To be catalogued 36 I

A VIEW

OF

THE EVIDENCE

GIVEN BEFORE

A Select Committee

OF

THE HOUSE OF COMMONS,

ON

A PETITION

FROM

THE EAST INDIA COMPANY,

PRAYING FOR

RELIEF TO INDIA IN REFERENCE TO UNEQUAL DUTIES AND OTHER GRIEVANCES;

WITH

NOTES,

CONTAINING

PORTIONS OF THE EVIDENCE GIVEN ON THE SAME SUBJECTS

BEFORE

A SELECT COMMITTEE

OF

THE HOUSE OF LORDS.

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A VIEW

OF

THE EVIDENCE,

&c. &c.

On the 18th December, 1839, the East India Company, assembled in General Court, agreed upon the following Petition, to be presented to both Houses of Parliament:—

To the Right Honourable the Lords Spiritual and Temporal of the United Kingdom of Great Britain and Ireland, in Parliament assembled:

The humble Petition of the East India Company,

Sheweth,

That the Territories, the Government of which is committed, by Act 3 & 4 Will. IV., c. 85, to your Petitioners, constitute a very large and important Portion of the British Empire, contributing greatly to its Power and Resources, and defraying the entire Charges of its own Government.

That in the Exercise of this Duty your Petitioners have long laboured to effect the Removal of every Impediment to the Exercise of the agricultural and manufacturing Industry of India, and to procure for the Products of that Country Admission into the Ports of Great Britain on the same Terms of Advantage as are granted to other Dependencies of the British Empire. The Justice of this Claim your Petitioners submit must be acknowledged by all who consider, not only that the Indian Empire has been founded and maintained without subjecting the People of Great Britain to any Expense whatever, but also that it contributes largely to the Wealth and Power of the Country by which it is governed. Your Petitioners, however, have to lament that their Exertions have been attended by only partial Success. The Sugar of Bengal is now subjected to the same Amount of Duty as that of the West Indies and the Mauritius, and the same Principle has been applied to Coffee the Produce of the British Possessions in India; but in both Instances the Admission is fettered by Restrictions which considerably diminish its Value. The Means prescribed by the 1 & 2 Vict., c. 33,* for extending to the other Parts of the British Territories in India the same Advantages which were conceded to Bengal by 6 & 7 Will. IV., c. 26, are circuitous, tardy, and uncertain. Evidence is to be produced to satisfy the Privy Council that the Importation of Sugar into any particular District is prohibited, and then it is declared to be lawful for Her Majesty in Council to issue an Order allowing the Importation of Sugar from such District into Great Britain at the lower Rate of Duty.

6 & 7 W. IV., c. 26.

5 & 6 W. IV., c. 66.

Your Petitioners respectfully submit, that no valid Reason exists why the Governor-general in Council, who is intrusted with the Power of suspending the Prohibition of Importation in Bengal, might not also be vested with the further Discretion of extending the Prohibition to any other District of India, when such District is capable of supplying its own Consumption of Sugar, and producing a Surplus for Exportation. That with regard to Coffee, great uncertainty and Inconvenience has arisen from the Ambiguity of the Words "British Possessions," and this Ambiguity it appears highly important to remove. The strictest Interpretation of the Words, notwithstanding the earnest Remonstrances of the Court of Directors, has been in some Cases adopted; and this has not only excluded those Native States with which the British Government has subsidiary Alliances, but also Mysore, where the Government is actually administered by

* Sect. IV.—"Provided always, and be it enacted, That if at any Time satisfactory Proof shall have been laid before Her Majesty in Council that the Importation of Foreign Sugar into any British Possession within the Limits of the East India Company's Charter is prohibited, it shall be lawful for Her Majesty, by and with the Advice of Her Privy Council, or by Her Majesty's Order in Council, to be published from Time to Time in the London Gazette, to allow the Importation of Sugar the Growth of any such British Possession at the lower Rate of Duty in the said first-recited Act specified, in like Manner, and under the same Restrictions and Conditions, as Sugar the Growth of the Presidency of Fort William in Bengal may be imported, subject to a lower Rate of Duty under the Provisions of the said first-recited Act."

the British Authorities, and where all the Resources of the Country are under its Control. The immediate Interest which Great Britain has in the Prosperity of States thus situated renders it most desirable that a more liberal Interpretation of the Words "British Possessions" than has heretofore prevailed should be adopted, and this can be effectually secured in no other Way than by a declaratory Enactment of the Legislature. That while, with regard to both the Articles in which some Relief has been afforded, that Relief has been imperfect, there are others in which the Inequality of Duty between the Products of India and those of other British Dependencies is still maintained. Spirits, the Produce of any British Possession in America, are subject to an Import Duty of only 9*s.* per Gallon; Spirits, the Produce of the British Possessions in India, are subject to an Import Duty of 15*s.* per Gallon; an Excess of Sixty-six per Cent. over the former. Tobacco, the Produce of the British Possessions in America, pays a Customs Duty of 2*s.* 9*d.* per lb.; if raised in British India, it is charged 3*s.* per lb., the same as is levied on the Article when imported from Foreign States.

That the Cotton Manufactures of England and Scotland have in a great Degree superseded those of India, even in India itself, and as far as this is the Effect of the natural Course of Trade it is not represented by the Petitioners as a Ground of Complaint, but they beg most respectfully to submit, that it is alike unnecessary and oppressive to aggravate the Difference between the British and the Indian Manufacturer by unequal Duties, the Inequality being in favour of the former and at the Expense of the latter. The Cotton Piece Goods of England are imported into Calcutta at an ad valorem Duty of only Three and a Half per Cent. if in English Bottoms, and Seven per Cent. if in Foreign Bottoms. The Cotton Piece Goods of India brought to an English Port pay an ad valorem Duty, which is in no Case less than Ten per Cent. In regard to Silk Piece Goods the Inequality is still greater, they being subjected in British Ports to a Duty of Twenty per Cent., while British Silks are admitted into Calcutta at Three and a Half per Cent. if imported in British Bottoms, and Seven per Cent. if in Foreign.

Act of Government of India, No. XIV. of 1836.

That these Inequalities are the more grievous from the Disadvantage being thrown on the poorer Country.

That while Articles which long formed the staple Manufactures of India are not admitted into Great Britain at a less Rate of Duty than Ten per Cent., the Rate in many Instances, especially on Drugs and Spices, amounts to One, Two, or Three hundred per Cent. on the Value of the Article.

That there is One Production for which a constant and increasing Demand exists in this Country, and which, though not hitherto forming Part of the regular Exports of India, may possibly at a future Period become an important Article of its Commerce. There appears some Reason to hope that India may in the Progress of Time supply a considerable Quantity of Tea for Consumption in Great Britain; and, with a view to the Encouragement and Improvement of its Cultivation, your Petitioners would suggest that it is deserving Consideration whether it might not be politic to make some Difference in point of Duty between the Tea produced in British Possessions and that obtained from a Foreign Country.

That it is not in Great Britain alone that India has to complain of a Want of Fairness in the Imposition of Duties upon its Productions, but that in other Parts of the British Dominions similar Inequalities exist. At Ceylon the Cotton Goods of Great Britain are charged with a Duty of Five per Cent., those of India with Duties varying from Ten to Twenty per Cent.; Goods not specially enumerated in the published Table are directed to be charged Five per Cent. if the Growth or Manufacture of Great Britain, Ireland, or even any Part of Europe, but if the Growth or Manufacture of any other Place (India being included) they are subjected to a Duty of Ten per Cent. Here not only Great Britain and Ireland, but the whole of Continental Europe, is placed in a better Condition than the Indian Portion of the British Empire.

That in the Australian Colonies British Productions, with the Exception of Spirits, are admitted Duty free. The Goods of all other Countries, including British India, are charged with an ad valorem Duty of Five per Cent.

That those Provisions of the Navigation Laws of this

Country which relate to Natives of the Territories in India subject to the British Government serving as Seamen operate injuriously to the Interests of such Natives, and that the Policy of continuing the existing Restrictions is a fitting Subject for Consideration.*

That the Facts to which brief Reference has been made furnish a Ground for the wise and beneficial Interference of the Legislature.

Your Petitioners therefore pray, That, in regard to these Premises, your Right Honourable House will be pleased to grant such Relief as may be effectual to remove the Grievances to which, under the existing Law, India is, in many Instances, subjected.

And your Petitioners will ever pray, &c.

The Petition was presented to the House of Lords on the 14th of February, 1840, by the Marquis of Lansdown, and to the House of Commons on the 11th of February, by Sir Richard Jenkins, G. C. B., then Chairman of the Company.

In both Houses the Company's Petition was referred to a Select Committee. The Committee of the Lords commenced hearing evidence on the 2d of March, and continued to do so at various intervals, until the 2d of April. The witnesses examined were James Cosmo Melvill, Esq., Secretary to the East India Company; George G. de H. Larpent, Esq., a merchant in London, and Chairman of the East India and China Association; Andrew Sym, Esq., a gen-

* Provided always, That Natives of Places within the Limits of the East India Company's Charter, although under British Dominion, shall not, upon the Ground of being such Natives, be deemed to be British Seamen.

tleman interested in about 60,000 acres of land in India, and extensively engaged in the manufacture of sugar in that country; Charles Edward Trevelyan, Esq., Assistant-Secretary to the Treasury, and late of the Civil Service of Bengal, where he filled many important offices; Henry Gouger, Esq., a proprietor of land near Calcutta, on which various branches of manufacture are carried on; Benjamin Greene, Esq., a West India Proprietor; Benjamin Buck Greene, Esq., a manager of West-India property; William Knight Dehaney, Esq., solicitor to the Excise; and James Macqueen, Esq., formerly a planter in the West Indies, and still connected with those Colonies. The Committee reported on the evidence generally, observing that the most urgent reasons existed for giving to the Export Trade of India the utmost possible freedom for the common benefit of India and England, and pointing out the claims of the former country upon the justice and generosity of the latter, as possessing a population four-times greater than that of the United Kingdom, and all the rest of the British Empire in all parts of the world; as defraying, from its own resources, the whole charge of its civil government, and of its military defence; as subject to the rule of British-born subjects in all the higher and more lucrative and honorable offices of the State, and as being required to transmit annually to this country without any return, except in the small value of military stores, a sum amounting to between two and three million sterling. In these circumstances

the Committee anticipated that Parliament would see imperative reasons for giving to the Petitioners on the part of the people of India the most favorable and indulgent hearing; and they expressed themselves favorable to the immediate removal of the distinctive duties in Australia and Ceylon, to a discontinuance of the advantage given to the Tobacco of British America over that of British India, to an assimilation of the duties on the Cotton Manufactures of India with those imposed on British goods of a similar description in India, to the extension of greater indulgence to the silk goods of India than is at present conceded, and to a re-consideration of the duties on drugs and spices with a view to reduction. On the claims of Mysore, and countries similarly situated to be regarded as British possessions, the Committee abstained from offering an opinion, in the expectation that the question would shortly be brought before Her Majesty in Council, in connection with the admission of Madras sugar at the lower rate of duty.

The Committee of the House of Commons sate for receiving evidence on the 9th of March, and continued their sittings for that purpose, at intervals, until the 17th of July. The following witnesses were examined, J. C. Melvill, Esq., secretary to the East India Company; Andrew Sym, Esq.; C. E. Trevelyan, Esq.; Henry Gouger, Esq.; G. G. de H. Larpent, Esq.; J. Macqueen, Esq.; R. M. Martin, Esq., author of a History of the British Colonies, &c.; Alexander Rogers, Esq., a proprietor of factories in India; Josiah Marshall Heath, Esq., formerly in the Civil Service of the East India Company, and since engaged in the iron manufacture in India; Horace Hayman Wilson, Esq., Librarian to the East India Company, and professor of Sanscrit in the University of Oxford; Captain George Warren and George Laing, Esq., gentlemen connected with British Guiana; Mr. Archibald Dunlop, manager of a Distillery; William H. Burnley, Esq., of Trinidad; Dr. Nugent and Owen Fell, Esq., of Antigua; Henry Barkly, Esq., a West India merchant; and W. Rose, Esq., a planter in Jamaica; Mr. S. J. Prescod, lately editor of a Newspaper at Barbadoes; Mr. Joseph Tucker, silk printer and dealer in London; W. W. Anderson, Esq., Solicitor in Jamaica; and Mr. E. Barrett, book-keeper to an Estate there; Thomas Cope, silk weaver, Macclesfield; John Prout, silk weaver, Macclesfield; Mr. John Francis, silk manufacturer, Norwich; and John Poyton, silk weaver, Spitalfields. The Committee made no Report.

Much of the evidence has no relation to the allegations of the petition. This portion of it is generally passed over; first, because it tends rather to embarrass the real questions at issue than to illustrate them; and, secondly, because its insertion would extend the synopsis to an inconvenient length. For the latter reason, also, the attention of the reader is directed principally to the evidence taken before the Committee of the House of Commons. Many of the witnesses before both committees being the same, and the

evidence before the Lords exhibiting, for the most part, little more than the same facts and opinions which were stated more at large before the Commons, no useful purpose would have been answered by abstracting the whole of it; but the substance of such parts as possess either novelty or importance, are given in the form of notes. The entire substance of the evidence before the Commons Committee, with the exception above noticed, will be found in the text, under the following general heads:—

Financial Operations between India and the United Kingdom, and General Considerations.
Sugar,
Spirits,
Coffee,
Products of Native States,
Tobacco,
Cotton Goods,
Silk Goods,
Drugs and Spices,
Tea,
Colonial Duties,
Seamen and Shipping,
Grain,
Woollen and Hair Goods,
Books and Paper,
Iron and Chrome.

In the margin will be found references to the names of the witnesses, and the numbers of the questions in the printed evidence.

FINANCIAL OPERATIONS BETWEEN INDIA AND THE UNITED KINGDOM, AND GENERAL CONSIDERATIONS.

Melvill, 6. Under the arrangement of 1834, the Company transferred to the Indian Territory all outstanding claims, and the whole of its capital, which capital has realized £15,170,000. In return, the dividend of £630,000 per annum, redeemable at the end of forty years, by the payment of £12,000,000 sterling, was charged upon the Territory. The entire charges of India, including that of the Queen's Troops, employed on its Establishment, are also defrayed
— 3. out of the Territorial Revenues; that term inclu-
— 37, 38. ding the whole income of the Government of India, whether arising from land assessments or
— 7. any other source. In addition to the dividends, the principal items of the Home Expenditure are, Interest on the Debt of India and on the Bond Debt at Home; Advances to the Civil and Military Funds; Military Stores; Furlough and retired Pay to Military and Marine Officers; Charges of Her Majesty's Troops in England, including £60,000 for Pensions; Recruiting Charges; Compensation Annuities and Pensions generally; and General Charges, including the expenses of the Board of Commissioners, the Court of Directors, and their establishments.* The charge of the Queen's Troops

* In the Lords' Committee, some enquiry was made as to the amount of remittance in the transfer of private fortunes. The witness, Mr. Melvill, stated, that the fortunes made in India were less than they formerly were, and that a portion of what is made, the subscriptions to funds upon

is estimated at nearly £1,400,000 per annum, Melvill, 4.
and the Company pay for such further number of men as may be necessary to keep up at all times an effective force of 20,000 in India. The — 5, 8.
portion of the revenue of India expended in this country averages £3,200,000 per annum. With the exception of some small consignments — 9.
of silk, which have now ceased, the necessary remittances, since the cessation of the Company's trade, have been effected through the private trade. That trade is partly direct and — 10.
partly indirect. Directly, India exports commodities to the United Kingdom, and receives from hence British manufactures. Indirectly, India exports largely cotton and opium to China, and there accrues from that trade a large balance due to India, beyond the return made thither in specie, which is paid principally by teas and silk

which the subscribers become annuitants, is left in India. He estimated the amount of private fortunes transferred from India at about £500,000 per annum; but as the same necessity did not exist for the transfer of such fortunes in any given year, as for the demand of the Company, they would make no forced pressure on the exchanges. Probably, too, a larger portion of private fortunes now remained in India than formerly, in consequence of Europeans being permitted to settle and hold lands. *Lords' Committee,* 62 *to* 67.

It was also stated by the same witness, that occasional disappointment in remittances for public purposes might be met either by carrying over the surplus of a previous prosperous year, or by raising money on bond, the law allowing an increase of the Bond Debt to the amount of £7,000,000, and the present amount being only £1,700,000. This, however, would be a measure that would be resorted to with the greatest reluctance.—*Lords' Committee,* 69 *to* 75.

Melvill, 10. sent from China to England. It is believed that the value of what is brought from India direct, and by way of China, is about nine millions sterling, nearly four millions of which is for remittances for the Company, and for individuals, and that one-third of the Company's remittances have been effected through the China trade.
— 11, 12. Before 1834 there was a considerable remittance through the China trade by the Company, but it is thought that the value of that trade, as a means of remittance, has since been increasing.*

— 13. The modes of remittance, which have been
— 40, 41. resorted to by the Company, are the sale in London of Bills on India; advances in India on the security of goods hypothecated to the Company in London;† the sale of bills in China drawn by the Company's agents there on the Bengal Government, and advances upon the hypothecation of goods in China sent to this

* The present interruption of the China trade, it is thought, will affect all remittances from India to the extent of at least one-third; but the Company have not yet experienced any material inconvenience.—*Melvill—Lords' Committee*, 139 *to* 141.

Mr. Larpent, (166,) anticipates considerable embarrassments from the same cause to the general trade of the East.

