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...~~Works~~ (189) Department.

G.O., No. 787 Marine

DATED 18th Aug. '99

24/8/99

20/6

12/6/1901

[Despatch Abstract.]

...stody and warehousing of goods landed at ...adras.

Stating, with remarks, that the rent for the sheds attached to the Custom house, ...sed for the ___ should be fixed at a ...gure not less than Rs 30,000 per annum — ...ggesting the Chairman, H. T. Bd to report ...ter the Trustees are prepared to take the buildings on these terms —

22/8/38

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BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Da

Government {1899} of Madras.

MARINE.

Recd. } 1899. *Enclosures*

Regd. } *Spare copies*

G.O., No. 787, 18th August 1899.

AUGUST.

Custody and warehousing of goods landed at Madras

Stating, with remarks, that the rent for the sheds attached to the Custom House, used for the —, should be fixed at a figure not less than Rs. 30,000 per annum and requesting the Chairman, Harbour Trust Board, to report whether the Trustees are prepared to take over the buildings on these terms.

GOVERNMENT OF MADRAS.

MARINE DEPARTMENT.

Read—the following papers:—

From J. N. ATKINSON, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Secretary to Government, Marine Department, dated 21st March 1898, No. 5598.

I have the honour to submit, herewith, for the approval of Government, a scale of rates framed by the Trustees of the Harbour under section 45, Act II of 1886, for the storage of goods within the Sea Custom House and the combustible shed.

2. The scale of rates of godown rent, as charged at present by the Sea Customs Department, is annexed. The schedule of articles is very incomplete, and being at so much per package, is not uniform with the other rates, at so much per ton, framed by the Trustees under section 45, Act II of 1886, for wharfage, storage and demurrage, &c., upon the Harbour Trust's own premises, and which have already been approved and sanctioned by Government, from time to time.

The Board has, therefore, adopted a scale of rates for storage at so much per ton, which will be uniform with the other charges leviable under that section.

3. The proviso that the Chairman is authorized to reduce or remit the charge at his discretion, on production of a certificate from the Collector of Sea Customs, that storage charges have accrued due owing to detention of goods by the Customs authorities, will enable the Board to remit the charge for storage when due to the action of the Collector, and not to delay on the part of merchants in clearing their goods.

4. The Sea Customs Department collected about Rs. 30,000 godown rent last year, but this scale is calculated to yield only about Rs. 15,000 to Rs. 20,000, the latter being the figure taken in the budget; but it is uncertain whether it will be realized, as the proposed scale gives all importers ample time to remove their goods without incurring any storage charges.

5. It is requested that, if approved, the scale may be notified in the *Gazette* to take effect from the date on which the custody of goods stored in the Sea Custom House is transferred from the Collector to the Harbour Trust Board.

Enclosures.

The following scale of rates, framed by the Trustees of the Madras Harbour, under section 45, Act II of 1886 (The Madras Harbour Trust Act), for the storage of goods within the Madras Sea Custom House, and the Combustible Shed, requires the sanction of Government.

VI. For the storage of goods within those premises in the occupation of the Board known as (1) the Sea Custom House yards, (2) the Combustible shed.

Three days free, from the date the vessel from which landed completes discharge of cargo for storage in the Custom House, exclusive of Sundays and Chamber of Commerce holidays.

For eight running days thereafter two annas per ton per day; for the next eight running days double the rate leviable for the first eight days; thereafter up to the time of delivery to the Collector of Sea Customs under section 88, Act VIII of 1878 (the Sea Customs Act); treble the rate leviable for the first eight days; provided that on production of a certificate from the Collector of Sea Customs, to the effect that storage charges have accrued due under this scale owing to detention of the goods by the Customs authorities, the Chairman is authorized to reduce or remit the charge at his discretion.

(Signed) C. PINSENT,
Secretary, Harbour Trust Board.

Extract of Proceedings of the Trustees of the Harbour of Madras, at a Meeting held at the Offices of the Board on Friday, the 18th day of March 1898.

* * * * *

8. Read and approved draft scale of rates of godown rent framed under section 45, Act II of 1886, for the storage of goods in the custody of the Board within—

(1) The Sea Customs House yards, and
(2) The Combustible shed.

Resolved.—That this scale of rates be submitted to Government, for approval, in anticipation of the transfer of the custody of goods from the Collector of Sea Customs to the Trust; to be brought into force from such date as the proposed transfer may take effect from.

* * * * *

Godown Rent at present charged in the Madras Custom House.

Rule 1.—Goods shall be allowed to remain for four days only in any Custom House free of charge.

Rule 2.—After that period, single rates shall be charged for seven days.

Rule 3.—Treble rates shall be charged after seven days. These penalty rates may, however, be reduced at the discretion of the Customs Collector.

Single rates of godown rent will be charged on all iron for ten days and thereafter at treble rates, and the rate of godown rent will be 6 pies per cwt. per month instead of per bazaar maund, as in the case of "metals" in the accompanying schedule.

Rule 4.—The day of landing and that of removal to be reckoned as one day; Sundays and close holidays are not reckoned in the rent-free terms. When delay is caused by the inability of the Custom House officers to examine and pass the goods, such delay is not to be reckoned. The foregoing rules are equally applicable to personal effects deposited in the Custom Houses.

The rates of wharfage or godown rent are given below; they are applicable to all Customs ports. The rate of 1 rupee per mensem per 100 cubic feet of space should be applied to all goods not specified in this list.

No charge for godown rent to be made if the amount does not exceed 6 pies.

Rates for Godown Rent.

	Per month. Rs.	A.	P.
Beer, whole pipes, butt, or puncheon	0	12	0
,, half pipe or hogshead	0	6	0
,, quarter pipe	0	3	0
Large casks containing glass or earthenware	1	0	0
Small casks	0	12	0
Tierce ,, containing glass or provisions	0	12	0
Large crates, 12 dozen bottles	0	6	0
Small ,, 6 or 8 dozen, more or less	0	4	0
Wines, butt or pipe	2	0	0
,, half pipe or hogshead	1	0	0
,, quarter pipe	0	8	0
,, chests above 12 dozen size	0	8	0
,, ,, of 12 dozen or above 6 doz.	0	6	0
,, ,, of 6 dozen or above 3 doz.	0	3	0
,, quarter chest or 3 dozen	0	2	0
,, all boxes under 3 dozen and above 1 dozen	0	1	0
,, one dozen boxes	0	0	9
Cases of under 1 dozen size	0	0	6
Spirits, per pipe	2	0	0
,, hogshead	1	0	0
,, in bottle case of 1 dozen	0	1	0
,, above 1 and under 3 dozen	0	1	6
,, 3 dozen	0	2	0
,, above 3 and under 6 dozen	0	3	0
,, 6 dozen	0	4	0
,, for every dozen in excess of 6 dozen size.	0	0	9
British piece-goods, per case above 12 dozen	0	8	0
,, ,, per case of 12 dozen or above 6 dozen	0	6	0
,, ,, 6 or 3 dozen do.	0	3	0
,, ,, 3 dozen or less	0	2	0
,, ,, bale of size of bale of twist of 400 to 500 lb.	0	6	0
,, ,, per bale of smaller size	0	4	0
Twist of all sorts, per bale of 400 or 500 lb.	0	6	0
,, ,, of smaller size	0	4	0
Metals, per bazaar maund	0	0	6
Canvas, per bale	0	3	0
Silk, per bale	0	6	0
Silk piece-goods, per case	0	6	0
Indigo, per chest	0	6	0

