land Custom Choukies on the Cochin frontier. In the face of this Order, and in the absence of any subsequent instructions superseding it, or placing the two Native States on the same footing as other Foreign Settlements as regards frontier duties, the Notification under notice could not, I believed, be acted upon in respect to those States.

Ex. Mins. Cons. No. 783, Revenue Department, received with the Board's Procs., dated 3rd August 1846.

5. If, however, in the opinion of the Board, the Notification in question should be extended to Cochin and Travancore, I shall at once act up to their instructions on the point.

6. The Articles to which the provisions of Act X. of 1860, should, to my mind, be made applicable, are given in the margin. They are the produce of countries beyond Her Majesty's Indian Dominions, and are brought by sea, and landed at Malapuram, Paliport and Alleppy, and thence conveyed by backwater into the British Territories. They should therefore be subjected to duty on import by land or backwater into such territories in the manner prescribed in the Government Notification‡ regarding the French Settlement of Mahé.

Piece Goods.	*China ware.*
Spirits.	*Tea.*
Wines.	*Dates.*
Liquors.	*Spices.*

‡ *Dated 12th July* 1860.

7. As regards Exports no change in the present system seems necessary.

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1. Ordered that the above correspondence be submitted for the consideration and orders of Government.

2. Two questions are raised by Mr. Grant.

(1.) Whether the import of Foreign goods into British Cochin from the Travancore Coast Town of Paliport is to be permitted free of duty.

(2.) Whether measures are to be taken to prevent the general importation of Foreign goods free of duty into the British territory viâ the Cochin and Travancore territories, whereby the duties chargeable under Act X of 1860 are evaded.

3. The Collector reports that since the abolition of the Inland duties by Act VI of 1844, no duties have been levied on goods imported into British Cochin viâ the numerous backwaters connecting it with the Cochin and Travancore territories, and thus with the sea-ports of those States at which the rates of duty and Tariff values are much lower than at the British port.

4. A considerable Inland trade has thus sprung up between British Cochin and the petty ports of Malapuram and Paliport, the former of which two ports is situated in the Cochin Sirkar territory, and lies about 11 miles south of the latter, which belongs to the Travancore Sirkar.

5. Both ports lie to the north of British Cochin, and are connected with it by navigable Inland backwaters.

From Board to Government, dated 15th November 1859, *No.* 4,683.
Proceedings of Government, dated 10th December 1859, *No.* 1,664, *Revenue Department.*
In Cons. 12th December 1859, *No.* 6,174.

6. In the correspondence noted in the margin, the evasion of duty was noticed by which drawback was obtained on Foreign goods exported by sea from British Cochin to the neighbouring ports above-named and thence re-imported by backwater into British Cochin free of duty as Inland, trade and the payment of drawback on exports for these ports was accordingly prohibited.

7. The result seems to have been that the Foreign goods are now carried direct to the ports of the two Sirkars, instead of reaching them viâ British Cochin on re-export thence; and being still carried free of duty into British Cochin by backwater, or into the Inland British territory, the duties on importation leviable under Act X of 1860, are largely evaded.

Board's C. O. for 1858, *page* 135.

8. The Collector states that the rules prescribed by Government in their Notification of 1st September 1858, in regard to trade with Foreign States have in Malabar been held to be applicable to the French Settlement of Mahé only, and it is observed that the correspondence which led to it, certainly had reference mainly to the French Settlements on our coasts. The Collector also points out that the withdrawal of Customs Choukies on the Cochin frontier under the Order* of Government dated 29th July 1846, deprived the local authorities of the means of giving effect to the Notification even had it been held applicable.

* *Vide Board to Government, 11th December* 1845. *Ex. Mins. Cons. 2nd January* 1846, *No.* 5. *In Cons. 8th January* 1846, *Nos.* 110-26. *Board to Government, 18th June* 1846. *E. M. C. 29th July* 1846. *In Cons. 3rd August* 1846.

In Cons. 3rd August 1846.

9. The Board, however, observe that at the time the Choukies were withdrawn it was distinctly contemplated that should the effect of that measure be to injure the Customs revenues, it should be reconsidered, and the time seems to have arrived when steps must be taken either by equalization of duties at the ports, or by the re-establishment of the Frontier duties to guard against serious loss of revenue.

10. The Board would much regret to see the latter measure adopted, and trust from the Collector's letter that the former remedy is likely to be readily accepted by the Sirkars, as the subject appears to have already been under consideration by the Resident, in correspondence with the Collector.