† The Company's Treasury in London is always open for cash for Bills on India. The Company regulate the amount paid in by the Exchange. When they want money they lower the rate; when it comes in too rapidly they raise it. Their rate of Exchange is fixed by advertisement. In India the Government advertize the terms and conditions upon which advances will be made under hypothecation, and specify from time to time the rate at which they are prepared to make such advances.—*Melvill—Lords' Committee*, 90 *to* 93.

country; and the importation of silk obtained Melvill, 43.
in India by the Government of Bengal consigned to the Court of Directors, and sold by them in London. The two latter modes have been dis-
continued;—the operations in China, not only in — 27.
consequence of complaints, but because it was
found advantageous to discontinue them.* The — 43, 45, 46.
operations in silk would have been wholly discontinued in 1834, but it was apprehended by parties interested in the trade, that inconvenience might be thereby produced, and the power of importing silk, and of continuing filatures in India, was reserved.

The Company's Bills drawn in London on India are at sixty days' sight; the Bills drawn from India, in repayment of advances made there by the Company, at six months' sight; those in
China on London were drawn at the same sight as — 107, 109.
those in India, and those drawn in China on India at thirty days' sight. Bills drawn in London on India are paid about two months earlier in consequence of the overland communication; but it makes no difference in regard to Bills drawn on advances made in India, as it is not the practice of the Company to send the Bills overland,—they accompany the goods. The Company's remittance Bills are all sight Bills.

These transactions are calculated in the

* The Court of Directors found that they obtained sufficient funds, independently of those received by advances in China, which they therefore relinquished as the mode to which the strongest objection was taken.—*Melvill—Lords' Committee*, 101.

Melvill, 17, Company's rupee, which is to supersede the
18, 19, 20. Sicca and all others, and which corresponds
—52,53,54, 55, 56, 57. in weight and fineness with the Madras and Bombay rupees. The intrinsic value of the Company's rupee is about 1*s.* 10¼*d.*, at the average *market* price, (not the *Mint* price,) of standard silver for the last five years in London, and could be placed in India at 1*s.* 11·992*d.*, or nearly 2*s.* 0*d.*, including freight, insurance, six months' interest, and seignorage in India.

— 14. The average rates at which the Company have effected their remittances through the different channels above-mentioned, during the last five
— 112,113. years, including the effect of the exchange between different parts of India, and between India and China in the cases in which remittances have been effected circuitously, are the following:—by Bills on India, 1*s.* 11·066*d.* per Company's rupee; by advances made in
—14,15,16. India, 2*s.* 0·715*d.*; by advances in China, 2*s.* 0·660*d.*; and by consignments of silk, 2*s.* 6·523*d.*; average of the whole, 2*s.* 0·89*d.* These rates do not include interest, the admission of which will, in a great degree, account for the difference, shewing the rate for Bills on India, 1*s.* 11·450*d.*, and for advances in India 1*s.* 11·918*d.*; advances in China, 1*s.* 11·863*d.*; silk, 2*s.* 4·248*d.*; average 2*s.* 0·24*d.* per Company's rupee.

— 23, 58. A remittance in bullion from India would produce, after deducting interest and charges, 1*s.* 9·272*d.* per rupee, interest being calculated for six months at 4 per cent.

There appears some difficulty in accounting

for the rate of Exchange remaining beyond the Melvill, 24.
cost of sending bullion for so long a period. The overland communication is represented to have had some effect; merchants will give rather more than the bullion value of the Company's Bills for the sake of simplicity and certainty. Other causes are assigned,—the abstraction of the Company's Commercial Capital, both from the Indian and China trades, which has been met only in a limited degree by advances upon hypothecated goods; the breaking up of the great commercial houses in India which carried on large operations either with capital or credit; and a great increase in the Exports of Indian produce to China creating a demand for additional capital.

Had it not been for the Company's remittances
during the last five years, bullion must have gone — 30.
to India; and in fact, last year, when, from the Company having received as much as they wanted, the exchange rose considerably above a bullion remittance, bullion was sent to India* to the
value of about £350,000, according to a return — 31.
from the custom-house;† but throughout the entire period the amount sent to India was very
small, and to China the amount was not above — 32, 33.
£350,000.

A great deal of bullion is sent from China to — 34.

* Bullion went when, in consequence of the sums paid into the Company's Treasury being more than were required, the rate of exchange was raised beyond the cost of sending bullion.—*Melvill—Lords' Committee*, 112.

† But bullion often goes away of which there is no entry.—*Melvill—Lords' Committee*, 117.

Melvill 103, 106. India. It consists of dollars and sycee silver.
The latter is pure silver, believed to be the pro-
duct of the mines of China. The average of
— 34, 35. the five years, 1833-4 to 1837-8, taking the
rupee at 2*s*., is £1,360,000 per annum; and in
the last of those years the amount was £1,730,000.
There was a remarkable increase over the three
preceding years, 1830-31 to 1832-33, the aver-
age of which was only £700,000 per annum.
— 61, 64, 65, 66. This increase, arising from the balance due from
China to India, is attributed, in a great degree,
— 118. to the large increase in the quantity of Opium
exported from India to China. Whether any
considerable increase took place in other articles
of Export from India to China does not appear.*

Notwithstanding the great transfer of bullion
from China to India within the last few years,
no material Export of bullion from India appears
— 117. to have taken place; indeed, the state of the
Exchange of late years would prevent it, nor
— 82, 83, 95. does it seem that prices in India have been
materially affected in any way, nor the
amount of the circulating medium materially
increased, and it is difficult to account for the
mode in which the great absorption of the pre-
cious metals has taken place. The difficulty,
however, is not of recent origin. From the
— 88. earliest periods until within a few years, the
state of the Commercial intercourse between
India and the rest of the world has exhibited a
continual influx of the precious metals into

* The Export of *British* Manufactures to China has increased, and cotton twist is sent in considerable quantities —*Larpent*—*L. C.*, 208.

India. In one period of ten years there was Melvill, 83.
imported into Calcutta, in excess of exports, up-
wards of £23,000,000 worth of bullion, and which
was not accounted for.* A part may get into — 84.
circulation in the various provinces of India,
(silver being convertible into coin at the Govern- — 114, 115, 116.
ment Mints on the application of any party at a
seignorage of two per cent.) some is consumed
in ornaments, and there may be an efflux into
Central Asia, but not to any considerable extent. — 85.
The rich natives, too, Zemindars and others, are
mentioned to be in the habit of hoarding large — 87, 98.
sums of money, and no information exists indi-
cating a decline in this disposition. The change
in the coinage, it has been supposed, might inter-
fere with the desire for hoarding, or show where
it existed; but this opinion was not entertained — 101, 102.
by the witness to whom it was suggested.†

* From a statement laid before the Lords' Committee of the imports and exports of treasure at each of the Presidences from 1814-15 to 1836-37 (consignments between the Presidencies being excluded) it appears that in every year of that series, excepting two, there was a large net import of treasure into India. A small net export, which took place in 1831-32 and 1832-33, is stated, *Trevelyan, L. C.*, (812) to have produced great embarrassment, and great difficulty in collecting the land assessment.

† Before the Lords' Committee it was stated that there is a great waste in the coinage of the Native States, a new coin being issued every year, with a view of gaining by the depreciation of the coin of preceding years, which is taken at a lower rate; and, although an opinion was expressed that part of the rich proprietors in our own provinces, who used to hoard their money, now invested it in government securities, it was added that the habit of hoarding, arising from ages of insecurity, still prevails. The greatest con-

Melvill, 104, 105. In consequence of the remarkable increase of
bullion remittances from China to India, it is
understood that there has of late years been a
scarcity of bullion in China, and if the trade
were to continue to increase, as it has done, dif-
ficulty would arise in making remittances from
Canton to India, more especially as the Ameri-
cans have ceased to take bullion to China. The
— 67 to 69. American trade in China, it is believed, has of
late years been conducted almost wholly by the
sale there of American credits upon London, the
original debt to America having arisen from the
sale of cotton *from that* country to London, and
being met in Canton by bills drawn on London.
— 110. These bills are drawn at six months' date. Credit
thus circulates from America through Canton,
and through India back on London, forming a
—70, 71, 73. chain almost surrounding the globe, the parties
interested in the cotton coming from America to
London, having probably nothing to do with the
Indian transactions.* There is a belief, that du-
— 74. ring the last three years this system progressively
increased. A suspicion seems to have been in-

sumption of the precious metals is in ornaments, itself a species of hoarding. In time of need they are sold. Gold coin is melted down for ornaments, and is principally used for that purpose, and for hoarding.—*Trevelyan—L. C.*, 812 *to* 824.

* The American sold his bills upon London, and obtained dollars for them in China; the Bombay merchant received the bills of the Chinese for his opium, or for his cotton. By this means the American was enabled with those dollars to buy tea. It was an operation by which a mode of remittance to London was thrown in as a power of purchase.—*Larpent—L. C.*, 188.

timated that a great proportion of these bills Melvill, 75.
were not founded on real transactions in England
previously to their being drawn, but were
founded on what, in mercantile terms, are called
blank credits; but no evidence of this was
elicited.*

The total amount of the Company's remit- — 21, 22.
tances within five years is £16,961,000. Taking
the whole period, the Company have profited by
the exchange. They continue advances in India,
not on account of the advantage by exchange— — 28.
they get the best they can—but their object is
the remittance of the amount required, and they
act with a view to the accomplishment of that
object. An expectation is formed, on the expe-
rience of five years, that the time will arrive when — 29.
the Company may depend entirely upon the
sale of bills in London, but it would not be safe
to run the risk of failure without more ample ex-
perience, especially in reference to the peculiar
circumstances which have been referred to, as
affecting the exchanges during those five years.†

* This system of American credit is represented by a witness before the Lords' Committee to have ceased antecedently to the disturbances at Canton.—*Larpent—L. C.*, 178.

† Applications have been made, requesting that the system of advances might be discontinued, and that the Company might realize their remittances entirely through Bills on India; but the effect of the two operations is not precisely the same. The Bills upon India are exchanged for capital deposited here; the advances in India are capital advanced to shippers.—*Melvill—L. C.*, 96 *to* 98.

The Court of Directors, too, have considered that they must proceed with great caution before they stop any mode of supply where the amount of remittance required is so large.—*Melvill—L. C.*, 106.

Melvill, 36. The effect of a great reduction in the Exchange would be, *pro tanto*, to increase the amount of charge upon India, as it would require so many more rupees to produce the £3,200,000 for the Home Expenditure. The power of placing funds in India, at a cheaper rate, might give some *impetus* to trade generally; but, on the other hand, the manufacturers in this country might suffer from the shipper finding it more advantageous to take Bills at the low rate, than to send manufactures, while the return for manufactured goods would also be diminished by the fall in the exchange.*

— 26. The Company's plan of remittance is stated generally to have been acceptable to persons concerned in the trade; but there have been some complaints that the uncertainty of the Company's remittances, both as to amount and mode, was detrimental, and that the system of advancing, especially in China, tended to stimulute speculation, and to derange mercantile calculation. In consequence of these complaints,
— 27. the Company gave public notice that the average amount of remittance was £3,200,000 per annum; and that, if any circumstances should occur materially to alter that amount in any year, further notice would be given. As far as China is concerned, the ground of complaint has been removed, by the discontinuance of the Company's establishment there, already noticed.†

* I think the primary and principal effect of a great fall in the exchange would be, to discourage the export of British Manufactures.—*Melvill—L. C.*, 99.

† In February, 1837, the Chairman of the East India and China Association represented that the Bengal Chamber of Commerce were desirous that the authorities at home should fix, in due time, the sum to be raised by the various modes of remittance; and should advertise, in each year, the amount of the entire sum required, and the particular amount proposed to be obtained by each mode of remittance. The Court were also requested to withdraw their servants from China, and discontinue their operations there. Since that period the Company have abandoned raising money in China, and have, from time to time, given notice of the gross amount required for the home charges. They have complied with the request of the East India and China Association in every point, except distinguishing the modes in which they would raise the money. It is urged, that unless this be known to mercantile persons, the operations of the Company come suddenly on the market and derange those of individuals; having an effect something analogous to a demand for corn abroad, or for foreign subsidies; and that, in times of difficulty in this country, when a large amount is left to be remitted from India, there is an encouragement held out to excessive speculation there. It is admitted, however, by those making the complaint, that the fixing the precise sums to be obtained by each mode would be attended with difficulty, as the means of the Company must be governed by their wants. It is represented that sudden and great variations have taken place in the exchanges. They have always, it is believed, been higher than the bullion; but, during the year 1839, partly from the state of the money market, and partly from the high rate fixed by the Company, the amount of Bills drawn by the Court on India was small. The Company not having surplus funds in their treasuries at Madras and Bombay, have always kept their Bills on those Presidencies one half-penny higher than on Bengal, by which the whole stream has been directed to the last-named place. Practically, the Company fix the rate of exchange abroad,

The continuance of the advantage which the Melvill, 76.
Company have enjoyed, during the last five years, in the exchange, is not to be calculated on with too much confidence; but, it is believed that the

Melvill, 77. maintenance of the intrinsic par of exchange may, under ordinary circumstances, be expected
— 78. —that, in a series of years, there will be as much necessity for sending bullion to India as for bringing it from thence. This opinion is grounded
— 79 to 81. on the experience already acquired, indicating that the requisite remittances may be effected without having recourse to bullion. But this must depend upon there being a market for Indian produce to a sufficient extent, as without such market bullion must be brought. The rate of exchange between England and India thus depends mainly on the question, whether or not there be an available market in Europe for the surplus produce of India.

Within a few years, native manufactures have

by throwing funds into the market in India for the purchase of Bills, and in England by being the largest drawer. This is done without reference to trade, although it is added that, of course, in the long run these operations are always governed, as to rate of exchange, by the cost of bullion remittances. The Bills of the Company upon India (particularly now, with the advantage of overland communication,) have a preference over bullion, because, if bullion be lost, unless the insurance be effected payable in India, the intended operation might be deranged. The Company, it is said, ought not to seek profit in exchanges; but, at the same time, it is admitted that their first duty to the people of India is to obtain their remittances at the cheapest rate, consistent with the real advantage of the country, and the beneficial prosecution of trade. The foreign monetary operations of the British government have deranged trade; but, that government has always conducted them on the most favorable terms they could obtain. The money remitted from India is not a tribute, but a return for advantages received.—*Larpent*—*L. C.*, 149 *to* 160.

been extensively displaced in India by those of Great Britain. A taste for British manufactures, and even British luxuries, is springing up, and has extended far into the interior. Hardware, glass, tools of various kinds, and even the loters, or drinking-pots of brass, are imported from England. The cotton goods of our country are in general use. They are found at places many hundred miles from the nearest English merchant; at the town of Parlee, in the centre of Rajpootana, great quantities of Manchester goods are stored and sent forward. English copper has entirely superseded native copper; and English iron, in a great degree, native iron. This consumption of British goods is represented to be susceptible of great increase, the means of effecting which are stated to be continued good government, the improvement of internal and external communication, the diffusion of knowledge, and the consent of the Mother Country to receive what India has to give in exchange for its manufactures, on the same terms on which she receives the same articles from her other dependencies.* With

Trevelyan, 1824, 1828, 1829.

* If, by any alteration of the laws, or any encouragement given to exportation from India, the amount could be increased by two or three millions, it is hoped that a very large increase of British manufactures might be the consequence. The power of India to use our manufactures depends upon what they get for their produce; and the export of British manufactures, for the purpose of payment, would increase the power of payment. The state of the exchanges is, indeed, admitted to be attended by some curious circumstances not quite understood; but it is suggested that the interference of the East India Company,

Sym, 1308 to 1329. free means of export the limit of the consumption of British manufactures by India would be only its power of paying for them by the produce of the soil. At present, however, the consumption

Martin, 4115. is only at the rate of about 6*d.* per head; in British North America it is £3 per head; in the West Indies £4 10*s.* per head; in Australia £8 per head.

Melvill, 119. Looking at the amount of the Company's remittances, and the state of the Indian revenue, it is argued that it is of great importance that all impediments to the Export trade of India should be removed. The remittances are drawn from the revenue derived from the people, and the permanence of the revenue must depend upon their general prosperity, which in India, as well as in other countries, is dependant upon the state of trade, and the demand elsewhere for its products.*

with capital in large masses, and the total derangement of the commercial houses in India, about the year 1830, may have had effects, and that India has scarcely yet recovered its natural state. The consumption of British manufactures in India is believed to be limited only by the power of purchase. They are spreading all over the country, particularly the goods of Manchester and Glasgow, and have supplanted the use of native manufactures; but the sale of our goods depends upon the return the people can procure from the soil. In periods of distress the consumption falls off. At one period, although the exports of copper from this country were not large, there was a great depression attending the sale. There was no other source of supply, but from the unprosperous state of the country the people could not purchase.—*Larpent—L. C.*, 197 *to* 204.

* Although the Exports of India considerably exceed its Imports, that country derives no commercial advantage from a large portion of them, as several millions per annum are taken from India, and transferred to this country. If the commodities which represent the amount thus transferred, were sent away in the ordinary course of trade, India would get an equivalent.—*Trevelyan—L. C.*, 809 *to* 812.