	Per month. Rs.	A.	P.
Opium	0	6	0
Cotton hemp, jute and safflower, per bale of 300 lb.	0	4	0
Sugar, rice and seeds, per 100 bazaar maunds	2	8	0
Cutch, per 100 bazaar maunds	2	0	0
Shell-lac and lac-dye, per chest	0	4	0
Vermilion, per box	0	2	0
Arsenic, ,,	0	3	0
Brass leaf, ,,	0	2	0
China paper, per case	0	2	0
China, cases of nankin, cassia, camphor, silk, aniseed, etc., per case	0	3	0
Ginger or turmeric, per 100 bazaar maunds	3	0	0
Betelnut, per bazaar maund	0	0	6
Cloves, ,, ,,	0	1	0
Coffee, pepper, cardamom, cummin seed, aniseed, in bags or bales, per bazaar maund	0	1	0
Sugar, spices, or any other similar articles, per hogshead	0	8	0
Sugar, spices, or any other similar articles, per tierce	0	4	0
Sugar candy, per tub	0	0	6
Tea, per whole chest	0	2	0
Tea, per smaller box	0	1	0
Paint, per keg of 56 lb.	0	0	6
Salmon, herrings, or other fishes, per keg	0	0	6
Turpentine, linseed or other vegetable oil, per jar	0	2	0
All cordage, per cwt.	0	1	0
Rosin or dammer, per bazaar maund	0	1	0
Tobacco unmanufactured, per 1 maund bale	0	2	0
Gunnies, per large bale	0	8	0
,, per small bale	0	6	0
Cow hides, per large bale	0	12	0
,, per small bale	0	8	0
Goat skins, per bale	0	8	0
Quicksilver, per bazaar maund	0	2	0
Tin plates, per box	0	0	6
Bricks, per 1,000	1	0	0
Valuables, such as specie, jewellery, corals, gold thread, silver plate, etc., per case	2	0	0

From J. N. ATKINSON, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Secretary to Government, Marine Department, dated 11th May 1898, No. 698.

I have the honour to acknowledge the receipt of your memo., dated 2nd May, No. 241 E., and to inform you in reply that according to the list of articles chargeable with wharf rent in Calcutta, Appendix E to the Sea Customs Act, as printed in "The Sea Customs Law of India and Tariff Act, 1894," by W. H. Grimley, I.C.S., late Secretary to the Board of Revenue, Calcutta,—the rates therein given are exactly double those printed on page 3 of my letter, No. 5598, dated 21st March, at present charged in the Madras Custom House; but in addition to the rates at Calcutta being double those now paid at Madras, quadruple rates are charged at Calcutta as a maximum, against treble rates only in Madras.

2. The Madras rules as at present existing are therefore far more liberal than those in force at Calcutta; for an 8-anna rate at Madras is only liable to be trebled to Rs. 1½, while at Calcutta the corresponding rate of Re. 1 on the same article may be quadrupled to a maximum of Rs. 4.

3. The rates proposed by the Harbour Trust Board as explained in paragraph 4 of my letter above quoted, are calculated to further reduce the Madras charge by one-third to one-half.

4. As regards Bombay I have written for information; all I have available, at present, is the rates for warehousing, and a comparison between those rates and the rates proposed to be charged in the Madras Custom House cannot be made, as the charges for storage in the Custom House are intended to compel clearance of goods, while the warehouse charges in Bombay have been framed to compete with private godowns, and to encourage storage.

From J. N. ATKINSON, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Secretary to Government, Marine Department, dated 2nd June 1898, No. 1032.

In continuation of my letter No. 698, dated 11th May, I have the honour to report that, so far as any comparison can be made between the rates at Bombay and Madras for the storage of goods, the following items will give particulars.

2. Sugar, rice and dutiable goods are allowed seven days free, and non-dutiable goods five days free from date of landing, and after these free days have expired extra rents are incurred for every three days, or part of three days at the rate of one-third of the wharfage fee to which the goods may be liable.

3. The wharfage fee referred to is the charge which corresponds to the Harbour Trust landing due of 12 annas per ton, but while at Madras there is this fixed rate of 12 annas upon all goods landed, the charge varies in Bombay very considerably; for instance, liquors are charged in Bombay at 2 annas per one dozen case, of which about 35 go to the ton of 50 cubic feet. The charge in Bombay for liquors is therefore Rs. 4–6–0 as against 12 annas in Madras; therefore, the rent charge after the expiry of the free days would be, at one-third for every three days, Rs. 4–6–0 for only nine days, or per mensem Rs. 14–9–4, as against a rate of 9 pies per case in Madras, which at the trebled penal rate gives only Rs. 4–14–9 for a month after the free and single rate periods have expired.

4. But there is an alternative charge in Bombay "immediately after the expiry of free days, goods may be removed into the warehouse for unclaimed goods" and the rates chargeable for liquors in this warehouse (which is not the warrant warehouse) are as follows: 3 pies per week or part of a week, for a one dozen case. In this instance, therefore, the charge for a month would be five rates, that is, 1 anna 3 pies per dozen case which equals Rs. 2–11–9 per ton, as against the Madras treble penal rate of Rs. 4–14–9 at present charged.

5. Piece-goods compare as follows: The wharfage charge is 4 annas per bale; therefore at one-third this rate for every three days the charge would be 4 annas per bale for 9 days, or 13 annas and 4 pies per bale per mensem, as compared with 12 annas the treble penal rate at present charged in Madras.

The alternative rate in the unclaimed packages warehouse would be 10 annas only at Bombay per mensem.

6. *Iron.*—The rate at Bombay is, if stored in the open, Rs. 20 per 500 square feet per mensem; equal to Rs. 96 per ground of 2,400 square feet, the charge for which at Madras is Rs. 5 only.

If stored in sheds the rate at Bombay is Rs. 144 per ground per mensem; no extra rate is levied in Madras when iron is stored in the shed used for the purpose in the iron yard.

7. *Unenumerated goods* are charged in Bombay at from 2 annas to Rs. 1–14–0, per package according to size, from 4 cubic feet to 60 cubic feet, which gives a rate throughout of 6 pies per cubic foot for wharfage, but each package appears to be charged separately, which would considerably enhance the rate. Taking, however, for the purpose of comparison, the all round rate at 6 pies per cubic foot, a Madras ton of 50 cubic feet would be charged Rs. 1–9–0, one-third of which for every three days would give Rs. 1–9–0 for nine days, or Rs. 5–3–4 per month of 30 days or Rupees 10–6–8 per 100 cubic feet.

The corresponding rate in Madras is one rupee per mensem per 100 cubic feet, or a maximum penal rate of Rs. 3 per mensem per 100 cubic feet.

The alternative rate in Bombay is only one rupee per 100 cubic feet per mensem on goods stored in the unclaimed warehouse.

8. It is to be observed that at Madras the rates at present charged are at so much per month; that is to say, a package left for 8 days would be charged eight-thirtieths of the rate per mensem, while at Bombay the charge would be two or three rates according to whether the charge is levied per week or for every three days: in other words, the charge at Madras is day by day, at Bombay a package left one day has to pay either for seven days or for three days, and as packages as a rule do not, at Madras, remain more than one or two days over the rent-free period, the Bombay method of levying their rents at once enhances the comparative charge; it may be treble or quadruple, although the rate per mensem may appear low.

9. It is clear that Madras rates are far more liberal in every way than either Bombay or Calcutta, and the proposed scale will tend to still further reduce the charges on the trade of this port, and to simplify procedure, all charges being reckoned at so much per ton, which is a great advantage, as it enables dues to be assessed more promptly, and the audit of accounts is also very much facilitated.

Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 2380, dated 15th June 1898.

Read—again Board's Proceedings, Mis. No. 1259, dated 29th March 1898.

Abstract.—Calling for certain information and a plan in connection with the notification for declaring certain Customs and Harbour Trust premises to be parts of the Customs House, pointing out certain omissions in the rules defining the relations between the Sea Customs authorities and the Harbour Trust Board, and considering that the fixing of hours during which the gates of the sheds are to be kept open for the receipt and delivery of goods without overtime fees would require the sanction of Government.

Read—also letter from J. N. ATKINSON, Esq., I.C.S., Acting Collector of Sea Customs, Madras, dated 6th June 1898, No. 3676 G.

Abstract.—Forwarding, for the Board's approval and submission to Government for sanction, amended drafts of the notification and rules defining the relations between the Sea Customs authorities and the Harbour Trust Board on the transfer of the custody of goods to Harbour Trust Board's Traffic Department.

Read—also official memorandum from Government, Revenue Department, No. 115, dated 1st June 1898.

Abstract.—Requesting further information in connection with the transfer of the custody of goods from the Collector of Sea Customs to the Harbour Trust Board.