11. The particular articles in regard to which the Collector considers that arrangements should be made to ensure the levy of the Import duties according to Act X of 1860, are specified in the margin; and in order to show that otherwise the loss to the revenue is likely to be large, he quotes from the Proceedings of Government, dated 3rd January 1860, No. 2, Public Department, a statement of the Assistant Resident at the Travancore and Cochin Courts, that Piece goods to the value of Rupees 33,719 were entered at Malapuram in the first six months of 1859. No doubt the increased duties under Act X of 1860 will have given an additional impetus to this trade, in which Alleppy seems as much engaged as Malapuram and Paliport. The Collector has, since his last letter was received, telegraphed* for orders, stating that importations across the Frontier were taking place.

Piece goods.	*China ware.*
Spirits.	*Tea.*
Wines.	*Dates.*
Liquors.	*Spices.*

Proceedings of the Madras Government, Revenue Department,
31st January 1861.

* *Dated 29th December* 1860, *in Cons. 5th January* 1861, *My. No.* 9.

12. There has often been an anxious desire expressed by the Home Government to place the Sirkars on the same footing as British Indian Territory, but in fairness to our own subjects we must not sacrifice too much for the benefit of Allies and Tributaries; reciprocity to some reasonable extent may justly be claimed from the opposite party in such matters, and undoubtedly complete reciprocity and equality of duty and tariff values, would most completely remove all objections to the territories being treated as British; but this perhaps can hardly be expected, especially at a time when the abolition of their State monopolies and substitution of Excise or export duties, is being attempted by the Sirkars.

13. These are, however, considerations which will be duly weighed by Government, and it does not appear to be within the province of the Board to do more than suggest them, and leave the matter for the decision of Government.

(A true Extract and Copy.)

(Signed) W. HUDLESTON, *Acting Secretary.*

No. 498. ORDER THEREON, 31st January 1861, No. 248.

Forwarded to the Resident of Travancore and Cochin for early report.

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

No. 4,730.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 16th October 1860.

Read the following letter from P. GRANT, Esq., Collector of Malabar, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Calicut, 22nd September 1860, No. 186 :—

1. I have received Proceedings of Board of Revenue, No. 4,118, R. D., dated 11th September 1860.

2. Since the abolition of the Inland duties by Act VI of 1844, no duties have been collected on articles introduced into British Cochin by the backwaters which abound in that part of the country. The consequence has been, as you are doubtless aware, that a considerable trade has been carried on in goods introduced through the Palliport and Mallaprum ports belonging to the Travancore and Cochin States, where the rates of duty and the Tariff values are lower than in the British territories.

3. Since the introduction of Act X of 1860, the evil has become much greater.

4. A notification, similar to that published in G. O. 12th July 1860, No. 1,157, in regard to Tobacco, will, to a certain extent, meet the necessities of the case, but it should be worded so as to apply to liquor, &c., introduced into British Cochin or Malabar by land or backwater.

5. The authorities at Cochin and Kotaparamba in Chowghaut Taluq, on the northern limits of the Cochin Circar country, where our inland water carriage commences on the south, may require the temporary aid of some few peons to ensure the repression of smuggling, but on this point I can inform the Board hereafter.

6. By a statement contained in Proceedings* of Government, P. D., on a letter, dated 7th September 1859, No. 77, from Major Heber Drury, Assistant Resident, I learn that piece goods to the value of Rupees 33,719 were entered by the Mallaprum port in the first six months of 1859. A considerable portion of these goods no doubt was intended for the British Indian market, and there is every probability of the imports by this same port being much greater, under the pressure of Act X of 1860, at our own ports.

* Dated 3rd January 1860, No. 2.

7. The measures suggested will have a repressive effect on the trade in liquors and goods intended for Malabar proper, as they would have to be conveyed by backwater, and could consequently be easily commanded by a boat and half a dozen Peons.

8. The supplies for the inland parts of the country would be conveyed to Trichúr by backwater, and thence by land, so that a few Peons stationed there would, in a great measure, stop that traffic. The fact of a proclamation by Government declaring the trade illegal, would deter all respectable merchants from engaging in it, whereas, I believe, it is largely participated in by them at present.