India contributes greatly to the resources of the British Empire; maintains an army of nearly 200,000 men, which has at all times been available for the general service of the Empire in the East; and a navy, applicable like the army to all public services, and which has been highly useful in putting down piracy in the Eastern Seas, and in surveying operations within the Eastern hemisphere. India does not cost England one shilling, either for military defence or civil government. A great drain upon her, arising from the sums transmitted to this country, has been constantly going on, and is not likely to be diminished. This drain, according to a statement furnished, amounted in the period from 1814-15 to 1833-34 to £40,184,583, for which no returns whatever were given. While she has to transmit such an immense portion of her revenue to England, there is the greater necessity for conceding the privileges now sought by the Company's Government. The Report from the Committee of the House of Lords declares, "That no partial favour should grant to one colony any advantage over another, either in the Colonial Ports, or in those of the United Kingdom; still less that Parliament should partially secure for the produce and manufactures of the United Kingdom, any advantage in any colonial Martin, 4137.

port over the competing produce and manufactures of its own dependencies."

Melvill, 120 to 153. Trevelyan, 1341 to 1345. The government of India are removing impediments to the free course of trade. Transit duties were levied at various stations upon numerous articles, the amount being drawn back on exportation, and the article then subjected to the export duty; and town duties, which were local taxes on consumption, were taken. These duties were productive of vexation and inconvenience, besides affording unlimited means of corruption, immense sums being exacted which never found their way into the Government treasuries. They have been abolished throughout the territories of Bengal and Bombay. In the Madras territories greater difficulties exist, but something has been done towards their abolition, and more is contemplated. The effect of the abolition, as far as it has taken place, extends to goods passing into or brought from Native States within the frontier line of the British Government. What duties are levied within Native States is not precisely
— 1353. known, but the British Government has extended to them the same advantages in respect of duties,
— 1355. as to the British territories. There has been a very considerable decrease of establishment in consequence of the abolition; it has been followed by an increase in the sea customs, and it is believed that the revenue has not suffered, while trade has been very materially benefitted, and it is stated that the measure has given great satisfaction throughout India.

The only apparent remnants of the transit

duties are, the duty payable on the passage of Melvill, 154 to 156.
the Malwa opium through the Company's territories, and that levied on salt passing the British frontier line. But the duty on Malwa opium — 158 to 186.
is levied in consideration of the Company having renounced the monopoly of the article which they formerly enjoyed under treaty with the princes of Malwa. The Patna opium is grown on the part of government, and contributes to the revenue of government, in a much greater proportion than the Malwa opium. Some enquiry took place as to the effect of the Company's profit upon opium in diminishing the facility of remittance direct from China to this country, but it was suggested that if the opium was without duty, the Chinese might take other articles, or that the reduction in price might induce them to take more of it.

The settlement of Europeans in India, and — 187 to 206.
the cultivation of waste lands, were among the subjects which occupied the attention of the Committee. The Company, it appears, have made grants of such land on easy terms, with a view to its being brought into cultivation, and the first set of rules not being found sufficiently indulgent, they have been relaxed. They have principally been made in the Sunderbunds, and in Goruckpore. The principal articles cultivated are indigo and sugar. European emigration to India is not to be expected, except in the case of persons possessing either capital or credit; and it is represented that the expectation that Trevelyan, 1513.
Europeans would purchase land when the restriction upon residence should be removed, has

Trevelyan, 1513. not been fully realized. The climate not being adapted to their permanent residence, and the impracticability of bringing up their children in it, induce them to prefer hiring land to purchasing it. Another witness ascribes the non-
Martin, 4117. settlement of Europeans mainly to the slight encouragement given by our fiscal regulations to the productions of India in this market. But
— 4124. — 4125. he thinks that the settlement may have gone on to a greater extent than is ascertainable, the inspection formerly exercised with regard to European residence having ceased.

Trevelyan, 1877 to 1942. Some inquiry was instituted on the subject of the means of internal communication in India, and on the effect of its improvement in increasing the amount of exportable produce. The great lines of roads are repaired at the charge of Government, and except during the rains, and for a short period afterwards, they are regarded, though not incapable of improvement, as sufficient. During the rainy season all roads are impassable for wheels, and occasionally for horses. This defect could not be remedied except at a vast expense, and even the attempt to sustain a road upon arches it is believed might be frustrated by the floods carrying the arches away. It is believed also, that during the rainy season none would travel who could possibly avoid it. The rivers of the Gangetic provinces are to be regarded as their roads, and the improvement of the navigation should be a principal object. There is a great demand for steam-freight between Calcutta and Benares, but little has yet been done to meet it. Some private speculations

have been made, but appear to have been discontinued; but there is a steam-tug association in Bengal, which makes a good dividend. The expences, as well as the wear and tear of steam-vessels, are greater in India than in England. Trevelyan, 1916, 1928.

The great impediment to the efforts of government for the improvement of India is the want of funds. There are extensive districts not belonging to us, with the military expense of which we are charged, without receiving any revenue. There are others which keep up great armies, subjecting us to the necessity of maintaining forces to keep them in check. Thus our subjects have to bear an unequal share of the burdens of India. If the whole belonged to us, the expence of Government would be very little increased, while the revenue would be very greatly increased, and a large surplus would remain for public improvements. — 1895.

SUGAR.

The great sugar district of India is the Valley of the Ganges, by which is meant the plains on both sides of that river, from Hurdwar, where it issues from the hills, to its mouths; and bounded by the Himalayan mountains on the one side, and by the Jumna and the great central Jungle on the other. Sugar was formerly grown in Rohilcund, but the countries which used to be supplied from thence, are now supplied from Benares. One witness thinks the growth is not large, as compared with Siam, Burmah, and Cochin China. The cultivation might be very

Trevelyan, 1500. — 1680. Sym, 933. Trevelyan, 1502, 1503. Gouger, 2161.

Trevelyan, 1532. — 1535. greatly extended, there being much land in India which is capable of profitable cultivation for sugar, which is not yet applied to it. Sym, 1012. Goruckpore and Sonah will produce a very large quantity. — 1010. It is to be observed, however, that the unreclaimed land is extremely unhealthy, and that it cannot be brought into cultivation without capital; Trevelyan, 1552, 1553. but notwithstanding these difficulties, some progress has been made.

It is believed that the quantity of sugar produced in Bengal goes on every year increasing. Melvill, 258 There is no indisposition on the part of the natives to the growth of sugar; it is one of the most popular growths: Sym, 821.

The quantity of date-trees in India is considerable, but it appears that a great degree of ignorance exists as to the fact of their being available for the production of sugar, and that, at least in some parts of the country, they are never resorted to for that purpose.* Melvill, 260 Sym, 1039, 1040. In Siam, Burmah, and Cochin China, sugar is made from the date, and it is believed to be rather cheaper than cane-sugar, but not materially. Gouger, 2162 to 2165

With regard to the capacity of India, to furnish a large supply of sugar, one witness is of opinion that the Valley of the Ganges could supply the whole world. Trevelyan, 1503. Another thinks that the sugars of India must ultimately be beaten out of the market by those of Brazil, Cuba, and Porto Rico, where he states an acre will produce sixty times Mc Queen, 2956.

* A witness before the Lords' Committee has heard in this country that sugar was manufactured from the palm-tree, but never having heard it in India suspects the truth of it.—*Trevelyan*—*L. C.*, 785.

as much as an acre in some of the finest districts in India. Mc Queen, 3226. He is of opinion, however, that if capital be applied to the cultivation of sugar in India, a quantity more than sufficient for the market of this country might be supplied; but to supply this country and its dependencies, would require an investment of at least one hundred millions of British capital. One witness observed, that the East India Company, when engaged in trade, having an unlimited command of capital, and a strong desire to increase and encourage the productions of India, could have augmented the export of sugar, if it could be prepared at a profit. Martin, 3374. Another remarked, that the efforts made to stimulate the production of sugar in India to supply the want occasioned by the revolution in St. Domingo, failed from causes which do not now exist. Mc Queen, 3227. Similar observations apply to the state of the East India trade soon after it was thrown open. But the state of things, he thinks, is totally altered now, and results will be very different when an unlimited extent of British capital can be employed in bringing the produce of India to this market, with the understanding that it is to be protected against the introduction of foreign sugars. The former witness points out that sugar land in India is at a high rent—that the interest of money is enormous—that the production per acre is small compared with more favored places—that labour is actually dear, though time is cheap—that the voyage is long—that the shipments are subject to considerable losses, among other causes, from drainage and wastage, and that the transfer of capital is always slow. Martin, 3475. — 3367. An

Martin, 3528. attempt was made in London, about the time of
equalizing the duties, to form a Company for
the cultivation of sugar in India, but it came to
Larpent, 2420, 2547. nothing. The principle of Joint Stock Associa-
tion appears to be in application to a small ex-
tent to the manufacture. Admitting that the
same motives will attract capital to one country
Martin, 3474. as well as to another, a witness observes, that
whether or not India affords opportunity for
enterprize remains to be proved, as that coun-
try has not yet had that fair treatment
which would enable persons to employ their
talents and capital in raising commodities
— 3367. required here. With regard to present profits,
he referred to an account of a quantity of sugar
cultivated, manufactured, and imported by one
Rogers, 4448 to 4458 mercantile house, under the most favourable cir-
cumstances, and relieved from the charge of
management and conveyance from the place of
growth to Calcutta, which realized on the whole
a profit of only $11\frac{1}{4}$ per cent. The sugar was of
average quality. A partner in this speculation
stated, that if, he had lent the money without
—4469. risk, he could have obtained 10 per cent.; and,
at compound interest, it would have paid much
more than it did upon the sugar investment.
Martin, 3367. An attempt was made, by the same House, to
realize a profit on the exportation of molasses to
this country; but in one instance 18 hogsheads
out of 42, and in another 11 out of 38, were
landed empty.

The production of sugar is stated to be limited
by various circumstances; as the want of capital,
it being the fact, that like most of the produc-

tions of India, it is almost entirely cultivated Sym, 1154 to 1157.
with borrowed capital; by the necessity of a — 1158.
supply of grain for food for the population; and
by the rise of wages and of rent. It is believed Trevelyan, 1504 to 1551
that the cultivation could not be greatly extended
without raising the price of grain. With regard
to the comparative advantages of cultivating
sugar and grain, it is stated that on irrigated soils
there can be only one sugar crop, and one other
crop in two years, while, in the same period,
there might be four grain crops. Very little Sym, 946 to 951.
capital has yet been invested in raising sugar, Trevelyan, 1512.
and there is difficulty in having a large mass of
capital aggregated in India, for the establishment Larpent, 2420.
of sugar factories for exportation. The difficul-
ties of internal transport offer another class of
impediments to the progress of India in the pro-
duction of sugar, and its advance must conse-
quently be a work of time. The supply for some
years is represented as not likely to be large, Larpent, 2426.
and therefore the effect upon the market not
considerable. The amount of production from Martin, 3370.
the best land in India is stated at from 12 to 15
cwt. per acre, and from other land it is much
less, from 4 to 7 maunds (82 lbs.) per begah, Sym, 916.
(two-thirds of an acre.)

With respect to the amount of capital likely
to be applied to the manufacture of sugar in
India, considerable difference of opinion appears
to exist. One witness has heard that a very Mc Queen, 3102.
considerable amount has been sent out for the — 3115.
purpose; that there are several new establish- — 3116. — 3124.
ments; that efforts are now making to get West — 3125.
Indians, both as planters and capitalists, to go to

Mc Queen, 3128. India to engage in the manufacture of sugar; and that these efforts are made both by companies and individuals; but up to the present
— 3126. time there is no evidence that they have been successful. A statement was made to the effect
— 3133 to 3143. that a profit of 80 per cent. has been made within a year upon two parcels of sugar purchased at Calcutta, and sold in the United Kingdom, but the particulars were not furnished.
Larpent, 2420. On the other hand, a witness expressed his belief that the factories established in India had not answered at all, that the cultivation is ex-
— 2555. pensive, the returns slow, the loss by advances considerable, and that the profits upon East India sugar, sent at present prices to this coun-
— 2558. — 2553. try, are small. This witness would neither invest his own money, nor recommend to others to make investments in sugar factories. The
— 2555. result of his intercourse with India, and with a number of persons, led him to believe that opinion was not favorable to the success of associations for the production of sugar, and if large profits had been made, he was ignorant of them. A fall, which should bring sugar to the price at which it was previously to the diminution of the supply from the West Indies, would render its
— 2570. importation from India subject to a loss.

The practical exclusion of East India rum
Melvill, 400, 401. from consumption here, affects the cost of producing sugar in that country; and, to give
— 419. perfect equality to the duties on sugar, the duties on rum should be equalized also. When
Larpent, 2587. the rate of duty on Mauritius sugar was equalized with that upon West India sugar, the

equalization was extended to the rum of the Larpent, 2587.
Mauritius. This has not been done with respect to India, and thus the whole produce of the cane does not come on the same terms as the whole produce of the cane from the West Indies. The exclusion of East India rum from the home-market, which is occasioned by the additional duty, must tend to make the returns to the manufacturer of sugar smaller than they other- — 2577.
wise would be. If he had a market for all the — 2578. — 2596.
rums he could produce, it would make a very considerable addition to his returns. One witness observes, that it is a mere mockery to assert Trevelyan, 1499.
that equality is given under the existing system. In the event of a great increase in the produc- Larpent, 2710 to 2713
tion of sugar in India, a greater quantity of refuse would be thrown upon the market. The consumption of sweetmeats remaining the same, there will be required a market for the rest, which will be applied to the manufacture of rum, and the difference of duty will give rise to an increased rate of injustice.

Even now, it appears that in some parts there Sym, 858, 862 to 869.
is a difficulty in disposing of the molasses, and the effect, it is said, will be to raise the cost of the production of the sugar there 4*s.* or 5*s.* per cwt. There, however, seems some reason for supposing that under the Bengal Presidency this is confined to a certain degree to the Upper Provinces. In the Lower Provinces, it is stated by one witness, to be more in demand, and to be Gouger, 2158.
brought there in considerable quantities for distillation. There is some difference of statement as to the expence of transferring it to Calcutta.

Gouger, 2179. One witness states, that it may be sent by water
— 2188. easily and cheaply, as the boats have always
— 2189. heavier cargoes and better freights on their
return, and that being packed in earthen vessels
Sym, 870, the loss from leakage is not great. On the con-
871, 879. trary, another witness says, that it cannot be sent
from the distant parts of the Upper Provinces but
at an expence that will not answer, as the boats
can get nothing coming back; that there are no
packages that will contain the molasses without
leakage, and that it is liable to fermentation,
which injures the quality. There is a discre-
pancy also as to the demand for molasses in the
neighbourhood of Calcutta, for a sugar manu-
Rogers, facturer in Jessore states, that by reason of the
4479. existing duty on rum, the greater part of his
molasses is thrown to waste. He does not think
that in his manufactory one-tenth part of the
molasses capable of distillation has been con-
— 4511. stantly distilled. Sugar cannot be produced
without molasses, and the effect of the duty
on rum was estimated by him to be a reduc-
tion of profit on the manufacture of sugar
— 4480, to the amount of one-fourth of the whole.
4481. The manufacture of rum, it is believed, would
— 4514 to have paid at any time since the equalization
4518. of the duties, but it was discouraged by an
apprehension that prices would not be main-
tained. The maintenance of the present price
— 4491, of rum would encourage the distillation of
4513. molasses, but a reduction is anticipated, and this
— 4493. would have a contrary effect. Future arrange-
ments will be governed by the quantity of
rum likely to be brought in from the West

Indies. If the price of rum were greatly re- Rogers, 4519.
duced it would not be worth while to make — 4547.
sugar, and ceasing to make sugar the manufac-
turer would cease also to make rum. At the
present time the price of rum makes it worth — 4550 to
while to continue the manufacture of sugar, 4555.
but, without reference to the probability of an
equalization of the duty, there does not appear
an inducement to extend it, the price of rum
being regarded as a matter of great uncertainty. — 4563 to
If the duties were equalized, the trade would be 4565.
able to bear the effects of a fall, because the con-
sumption of rum would be thereby increased.
The extent of the fall which could be borne
would depend on the price of sugar. It would
not be prudent to extend the risk attached to
the manufacture of sugar without a prospect of
the equalization of the duty on rum; and a — 4558 to
projected extension in one instance is said to be 4560.
contemplated in the conviction that the justice
of the cause must procure the equalization. But
for this conviction the party would never have — 4470.
built his sugar factories, and but for this con-
viction he would sell them and abide by the first
loss.

It is not believed that any material improve- Melvill, 303
ment has taken place either in the cultivation Trevelyan, 1510.
of the cane, or the mode of manufacturing Martin,
sugar in India. The rude native manner con- 3373.
tinues to be practiced, and great loss is supposed Melvill, 304 Sym, 1151.
to be thereby occasioned. There has not been
time for the change of duty to operate in pro-
ducing improvement to any great extent, and
nothing is more difficult than to change the

Martin, 3466. habits of the people of India, or to induce them to adopt improvement. The natives, however, are not deficient in expertness in the use of new machinery, and it is believed that intelligent and active European capitalists might find a
— 3518. sufficient number of persons for the purpose.
— 3519. The manufacturer buys sometimes the cane from the ryot, (cultivator,) but more generally
Melvill, 312 Sym, 772. Martin, 3374. the juice. The cultivation is carried on upon a very small scale. Only large farmers, it is said, cut an acre of cane a year. It is represented
Trevelyan, 1545 to 1547. that the culture in Bengal is almost entirely confined to the natives, and that Europeans could not cope with them. That they could only buy it of them in the same way as indigo,
Sym, 1044. and not cultivate it on their own account as in the West Indies. This appears to be confirmed by the practice of European parties who
Sym, *passim* have speculated largely in land in Goruckpore.