Resolution—Mis. No. 2380, dated 15th June 1898.

The Board begs, with reference to G.O., No. 861, Revenue, dated 9th October 1897, to submit a draft notification declaring certain Customs and Harbour Trust premises to be a Customs House at the port of Madras, and a set of rules defining the relations between the Sea Customs Department and Harbour Trust Board and providing that no foreign goods shall be delivered except under a "pass order" from certain Customs officers. Delay has arisen from the necessity to remit the matter to the Collector of Sea Customs for further consideration.

2. The new arrangement may be brought into force from 15th July 1898.

3. The monthly rent for the customs premises made over to the Harbour Trust Board, inclusive of the combustible shed, is Rs. 764 per mensem as estimated by the Consulting Architect to Government.

4. A report as to what reduction may be effected in the Sea Customs establishments will be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

5. A tracing of the Harbour Trust property which it is proposed to declare to be within Customs limits is also submitted.

(True Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

Enclosures.

DRAFT NOTIFICATION.

In supersession of notification No. 492, dated 22nd September 1896, published on page 1239 of the *Fort St. George Gazette*, dated 13th October 1896, His Excellency the Governor in Council is pleased to declare under section 11, clause (*f*) of the Sea Customs Act (VIII of 1878), the undermentioned buildings and areas to be a Custom House at the port of Madras for the purposes of the Act:—

(*a*) The building with its verandah and ground comprised within the iron palisade commonly known as "the Custom House," situated in North Black Town, and bounded on the north by Jaffer Syrang Lane, on the south by Naraina Naick street, on the east by the North Beach Road, and on the west by Jaffer Syrang Garden Street.

(*b*) The building, with its enclosure, commonly known as "the combustible shed" situated on the beach to the south of the southern groyne of the Madras Harbour, and north of the premises belonging to the Postal Department, measuring 2,390 square feet.

(*c*) The Harbour Trust premises on the foreshore lying between the north and south arms of the Harbour from high water mark on the east to the Harbour Trust boundary pillars on the west, and the sheds, buildings and areas, within these limits, excepting the Public warehouse, the Harbour Master's office, the Police Deputy Commissioner's office, Clive's Battery and the plantation and grounds attached thereto.

DRAFT RULES.

Rules defining the relations between the Sea Customs Authorities and the Harbour Trust Board.

These rules are framed in view of the Customs House sheds and combustible shed being rented to the Harbour Trust Board to be used for the storage of all foreign cargo as hitherto. They will require revision, from time to time, as accommodation is provided to meet the requirements of the Port and Customs staff. Any alterations in the rules are to be settled in communication with the Customs Collector.

1. These rules will apply to all foreign goods imported at the port of Madras.

2. The storage of all foreign goods shall be conducted only in such sheds and places as the Customs Collector may from time to time direct.

3. The front and pass gates connected with the sheds will be under the joint locks of Customs and Harbour Trust officials.

4. The front gate will be open from 6 A.M. to 6 P.M. daily (Sundays and holidays included) for the reception of dutiable cargo. The pass gates will be open for the delivery of goods from 10 A.M. to 4 P.M. daily (Sundays and holidays excepted). The Collector may, at his discretion, extend these hours at any time without overtime fees being charged.

5. The liquor sheds, the godowns in which broken packages are stored, and the strong rooms located within what is known as the Customs House Buildings will be under the joint locks of the Customs House and Harbour Trust officials and will be open before and after office hours, and on Sundays and holidays when goods are brought in for deposit in them. The godown for unclaimed goods will, however, remain under the sole charge of the Collector.

6. All packages selected for examination by the Customs House officials shall be taken by the Harbour Trust authorities to the place or places set apart by the Collector for the purpose in the Customs House on written requisitions made to them by the Customs House authorities, and after examination will be taken back by the Harbour Trust authorities to the sheds.

7. All foreign goods shall be subject to the above rules in regard to the hours of delivery, etc., and shall in no case be delivered by the Harbour Trust Board officials except under a "Pass Order" from the Collector or his Deputy and in the presence of a Customs House official.

8. A list will be prepared by the Harbour Trust of all foreign goods remaining unclaimed for the space of four months after entry of the vessel in which they were imported and will be submitted to the Collector at the beginning of each month with the unclaimed packages covered by it. These packages will be taken charge of by the Import department of the Customs House and lodged in the Queen's Warehouse for disposal under section 88 of the Sea Customs Act; and the list will be checked and verified by that department with the Customs House import accounts, the Harbour Trust being held responsible for any missing packages that have been actually landed.

9. Goods detained by the Customs department for examination in the course of appraisement, etc., will be exempt from godown rent until orders have been communicated to the owner enabling him to remove his goods.

10. No goods shall be opened in the Customs House except by order of the Collector of Sea Customs or his Deputy or one of the Appraisers.

11. All coopers and carpenters employed for opening and examining packages shall be licensed by the Harbour Trust Board.

21st June 1898.

(Signed) C. G. TODHUNTER,
Acting Secretary.

Unofficial reference thereon from the Revenue Department, dated 30th July 1898.

G.O., Mis. No. 3204, Revenue, dated 2nd August 1898.

Read—Proceedings of the Board of Revenue, Separate Revenue, Mis No. 2380, dated 15th June 1898.

Order—Mis. No. 3204, Revenue, dated 2nd August 1898.

With reference to paragraph 3 of its Proceedings read above, the Board of Revenue is requested to report, at a very early date, how the rent of Rs. 764 was arrived at by the Consulting Architect to Government. Information as to the amount of rent hitherto derived from the premises should be furnished and the Board of Revenue should also state its opinion as to how far the proposed rent is fair, and may be accepted.

(True Extract.)

(Signed) N. E. MARJORIBANKS,
Under Secretary to Government.

From J. N. ATKINSON, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Secretary to Government, Marine Department, dated 18th August 1898, No. 1849.

I have the honour to acknowledge the receipt of your memo. dated 16th August, and to submit herewith the following memo. showing the increased establishment that it is anticipated will be required to the Board's Traffic department in connection with

the transfer of the custody of goods landed to the Harbour Trust while stored in the present Custom House yards :—

	Per mensem. Rs.
No. 68, Delivery order clerk	60
No. 69, Assistant do.	30
No. 76, Peon	8
No. 77, Do.	8
Total ...	106

Provision has been made in the establishment list and budget estimates for the current year (*vide* paragraph 14 of my No. 5076, dated 26th February) and the printed list forwarded therewith (page 3, Nos. 68 and 69, and page 4, Nos. 76 and 77).

From J. N. ATKINSON, Esq., I.C.S., Chairman, Harbour Trust Board, Madras, to the Secretary to Government, Marine Department, dated 30th August 1898, No. 2040.

I have the honour to acknowledge the receipt of your endorsement dated 11th August, No. 419 E., and to return the draft notification and draft rules, together with Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 2380, dated 15th June 1898.

These drafts are practically the same as have already been approved by the Harbour Trustees, and I have no remarks to offer.

Proceedings of the Board of Revenue (Separate Revenue), Mis. No. 671, dated 17th February 1899.

Read—G.O., Mis. No. 3204, Revenue, dated 2nd August 1898.

Read—also Official Memorandum from Government, Revenue Department, No. 192, dated 19th August 1898.

Read—also letter from J. N. ATKINSON, Esq., I.C.S., Collector of Sea Customs, Madras, dated 17th August 1898, No. 5507 G.

Read—also letter from the same officer, dated 6th October 1898, No. 6695 G.

Read—also letter from G. S. T. HARRIS, Esq., Consulting Architect to Government, Madras, dated 14th December 1898, No. 2952.

From J. N. ATKINSON, Esq., I.C.S., Collector of Sea Customs, Madras, to the Secretary to the Commissioner of Salt, Abkári and Separate Revenue, dated 9th February 1899, No. 906 G.