9. The only thorough remedy for the evil, is the assimilation of the Port to Port duty on all articles passing from the British Indian Ports to the Travancore and Cochin Ports, and *vice versa*. This subject has engaged the attention of the Resident of Travancore and myself, and the sooner it is carried out the better for the trade and morality of all parties. The Resident's report on it is, or will be before Government very soon, I believe.

The Collector is requested to report why the Notification of Government, dated 1st September 1858, given in the Board's Circular dated 2nd idem, is not acted on in Malabar. The general Inland Schedule given in that Order includes Piece goods, Spirits, and Wines and Liquors.

C. O. Book for 1858, page 135.

(A true Copy and Extract.)

(Signed) J. D. SIM,
Secretary.

To P. Grant, Esq., Collector of Malabar.

Exd. J. Wright.

1860. Sept. 11.

Enclosure 2 in Proceedings of the Board of Revenue, dated 11th September 1860, No. 4,118.

Letter from the Collector of Malabar to the Secretary to the Board of Revenue, dated 22nd September 1860, with Proceedings thereon.

Read.

No. 4,118.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 11th September 1860.

Read the following letter from P. GRANT, Esq., Collector of Malabar, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Calicut, 28th August 1860, No. 174 :—

1. In order to show that the imports of Spirits through the Travancore Port of Palliport, and thence by backwater, into British Cochin free of duty, is likely to be considerable, under the present enchanced rate of duty, 3 Rupees per gallon, I beg to inform you that a Mr. D'Cruz of Cochin has written to inform me that he expects a consignment of arrack from Colombo for export to Bombay and Cannanore, and asks whether he will have to pay duty on it at Cochin.

2. Under the present rules, no duty is levied on Spirits imported by backwater from the States of Travancore and Cochin into British Cochin, so that unless measures are at once adopted by Government to impose the regular import duty on such articles, the whole supplies for Western India will come through the Ports of these two States, be taken to British Cochin, and thence shipped to all our Ports along the Coast without payment of duty.

3. This is not the only loss which our Government will suffer; for at present Malabar, Coimbatore and the Nilgris draw their supplies, I believe, through the Travancore Ports; and once the Railway is completed, the trade is likely to be largely developed. I rather suspect that large consignments of Spirits, &c., are expected to be received by parties living in British limits. I request to be informed whether foreign Spirits are to be allowed into Cochin free of duty as usual, in order that I may reply to Mr. D'Cruz.

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1. The Board do not see on what ground Mr. D'Cruz can claim or expect exemption from duty for Spirits imported into British Cochin, and request the Collector to quote the orders sanctioning the past practice of the District in this respect.

2. As regards paragraph 2 the Board wish to know whether a notification similar to that published in G. O. 12th July 1860, No. 1,157, in regard to Tobacco, will meet the necessities of the case. The Collector will at the same time mention any other articles regarding which similar measures are necessary.

In Cons., 13th July 1860, No. 3,412.

(A true Copy and Extract.)

(Sd.) J. D. Sim

Secretary.

To P. Grant, Esq., Collector of Malabar.

Exd. J. Wright

Enclosure No 1 in the
Proceedings of the Board
of Revenue to the Sr Secretary
to Government Revenue Deptt
dated 5th January 1861 No

R 66/61.

Letter from the
Collector of Malabar to
the Secretary to the Board
of Revenue dated 28th August
1860 No 174. regarding Spirits
& Bds Proceedings thereon.

31st Jany/61. No 248
No 497 & 498.

Pro 31st Jany/61 No 248

Pro: of 2d Jany: 1846 No. 24-25.
" 29 July " " 1 @ 3-
" 15 " " 158 " 23-24-
" 3d Septr. " " " 17-18
" 10th Decr. 159 " 173-74
" 3d Jany: 160 " 6-7-

No. 497 & 498.

No. 10 1st Jany 15 1st

Pol. 861 Dec. 1st
Pro: of Govt for 31st January 61.

Proceedings of the Board of Revenue

Dated 5th
Desp'd } January 1861
Recd }
Encls 3. No. 3 of Telegram
No. 41

Submitting for the decision of Govt with the Board's observations Correspondence with the Collr of Malabar on the subject of the Trade between the Cochin & Travancore States & the British territory.

No. 248. 31st January.

Withdrawn under

No. 248

Forwarded to the Resident of Travancore and Cochin for early report.

J. W. S

Fort St. Geo.
31st January 1861

Copy to Mr Resident of Travancore & Cochin with 2 Printed Encls. Dis Ppr
13 Copies Board of Revenue