— 1152. Mc Queen, 3300 to 3308 The application of machinery to the manufacture of sugar in India appears, at present, to have been introduced to a very small extent. Steam-engines are spoken of, but few are known to exist, although they have been sent to Java in such numbers as to have kept the machine-makers in this country busy for years in making them. It has been reported that vacuum pans have been sent out, that more are to be sent as well as steam-engines, and that other improvements are to take place. In the opinion of a witness of great experience in the West-India trade, if it is meant to supply the home-market and keep out foreigners, India must adopt these measures.

The effect would be the production of a greater quantity of sugar, and of a much finer quality. Mc Queen, 3308. Ten or twenty millions of capital so invested in India would make an addition of 60,000 tons of sugar annually in the market.

The rent of sugar land in India varies from Sym, 929. two rupees per begah (two-thirds of an acre), to six, seven, eight, or ten rupees. Six, seven, or — 934. eight rupees may be the average for good sugar — 935. land in Benares.

It has been noticed that sugar, and all agricultural produce in India, is generally raised by Larpent, 2458. borrowed capital; and the amount possessed by each cultivator appears to be very small. Martin, 3374. It is said that he is a large farmer, in Bengal, who has more than twenty pounds to work with. Advances are made to agents, who advance again to manufacturers or cultivators. Larpent, 2555. Money is advanced at from 8 to 10 per cent., and the — 2556. parties advancing usually derive other advantages, in the form of large commissions, both Sym, 1097 to 1099. — 1103, 1104. on the advances and on the management of the produce. When ryots (cultivators) borrow of the village banker, the rate is never less than 24 per cent. Advances upon sugar are made at the rate of $37\frac{1}{2}$ per cent. and sometimes higher. Trevelyan, 1514. Martin, 3374. Loans of small amount are represented as sometimes made in India, at as high a rate as 75 per cent. These high rates of interest press heavily on the cultivator. He pays what he can, but is almost always in arrear, and is indebted for the Trevelyan, 1707 to 1716 power of continuing to hold his land to the respect in which landed tenures are held in India, and to the forbearance of the creditor, founded on the

Trevelyan, 1716. necessity of keeping his customers in a condition to require the assistance of his capital. It is not believed that much European capital has been placed in the hands of the village bankers. The reasons assigned are that foreign proprietors cannot trust the village bankers, and that it is more —1725, 1726. to their advantage to employ their money in the culture of indigo.

— 1693, 1744. There is a great internal consumption of sugar in India, principally in the form of sweetmeats, made from Goor, which is the produce of the cane before separation—sugar and molasses together. Gouger, 2053, 2062, 2063. Great quantities of cane are said to be consumed in a raw state, and reference was made to a report drawn up by Sir E. Colebrooke in Mc Queen, 3107. 1792, representing the profit of cultivating cane for this purpose at 500 per cent. The manufactured sugar is principally exported.

Melvill, 208, 209. By the 6th and 7th William IV., chap. 26, the importation of sugar into the territories of Bengal was prohibited; but power was reserved to the Governor-General to declare places and dependencies of Bengal excepted from the prohibition. With reference to this prohibition, sugar, the produce of Bengal, was allowed to be imported into England at the same rate of duty as sugar — 211. the produce of the West Indies. The whole of the territories subject to Bengal now enjoy the benefit of the Act, excepting Singapore, Prince of Wales' Island, Arracan, and the Tenasserm Provinces. The quantity of sugar brought from Bengal to England in 1835, the year before the equalization, was 101,000 cwt.; in 1839 it was 519,000 cwt.

Previously, however, to the equalization of the duty, the supply seems to have been subject to considerable fluctuations. The quantity in 1795 is stated, on the authority of Mr. Mc Queen, 3098. Huskisson, to have been 220,000 cwt., while Parliamentary documents shew it to have been, in 1817, 121,960 cwt.; in 1818, 160,580; in 1819, 201,100; and in 1820, 277,220. These exports, however, are supposed to have been, principally, sugars from China, Manilla, and other parts.

The effects of the equalization are said to have Larpent, 2559. been greatly exaggerated by anticipation. It was affirmed that the material for making sugar was so abundant in India that, in a year after the equalization, there would be so large a quantity sent that there would not be ships to bring it.

By 1st and 2d Victoria, cap. 27, the Queen Melvill, 223, 224. in Council is authorised to admit sugar at the reduced duty from other parts of India besides Bengal, upon being satisfied that importation is there prohibited. The government of India have passed an act prohibiting the importation of sugar into the territories of Madras after the 10th June, 1840, and the Court of Directors have transmitted the act to the Board of Commissioners for the affairs of India, with a request that it may be submitted to Her Majesty in Council with the least practicable delay.

It is not probable that Bombay will, for some — 225. time, be in a condition to ask for the privilege of importation into England at the equal duty, though the removal of all impediments, and the

Melvill, 225 grant of authority to the local Government to admit to the privilege any district as soon as it became independent of foreign sugar, might be expected to lead to extended cultivation. Such, Larpent, 2401 to 2409 indeed, appears to have been the fact. The Mauritius cane has been introduced, and great anxiety exists to raise sugar for exportation.

Melvill, 268 to 302. Larpent, 2387 to 2403 The necessity for resorting to the Queen in Council for permission to import sugar at the equal duty, it is thought may be attended with inconvenience, and it is desired that all British India should be placed upon the same footing as Bengal, by the passing of a law prohibiting the importation of sugar into Madras and Bombay, and allowing the Government to determine what places shall be exempted from the prohibition, or by giving to the prohibition of the Government of India the effect of immediately entitling the district to which it is applied, the privilege of having its sugars admitted in this country at the equal duty. Against this proposal it is argued that whenever the evidence of prohibition is satisfactory, the order of Council will issue, as a matter of course — that an act of the Indian Government is satisfactory evidence—and that the effect of any apprehension as to the success of the application would be confined to a few months. On the other hand, it is maintained that the obligation to obtain an order from the Queen in Council creates unnecessary delay, and keeps the sugar of the country intended to be benefitted out of the market for a considerable period,—that the tendency of the provision is to discourage cultivation by the uncertainty

which must exist several months as to the concession of the privilege sought, and by an Larpent, 2403. apprehension of the effect of counter interests in influencing the decision of the question,—and that no reason whatever exists for placing the territories of Madras and Bombay in circumstances less favorable than the law has recognized as fitting for those of Bengal, no order in Council being required to entitle the sugars of the latter Presidency to be admitted at equal duty. In the event of Madras and Bombay becoming exporting countries of sugar, there would be no difficulty in preventing the introduction of sugar by land into those countries from the adjoining states. The independent Trevelyan, 1820. countries which border on the Madras and Bombay territories are not generally sugar exporting countries, and under any circumstances, with a preventive system, sugar might be kept out entirely. An application made about two years ago from some cultivators in Ghoomsur, under the Madras Presidency, for liberty to Melvill, 327 import sugar into Calcutta, was at once negatived, as contrary to law. It cannot be imagined — 330 to 334, 338. that such an article as sugar could be extensively smuggled, and the preventive system is believed to be sufficient to preclude it by land as well as by sea. The same law exists, and there is no ground for believing that there is any deficiency in the means of carrying it into effect. With regard to sugar exported, a certi- —228 to 232, 335. ficate of origin must attend it, stating that it is the produce of Bengal, and specifying the district. The same rule will apply to Madras and

Melvill, 335 Bombay, should they be admitted to the privilege of exporting at the equal duty. The certificate must be given by the collector of the
— 227,228. district, and no such certificate can be given
— 336. in the adjoining territories, because the Company have there no such officers. The revenue system affords peculiar facilities for obtaining
Trevelyan, 1516. a certificate of origin that may be confidently relied on.*

Melvill, 346 347. There cannot be the least doubt that the largest proportion of sugar produced in India is grown in the territories of the Company; and it is believed that the sugar passing the frontier is principally from their territories to the Native States.

Trevelyan, 1518 to 1531 Before importation into Bengal was prohibited by law, it had ceased in fact, and Bengal had become an exporting country. The export to the westward, although not very considerable in the way that trade is talked of in England, is repre-
— 1697, 1699. sented by one witness to have extended into Central Asia, and even to Russia, meeting there the beet-root sugar made in that country. The witness who made this statement thought that British India had the exclusive supply of a

* In the execution of the officers' duty it is impracticable that any but sugar actually made in a British possession, in India, can be introduced at the low duty.—*Larpent*—*L. C.*, 247.

No sugar, the produce of Oude, or any country similarly situated, can be introduced at the low duty, because the certificate of origin must be given by an officer not to be found in those countries; and none is imported into England without a certificate of origin. — *Melvill* — *L. C.*, 259, 260.

population of 100,000,000, of whom 40,000,000 Trevelyan, 1706.
were not subjects of the British government. Malwa, it is stated, being a very rich country, supplies itself. The Punjaub produces some — 1686 to 1701.
sugar, but it is thought not enough for its own consumption. Rajpootana is almost entirely supplied from Gangetic India; but in that country, and in those beyond the Indus, the population is scanty, and, from the habits of the people, the consumption of sugar much less than in India, where the use is limited only by the power of purchasing the article. The increase of com- — 1702, 1703.
merce and population on the Indus, it was anticipated, would have some effect on the demand for sugar from the Gangetic territories, which however would be counteracted, to a certain extent, by the capability of the Valley of the Indus to produce sugar for the inhabitants of its Larpent,
borders. The opinion that Bengal exported to 2411 to 2419
the westward sugar sufficient for the supply of 40,000,000 of persons, was impugned by a witness subsequently examined, who stated his impression to be that, though there might be some transit of sugar over the frontier, to places more or less dependent on the East India Company, the supposition of India furnishing a large supply to the interior of Asia, was not correct.

Some sugar is carried from Bengal to Bom- — 2527, 2528.
bay, the latter place being a mart on the western side for the trade with the Gulf of Persia and Arabia, but it is supposed that the quantity is now small, the English market being better. When that market was less favourable, Arab vessels used to come to Calcutta, taking there indigo,

Larpent, 2526. and having sugar for dead weight. The sugars now principally introduced into Bombay are from China, Manilla, Siam, and Cochin China. To the westward of the Company's provinces, the supply is mentioned to be partly from those provinces, and partly the produce of Siam and Melvill, 349, 350. China, sea-borne to Cutch; the sugar of Bengal and that of Manilla meeting, at certain points, according to price.

Larpent, 2520. Before the equalization of the duties, continental markets were sought for the sugar of India; the bulk of them came to this country, as dead weight, and were re-exported. There was also a trade between India and Bordeaux, Havre, and Nantes; but there was then a surplus supply of sugar here. The French government, it is understood, imposes a higher duty on sugar from India than on that from their West India possessions.

Melvill, 214 The equalization of the duty has had some effect in increasing the quantity exported to this country, but other causes may have been in ope— 218. ration. There has been a deficiency in the supply Larpent, 2409. from the West Indies; this has increased the Mc Queen, 3100. demand for East India sugar, and probably given a stimulus to its production. One witness, referring to extraordinary exertions alleged to have been made by the East India Company to stimulate sugar cultivation in India, after the revolution of St. Domingo, expresses his belief that similar operations are going on now.

Larpent, 2409, 2410. While there was an abundant supply of West India sugar, the equalization of the duties was a matter of comparatively little im-

portance to India except in regard to the trade Larpent, 2410. in dead weight, as nothing but a high price would make sugar an article of large export from that country. But when, instead of a surplus in the West Indies, there arose a deficiency, the equalization of the duties became a matter of the utmost importance, both to India and to the consumer at home. The continued reduction of the supply from the West Indies, without a corresponding increase from India, will produce clamour on the part of the consumers, and must lead to the introduction, or an attempt at the introduction of the Brazil and Cuba sugars, which would stultify all our proceedings with respect to the Slave Trade. It is the duty which precludes the consumption of those sugars, and the price must rise largely before they could be introduced; but, if the deficiency be not supplied from India, it would be almost an inevitable result that we must supply it from countries where sugar is the produce of slave labour. Part of the sugar now refined, and in bond for exportation, is from Brazil and Porto Rico, consequently the produce of slave labour; — 2450 to 2452. and the quantity refined in this way is on the increase. Sugars believed not to be the produce — 2453. of slave labour might compete with the sugars of — 2522, 2524. Brazil and Cuba, as those of China, Manilla, Siam, and Cochin China. That of Java also, though some doubt seems to exist as to its being the produce of free labour. But it would require a total alteration of the table of duties to admit foreign sugars. It is supposed the Dutch authorities are in contract with large proprietors in

Larpent, 2523. Java for prosecuting, with vigour, the manufacture of sugar. Java sugar used to go to Bombay, and some may be introduced there now; but the bulk of it is directed to Holland, under the immediate agency of the government. The imports from Java into Holland were, in 1832, 12,000 tons; in 1838, 20,000; and, in 1839, 25,000.

Trevelyan, 1561, 1669. In connexion with the cultivation of sugar, some enquiry was made into the presumed existence of practical slavery in India. The result of the enquiry was, that, though in certain parts of India there are persons attached to the soil, their condition more resembles the state of the villeins or serfs of the middle ages than that of slaves—that it differs altogether from slavery as it existed in the West Indies—that the position of such persons varies little from that of the ordinary ryots, or cultivators of the soil, that they till the land, and render to their superior a portion of the produce—that in the event of their refusing to labour, or running away from the estate, the only remedy which the master would have would be by civil proceedings at law; and that, in such case, the law would be construed in the sense most favourable to the party proceeded against; that no such case, however, is known or believed to have occurred, the supposed serfs being entirely contented with their situation, and never seeking to change it—that the sale of one of them, or the attempt to sell, is unknown, and that the existence of the system is confined to a single hill and jungle tract at the back of Bahar, perhaps as large as the county of

Middlesex, of a wild character and with a very ignorant population, and to Malabar. There is a strong feeling in India against slavery. The Charter Act of 1833 recommended its extinction. The Company for many years before acted in the spirit of that recommendation, and still keep it in view. Trevelyan, 1561 to 1669.

Sugar is brought from India as dead weight; and on this account the freight is nearly the same as that of West India sugar. One witness stated it to be less. If the quantity became so great as to require tonnage expressly for the purpose, the freight would be increased, and the profit diminished. The freight is affected by the great number of passengers which, up to a late period, have been passing between England and India, which has induced owners to send ships, calculating on the passengers for a large portion of their profit. There are difficulties attending the transport of women, children, and sick persons, by the overland route; but, if the facilities were increased, the preference would generally be given to it, and, in that case, the loss of passengers would compel the owners of ships going round the Cape to seek their remuneration from goods. Under such circumstances the present low freight of sugar might not be retained. On the other hand, it is suggested that the ships principally employed in carrying passengers are larger than those engaged in carrying goods, and fitted up in a superior style, though inferior to the Company's ships; and that, in the event of such a change, smaller ships would be employed (as is now the case,

Melvill, 219. Gouger, 2057, 2058. Mc Queen, 3227. Melvill, 220. Gouger, 2059, 2060. Melvill, 241 to 243. — 254, 255. — 246, 257. — 247. — 248. — 258, 264. — 262.

Melvill, 249 to a certain extent, especially from Liver-
pool,) which might be worked more cheaply,
Mc Queen, and thus keep down the rate of freight. The
3254, 3255. rates are represented to fluctuate considerably
from the nature of the trade, and from the occa-
sional demands from government for tonnage.
Larpent, It is believed that the quantity of shipping
2481, 2484. employed in the trade beyond the Cape would
admit of a considerable quantity of sugar, be-
yond the last year's importation, being brought
as dead weight, almost the only articles so
— 2489. brought, besides sugar, being saltpetre and rice.
There is a large influx of ships to Calcutta
from various parts, all of them requiring dead
weight, of which sugar is the prominent article;
and, until the quantity was very large indeed,
freights would be about the present rate. The
rate has not increased since the equalization of
— 2483. the duties. If, with a greatly-increased export
of sugar, there were a corresponding demand
for light goods from India, mixed cargoes might
continue to be made up, and the sugar being
brought as dead weight no increase of freight
would take place. If the supply of sugar from
Bengal required shipping greatly beyond the
tonnage to be found in India, vessels must be
— 2476. sent out for the purpose, as is now the case with
— 2488. regard to the West India trade. This system
also exists with regard to the Mauritius, and
— 2479. probably a smaller class of shipping is em-
ployed. The rate of freight is low, and most
likely it would not be materially higher from
India. The difficulty sometimes existing in
Calcutta of getting freight at all induces parties

to take a very low rate, especially for the dead Larpent,
weight. If, indeed, there were such a demand 2491.
for sugar as to make it necessary to send out — 2490.
vessels for it, and there was no demand to jus-
tify the shipping of a general cargo for India, — 2495,
the freight might be higher; but this must 2498.
always be dependent on the general demand and
supply with respect to shipping; and, it is be- — 2495,
lieved, that the ship-owner is at present almost 2498.
entirely paid by the homeward-bound freight
from India, and the benefit of passengers. The
ships do not go out full; and though they must
take dead weight, it seldom pays the owners if put — 2499.
in on their own account, or the parties shipping
any thing like freight. The freight of light goods
is low, and dead weight often exceedingly cheap.
Ships frequently go out in ballast. Generally, Gouger,
the exports from this country are of a more 2316 to 2353
valuable nature than the imports, which may
partly account for it. From Liverpool the out-
ward-bound cargo will usually pay for the
homeward—from London not. The goods sent
from this country to Calcutta are sometimes
sold below prime cost, but not generally. The
Indian markets have, for the most part, for years
past been bad markets; and the object of the — 2355 to
shippers has usually been to lay down their funds 2367.
in Calcutta for the purchase of homeward cargoes.
Money has been lost on cotton goods, but not on
the bulk of shipments. Woollens and hardware
have also been sold occasionally below their
cost, but not constantly or continuously. The
trade between England and Calcutta is held to
have been gainful on the whole, though shippers

have often been contented with a bare profit, or
no profit at all outward, with a view to a profitable
investment homeward. Among other causes
Mc Queen, 3236, 3250. which keep down the rate of freight from India,
it is stated, that ships taking out emigrants or
goods to New South Wales and other places,
having no means of procuring return cargoes,
take India in their way, and bring sugar at a
cheap rate.*

Larpent, 2534. Benares sugar, and all sugar, is capable of
Mc Queen, 3093. being refined, but that of India is little used
by the refiners. One witness attributes this to
Larpent, 2535. its want of grain, and says that it is not consi-
— 2536. dered of sufficient strength for refinement. Ano-
Mc Queen, 3091, 3092, 3094. ther witness says, that it is decidedly stronger
than West India sugar of the same quality, and
contains more saccharine matter, but that refiners
reject it by reason of its price. It sells higher
than the Muscovado sugar of the West Indies,
Larpent, 2539, 2543. on account of its colour, and appears to be used
Mc Queen, 3089. for mixing with the darker West India sugar.
Sym, 1129. Some sugar has been refused admission by the
Larpent, 2544. custom's authorities, because it approached a re-
Mc Queen, 3037, 3039, 3042to3044 fined or clayed sugar, but the distinctions are
stated to be now so well known in India that
there is no danger of future rejection. One
Larpent, 2545. witness contends, that the East India sugar un-
Mc Queen, 3031to3056 dergoes some process of refinement beyond the
— 3061 to 3084. sugar from the West Indies, and this opinion he
maintains partly on the results of his own expe-
rience of many years as a West India planter,
partly from the comparative prices in the market

* I have no fear of any excess of freight in India.—*Larpent—L. C.*, 302.

of East and West India sugars, and partly on the Mc Queen, 3084.
authority of a report on Sugar Cultivation in
India, published in the year 1822. It appears,
however, that East India sugar is usually ad-
mitted at the Custom-house as unrefined sugar,
and a witness extensively engaged in the East Larpent, 2575.
India trade stated that the report alluded to,
though it afforded much valuable information on
the Company's servants, and the districts con-
nected with them, contained many speculative
views, a great deal of exaggeration, and some
things very little deserving of credit.