Adverting to Board's telephonic message, dated 27th October 1898, I have the honour to forward, herewith, two statements furnished by the Consulting Architect to Government, showing the rent value and Municipal assessment of the Custom House buildings according to present Municipal valuation and that considered fair by the Government Architect. It will be seen that the Consulting Architect's valuation of the Customs premises which is not to be handed over to the Harbour Trust Board is Rs. 4,675, but the Municipality apparently are not prepared to accept it—*vide* copy of Consulting Architect's letter, No. 3524, dated 7th February 1899, and docket No. 3481 of 4th idem.

Enclosures.

From MUHAMMAD ṢAFDAR ḤUSAIN ṢÁḤIB, Bahádur, Revenue Officer, Municipal Commission, Madras, to the Consulting Architect to the Government of Madras, dated 2nd February 1899, R. No. 3123.

With reference to your letter No. 2713, dated 25th November 1898, I have the honour to state as follows :—

Formerly all the premises mentioned in your letter under reply formed one block of building bearing No. 20, North Beach road, and assessed at the valuation of Rs. 20,000 in 1885, the then Collector of Madras, Mr. Barlow, objected to the rate of assessment and the same was confirmed by the Appeal Board in the presence of Colonel Burton, R.E., and Mr. Chisolm. In 1891–92, this assessable value was raised to Rs. 21,200 and the increased rate of assessment continued to be paid up to 1894–95. In 1895–96, at the instance of the Consulting Architect to Government, the building was sub-divided and the assessment distributed as follows :—

Number.	Street.	Description of property.	Annual valuation. Rs. A. P.
1st 20	North Beach Road.	Office of the Protector of Emigrants	436 12 0
2nd 20 ..		Office of the Collector of Madras	1,468 12 0
3rd 20 ..		Marine Dispensary	125 0 0
4th 20 ..		Sea Customs office	19,169 8 0

Subsequently the assessable value of No. 4th 20 was raised to Rs. 19,680 for the 2nd half-year of the year 1895–96 on account of a zinc-roofed verandah added to the building. On objection, this rate was reduced to Rs. 19,519. In the 2nd half-year of 1898–99, the Collector of Madras requested in his No. 7009 G., dated 20th October 1898, that No. 3rd 20 be added to No. 4th 20. This was accordingly done and an amalgamated bill for the two buildings was issued and has been paid.

2. From the enquiries made it appears that since 1891–92 no building which formerly existed was demolished.

3. The assessment for the current official year has become final under the provisions of section 196 of the City of Madras Municipal Act. If you consider it excessive, I would suggest your taking objection to it in time next year when the matter will be laid before the Appeal Board and disposed of.

No. 3481.

Forwarded to the Collector of Sea Customs, Madras, for information, with reference to his letter No. 7158 G., dated 27th October 1898.

4th February 1899. (Signed) G. S. T. HARRIS,
Consulting Architect to Government.

From G. S. T. HARRIS, Esq., Consulting Architect to the Government of Madras, to the Collector of Sea Customs, Madras, dated 7th February 1899, No. 3524.

With reference to your letter No. 262 G., dated the 11th January 1899, I have the honour to forward statements showing the rent value of the Custom House buildings according to present Municipal valuation and that considered fair by this office. Objection will be taken to the valuation early next official year in accordance with the Municipal Revenue officer's letter, a copy of which was sent to you with this office No. 3481, dated 4th February 1899.

Statement showing the cost and rent value of the several portions of the Custom House buildings as revised and not accepted by the Madras Municipality.

Buildings.	Proportional cost of building. Rs.	Rent value. Rs. A. P.	Municipal assessment. Rs. A. P.
Portion to be retained as Custom office	77,921	4,675 4 2	712 15 0
Do. to be rented to Harbour Trust Board	95,875	5,752 8 0	877 4 1
Do. occupied by Sheristadar's office (Collector of Madras) ..	7,651	459 0 11	70 0 1
Do. do. by Emigration office	16,905	1,014 4 9	154 10 10
Combustible shed	9,200	552 0 0	84 2 10
Total ..	2,07,552	12,453 1 10	1,899 0 10

Statement showing the cost and rent value of the several portions of the Custom House buildings as at present valued by the Municipality.

Buildings.	Proportional cost of building.	Rent value.	Municipal assessment.
	Rs.	Rs. A. P.	Rs. A. P.
Portion to be retained as Custom House	1,74,558	10,473 8 4	1,597 3 5
Do. to be rented to Harbour Trust Board	1,43,641	8,618 7 8	1,314 5 1
Do. occupied by Sheristadar's office (Collector of Madras) ..	24,479	1,468 12 0	223 15 10
Do. do. by Emigration office	7,279	436 12 0	66 9 8
Combustible shed	9,200	552 0 0	84 2 10
Total ..	3,59,157	21,549 8 0	3,286 4 10

Madras,
7th February 1899.

(Signed) G. S. T. HARRIS,
Consulting Architect to Government.

Resolution—Mis. No. 671, dated 17th February 1899.

In the official memorandum and Government Order first read above Government calls for information on the following points:—

(1) How the rent of Rs. 764 for the premises to be handed over to the Harbour Trust Board was arrived at by the Consulting Architect to Government.

(2) The amount of rent hitherto derived for the premises and the Board's opinion as to how far the proposed rent is fair and may be accepted.

(3) The amount of assessment fixed on the premises by the municipality for the levy of municipal taxes.

(4) The cost of keeping the premises in repairs.

(5) The authority by which such cost and the municipal taxes will be paid after the transfer.

(6) How the difference between the proposed rent and the present godown rent realized, being Rs. 20,832, is proposed to be made good to Provincial revenues.

2. (i) Copies of the two statements* furnished by the Consulting Architect showing the data for calculation of the rent as arrived at by him are herewith submitted. The Board cannot discuss these valuations to profit; they are drawn up according to departmental rules governing such matters; but the methods are different in the two statements.

* Marked A and B.

Years.	Total amount of godown rent realized.	Deduct amount of godown rent realized on the iron yard. *	Net amount.
	Rs.	Rs.	Rs.
1893-94	17,521	..	17,521
1894-95	23,553	..	25,553
1895-96	40,560	} 8,359	58,380
1896-97	26,179		
1897-98	32,691	2,091	30,600

* The iron yard belongs to the Harbour Trust.

(ii) The statement in the margin gives the amount collected during the last five years in the shape of godown rent which is the only income; the average, it will be observed, is Rs. 26,011, but the increase has been continuous from Rupees 17,521 to Rs. 30,600. Cotton duties were introduced in December 1894. There is no apparent reason why the net income should decrease; neither is there any sufficient reason why the Government should accept an annual rent of Rs. 9,168 if the Harbour Trust is likely to realize more than three times that amount.

(iii) The rental value fixed by the municipality on the whole of the Custom House building is Rs. 21,549, this being what the Municipal Commission considers a reasonable valuation. It is understood that the whole premises has been valued by the Consulting Architect to Government as shown in the enclosed statement marked C. Items 4 to 9 are the portions which would be handed over to the Harbour Trust Board and the value thereof is Rs. 1,05,075 out of the total of Rs. 2,07,552. The proportionate amount of the municipal valuation proper to these latter premises is therefore Rs. 10,909. The Consulting Architect, however, * objects to the total valuation of Rs. 21,549-8-0, claiming that, at 6 per cent., it should be only Rs. 12,453; the matter is still unsettled.

* *Vide* his letter to the President marked D.

It will be observed that the Consulting Architect's current valuation of Rupees 1,05,075 is considerably below the total capital cost on which the monthly rental of Rs. 764 was arrived at by him; the items of cost of establishment and cost of site being included for the main buildings and excluded for the combustible sheds, whereas, apparently, they should, under the departmental rules, be excluded in the case of both.

The municipal tax on the Custom House premises is Rs. 2,996 which would represent a yearly valuation of Rs. 19,644 and therefore covers the last two items in the Consulting Architect's † letter to the President of the Municipal Commission, No. 2713, dated 25th November 1898. How much of that would be due by the Harbour Trust for the premises they are to receive it is impossible to say on the papers and figures before the Board; it represents the premises that will continue to remain in the Collector's charge as well as those to be handed over, and will probably be altered on the result of the correspondence between the Consulting Architect and the President.

† Marked D.

(iv) Columns 14 of statements A and B show that the Consulting Architect estimates the cost of the annual repairs at Rs. 4,147; the figure of course depends on the figures adopted for the capital cost, and these, as stated above, do not appear correct; the Consulting Architect may be able to give the actual figures of repairs for a series of years on particular portions of the premises.

(v) The cost of repairs and the municipal taxes are usually paid by the landlord, but these may be made matter of special agreement.

(vi) If Government is not prepared to forego the godown rents—and there seems to be no reason why it should do so—two courses are open to it: first, to hand over the premises, subject to the Harbour Trust making over the godown rents they realize, or to adopt a specified rent founded thereon, say Rs. 30,000. The former would appear the more equitable course to follow. Otherwise the ordinary method of fixing house-rent is to be followed and the whole of the elements constituting house value has to be considered.

But, apparently, the Harbour Trust Board regard the matter of the godowns as properly a source of income for themselves. A copy of the letter ‡ of the Secretary to the Collector of Sea Customs is enclosed. The Harbour Trust urges that Government should have nothing to do with storage of goods, that wherever there are dock companies or harbour boards the custody of goods landed or awaiting shipment rests with them and that they alone have any right to levy rent or other charges for warehousing goods, pending their examination and passing by the Customs authorities. The contention would be valid enough if the Madras Harbour Trust were in the possession of premises so as to take over the warehousing. That is not the case. The Harbour Trust further urges that the officers of Government cause detention of goods and the delays so made are penalised; and that these charges, therefore, should not be considered in the light of ordinary sources of revenue. But, looking at the printed schedule of rates proposed by the Harbour Trust, it will appear that that body does not propose to give up the penal charges, and, in the Collector's opinion, the rates, ordinary and penal, will press more heavily than the Government rates upon importers. If, therefore, the present rate of rent is adopted or a lower rate is fixed, Government will simply be surrendering its privileges as owner of the premises to the Harbour Trust, while failing to benefit importers or the community generally. Higher rates for storage may induce earlier removal, but may also lead to a claim for increased establishment for the speedier disposal of the work of passing.

‡ Marked E.

(True Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

Enclosures.

A.

Statement giving data for calculation of rent of buildings in charge of Consulting Architect Division.

No.	Name of building.	Official designation and salary of occupant	Whether permanent or temporary.	Date of completion or purchase.	Capital cost.				4 per cent. on capital cost.	Actual average cost of repairs —*vide* G.O., No. 1367 W., dated 22nd May 1889.			Estimated cost of repairs when actual average is not taken + 10 per cent. for same.	Normal rate of rent on basis of foregoing data.		Rent paid prior to 7th September 1888.	Rent to be charged.	
					Cost of construction.	10 per cent. for establishment and tools and plant.	Cost of site.	Total.		Cost of repairs.	10 per cent. for establishment and tools and plant.	Total.		Yearly, 10 + 13 or 10 + 14.	Monthly, 1/12.		Yearly.	Monthly.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
					Rs.	Rs.	Rs	Rs.	Rs.				Rs.	Rs.	Rs.		Rs.	Rs.
1	Sheds and yards attached to the Sea Custom House.	..	P.	..	67,536	6,754	42,172	1,16,462	4,658	..	..	..	3,843	8,501	708	..	8,501	708

B.

Statement giving data for calculation of rent of buildings in charge of Consulting Architect Division.

No.	Name of building.	Official designation and salary of occupant.	Whether permanent or temporary.	Date of completion or purchase.	Capital cost.				4 per cent. on capital cost.	Actual average cost of repairs —*vide* G.O., No. 1367 W., dated 22nd May 1889.			Estimated cost of repair when actual average is not taken + 10 per cent. on the same.	Normal rate of rent on basis of foregoing data.		Rent paid prior to 7th September 1888.	Rent to be charged.	
					Cost of construction.	10 per cent. for establishment and tools and plant.	Cost of site.	Total.		Cost of repairs.	10 per cent. for establishment and tools and plant.	Total.		Yearly, 10 + 13 or 10 + 14.	Monthly 1/12.		Yearly.	Monthly.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
					Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs.		Rs.	Rs.
1	Combustible sheds and yards	..	P.	1886–87.	9,200	920	25,000*	10,120	405	..	..	..	333	738	62	..	744	62†
								9,200	368	..	..	..	304	672	56	..	672	56‡

* The cost of site being approximate and not being actually paid for will not go against capital cost of the building in calculation rent of buildings, under Code Volume I, Chapter X, paragraph 28 (i) (*a*), as modified by S.O. No. 42, dated 17th May 1895.

† Rent of Rs. 62 as arrived at is calculated on the capital cost of the building inclusive of share for establishment and tools plant.

‡ Rent of Rs 56 as arrived at is calculated on the cost of the building exclusive of the share for establishment and tools and plan Under Code I, X, 28 (i) (*a*) the share for establishment and tools and plant need not be added to the cost of building if the building in existence prior to 7th September 1888 provided the result is not reduction of rent charged previously.

That which is applicable to the case may be adhered to.

APPENDIX C.

Extract from the report of the Sub-Divisional officer in charge of the Customs buildings in Madras to the Consulting Architect to Government.

	Area.	Valuation.
	sq. ft.	Rs.
(1) Office of the Protector of Emigrants including front verandah main building ...	4,830	16,905
(2) Collector of Madras, upper storey including front verandah main building	2,186	7,651
(3) Collector of Sea Customs including front verandah main building	22,263	7,7921
(4) To be handed over to Harbour Trust Board ...	6,433	22,515
(5) Out-building to be handed over to Harbour Trust Board—		
Import shed	185′ × 93′	17,205
Export shed	185′ × 94′	17,320
(6) Block containing broken packages, latrines and godowns, &c.	21,184	21,184
(7) Liquor shed	240′ × 30′	11827
(8) Open iron shed against the back walls ...	300′ × 20′	5,824
(9) Combustible shed	93′ × 25′	9,200
Total ...		2,07,552

D.

Copy of a communication from the Consulting Architect to Government, to the President, Municipal Commission, Madras, dated 25th November 1898, No. 2713.

I have the honour to state that the Collector of Sea Customs wrote to me recently to fix the rent value for Municipal tax purposes of that portion of the Customs premises which is not to be handed over to the Harbour Trust Board. Upon which I directed the Sub-Divisional officer in charge of these buildings to verify the value of the whole of the Custom House buildings, and enclose a list of the same with their value, the total amounting to Rs. 2,07,552, the annual value according to which at 6 per cent. should be Rs. 12,453, whereas the annual value of the Customs House buildings at present is Rs. 21,549–8–0 as follows :—

	Rs.	A.	P.
Office of Protector of Emigrants	436	12	0
,, of Collector of Madras	1,468	12	0
Marine Dispensary	125	0	0
Custom House	19,519	0	0
Total ...	21,549	8	0

The Sub-Divisional officer reports that many of the buildings which formerly existed were demolished some years ago and no deduction appears to have been made in the annual value. I request that you will appoint some of your assistants to investigate the matter and make necessary reduction in the annual value.

No. 2910.

Forwarded to the Collector of Sea Customs with reference to his Reminder No. 8083, dated 9th December 1898. To fix the correct value of the portion to be handed over to the Harbour Trust Board the actual annual value of the entire buildings should be settled.

I have forwarded a reminder to the President, Municipal Commission.

Chepâk,
10th December 1898.

(Signed) W. G. Molesworth,
for Consulting Architect to Government.

No. 8134 G.

Copy forwarded to the Secretary to the Board of Revenue, Separate Revenue, for information, with reference to correspondence ending with telephone message of 9th December 1898.

Madras,
12th December 1898.

(Signed) J. N. Atkinson,
Collector of Sea Customs.

E.

From C. PINSENT, Esq., Secretary, Harbour Trust Board, Madras, to the Collector of Sea Customs, Madras, dated 27th September 1898, No. 2423.

I am directed to acknowledge the receipt of your letter, dated 3rd September, No. 5976 G., in reference to the proposed rental charge for the godowns and yard attached to the Sea Custom House, in which you point out that should those premises and the combustible shed be rented to the Trustees of the Harbour at Rs. 764 per mensem Provincial Revenues would suffer to the extent of about Rs. 20,832 per annum.