Upon the question of the comparative price of
sugar in this country, and on the continent,
various answers were given. One witness esti-
mates sugar to be 10*s.* per cwt. higher in this Martin, 3425, 3429.
country; a second thinks that, excluding France,
the difference is 12*s.* per cwt. against this coun- Mc Queen, 2940.
try; and a third calculates that, irrespective of the
duty, the difference is from 15*s.* to 20*s.* per cwt. Larpent, 2449.

According to one witness, the consumption of Martin, 3352.
sugar in this country has been diminished by
every increase of taxation, is now less in
proportion to the population than it was several
years ago, and affords to each individual in
Great Britain little more than half what was
consumed in 1801. Indeed, the consumption — 3433 to 3435.
seems to be actually diminishing, without refer-
ence to the increase of population, a fact arising
from the enhanced price. Another witness takes Mc Queen, 2942.
different views. He believes that in many cases — 2947.
the price has little effect on consumption. He — 2948.
thinks, in the case of sugar, that if the price
were reduced, more might be consumed in
Ireland, but not in England or Scotland. The

Martin, 3352. witness first referred to thinks the consumption of sugar ought to be at the rate of 16 ounces per week for each person, and he states that it is actually only 5 ounces per week.

(The evidence contains a great body of facts and opinions on the modes and expenses of cultivating and manufacturing sugar. These are not noticed here, it being presumed that persons interested in the minute details of such subjects would not be satisfied with an abridged view of them.)

SPIRITS.

Melvill, 353, 354. The duty on West India spirits is 9*s.* per
— 358. gallon, that on East India spirits 15*s.* Leeward
— 364. island rum is more valuable in the home-market than Bengal rum. Jamaica rum is so superior as to be beyond reasonable comparison with it;
— 365. but the amount of duty per cent. levied upon East India rum greatly exceeds that upon the Leeward Island rum. If the comparison be made with Jamaica rum, the inequality will of course be much greater.

In the last three years the average quantity of
— 358. rum entered for home-consumption in each year has been 3,050,312 gallons, but during the whole
Larpent, 2583 term one gallon only was entered as the produce
Melvill, 360. of the Company's territories in India. The total quantity imported in the three years has averaged 4,096,000 gallons, the average from India being 83,345 gallons.

The import of East India rum commenced in
Melvill, 361. 1834. There has, of late, been a considerable
Gouger, 2078. increase in the quantity imported. It is attri-
Sym, 1257 to 1263. buted, in some degree, to the manufacture of an enhanced quantity of sugar having increased

the quantity of molasses; the increase of which latter article has led to a reduction of its price, and, consequently, to an increase of distillation. Gouger, 2167.
This may lead to a still further increase of the practice, but individuals interested hesitate at Sym, 1268 to 1274.
incurring the necessary outlay, without being Gouger, 2167 to 2169
satisfied as to the profit. The equalization of the duty might have some effect in determining them.

Another cause, alleged to have increased the Gouger,
consumption of East India rum, is said to be its 2127 to 2129
admission into contracts for the navy; but, in some instances at least, it does not appear that the fact of this admission was known in India so as to influence the export. No decrease in — 2079 to 2082.
the price of any description of rum appears to have resulted from the increased importation from India. On the contrary, the price has Larpent, 2579.
risen largely; but there has been a slight decrease in the home-consumption, which is ascribed to the advance in price.

A reduction of price would benefit the con- — 2642, 2643.
sumer, and an increase of quantity would be likely to affect the price. One witness anti- Rogers,
cipates that the present prices of rum will not 4501, 4504, 4519.
long be maintained. The rum-trade is acted upon by the price of British spirits, the duty on which is 7*s.*; and, when the price of rum is Larpent, 2644.
high, it is believed that British spirits, with a slight mixture of rum, are sold largely in place of genuine rum, both for exportation and for home-consumption. This is injurious to the — 2646.
consumption, alike of East and West India spirits. The admixture is understood to take

Larpent, 2652, 2653. Dunlop, 5172, 5195, 5196. Rogers, 4522 to 4529

place in the docks without restraint. The East India rums are said to have been subjected to some disadvantages as to vatting and mixing, as compared with those of the West Indies.

Melvill, 409 Sym, 873, 874. — 1238 to 1242.

There is very little demand for spirits among the native population of India; when they use spirits at all it is arrack, but they more frequently have recourse to intoxicating drugs or to the fermented juice of the palm, called toddy.

Trevelyan, 1766, 1776.

India has therefore, hitherto, made little rum. It might make much more, but that there is no market for it in India, and the English market is, to a great extent, shut against it.

Rogers, 4534, 4540 to 4542

The difference of duty is said to operate to the disadvantage of East India rum, not only directly, by keeping it out of the home-market, but indirectly, by discouraging its purchase with a view to others. Thus a government-contractor, purchasing more than was wanted for his contract, would feel a difficulty in disposing of the surplus, and the mixture of any portion of East India rum with others in a vat precludes the use of the whole, except for the navy or for exportation.* This, of necessity, depreciates the price.

Trevelyan, 1498.

The equalization of duties is said to be desirable, not only for its economical effects, but to remove a feeling alleged to prevail, both among Europeans and natives, that the interests of India are sacrificed to those of other dependencies.

* East India rum is advantageous for what is called parting with West India rum, as adding flavour, though deficient in richness and fulness of quality.—*Larpent—L. C.*, 277.

Trevelyan, 1768, 1769, 1777, 1789, 1816.

This impression was very strong before the equalization of the sugar duties; and the maintenance of the inequality upon rum keeps up some unpleasant feeling. It has been a subject of complaint in India for some years; in all the chambers of commerce, and at public meetings, it is one of the standing grievances brought forward; it has occupied the attention of commercial bodies in India, and generally of those interested in the agriculture and manufactures of that country. The discussion has not originated in this country, but is the result of representations from India. The subject has occupied much attention at some of the principal ports—Liverpool, Glasgow, Greenock, and other places,—and is understood to have found a place in the annual reports of the various Chambers of Commerce. Before the equalization of the duty on sugar, it was considered that when the difference on that article was removed, the difference on rum would follow as a matter of course.

Larpent, 2661, 2679. — 2689 to 2691, 2713. — 2692.

Melvill, 368

The last contract for supplying troops in Bengal with rum was at the rate of about 1*s.* per gallon in the upper provinces, and 1*s.* 3*d.* in the lower. In Bengal, the supply for the troops is entirely rum—in Bombay, it is arrack. A witness thought that rum could be made in Bengal, and landed in England at 1*s.* 6*d.* per gallon. It is, however, observed, that rum and sugar being both the produce of the cane, the price of one is dependant on that of the other.

— 373. Gouger, 2183. Mc Queen, 3149. Rogers, 4565.

Mc Queen, 1350 to 1450

On the other hand, it is suggested that the whole juice of the cane can be made into rum, by which a much finer spirit would be produced

Mc Queen, 3154. than can be obtained from molasses alone, and that this might be done with advantage in the East Indies, though not in the West, from the small value of the raw material. The witness who suggested this, thought certain parcels of East India rum must have been made in that way, on account of the high prices which they had commanded. Rum so made would be superior to the finest French brandy, and, if admitted — 3158. — 3161. here at equal duty, would supersede the consumption of malt spirits, and, to a great extent, that of grain spirits.* It might be brought to England at about 2*s.* 2½*d.* per gallon, and would be worth 1*s.* per gallon *more than rum made* Gouger, 2073 to 2075 2146, 2147. from molasses. It appears that distillation from goor or sugar juice, though of a dirty and inferior quality, takes place in Bengal, but the price of the spirit in England seems to be inferior to that of Leeward Isles rum. Rogers, 4496, 4497. A witness subsequently examined says, that distillation from sugar juice, instead of molasses, actually takes place in the West Indies; and he assigns this as a reason for the quantity of rum brought from thence being large in proportion to the quantity of sugar.

Larpent, 2630. The arrangements for the manufacture of rum in India are believed to be very imperfect, and not such as to give full scope to the capabilities

* The witness here referred to was examined before the Lords' Committee, and in answer to the question, "You might go to the extent of converting all the juice of your sugar into rum, making this fine spirit you spoke of?"—Answered, "we could not get a market for it."—*Mc Queen —L. C.*, 1371.

of the country: but it is thought, that, by the Melvill, 393 application of European skill and machinery, the quality of East India rum might be improved. Some improvement has already taken place; but it is said that the difference of duty Larpent, 2631. has acted as a bar to distillation in India. Some machinery, notwithstanding, has been sent out; Sym, 880. — 1246 — 1250. but one witness states, that he would not encourage any expenditure of capital in such a Larpent, 2660 to 2665 way, while India is deprived of the home-market.

The practicability of adulterating rum with spirit, distilled from rice or the produce of the palm-tree, was one of the subjects which occupied the attention of the Committee. Distillation from rice Sym, 1231. seems to be little practiced in India, and it does Gouger, 2148. not appear that the comparative prices of rice and Sym, 1233 to 1237. molasses offer any temptation to it. Both arrack — 1232. and rum are said by one witness to be made from the skimmings and refuse of the sugar.* Another says, that the arrack of Bengal is made from Larpent, 2656, 2658, 2681. the palm-tree, but he knows of no importation of spirits from India, except of rum, and does not believe that arrack is cheaper than rum. Any admixture of the palm is said to deteriorate Gouger, 2102 to 2123 the flavour of rum, and to be easily detected. On this account it appears that European distillers take pains to avoid it; but the witness who stated this could not speak as to the result after the spirit had passed through the hands of the rectifier. Another witness stated

* It is supposed to be quite impossible to manufacture arrack from the palm, so as to resemble rum.—*Gouger—L. C.*, 888.

Mc Queen, 2868, 2869, 3164. that rice spirit, highly rectified, might be mixed with rum without detection. It appeared, however, that he had never made the experiment, and his calculation of the cost of rice spirit was not less than that of molasses,* and thus there
— 3207. would be no great object in making it in India.
— 3176. Rice spirit, he thinks, may be made in the East Indies, and landed in England at a price greatly below that of West India or British spirits. If rectified, a very fine spirit could be
— 3210. made from rice. The quality would depend on
— 3188, 3189. the quality of the rice, and his calculations have reference to an average quality. His informa-
— 3185, 3186. tion is stated to be founded on the practical authority of those who have distilled rice in India
— 3196. as well as in this country; but he adds, that he never had any information from any person in India who had distilled rice; he believes that rice spirit is made in India to a considerable ex-
— 3190, 3201, 3203, 3205, 3211. tent, but cannot tell how it is disposed of; he has never heard that it is imported into this
— 3204. country; but if the duty were reduced to 9*s.* it could be sold with advantage. He has heard the province of Bengal, and he believes other
— 3212. parts, named as places where rice is distilled, but he does not know that he ever heard of such distillation before the discussion as to

* A witness before the Lords spoke of there being a large manufacture of arrack from rice, but he thought that the customs department could easily distinguish between the two classes of spirits, and that rum would be cheaper than arrack.—*Larpent—L. C.*, 280 to 284.

Another witness stated, that he was not aware of any distillation of rice in Bengal, though he had seen it to the eastward in the Burmese territories.—*Gauger—L. C.*, 913.

the equalization of the duties on East and West India rum.' On its engaging his attention he Mc Queen, 3213, 3214, 3215 to 3217
found a general opinion prevailing among those to whom he confined his enquiries, that spirits are distilled from rice in India, but those enquiries were conducted chiefly among persons in a considerable manner unconnected with either the East or West Indies, and they were not made of any persons who had any practical knowledge of distillation in India.

The opinion of the witness last referred to, that the cost of distilling from rice was about the same as from molasses, was subsequently Dunlop, 5085, 5108.
corroborated by a practical distiller of 40 years' experience; but an experiment made with rice — 5087 to 5106.
in this country appears to have been attended by results even less favorable; and it was held to — 5107.
be beyond doubt that wort from rice alone would be less productive than wort saccharinized with either malt or sugar. An experiment upon — 5111, 5112, 5168.
dates shewed that they afforded less spirit than an equal weight of molasses or rice, but it was of fine quality. The witness last referred to thought that rice spirit could not be mixed with rum, — 5167, 5169.
so as not to be distinguishable from the finer qualities; but, if a limited quantity were mixed with ordinary rum, it might not be distinguishable. If a larger quantity were applied, the result might be different. The whole of this, — 5170, 5174.
however, was matter of opinion. Mixtures of British spirit and rum take place which cannot be distinguished. Rectification will not, in all — 5182 to 5193.
cases, destroy flavour. It will not destroy the peculiar flavour of rum, nor that of musty corn.

Dunlop, 5193. The witness had never heard of any other taste that could not be removed. The rice spirit he had tasted was very bad, but it was badly manufactured.

Rogers, 4579 to 4581. The excise regulations in India, to prevent the distillation of spirits except by persons duly licensed, and to guard against adulteration, are stated to be most efficient. No person can distil without a license, nor unless his distillery is capable of producing 300 gallons per diem, nor except in conjunction with the manufacture of sugar.

The ground of resistance to the equalization of India with the West India Colonies, is the apprehension of injury to the latter dependencies. They are stated to be struggling with difficulties arising from slave emancipation, which a depreciation of the prices of colonial produce would render insuperable. But a witness, well acquainted with the subject, expresses a hope that this year and the next will be the most trying those colonies will have to undergo, and another appears to regard them as in a state of improvement.

Mc Queen, 2922. — 2937 to 2940. — 2922. Martin, *passim*.

COFFEE.

The duty being the same upon coffee the produce of British possessions in India, with that upon coffee grown in other British possessions, the main point in question is the construction of the words "British possessions." The substance of the evidence on this point will be found under the head Products of Native States.

With regard, however, to the question of supply, it appears from the evidence, that while

the average annual consumption of coffee in the United Kingdom was, not many years ago, 8,000,000 lbs., it is now 28,000,000 lbs., and it is believed that it may be still further increased. The present consumption is at the rate of 1 lb. per head per annum, while in the United States it is 4 lbs. per head. Prices have augmented, notwithstanding the increased supply from the East Indies since the equalization of the duties in 1835, and it is therefore considered that the supply is yet inadequate. The increased consumption of coffee, it is thought, would tend to increase the consumption of sugar; and, on the other hand, it is believed that the high price of sugar checks the consumption of coffee. Martin, 3540 to 3545

PRODUCTS OF NATIVE STATES.

Colonel Sutherland, speaking of the connection of the British Government with the Native States, says, "Every principality, from the Himalayas to Cape Comorin, and from the Banks of the Indus to those of the Burhampooter, may be considered to bow in implicit obedience to the will of the British Government; all look to it as the supreme ruling power, and all acknowledge and appeal to it as the arbiter of foreign relations with Native States." We have bound the Native Princes by treaty to relinquish political relations with all other States; they can hold no communication with each other, except through the British Government, and all their mutual disputes are submitted to its arbitration and adjustment. As the paramount power of India, responsible for the general peace, the British Government guarantees each State from the violence or Melvill, 443 — 444.

Melvill, 444 encroachments of its neighbours. According to
Sir Charles Metcalf, "People do not scruple to
assert that they have a right to the protection
of the British Government. They say that
there has always existed some power in India to
which peaceable States submitted, and in return
received its protection; that the British Govern-
ment now occupies the place of the great pro-
tecting power, and is the natural guardian of
Trevelyan, 1556. the peaceable and the weak!" The duties insepa-
rable from our position, as the supreme power
of India, oblige us, and the circumstances of
the country enable us, to enforce those measures
which are necessary for the general good.

Melvill, 445 The British Government exercises criminal
jurisdiction within every State throughout India,
in the pursuit, trial, and punishment of the male-
Trevelyan, 1407. factors called Thugs. It interfered to put down
the Pindarries. Its influence has been exerted
to extirpate suttee and infanticide, to suppress
rebellion, and to correct oppression. For politi-
cal purposes, considerable districts are managed
Melvill, 445 by officers of the British Government, who
exercise full civil and criminal jurisdiction, pay-
ing either a fixed sum or a proportion of the
revenue to the chief.

Melvill, 446 Parts of the British territory are surround-
ed by Native States, while the whole of some
Native States, and large portions of others, are
surrounded by the British possessions. The
— 447. military power of those States is vested in the
— 448. British Government. Some of them are subsi-
— 451, 452 diary, others tributary or feudatory. In the
first the Company's troops,—part of their regular

army,—perform the military duty. This is not Melvill, 453
necessarily the case in the Tributary States. The
Feudatory are bound to serve the British Govern-
ment with the whole or a portion of their mili- — 450.
tary power. The territory to which these state-
ments apply, extends westward to the Sutlege
to its junction with the Indus—the Punjab and — 449.
Nepaul being excluded.

The area of the dependent Subsidiary, Pro- Martin, 4008.
tected, and Tributary States is estimated by one
witness at 450,000 square miles, and their popu-
lation at 45,000,000. Their revenue, on the
authority of Colonel Sutherland, is estimated at
£12,500,000, and the force they could bring
into the field at 120,000 cavalry, and 480,000
infantry.

Mysore, one of the Subsidiary States, is in
a very peculiar position. The British Govern- Melvill, 439
ment have, by treaty, a right to assume the admi- — 459.
nistration whenever they deem it necessary, and
they have actually assumed it in consequence of — 458, 460.
the misgovernment of the Rajah. Virtually, it Trevelyan, 1395.
is a British possession. The authority of the Melvill, 461
State is exercised in the name of the British — 491.
Government; and, since the commencement of
our occupancy, the administration has been one
of sole British sovereignty. The Rajah appoints — 470.
no officer, discharges no functions of Govern- — 466.
ment, and exercises no authority whatever. The — 471.
country is held in trust for him, a sum is allotted — 472.
for his maintenance, and the remainder of the — 467.
revenue is accounted for, being expended under — 469.
the authority of the British Government, to the
exercise of whose power there is no exception.

Melvill, 464 Such is the existing arrangement with Mysore,
— 456. which is terminable only at the discretion of the
British Government. It is stated that the Rajah
is utterly demoralized, and *fit for nothing*; that
Trevelyan, — 1399. he can never give proof of competence to govern
his country; that he has no son, and is not
— 1401. likely to have any; that there are no persons
— 1491. in existence who could claim an hereditary right
to the sovereignty of Mysore, and it is regarded
— 1405, 1406. as a matter of course, that on the extinction of
the reigning family, which in all probability will
take place on the death of the present Rajah,
the sovereignty will lapse to the British government,
by whom the principality was created, in
— 1399. favor of the descendant of its ancient Rajahs,
on our conquest of the Province from Tippoo.*

Notwithstanding this state of things, the products
of Mysore, in cases where discriminating
duties exist, are not admitted into this country
as the products of British possessions.

The duty on coffee grown in British posses-
Melvill, 437 sions in India is 6*d*. per lb.; on coffee the growth

* Mysore is part of the British dominion in everything but in name. The Government is administered by us in every respect. The country is divided into districts, which are managed by English collectors and magistrates on the system of our own Provinces; the judicial authorities are British; there is no native authority, except in strict subordination to us. There are the same native officers employed under our controul as there are in other Provinces, but no other. Mysore is as much under our government as Burdwan, and there is no more chance of its ceasing to be under our Government.—*Trevelyan—L. C.*, 736, 737, 747, 748.

of foreign possessions within the limits of the Melvill, 437
charter it is 9*d*. No official certificate of origin is
required, as in the case of sugar; but, in order to — 431. — 437.
entitle coffee to be cleared at 6*d*., there must be
a declaration of the shipper, that it is the produce
of a British possession; and, under the above — 435.
provisions, coffee, the growth of Mysore, brought
from Madras, has been precluded from the advantage
of admission at the lower duty.

This construction of the law is at variance with — 441.
a precedent afforded in the case of the pepper of
Travancore. When there was a discriminating
duty on that article, the question was submitted to
the Lords of the Treasury whether pepper from
Travancore should be considered as the produce
of a British possession. Their Lordships decided
that it should, and the pepper was accordingly
admitted at the low duty.

The claim of Mysore is stronger than that of — 503, 504
Travancore. The British government has the — 505, 507
right of assuming the government there as in
Mysore; and at one period the right was exer- — 440. — 492, 493
cised, but at the time when the question as to
the admission of the pepper arose, the government
of Travancore was administered by the
Rajah. The pepper also was shipped for Eng- — 442.
land at Alepie, a port of Travancore; while
the coffee from Mysore was shipped at Madras.
These points were submitted by the Court of
Directors to Her Majesty's government.

Mysore is considered *bona fide* British territory Trevelyan, 1395.
by a witness who shewed some hesitation as to — 1488.
extending the term "British Possessions" to the — 1492.
Subsidiary States, though he admitted that a — 1494.

Trevelyan, 1494. — 1469. liberal interpretation of it would include not only those States, forming, as he says, limbs of the British power, and being, in fact, part and parcel of the country, but also those States where British influence prevails, though it is not secured by positive treaty. With regard to Mysore, he displays no hesitation whatever, but regards it as standing on the same footing towards us as did Bengal up to the time of Lord Cornwallis, when we governed it as a Dewanny, and as did the Delhi territory till within a few years.

Melvill, 502 503. Evidence of an indulgent construction of the law, in reference to the admission of coffee from another part of the world, is stated to be found in some papers printed by order of the House of Commons last year; from which it appears that coffee, grown on the coast of Africa, *near a British possession*, has been admitted by the Board of Trade as coffee, the produce of a British possession. The case of Mysore is considered to be stronger than this.

— 500, 501. It was suggested to a witness before the Committee, that, if the shippers of Mysore coffee regarded that district as a British possession, and made a declaration accordingly, there would be no impediment to the admission of the coffee at the lower rate of duty. In such a case it was thought that no question of origin would arise in this country; but a doubt was intimated how far the declaration might be satisfactory to the custom-house officer at the port of exportation.

— 508. With regard to the construction of the words "British possessions," it was thought that the principle might be adopted, that whatever State

is treated in India by the local government as a British possession, distinguished from the settlements in India of foreign European nations and America, should be considered British possessions in the fiscal laws of this country. This would comprehend most of the Native States within the limits previously referred to. Melvill, 508

The Indian government adopts the broadest distinction between Native States in alliance with itself and Foreign European States. The government of Bombay, by a local act, had the power of deciding what Native States should be treated as British possessions, and what as Foreign. In acting upon this power, the advantages of British possessions were given to Native States generally; but those were excepted whose territories immediately adjoined the possession of a Foreign European State, in order to guard against such State indirectly getting a benefit through the territories of the Native State. The observance of this distinction, it is believed, would obviate difficulties originating out of treaties with European States, should any arise, which is not expected. — 509. — 511, 512.

There are no discriminating duties in India, except in reference to British ships and produce, as compared with the ships and produce of Foreign European and American States; and the adoption of the same principle in the United Kingdom would meet the views of the Company.* — 513, 514.

* No duties are levied on importations from Mysore, or from the territory of the Guiccowar. The government of the East India Company in India treats the States with which it has subsidiary alliances as its own subjects, freely

Melvill, 516, 517. On the general merits of the question, it was observed, that the British government has a direct pecuniary interest in the prosperity of the greater part of the Native States. When they prosper, the British government gets its tribute. In the absence of internal prosperity the tribute falls into arrear, or the country becomes disorganized. Whether the tribute be of fixed amount, as in some cases, or a proportion of the general revenue, as in others, the British government are interested. In many the interest is direct, in others it is indirect; whether the Tributary States, or the Subsidiary, whose subsidies defray the charge of regular troops, or the Feudatory, bound to aid us with their military forces; or those who are under heavy pecuniary obligations to the British government.

— 519. Further, it is of the greatest importance to secure the good feeling of the Native States. There cannot be a doubt of the duty imposed on the British government to treat the Native States with kindness and consideration. Its position is now that of the protector of the weak.

The circumstances under which we have acquired our vast power and dominion, and the extent of the acquisitions, were referred to. At an early period, freedom of trade was conceded to us by various Native States, and our engagements with them are regarded by one witness as,

admitting the produce of those countries. When the transit duties existed, there was no higher duty in going into those States than in going into different parts of the Company's territories. There are no Subsidiary States beyond the Jumna.—*Melvill—L. C.*, 253 *to* 258.

in fact, reciprocity treaties. Subsequently, we became sovereigns of a large portion of India, and it became our policy to prevent foreign intercourse with the Native States, and to secure to ourselves the maritime districts and ports of the country—thus to keep other nations from gaining a footing in India. From Hydrabad we obtained the coast line and the port of Masulipatam; from Berar and Nagpore the district of Cuttack, and the ports of Byraghur and Ganjam. On the reformation of Mysore we acquired the whole of the ports on the Malabar coast, formerly under the dominion of Tippoo Sultan. Sattara, when re-constructed on the breaking up of the Mahratta Empire, lost its ports. In the same manner, along the eastern coast of the Bay of Bengal, from Cape Negrais to Chittagong, we acquired, by treaty, a complete controul of the coast, including Arracan and several Islands. It cannot, it is urged, be the policy of the Government of this country to turn round and say, these countries are Foreign States, and not to be admitted to the freedom of British intercourse, thus depriving them of an advantage which they might have enjoyed, had they been in a state to form political alliances with other countries. This would be both unjust and impolitic, almost the whole of those States having subsidiary alliances with us, or being tributary, or being bound to support us in internal war, and against external aggression. Oude commuted an annual subsidy of £760,000 per annum, by ceding territories of the value of £1,352,447

Martin, 4008.

Martin, 4008. per annum. Can Oude, in justice, be declared a Foreign State? Hydrabad, which maintains an auxiliary force of nine thousand cavalry, and six thousand infantry, has commuted its subsidy of £24,000 per annum by ceding territories valued at £803,641 per annum, and still pays £300,000 per annum for the support of an auxiliary force. Berar has commuted its subsidy to a certain extent by territorial cession, including the port and district of Balasore, and still pays £80,000 per annum. Baroda has ceded territories of £117,000 per annum, in payment of subsidiary force. The value of territory ceded by Native Princes, in commutation of payment for subsidiary force, is stated to be at least £3,000,000 per annum.

Melvill, 525 to 528. With regard to the power of the British Government to interfere with the commercial regulations of Native States, it was observed, that though that government could not prohibit the importation of sugar into such States, its passage across the British frontier could be prevented, and that there are very few Native States accessible to others without the interruption of the British frontier. Referring to the two cases of Mysore and Travancore, it was thought decidedly that, with regard to the former, we could prevent importation if necessary; and, with regard to the latter, we might effect the same purpose by arrangement. All the Native States are so dependent upon the British Government, that there would be no difficulty in excluding any articles we wished by negotiation. It could not be effected by positive prohibition, except in a few

cases. We have not been in the habit of excluding any articles from the Native States, nor of interfering with their cultivation, except formerly, in the case of opium; but we have introduced our own manufactures to the supercession of the products of Native industry, there being no duty levied on them at the frontier, either by the British Government or the Native States. Regulations adapted to the local circumstances might be framed with regard to the import and export of sugar. The local government has now a dispensing power, in respect to cases where inconvenience would arise, from prohibiting importation, given obviously for the very purpose of meeting the difficulty in question. Whether or not sugar would be cultivated to a great extent in Mysore, or any Subsidiary State, does not appear. The information as to Mysore relates principally to coffee. Before the prohibition of importation into Bengal, the sugar imported is thought to have been exclusively sea-borne. Melvill; 533 to 544. —545 to 547 —548, 549

Trevelyan, 1349. The most important trade, in the interior of India, is that which is carried on across the western frontier of the Agra Presidency, being the trade between the valley of the Ganges and the whole of the countries to the west. It extends to Caubul, Bokhara, and Russian Siberia. There is a trade with Oude; none, of any consequence, with Nepaul. There is none worth mentioning from Madras to Hydrabad, Travancore, or the other States bordering on that Presidency. There is considerable trade between Bombay and Nagpore, and other States in the interior. The trade between the Agra Presi-

Trevelyan, 1351. dency and the States to the westward pays duty
at the Jumna preventive line. No duties are
levied, on our part, on the trade with Oude,
Nepaul, Sikkim, and the other States border-
ing on the Bengal and Agra Presidencies, ex-
— 1358. cept on that portion which passes the Jumna
— 1359. preventive line, there being a great trade, to
and from Oude, with countries in the interior,
and with Foreign European States. Between
the Valley of the Ganges and Oude there is
little trade, and no duty levied.

— 1346. The Native States levy duties, but not as
— 1353. frontier duties. The custom is to levy duty on
any consumable thing that is moved—they are
more of the nature of tolls than duties. The
— 1354. — 1355. duties levied by us on goods passing from the
westward into our territories are moderate and
equal.

— 1356. With respect to territories of Foreign Eu-
— 1364 to 1366. ropean Powers, double duties are levied. Pon-
dicherry, Tranquebar, Goa, and other ports
similarly situated, are represented as of small
consequence. We have an internal preventive
line round the territories to which they belong.
With regard to Serampore, Chinsurah, and
— 1367 to 1376. Chandernagore, there are now no separate
preventive arrangements. Their exports and
imports pay at Calcutta—which is nearer the
sea, and commands all the trade, only one
European ship having gone up to those settle-
ments since the war, and that adventure having
failed—or at the western frontier. We could
establish our preventive line, with regard to
these places, if necessary.

Besides the foreign European ports, there are Trevelyan,
a few others over which we have no controul. 1383, 1384.
One of them is Mundavie, in Cutch, the trade
of which is not considerable, though it gives an
access to the general trade of India; but this — 1388.
is of no practical inconvenience, as it is merely — 1484.
a feeder to Bombay; and the same description
of English manufactures are sent into the in-
terior, through Mundavie, as through our own
ports. The ports of Travancore can never be- — 1387.
come ports of general export and import for
India, but merely for the province itself. There
is the port of Diu, which is a mere rock; and — 1389.
Demaun, a very small territory. Both of these — 1478.
are entirely hemmed in. Demaun was once a — 1474 to 1476.
great outlet to the smuggling trade in Malwa
opium, but this was owing to the enormous
profits made by it; and it would not be worth
while to run the same hazards for other com-
modities.

The British government exercises no com- — 1394.
mercial authority over any part of India, ex- — 1395.
clusive of its own territory, except Sattara;
Mysore being considered British territory.
Some attempts formerly made to establish a 1409 to 1411
system of reciprocity, by treaty, are represented — 1556.
to have failed, because the provisions for the
purpose were too complicated, and the attempts
were not seriously persevered in. Some suc- — 1412.
cessful instances of interference were, however, — 1417. — 1556.
quoted in reference to Sattara, Bundlecund, and
a town in the protected Seik's State, called Jug-
gedry. Another instance is found in the ar-
rangements lately made with regard to the

Trevelyan, Indus and Sutledge; and some arrangements
— 1426 to 1433. with the government of Oude, for the relief of
— 1556. the navigation of the Goomty, were also mentioned. Some of the Native States are bound
by treaty, and all by custom, to pass civil and
military stores of the supreme government free,
and an attempt to contravene this was not
known by the witness. The endeavour of the
— 1418 to 1421. Company to controul the growth of opium in
Malwa failed, but this was a peculiar case, where
the temptation to evade our arrangements was
so strong that it is not a fair instance.

— 1347. To include the whole of India under one customs system, having some resemblance to the
Prussian confederation in Germany, is represented by one witness as both desirable and
practicable; desirable, because we have possession of the Sea Ports—because of the intermixture of British and native territory, which
has rendered it necessary, in making arrangements for levying frontier duties, to cut off districts of British territory, equal in size to Scotland and Ireland together—because the whole of
India forms one body politic, differing in no
essential particular from the confederations of
Germany, Switzerland, and the United States—
and because the Native States furnish a market
for British manufactures. He conceives it would
be practicable to effect this by degrees. He
— 1348. would include within the confederation all the
States within the Indus, and even, under present
circumstances, Affghanistan. It is in our power,
— 1408. he observes, to secure compliance with our recommendations as effectually on the extreme western

frontier, as in those States completely comprised Trevelyan,
in British India, the ruler of the Punjab and 1408.
of other States being as much under our influence as the Nabob of Oude and the Rajah of Jeypore. It does not follow, however, that rights
conceded to Oude should also be extended to the — 1439.
Punjab and Affghanistan. Political considera- — 1442.
tions might make it proper to vary our course. — 1443.
In the Punjab there is a very unruly Seik population. With Oude, too, and with a great part — 1445 to 1449.
of the States constituting what is called British — 1454.
India, we have treaties for maintaining a subsi- — 1455.
diary force, over which we have complete controul. With the Punjab we have no such treaty, — 1450.
and our influence there depends entirely on the — 1456. — 1458.
continuance of a conviction in the minds of its — 1452.
rulers of our superior force, and of the advan- — 1461.
tages of a close alliance with us. The details
of the proposed commercial arrangements would,
no doubt, be much more difficult in the Punjab
than in Oude. There might be equal facility in — 1464.
obtaining a treaty, but there would be practical
difficulty in carrying it into effect. At the same — 1466.
time, the witness does not understand that the — 1467.
petition of the East India Company prays, or
has a tendency to pray, that Affghanistan or the
Punjab should be treated and considered as parts
of India immediately under British rule. He
regards the petition to be limited to the prayer
that such States may be considered as parts of
British India with which we have subsidiary
alliances, and which are strictly in a state of
dependence upon us.