2. The Harbour Board would point out that the figures you quote, by which you arrive at this conclusion, show that the rents collected have risen from Rs. 17,521 in 1893-94 to Rs. 30,600 in 1897-98, and if the years 1891—93 are taken into consideration the tax on the trade of the port has been increased from Rs. 12,943, the average for those two years, to more than double in 1897-98.

The values of imports and godown rent collected for the years for which statistics are available compare as follows :—

	Godown rent.	Value.
	Rs.	Rs.
1891-92	11,491	5,28,25,429
1892-93	14,396	4,50,26,435
1893-94	17,521	5,32,09,638
1895-96	23,553	5,81,94,962
1896-97	29,141	4,91,91,580
1897-98	29,141	
	30,600	...

3. When the Harbour Trust was constituted the Custom House yards were made over to the Trustees, and the average rents collected from 1886—91 amounted to about Rs. 10,000 per annum. The rents collected have steadily risen year after year and have, since 1891, increased threefold without any additional facilities being afforded; on the contrary a good deal of the increase may be attributed to the Customs authorities compelling all dutiable goods which can be taken through the entrance archway to be brought into the Custom House yards, thus rendering clearance and delivery more difficult, and such accommodation as is available less efficient, as it is frequently necessary to store goods (which ought to be under cover) in the open spaces around the sheds.

4. It will, therefore, be seen that the import trade of this port is penalised over and above Customs duty for a service of storage which has deteriorated in efficiency, and trebled in cost, since the custody of goods was taken away from the Harbour Board and resumed by the Customs authorities.

This, the Trustees consider, is to be regretted as a retrograde procedure, and they would strongly urge that it is contrary to good policy that penal charges should be regarded as an ordinary source of revenue.

5. The Trustees are of opinion that it is greatly against the interests of the trade of this port that they should be expected to continue this penal charge upon imports, and that Government should not expect to receive as rent for the Customs yards more than a fair return for the building, and certainly should not attempt to obtain from the import trade, as rent of a building, penal rates levied under a schedule which arbitrarily imposes a charge out of all proportion to services rendered, that is, over three times as much as is a fair rental charge for the premises. The Customs yards are not, it would seem, intended as a source of revenue, but merely as a place for the temporary storage of goods to facilitate the convenient levy of duty imposed by statute, and it is altogether wrong, in the opinion of the Harbour Board, to endeavour to collect an additional revenue, because the accommodation provided is inadequate.

6. The Harbour Trust Board believes that, wherever there are Dock Companies, or Harbour Boards, custody of goods landed or awaiting shipment rests with the Companies or Boards concerned, who alone have any right to levy rent, or other charges for warehousing goods pending their examination and passing by the Customs authorities. The Board knows of no instance where the Customs authorities claim or exercise a right to detain goods pending their pleasure, and to charge fees other than Customs duties for such detention.

Apart from the singularity of the procedure that has hitherto obtained in Madras, the Board cannot refrain from alluding to complaints, which it believes to have been made, that goods are at times detained in the Madras Custom House, on insufficient and even frivolous grounds with the result, whether intentional or not, that the Government's charge for rent is thereby enhanced. It seems to be an undesirable state of affairs that a department of Government should have the power to detain goods, and then to levy penal charges on account of such detention.

7. It is impossible to say with exactness how the Harbour Trust's proposed new scale of rates compares with the present Customs scale. When the proposed schedule was submitted to Government with the Chairman's letter No. 5598, dated 21st March 1898, it was stated that "the Sea Customs Department collected about Rs. 30,000 godown rent last year but this scale is calculated to yield only about Rs. 15,000 to Rs. 20,000, the latter being the figure taken in the budget, but it is uncertain whether it will be realised as the proposed scale gives all importers ample time to remove their goods without incurring any storage charges."

The present scale is at so much per package, while the scale proposed by the Board is at so much per ton, which will facilitate calculation of the charges, and prevent delay in passing documents connected with the importation of the goods

8. The question why Government should pay the Municipal tax would appear to be a matter that should be settled by the ordinary custom of landlord and tenant; the tax should be taken into consideration when fixing the rent, and the schedule of rates to recoup that rent should not be such as to bring in over three times the fair amount of rent.

9. Repairs also should follow the usual custom of landlord and tenant, but it should be remembered that in the case of both rent and repairs the building itself is primarily intended for the convenience of the Sea Customs Department, and that import duties collected in it could not conveniently be assessed on goods lying upon the open beach. It is a qestion whether Government would care to leave it to the Harbour Trust Board to keep the sheds in repair.

10. The storage of goods in the Customs yard is neither for the convenience of the owners, nor of the Harbour Trust Board. So far as the latter is concerned it would be more convenient to deliver to consignees direct from the beach, when all goods could be cleared by consignees within 24 hours of landing. It is Government alone that compels goods to be brought into the Custom House, and generally speaking it is only the inadequacy of the space therein and of the Custom House staff that causes detention.

———

Unofficial reference from the Revenue Department, dated 4th March 1899.

———

Order—No. 787, Marine, dated 18th August 1899.

The suggestion of the Harbour Improvements Committee that the custody of goods landed at Madras should be in the hands of the Harbour Trust Board, instead of the Collector of Sea Customs, was approved in G.O., No. 682, Revenue, dated 1st December 1896; but, as the Harbour Trust had no suitable buildings of its own available for storage, it was decided in G.O., No. 861, Revenue, dated 9th October 1897, that the sheds attached to the Custom House, where goods are now stored, should be rented to the Trust; the Board of Revenue being called upon to report as to the rent to be charged.

2. The Board of Revenue now states that the rent for the buildings in question has been estimated by the Consulting Architect at Rs. 764 per mensem or Rs. 9,168 per annum. But from the figures furnished, the Government observes that these premises bring in godown rents ranging from Rs. 17,521 in 1893-94 to Rs. 30,600 in 1897-98; the increase being progressive. If, therefore, the buildings are rented to the Harbour Trust Board for the amount estimated by the Consulting Architect, there will be a considerable loss to Provincial revenues. The rent should, it is considered, be fixed at a figure not less than Rs. 30,000 per annum. To rent the premises at any lower figure would involve a free gift to the Harbour Trust Board of Provincial receipts, the amount of which would probably exceed Rs. 20,000 per annum.

3. The Government is, however, willing to allow a deduction for repairs and Municipal taxes; and a further reduction corresponding to the saving in the cost of Customs establishment incidental to the transfer to the Harbour Trust Board of the duties now undertaken by the Customs authorities. The amount of this saving will be ascertained by the Board of Revenue and communicated to the Harbour Trust Board and Government.

4. The Chairman, Harbour Trust Board, will report whether the Trustees are prepared to take over the buildings on these terms.

5. If the Trustees accept the proposed conditions, it will perhaps be necessary to revise the rates for storage proposed in the Chairman's first letter read above.

6. Pending the consideration of these questions, orders will be deferred on the proposals made for carrying into effect the change of duties recommended by the Harbour Improvements Committee.

(True Extract.)

(Signed) W. B. deWINTON,
Secretary to Government.

To the Chairman, Harbour Trust Board.
" Presidency Port Officer.
" Revenue Department.

Exd. P. Seetharam.

NOTES CONNECTED WITH G.O., No. 787, MARINE, DATED 18th AUGUST 1899.

[Subject.—*New scale of rates for storage of goods, Madras Harbour.*]

From the Chairman, Madras Harbour Trust Board, No. 5598, *dated* 21*st March* 1898.

To the Hon'ble Sir Henry Bliss, K.C.I.E.

With his letter read above, the Chairman, Harbour Trust Board, submits, for the approval of Government, a scale of rates under section 45, Act II of 1886, for the storage of goods within the Sea Customs House and the combustible shed, framed with reference to the arrangements recently approved under which the custody of goods landed is to be transferred from the Collector of Sea Customs to the Harbour Trust.

2. To secure uniformity the Board has adopted a tonnage rate instead of the varying rates now charged by the Sea Customs department.