The idea of a commercial league was sug-

Martin, 4008. — 4113. — 4114.

gested also by another witness. His plan is, that by one general act, similar to Mr. Huskisson's shipping act, such States as shall from time to time agree to terms of reciprocity, shall have their produce admitted into the British markets as the produce of British territories. He contemplates, also, not merely a reciprocity between the United Kingdom and the different States of India, but also, as far as possible, a uniform commercial system among those States.

TOBACCO.

Melvill, 421 to 428.

The duty on East India tobacco, unmanufactured, is 3*s.* per lb.; from any other British dependency, 2*s.* 9*d.* Of 22,000,000 lbs. cleared for home-consumption, but 45,000 lbs. is from the East Indies. In the opinion of parties conversant with the trade* the reduction of the additional 3*d.* duty would cause an immediate consumption of East India tobacco. They are of opinion that if due care were taken, tobacco might be grown in India, of a quality, and to an extent, that would supersede the Columbian tobacco, and second-rate Havannah, of which sorts the number of pounds cleared per month averages 36,000, with a gradual increase. This is independent of the American growth, which forms twenty-four twenty-fifths of the whole consumption of this country. The informants added, "We cannot too strongly urge on the attention

* Messrs. Grant and Hodgson, of Crutched Friars.

of the British Government the important benefits to be derived by a reduction of the duty on all tobacco, the growth of our East India possessions." It is hoped that the reduction would lead to such an increased consumption as would prevent any loss to the revenue. This was the result with regard to coffee. Since the reduction of the duty in 1825, the quantity cleared for home-consumption has increased from 8,000,000 lbs. to 26,000,000 lbs., and the revenue from £420,000 per annum to £780,000. Since the equalization of the duty on East India coffee in 1835, the quantity cleared for home-consumption has also largely increased.

Melvill, 425 to 428.

The Bengal Chamber of Commerce, and the Agricultural and Horticultural Society of India, have made representations to the government on the subject of the unequal duty, shewing that, in consequence of it, very little tobacco is exported to the United Kingdom from India, though very generally grown there. The former body refer to the fact of Indian tobacco having been used during a scarcity of that from America, which alone caused it to fetch a remunerating price, and urge that the reduction of the duty would bring it into regular consumption.

Larpent, 2735, 2737. Paper printed by order of Committee, No. 2

The soil is well adapted to its cultivation, and much is grown for internal use. Every man smokes. There is no limit to the extent to which it might be grown. The tobacco of India is not so suitable to European taste as that of Cuba or Manilla, but tobacco has been raised from Maryland and Virginia seed, which

Sym, 1285. — 1284. — 1296. — 1305. — 1290. — 1299. — 1278.

Sym, 1302, was quite as good as the produce of those coun-
— 1303. tries, and if this were cultivated, India would produce tobacco that would not be known from that of
— 1301. Maryland. The inferiority of Indian tobacco is ascribed to the species cultivated, and which is grown to suit the native taste ; but if there were
— 1300. the same outlet, the tobacco of India might equal that of Manilla. Threepence per pound is a
— 1304. good profit, and the reduction of the duty, it is thought, would lead to a cultivation suited to the home-market.*

COTTON GOODS.

Melvill, 553 The duty on cotton goods of India, imported
— 554. into this country, is ten per cent. The average value of those entered for home-consumption during the last five years, is £2526 per annum. It is said that there are cotton manufactures which
Martin, have been lying in London warehouses for 10 or
4184. 15 years, unsaleable. On the other hand, the export of manufactures to India has largely increased. This is ascribed to their cheapness, the

* East India tobacco is very inferior to Virginian, and they pay the same duty, so that in fact the duty is higher upon the East Indian than upon the Virginian. If, instead of this, they were subjected to an *ad valorem* duty, and so entered the country on an equal footing, no doubt a great deal of East India tobacco would be consumed.—*Trevelyan —L. C.*, 800.

East India cigars pay a duty of 9s. per lb. Those of Havannah, the produce of a slave population, pay the same. From the inferior quality of those of India, none are introduced paying the duty.—*Larpent—L. C.*, 286.

result of machinery and capital. The import Melvill, 559
duty in India is $3\frac{1}{2}$ per cent. if imported in British ships, and 7 per cent. if in foreign.

It is not generally believed that a reduction of — 556.
the duty imposed in this country on India cotton Larpent,
goods, would lead to an increased consumption. 2742.
Only one witness thought that such admission would tend to revive the cotton manufacture of Martin,
India. He thought many persons would prefer 3955.
the Indian goods, they being more durable, softer, more pleasant to wear, and ultimately cheaper. He thought, also, that their introduction into this country might open for them a market in different parts of Europe, from which they are
now excluded But whatever the extent of Larpent,
2743.
effect that might be produced by the concession, Martin,
it was deemed that, with reference to the 3889.
— 3956.
principles of justice, it would be right to equalize the duties levied in each country on the cotton goods of the other. Even though the removal of
the inequality might not be productive of much Melvill, 561
immediate benefit to India, it would be of great importance to shew attention to its claims. In a petition to the Governor-General, signed by a considerable number of natives, the following passage occurs :—"Your Lordship must be aware of the immense advantages the British manufacturers derive from their skill in constructing and using machinery, which enables them to undersell the unscientific manufacturers of Bengal in their own country ; and although your petitioners are not sanguine in expecting to derive any great advantage from having their prayer granted, their minds would feel gratified by such a mani-

Melvill, 561 festation of your Lordship's good-will towards
them, and such an instance of justice to the natives of India would not fail to endear the British Government to them." The public mind in
— 562. India is daily becoming more alive to the position of that country, as to its importance to Great Britain; and more sensible to any wrongs, real or imaginary, arising from British connexion. The frequency of public meetings, the removal of restrictions on the press, and the multiplication of newspapers and periodicals, have a powerful effect.

— 550, 551-2. Subject to the confirmation or disapproval of the home-authorities, the Governor-General of
— 572 to 577. India in council might increase the duties on British manufactures there; but, in reference to the adoption of such a course, with a view to obtain fiscal advantages for India at home, it was observed, that it would not only be injurious to this country but also to India, by rendering dearer than before articles of consumption, which have superseded the use of native manufactures.

— 632. The effect of the supersession of the use of Indian manufactures by British, has been to
Martin, 3879. Trevelyan, 1824. Larpent, 2776. throw numbers of persons out of employment, and to produce thereby great distress. The population of the town of Dacca, formerly the seat of the manufacture of fine muslins, has fallen from 150,000 (some say 300,000) to about 30,000 or 40,000, and Jungle and Malriaa are fat ap-
Melvill, 633 proaching upon the town. Great difficulty exists in the weavers turning to any other employment, on account of the distinctions of Caste.

Trevelyan, 1827. There is a considerable and increasing import

into India of cotton-twist and yarn, and coarse Melvill, 604
cotton goods are still manufactured there, but 605. Trevelyan, 1824.
they are worn only by the lowest classes; latterly, indeed, the Americans have introduced Larpent, 2776.
a very coarse unbleached cloth, which bids fair to destroy the Indian market for even the coarsest fabrics of native manufacture. There are mills Gouger,
for spinning cotton-yarn by steam power at Fort 1960 to 1965.
Gloucester, about 15 miles below Calcutta, on — 1980.
the Hoogly, but there are no others in India, nor — 1981.
is it thought likely that the number will increase. The cost of erecting factories, and the difficulties Larpent,
and expence of repairing machinery, are regarded 2776.
as impediments to their extension.

India having almost ceased to export manufac- Melvill, 565
tures, the export of cotton-wool has increased to 567.
materially; it has quintupled since 1813. About one-eighth of the total quantity used by the manufacturers of this country is from India. The East India Company have taken measures to improve the quality of the cotton raised in that country; every sort of cotton, it is believed, can — 595.
be grown there. The land assessment is not — 598 to 600.
thought to operate prejudicially to the cultivation, as it is shewn, in a Minute on the subject by Lord Auckland, that the assessment is not increased on account of the products—the assessment is according to the productive power of the — 620.
land, and not according to the crop it produces.

SILK GOODS.

On silk goods from India an *ad valorem* duty — 553.
of 20 per cent. is levied; British silk goods
imported into India pay the same duty as cotton — 550.

goods—3½ per cent. if imported in English ships, and 7 per cent. if in foreign ships.

Melvill, 554 The quantity of silk goods imported from India is considerable and increasing; the increase is principally in the article of Corahs—white silk-handkerchiefs; of these the average import, in the last five years, has been 335,000 pieces, 43,500 only being retained for home-consumption; the remainder were printed and exported, the printing being performed in bond, (Gouger, 2234.) and the goods, on exportation, being subject to no duty. They find a market all over Europe, (Larpent, 2750.) which has greatly increased of late years, and is thought to have interfered with the exports of British goods of a similar description. Some (Tucker, 6033. — 6085.) are re-exported to India, and a large quantity go to America and the West Indies. Choppas (dyed handkerchiefs), and Bandannahs (printed handkerchiefs), are also imported in considerable quantities. The 20 per cent. duty is believed to interfere materially with the home-consumption of Corahs. (Martin, 4163. — 4164. Larpent, 2748. — 2746.) In 1838 the home-consumption was 16,000, the export 310,000; in 1839 38,000 pieces were delivered for home-consumption, and 352,000 for export. If the duty were reduced, the probability is that many more would be introduced here, the quality being superior to the manufactures of this country: (— 2750. — 2766.) a great benefit would thereby be conferred upon India, with a very slight disadvantage, if any, to the home-manufacturer. One witness, indeed, said that the great obstruction to India handkerchiefs finding their way into the home-market was not the duty, but their inferior quality. (Tucker, 6292. — 6293.) But by

another it was confidently stated that from a peculiarity in the mode of preparing the silk, (Rogers, 4263, 4264. — 4286.) and which, it was thought, renders it incapable of being manufactured by steam power, Corahs and Bandannahs could not be made in this country of equal quality with those of India.

It is believed, however, that the high rate of (Martin, 4185.) duty tends to deteriorate the quality of India silk goods, and thus ultimately to destroy the market; and it is represented that the same effects attended the attempt to make the cotton goods (— 4164.) of India compete with those of Great Britain.

One witness stated that a piece of Madras (— 4177.) handkerchiefs, eight in number, costs 20*s.*; in Glasgow the same weight and quality costs 8*s.* It is not clear what description of goods is referred to; but another witness produced to the (Tucker, 6116 to 6119) Committee a handkerchief of superior British manufacture, and stated that the price was 8*s.* more than that of a piece of India handkerchiefs, of the same weight. The same witness subsequently stated the difference of price between Indian Corahs printed in England, and articles of the same kind altogether British, to (— 6179.) be 1*s.* 6*d.* per piece of seven handkerchiefs to the home-trade, and 4*s.* for exportation. He said that taking off the duty would have the (— 6120, 6265, 6295, 6298.) effect of entirely annihilating the British manufacture: this assertion he subsequently retracted, (— 6294, 6297.) but suggested that it was a question whether the manufacture in India might not thereupon be improved. His ultimate conclusion seems to have been that the great objections to the removal

Tucker, 6201. of the duty were the fluctuation in the supply from
— 6300. India, upon which the printers would then be in a
— 6305 to 6310. great degree dependent, and the evils arising from over-importation. A third witness stated, that
Rogers, 4385 to 4387 Corahs and the rough silks, a great part of the value of which consists in the raw material, could be produced more cheaply in India than in England; and that, on this ground, an equalization of the duties in England and India would be beneficial to both countries. The finer de-
— 4394. scriptions of silk, in which the value of the material is small, the cost of manufacturing giving the chief value, would be consumed in India to an enormous extent if there were the means of buying it; and the coarser would be imported into this country in exchange for the finer, which possessed higher manufacturing
— 4414. value. At present this trade is impeded by
— 4419. India being shut out from the means of payment.
— 4395 to 4402. The lighter kinds of French silks, which are of superior quality to those of England, and better adapted to Indian taste, have been sent to India, to a great extent, for native consumption; the duty being twice as much as upon English goods. The return is made in indigo. The English,
— 4423. it is thought, might compete with the French in the Indian market.

— 4418. The only home-manufacture with which the reduction of the duty in this country could interfere is that of Corahs, which has been very little pursued. The advantage to be set against this, would be enabling the people of India to purchase two or three-fold of our fine goods in return. The amount and value of labour

expended in the production of different de- Poyton, 6939.
scriptions of silk varies extremely. A witness produced before the Committee specimens of silk manufacture, in which the value of the labour in working up a pound of silk, at the present rates in this country, was, respectively, 10*s.* 6*d.*, 14*s.* 8*d.*, 22*s.*, 29*s.*, 36*s.*, and 60*s.* The weight of silk, therefore, affords no criterion for judging of the quantity of labour employed.

Labour, according to time, is far lower in India Larpent, 2770.
than in this country, but the technical cost of labour in India very inadequately represents the cost of production, as compared with this country, enjoying the advantages derived from machinery, capital, superior skill, and chemical science. For every article, where machinery is — 2775.
required in the manufacture, Great Britain is the cheapest in the world. Lord William Bentinck — 2751.
recorded a Minute, in which he gave very strong opinions on the struggle between British and Indian manufactures; and he regarded European skill and machinery as having operated "against the industry of India." The same Martin, 4116.
nobleman, not long before his death, declared that "mere personal gain, and selfish commercial prosperity, have hitherto too much characterized the whole of our policy towards India." He added, "our duty and our safety require us to observe a more generous principle of rule. A great moral obligation is imposed upon Britain, and a general eagerness should be shewn to redeem the indifference of the past, and to render the British connexion a real blessing to India." The course of events tends

Larpent, 2771. to render India rather an agricultural than a
manufacturing country; but a fair chance should
be given to the last of its expiring manufactures,
by reducing the 20 per cent. duty.

— 2750. While our manufactures are allowed to go
into India at a very reduced duty, we ought to
admit theirs at as low a duty.* It is a principle
— 2755. — 2756. of general application that the produce of our
own colonies is admitted into the mother-coun-
try at a less rate of duty than the same produce
coming from a foreign country. There is no
— 2751. colony whose manufactures are of sufficient
magnitude to call for the same consideration
— 2759. as those of India; there is none, it is believed,
which has been subjected to the same practical
— 2760. grievances; but India is not opposed to reduction
upon the produce of other dominions of Britain.

DRUGS AND SPICES.

— 2783. — 2784. A reduction of the duty on many of these
articles would, it is believed, be beneficial, by
directing attention to their cultivation and im-
provement. As instances of a very high rate
of duty, reference was made to Barilla, charged
Papers, No. 6. at the rate of 36 per cent—Cassia lignea, 100 per
cent.—Cassia buds, 154 per cent., and China-
root, 147 per cent.—Cassia lignea pays the
same duty as cinnamon, though only worth
£2 16*s.* per cwt., while cinnamon is worth

* In the case of cotton goods, the equalization of duty would be gratifying as a matter of feeling, but would produce no practical results; in silk goods, the effect would be a great boon to India.—*Larpent—L. C.*, 378.

5*s.* 7*d.* per lb.—cubebs pays 70 per cent.—mace, Papers, No. 6.
$62\frac{1}{2}$ per cent.—nutmegs, 65 per cent. Lac dye,
the produce of British possessions, pays $5\frac{1}{2}$ per
cent., while cochineal, a foreign article, pays
only $\frac{1}{10}$th per cent. Munjeet, worth 13*s.* per cwt.,
pays the same as Dutch madder, worth from 40*s.*
to 60*s.* per cwt.—oil of cloves pays $161\frac{1}{2}$ per
cent.—senna, 185 per cent.—coculus Indicus, Melvill, 559
3,500 per cent.—nux vomica, 4,000 per cent.*

With regard to pepper, it is suggested that Larpent, 2786.
a great increase of consumption might be ex-
pected from a reduction of the duty. Between
1820 and 1837 it was reduced from 2*s.* 6*d.*
per lb. to 6*d.*, and the home-consumption in-
creased from 1,400,000 lbs. to 2,600,000 lbs.

Ginger, from the East Indies, is admitted on Melvill, 730
the same terms as from the West Indies, but it
is worth only from 15*s.* to £1, while West India
ginger is worth from £5 to £10 per cwt. The — 559.
duty on the former is equal to 63 per cent.

TEA.

It was known to the Court of Directors, so — 663.
long ago as the year 1788, (Sir Joseph Banks
gave this information,) that the tea-plant was a
native of India, but no attempts were made at
that period to encourage its cultivation. In the
year 1835, Lord William Bentinck brought to
the Court's notice that the tea-plant was found
to be indigenous in the province of Assam, and
that there was abundance of evidence to show
that, in all the varieties of soil and climate

* The answer to recommendations to improve the quality of India drugs is, "your duties are so high, that it is of no use to attempt to improve them."—*Larpent—L. C.*, 384.