3. The proposed scale will take effect from the date of transfer of the custody of goods.

R. Parsons.

W. B. deWinton—14-4-98.

(1) How does this scale compare with those in force in Calcutta and Bombay?

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board? I forget.

From paragraph 4 of the Chairman's letter, it seems that the Harbour Trust Board will stand to lose over Rs. 10,000 per annum by this scale as compared with that now in force.

(3) What rent are they going to pay Government for the premises?

(4) What reduction shall we be able to make in our establishments in consequence of their taking over the custody of goods?

We can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer.

H. B[liss]—27-4-98.

Will the Revenue department kindly afford the information under (2), (3) and (4) asked for by the Honourable Member?

W. B. deWinton—29-4-98.

Revenue Department.

To Secretary—

Please see the Marine note above, and the remarks of the Hon'ble Sir Henry Bliss thereof. The Marine department requires information on points marked (2), (3) and (4). Papers were obtained from the Madras office; but a complete reply cannot be furnished without reference to the Board. A draft memorandum is put up below for approval.

V. K. Ramanuja Chariar—26-5-98.

Draft passed.

G. Stokes—27-5-98.

[Memorandum, No. 115, Revenue, dated 1st June 1898.]

Proceedings of the Board of Revenue, No. 2380, *dated* 15*th June* 1898.

To Secretary—

Board's Proceedings, No. 2380, dated 15th June 1898, contains the reply to Memorandum, No. 115, Revenue, dated 1st June 1898. It is submitted that a copy of the Board's Proceedings may be furnished to the Marine department.

2. It will be seen from the Board's Proceedings (i) that the transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected; (ii) that a rent of Rs. 764 per mensem is suggested for the customs premises to be made over to the Harbour Trust Board; and (iii) that information as to what reduction may be effected in the Customs establishments is promised to be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

V.K.R.—29-7-98.

(Further note in Revenue department.)

To Secretary—

The transfer of the custody of goods at the Port of Madras from the Sea Customs Collector to the Harbour Trust Board having been decided on, the Board of Revenue was requested in G.O., No. 861, Revenue, dated 9th October 1897.

(1) to submit a draft notification under section 11 (*f*) of the Sea Customs Act (VIII of 1878), declaring the premises of the Harbour Trust Board to be a part of the Sea Custom House, Madras; — Paragraph 1 of the Government Order.

(2) to draw up, in communication with the Collector of Sea Customs and the Harbour Trust Board, a set of rules defining the relations between the Sea Customs authorities and the Harbour Trust Board in the matter; and — Paragraph 2 *ibid.*

(3) to report what would be a fair rent to demand for the customs sheds proposed to be rented to the Harbour Trust Board pending the erection of suitable buildings by that body for the storage of goods. — Paragraph 3 *ibid.*

2. Board's Proceedings, No. 2380, dated 15th June 1898, contains the reply of the Board of Revenue.

3. It does not appear that, in drafting the rules, the Harbour Trust Board was consulted as directed by Government. In any case, it is presumed that the rules should be referred to the Marine department for remarks. — Yes, un-officially. G. S. Forbes.

4. In paragraph 3 of the Boards Proceedings, the Board states that the rent for the customs premises to be made over to the Harbour Trust Board is estimated by the Consulting Architect to Government at Rs. 764 *per mensem*. It is not clear how the figure has been arrived at. The annual rent at the rate proposed will be Rs. 9,168, which is considerably less than the godown rent of Rs. 30,000 derived by the customs department last year. In his remarks on the note for orders in Marine the Honourable Member observed that "we can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer". The Board of Revenue has not expressed any opinion whether the rent proposed by the Consulting Architect is fair. Further information is accordingly called for on the point (*vide* the draft order below).

K.P.—29-7-98.

Issue endorsement to the Board calling for information on the points in question. Then send the file to Marine department for remarks on the rules.

G. S. Forbes.—30-7-98.

Marine Department.

From the Chairman, Madras Harbour Trust Board, No. 698, *dated* 11*th May* 1898.
" " " " " 1032, *dated* 2*nd June* 1898.
From the Revenue Department, No. 3204, *dated* 2*nd August* 1898.

In connection with the proposed scale of rates for the storage of goods within the Sea Customs House and the combustible shed at Madras, under the proposed arrangements for the custody of imports, the Honourable Member asked for certain information in his note, dated 27th April 1898.

2. As regards—

(1) Attention is invited to the letters from the Chairman of the Harbour Trust Board Nos. 698 and 1032, dated 11th May and 2nd June 1898, respectively, in which he makes a comparison between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs, but the general conclusion the Chairman draws is that the Madras rates are far more liberal (*i.e.*, on a much lower scale) than those of either Calcutta or Bombay, and he claims for the Madras rates the advantages of still further reducing the charges on the trade of this port, of simplicity of procedure, and of facility of audit of accounts.

(2) The transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected. The Board of Revenue has just sent up a set of rules defining the relations between the two authorities, etc., but as the rules seem to have been drawn up without consulting the Harbour Trust Board they are, at the instance of the Revenue department, now being referred to the Chairman for remarks.

(3) A rent of Rs. 764 per mensem has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. The Revenue department is not satisfied with this assessment, and has called upon the Board of Revenue for further information (*a*) as to how the rent has been arrived at, and (*b*) as to what amount of rent has hitherto been derived from the premises, and whether the proposed rent is fair and may be accepted.

(4) The Revenue Board is not yet prepared to say what reduction can be effected in the customs establishments in consequence of the transfer of the custody of goods. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangements.

R.P.

3. This change in the agency for storing goods landed appears to have been decided upon in the interests of the trade of the port, but it is evident that the Sea Customs department will lose a lot of money and the Harbour Trust Board not gain much because they will have to build new godowns eventually and perhaps increase their establishment. Moreover, it seems to me a very inopportune moment for introducing a much more liberal scale of fees than exists at either Bombay or Calcutta where the Harbour Trust Board wants every pie it can scrape together for protective work on the foreshore. I think the Board should be asked to revise and enhance the scale.

W.B.deW.—10-8-98.

(1) What are these buildings assessed at for Municipal taxes? (2) Who is going to pay the Municipal taxes? (3) And also the cost of keeping the buildings in repair? (4) and what will that come to?

H. W. B[liss].

(5) I want to know who is going to make up to Provincial for the loss of over Rs. 20,000 per annum. We can't afford to lose this sum or anything like it.

(6) I don't know that the Harbour Trust Board will lose. They will pay about Rs. 9,000 per annum (say) for rent—and they will levy Rs. 15,000 to Rs. 20,000. But won't they have to increase their establishment? The whole thing seems to me to need more working out.

H. B[liss]—11-8-98.

[*No.* 421-*E.*, *dated* 16*th August* 1898.]

As regards (3), a rent of Rs. 764 *per mensem* or Rs. 9,168 *per annum* has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. As to how this rental has been arrived at, please see data statements A and B which form enclosure to Board's Proceedings No. 671, dated 17th February 1899. From the statement given in the margin, it would appear that there has been a continuous increase in the amount of fees collected by the customs department, *viz.*, from Rs. 17,521 to Rs. 30,600, during the last five years in the shape of godown rents, giving an average of Rs. 26,011 *per annum*. The Board sees no reason why the net income should decrease nor why Government should accept the proposed rent, if the Harbour Trust Board can realize more than three times the amount.

Years.	Total amount of godown rent realized.	Deduct amount of godown rent realized on the iron yard.	Net amount.
	Rs.	Rs.	Rs.
1893-94	17,521	....	17,521
1894-95	23,553	....	23,553
1895-96	40,560	8,359	58,380
1896-97	26,179		
1897-98	32,691	2,091	30,600

The iron yard belongs to the Horbour Trust Board.

It is, however, pointed out that according to the scale of fees proposed by the Harbour Trust Board, that body will realize no more than Rs. 15,000 *per annum* as a minimum. It will thus appear that the Harbour Trust Board propose to materially reduce, in favour of the trade, the fees hitherto assessed. The question for decision is whether this material reduction is necessary or desirable, or whether the Harbour Trust Board should not be required to continue the higher scale now in force in the Sea Customs department. If the latter be decided on the proposal of the Board to enhance the rent for the Sea Customs premises will become feasible.