Melvill, 663 between the Himmalayas and Cape Comorin, there were combinations of both that must be congenial to the tea-plant, which appears to flourish over a space embracing many degrees of longitude and latitude, and fully to justify the expectation, that the culture of it might be prosecuted with great success, with a view, ultimately, to its becoming an article of commerce. The Court, accordingly, gave authority to the Indian government to establish an experimental establishment in Assam, for the purpose of cultivating and manufacturing the tea; determining, however, that when the experiment should be carried to a successful issue, the future cultivation and manufacture should be left to individual enterprise. The best tea which is produced in China is from plants grown between 27 and 31 degrees of north latitude, at a considerable distance from the sea, where the face of the country is hilly, and even mountainous; but at no great elevation on those hills, on their southern aspects, where the cold of winter descends to the freezing point, and snow falls, but does not lie long on the ground; where rain prevails in March and April, and falls heavily in July and August; where the soil is light and gravelly, and formed of disintegrated rocks of sand and granite. The soil and climate of Assam afford all these requisite facilities. The tea-shrub is not only indigenous, but is found therein through an extent of country of at least one month's march within the Company's territories, from the Suddeya to the Chinese frontier of Yeman; the line, in fact, passing direct into the Chinese tea

countries; and no doubt is entertained of its Melvill, 663
being the identical tea of China, and that the plant which has been brought to light will be found capable, under proper management, of being cultivated with complete success for commercial purposes. In 1835, a small quantity of the tea, not exceeding 1 lb., was forwarded to the Court by the India government. This was taken from the wild shrub in the neighbourhood of Suddeya, and had not undergone any process of manipulation. In the following year further specimens, consisting of Paho and Souchong, were forwarded, not exceeding, altogether, in weight more than 5 lbs. These were taken from the districts of Tingri, Chubwa, Gohyne and Muttuck, and on being submitted to the London brokers, were favourably reported on as holding out a promise that good tea might be procured from the province of Assam. In 1838, further specimens of tea, Paho and Souchong, were received in 12 small chests, containing altogether about 590 lbs. net weight; of these, four chests were distributed, and the remainder sold by public auction; the price obtained, owing to the curiosity and excitement of the sale, varied from 16*s.* to 34*s.* per lb. These specimens had received considerable damage by water in their transit from Assam to Calcutta, but were, nevertheless, very favourably reported on by the brokers and the London traders. The specimens which have recently arrived consist of 95 chests of various sizes, containing altogether about 4000 lbs. net weight. They are principally under the denominations of Paho and Souchong, from the tracts named Tingri, Kahung, Chubwa, Deenjoy, and

Melvill, 663 Ningrew. There are a few chests denominated Powchong, and a few Toychong, with some others. There are likewise some small samples of tea manufactured from plants sent from China. The whole consignment is black tea, principally manufactured by artificers procured from China. A few chests, however, are stated to be manufactured by the natives, unaided by the China-men. The opinions of the brokers and dealers, on the samples distributed from this consignment, leave no doubt that good merchantable tea, such as would meet with a ready sale, can be supplied from Assam.* Applications have been made from certain individuals, who have

* W. J. Thompson, Mincing-lane, thinks the flavour of Assam paho "very good." R. S. Sharpe and Co., Fenchurch-street, think the teas capable of "successful competition with those of China." Steriker and Co., Budge-row, pronounce one sample finer and stronger "than any they have tasted for years." J. Travers and Sons, Swithin's-lane, observe, that "the manufacture so far deserves the highest praise." W. J. Bland, Fenchurch-street, says, that the teas stand comparison with the finer grades of China tea "most satisfactorily." Sanderson, Fry, Fox, and Co., Old Jewry, are of opinion that good "and, probably, even fine teas may be produced" from the Assam plants. R. Gibbs, White-hart-court, says, "that the Assam teas, from the China plant, possess all the richness, strength, and flavour, of the very finest kinds imported from China." W. A. Hunt, Cutler-street, thinks that "many thousand chests, annually, will find ready purchasers." Steains and Rowly, Cannon-street, think that "the demand for the tea" of Assam "would be very great." Green, Wilson, and Burton, Queen-street-place, observe, "with the quality we are well pleased." Twining and Co., Strand, think the recent specimens very favourable to the hope of Assam "producing an article well suited to this market."—*Papers, No.* 3.

formed a Company for the purpose of cultivating the tea-plant in Assam, and the Court of Directors have intimated to the parties, that there is every disposition to encourage and promote the views of any capitalists of respectability who may be desirous of undertaking the culture and manufacture of the article on an efficient and extended scale, which may be consistent with the rights of individuals, the prevention of monopoly, and the protection of local interests. Instructions to this effect have also been transmitted to the local government, and there is every reason to suppose that the manufacture of the article will be carried on to a considerable extent." Melvill, 663

The Court have directed that the Chinese plants, or plants reared in Assam from seeds produced from them, should be impartially distributed. — 665.

The tracts under cultivation are near the Burhampooter. It is not thought that the river has yet been navigated quite so far, but the Assam Tea Company are preparing an iron steamboat, suited, as they think, to the river, with engines of 100-horse power. If they succeed, the cost of transit to Calcutta will be light. Freight to London from Calcutta will be less than from China. The tea-producing districts of China are at a distance from Canton, and the tea is conveyed thither at considerable expence. Thus far the Assam tea appears likely to have some advantage; but, on the other hand, the first undertaking may be attended with disadvantages, owing to the want of suitable labour, hands having to be drawn to the spot, and — 677 to 716. Trevelyan, 1833 to 1844

Trevelyan, 1833 to 1844. Melvill, 677 to 716. taught their duties. A few labourers have been procured from China, but the number is small. More might be obtained, but only at great expence. The Assamese are reported to be disinclined to learn the process; the disinclination arising from the use of Opium, which is grown in their country. The district is not healthy, nor thickly inhabited; and the population is of a wild character. The employment of Hill Coolies in the cultivation has been suggested, and Government have given them encouragement to proceed to Assam; but this is regarded as a temporary expedient. Steam-navigation on the Burhampooter would afford facilities for the transfer of labour. Assam is supposed to be a month's march from the Chinese tea district, and no danger of Chinese tea finding its way through that province is apprehended. The price of the small quantities of Assam tea, hitherto imported, affords no guide to the price which would be obtained if there were a large supply. The distance of the tea district from Calcutta is about 700 miles. There is not much communication with it, nor is it believed at present to afford any considerable market for British manufactures. The tea will now, therefore, have to bear the expense of the voyage up as well as down, but if the trade should prosper, a demand might spring up for British manufactures. The tea-plant bears in about three years after the seed is placed in the ground.

Melvill, 666, 667. To make some difference of duty in favour of Assam tea would act as an encouragement to its production, and would be consistent with the

practice adopted in this country, of discriminating between the produce of British possessions Melvill, 666, 667. and of Foreign countries. Objections founded — 674. on general principles might be obviated, by limiting the indulgence to five years, during the infancy of the culture.*

COLONIAL DUTIES.

In Ceylon, goods, wares, and merchandize, the Larpent, 2789 2790. Martin, 3877. Tariff, Papers, No. 8. growth, produce, or manufacture of the United Kingdom, or of any part of Europe, pay 4 per cent. *ad valorem.* East India goods pay 10 per cent. It appears that a piece of silk brought from Lyons, through England, would come in at less duty than a piece of silk imported from Calcutta. Rice is charged 7*d.* per bushel, and paddy Martin, 3877. 3*d.* It is stated that the trade of Ceylon with British India is not increasing in the same ratio as with Foreign States, notwithstanding the contiguity of those countries. In the Australian colonies there is similar inequality. British silk and cotton goods are admitted free. Those of India are charged, in common with foreign goods, a duty of 5 per cent. No difference is made between the productions of British India and the productions of France. In New South Wales, the duty on British and British Colonial spirits, imported direct Tariff, Papers, No. 7. from the United Kingdom, is, per gallon, 7*s.* 9*d.* $\frac{6}{10}$; on East India spirits 10*s.* 2*d.* $\frac{4}{10}$. The Australian colonies consume a large quantity of spirits, and

* Tea has now become an article of absolute necessity to the great bulk of our population. The attempt to cultivate tea in Brazil is believed to have failed, and that in Java has certainly failed.—*Larpent*—*L. C.*, 437, 446.

Tariff, Papers, No. 7. would open a great market to British India. At the Cape of Good Hope British goods pay 3 per cent.; East India goods 10 per cent.

It was suggested that India derives advantage from being considered by the law, occasionally,
Martin, 3971. as a foreign country; but the witness to whom the suggestion was made, thought that, on the contrary, India suffered by being neither considered as a foreign state, nor a colony. Double the amount of the duty levied on British goods in the ports of India is there levied upon foreign goods; but in Ceylon and Australia the goods of
— 3973. India are treated as foreign. India has no power of trading directly with European nations
— 3980. — 3981. in her own ships. There is, it is believed, no trade carried on between India and the continent of Europe in British bottoms, and the
— 3979. — 3981. entire trade is rapidly diminishing. An attempt was made to open a trade with the Mediterranean, which would have succeeded, had India-built ships been allowed to proceed there.

Larpent, 2606 to 2612. — 2616 to 2618. — 2620 to 2623. — 2719 to 2732. In Canada, it appears that East India rum, imported direct, would be considered foreign; but, if imported from the United Kingdom, it would seem, in the present state of the law, to be admitted at 6*d.* per gallon less than West India rum. This advantage, however, it is said was not intended, but is the result of inadvertence in framing the law.

SEAMEN AND SHIPPING.

Melvill, 744 Asiatic seamen, though born in the British territories, are not considered British seamen, except in particular cases. Within the Company's

limits, the port to port trade may be carried on Melvill, 744
by ships navigated entirely by Asiatic seamen; but, beyond those limits, the law requires either three-fourths British seamen, or one British seaman for every 25 tons burthen. If British seamen in sufficient numbers cannot be obtained, the Governor may licence ships to proceed on their voyage with less than the established proportion.*

Under the present Registration Act, a ship — 746.
built in India, by a native British subject, is
entitled to registration; but such a ship could — 747. — 748.
not bring goods to this country, being navigated wholly by natives of British India, except by
special permission, in case of emergency. If — 749.
British India were a foreign country, a ship built there, and navigated wholly by natives, might bring a cargo of Indian produce to this country, and take back a cargo of British produce; whilst, being a British possession, a ship so owned and navigated is denied that power. The natives of India are thus excluded from advantages to which the natives of all other countries are ad-
mitted. They are not only deprived of the advan- — 750.
tages secured to British shipping and seamen, but even of the advantages possessed by those of foreign nations. So strict are the provisions on the subject, that if, under the dispensing power
of the local government, a British-registered ship — 753.
comes from India, wholly navigated by Lascars, it cannot take a cargo back from this country
with the same crew. It can take back, as — 754.

* For the law on this subject, see 4 Geo. IV., cap. 80, sections 20, 21, 22.

Melvill, 755. seamen, only the fixed proportion, and the remainder of the men by whom it was brought to this country must be conveyed home as
Martin, 3992. passengers. Great efforts to procure a mitigation of these provisions have been made by Sir Charles Forbes, and it would seem that, through his interposition, some relaxation was made, in one instance, by the Lords of the
Melvill, 756. — 757. Treasury. It does not appear that any application has been made for the exercise of the power given by 3d and 4th Will. IV., cap. 54, to the Queen in Council, of altering the proportions of British and Native seamen.

Martin, 3992. With regard to other countries, it is understood that ships belonging to natives of India, or to Europeans residing there, proceeding with a Lascar crew to countries with which we have reciprocity treaties, would not be admitted as British ships. This is a direct impediment in the way of India-built, owned, and manned shipping, in its intercourse with countries beyond the limits of the charter.

(The heads which follow were not adverted to in the Petition of the East India Company; but, as the evidence adduced under them relates to fiscal regulations, it has been thought proper to insert the prominent points of it.)

GRAIN.

— 4228. — 4229. It is stated that a good deal of wheat-flour comes from India; but it is of inferior quality, and is used in the manufacture of starch.*

* There is a very flourishing establishment in Calcutta, engaged in the export of grain from India to England. The extension of the cultivation of grain for exportation must depend on the price it brought here, and on the rate of duty. The corn is inferior to that of Europe. The flour exported has been, principally, to stiffen chintzes. Though it may export to the neighbouring Asiatic countries, it is not thought that India will become a corn-exporting country to Europe.—*Trevelyan—L. C.*, 791 *to* 795.

It is understood that some difficulty attends Martin, 4225 to 4227.
the importation of ground rice into this country, it being charged with a duty of 20 per cent. as a manufactured article. If relieved from the extra duty, the importation might increase; it would be useful in making starch, and in various manufactures, as well as for food. Sour flour, — 4229 to 4231.
for the use of starch-manufacturers, is understood to be imported at a low rate of duty. The importation of ground rice, at present, takes — 4225.
place chiefly in passengers' baggage; but it has been suggested that, if imported as cargo, a special application to the Board of Customs, for its admission at the same duty as the unground, might succeed. A petition has been presented — 4231.
to the House of Commons, praying that rice-flour may be admitted at the same rate as sour wheat-flour. The uncertainty existing, as to the — 4225.
amount of duty to which a cargo would be subjected, appears to discourage attempts to introduce it.

WOOLLEN AND HAIR GOODS.

These goods are, for the most part, subjected Melvill, 553
to a duty of 30 per cent., which is nearly prohibitory. Martin, 3957. Shawls in imitation of Cashmere, — 4208.
but of inferior quality, are made in the British dominions in India. These articles are not likely to interfere with the manufacture of our own

Martin, 4208. country, but they are subjected to the duty of 30 per cent.

— 4212. — 4215. Carpets, being entirely woollen, are charged only 15 per cent.; but, by reason of this duty, it is said that Bengal carpets have been lying in this country for 15 years unsaleable.

Melvill, 550. In India, the woollen goods of Great Britain are charged 2 per cent. if imported in British ships, and 4 per cent. if in Foreign.

BOOKS AND PAPER.

Martin, 3986. Wilson, 4716. Martin, 3986. Wilson, 4739. Martin, 3986. Wilson, 4733. Till within a very recent period the duty on English books, printed in India, and imported from thence into this country, was £5 per cent. On the representation of Messrs. Allen and Co., Booksellers, Leadenhall-street, it was reduced to £2 10*s.* per cent., which is the amount now levied on all books imported, English or Oriental. From England to India, books are imported free.

— 4718. The duty levied in this country tends, it is stated, to discourage the importation of Oriental works; and, thereby, further to diminish the sale of a class of books which, under any circumstances, could have but a limited circulation.

— 4719. Its removal could not, in the slightest degree, interfere with the interests of printers or booksellers in this country. The Oriental works are mostly edited by natives, and would never be sent to this country to be printed. The English works, printed in India, are chiefly the publications of literary or scientific associations, the papers in which require the personal superintendence of their authors in passing through the press—are generally of local interest

—and are not of sufficient importance to be printed here. The copies that come to this country are mostly given away. It would be impossible that an author in this country should desire to send a book to be printed in India, the expense there being so much greater; on the contrary, the author of a work likely to have an extensive sale, would naturally send it to England to be printed. Wilson, 4719. — 4720. — 4721.

The study of the Indian languages is, perhaps, slightly increasing in this country; but, on the Continent, it is extensively prosecuted. There, too, Oriental books are printed more cheaply than in England, so that if the duty here operates in favour of any body, it is in favour of the Oriental printers on the Continent, enabling them to send books to England, which can be sold cheaper than those which come from Calcutta. The duty is the same; the charges of printing are, perhaps, much the same; but the expense of conveyance is much less. — 4732.

As a question of revenue, the retention of the duty is quite unimportant, it being supposed that it does not produce to Government more than £20 or £30 per annum.* — 4737.

* Paper is manufactured in India which is applicable to coarse printing, and other purposes. It is of stout quality; some of it approaching to the strength of parchment. It cannot be imported into this country on account of the duty, which is 9*d.* per lb., the duty on paper manufactured in England being 1½*d.* per lb. If the duty were equalized, it is thought a demand might arise for it; but the witness to whom the question was put, could not say whether any thing short of equalization was likely to have any effect. It is not produced to any great extent.—*Gouger*—*L. C.*, 952 *to* 960.

IRON AND CHROME.

Heath, 4589. Steel, manufactured from the iron of India,
— 4632. is said to be equal or superior to that manufactured from Swedish iron. The former is
— 4593. considerably favoured in point of duty, but it is
— 4613. alleged that it would be more beneficial to bring the material from India in the shape of ore, and perform all the manufacturing manipulations in this country, than to import the iron. The duty
— 4610. upon the ore, however, is 5*s.* per ton, while that upon the iron is only 2*s.* 6*d.*, and as it requires two tons of ore to produce one ton of iron, this brings the duty on the iron to 10*s.* per ton. At
— 4640 to 4642. a lower duty, the difference in the price of fuel would make it preferable to perform the whole of the manufacturing operations here rather than in
— 4614. India; but at the present rate, the importation of
— 4671 to 4674. the ore is precluded. The supply of European iron of the first quality is said not to be equal to the demand, and the deterioration in the quality of English hardware has, in the foreign markets, affected both its sale and its character.

— 4684. The parties who are engaged in the introduction of Indian iron have also introduced chrome
— 4694. ore from India, and suggest the abolition of the duty thereon (5*s.* per ton) it being an article upon which it can hardly be said that a revenue can be raised.

THE END.

W. Lewis and Son, Printers, 21, Finch-lane, London.