I think the policy of reduction is a good one—the cheaper the port the better for trade and the most likely its expansion.

A. W. Smart—22-4-99.

As regards the rental for the buildings the Hon'ble Sir Henry Bliss made the following inquiries:—

(i) What are these buildings assessed at for municipal taxes.
(ii) Who is going to pay the municipal taxes.
(iii) Who will bear the cost of keeping these buildings in repair.
(iv) What will that come to?
(v) Who is going to make up to Provincial for the loss of over Rs. 20,000 *per annum*.
(vi) Won't the Harbour Trust Board have to increase their establishment.

As regards (i) above it is submitted that the municipal tax on the Custom-house premises is Rs. 2,996 representing a yearly valuation of Rs. 19,644. The Board is unable, at present, to say how much of the municipal taxation would be due by the Harbour Trust Board for such portion of the premises as they will take over. The Consulting Architect and the President, Municipal Commission, are in correspondence as to the capital cost and the rental value of the buildings, and the exact amount leviable may have to be modified.

As regards (ii), (iii) and (iv), the cost of repairs and the municipal taxes are usually paid by the landlord, but these may be made a matter of special agreement. From column 14 of the statements A and B the cost of repairs appears to be Rs. 4,147; but the Board of Revenue doubts the correctness of the figure and says that the Consulting Architect may be able to give the actual figures for a series of years and on particular portions of the premises.

As regards (v), if Government is not prepared to forego the godown rents—for which the Board sees no reason—, it suggests two courses, viz., first to hand over the premises subject to the Harbour Trust Board making over to Government the godown-rents they realize or to adopt a specified rent founded thereon, say, Rs. 30,000. The former would appear to the Board to be the more equitable course to follow;

Note.—In this case it will have to be considered whether the Harbour Trust Board should be allowed to reduce the scale of fees as they propose to do.

I should say it is better to fix a rent, say, for five or ten years subject to revision at the end of that time.

If a reduction is possible in Customs establishment on account of this transfer, the rent need not be fixed as high as Rs. 30,000 *per annum*.

A. W. Smart—22-4-99.

otherwise, the ordinary method of fixing house-rent will have to be followed. But the Harbour Trust Board is of opinion that where there are Dock Companies or Harbour Boards, Government should have nothing to do with the storage of goods which should be left exclusively to such Companies, and that heavy penal charges are in many cases due to delays on the part of Government offices. The Revenue Board would accede to the first point if the Madras Harbour Board were in possession of premises, which however they are not; and as regards the second point thinks that higher rates for storage may induce earlier removal.

	Rs.
One delivery order clerk	60
One assistant delivery order clerk ..	30
Two peons on Rs. 8 each *per mensem*.	16
Total ..	106

As regards (vi), the Harbour Trust Board propose to increase their establishment at a cost of Rs. 106 *per mensem* as detailed in the margin.

Turning now to the Hon'ble Sir Henry Bliss' inquiry (4) in his note of 27th April 1898, viz., what reduction can be made in the Sea Customs establishment in consequence of the proposed transfer of the custody of goods, it is submitted that the Revenue Board is not yet prepared to say what reduction can be effected. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangement.

I do not know why the Revenue Board cannot give this information. A certain definite portion of the Sea Customs work is to be transferred and an estimate therefore of probable saving on establishment should be possible.

A.W.S.—22-4-99.

A.W.S.—22-4-99.

R.P.

Financial Department.

The case should, I think, be referred to Financial department for opinion before a decision is given.

A. E. H[avelock]—29-4-99.

To the financial department for favour of opinion.

R.P.

A.W.S.—1-5-99.

Financial Department.

The question that concerns Financial is the effect on Provincial revenues of the proposed transfer of the custody of goods landed at Madras from the Customs authorities to the Harbour Trust Board. The scheme itself was approved in December 1896, and some legal difficulties connected with it, including the passing of Act II of 1898, have been overcome. A draft notification declaring certain buildings and areas to be a Custom House and draft rules defining the relations between the Sea Customs authorities and the Harbour Trust Board and a scale of fees to be levied under section 45 of Act II of 1886 for the storage of goods by the Harbour Trust Board have been submitted for approval; and it remains to be considered how best to give effect to the transfer without loss, if possible, to Provincial.

G.O., No. 682. Revenue, dated 1st December 1896.
G.O., No. 861, Revenue, dated 9th October 1897.
G.O., No. 83, Legislative, dated 12th October 1897.

of the trade of the country that the rates in question should be reduced, there is no reason why Imperial, which is really more concerned with the general question of trade than is Provincial, should not bear the loss.

C. M. Schmidt—5-6-99.

The Revenue Board recommends that the custom-house premises should be made over to the Harbour Trust Board on condition they hand over the godown rents. I would add "and keep the buildings in repair and pay all taxes".

What we have to see is that the yield of the rents under the new scale *plus* the saving on establishment, etc., is equal to, say, Rs. 26,000. We know that the rents under the new scale will amount to about Rs. 15,000, but the saving in establishment is not ascertained. The Revenue Board can ascertain it for there must be a definite establishment which is employed in the custody and storage of goods. I would not wait for the Board to do this now but would tell the Board to make a saving of not less than Rs. 2,000. This they can surely do for the Harbour Trust Board's establishment to be newly entertained is Rs. 1,200. The saving in taxes is Rs. 2,996. The repairs cost Rs. 4,147. The matter would equate thus: Government now gets Rs. 26,000, godown rent. Taking the reduction of establishment as Rs. 2,000, it would get Rs. (15,000 + 2,000 + 4147 + 2,996=) 24,143, or it would lose Rs. 2,000 *per annum*. It is well to point out, however, that if this property, *i.e.*, the custom-house, were vested in the Harbour Trust Board, it would, under section 28 of Act II of 1886, be free of tax, and that, if the proposed arrangement is carried out, Government will have no further use for the custom-house. It would seem desirable therefore to make the building over permanently to the Harbour Trust Board.

I do not think Government should try to drive a hard bargain in this matter. Trade is being driven away from the port of Madras by its costliness and by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port. I would direct the Revenue Board to make a saving of not less than Rs. 2,000 by reducing establishment and would accept the scale of rates proposed by the Harbour Trust Board. I do not think the matter need be reported to India.

G. Stokes—11-6-99.

The Chief Secretary's proposals seem to me fair. I think they may be accepted and offered to the Harbour Board.

A. E. H[avelock]—14-6-99.

I think this file should go to Revenue for counter-initials or note. Sea customs revenue is dealt with in Revenue.

A. T. A[rundel]—19-6-99.

With reference to the Hon'ble Mr. Arundel's remark will Revenue please counter-initial or note.

H. M. W[interbotham]—21-6-99.

Revenue Department.

To Secretary—

In G.O., No. 861, dated 9th October 1897, it was decided that at the port of Madras the Harbour Trust Board, instead of the Customs Collector, should take charge of goods as they are landed, that they should deliver them to the owners on passes granted by that officer, and that for this purpose, the sheds belonging to the Customs department should be rented to the Harbour Trust Board. The Consulting Architect to Government fixed Rs. 764 as the monthly rent to be paid by the Harbour Trust Board, while the godown rents realised by Government in 1897-98 amounted to Rs. 30,600. The question discussed in these notes is whether Provincial may lose the difference between Rs. 30,600 and Rs. 764 × 12 or Rs. 21,432, and if not, what should be done in the matter.

2. The proposal made by the Board of Revenue, which the Financial department has accepted, is that the Harbour Trust Board should hand over to the Customs department the rents received by them. Taking the average of godown rents for five years, the Financial department makes out that Provincial would lose only Rs. 2,000 a year, and thinks that this loss may be accepted in consideration of the importance of making the port less costly than it is.

3. The rents obtained during the five years ending with 1897-98 were as under:—

	Rs.
1893-94	17,500
1894-95	23,500
1895-96	58,400
1896-97	
1897-98	30,600

Seeing that there has been a progressive increase, it is doubtful whether the average is a correct measure of the revenue to be lost to Government in future years. It may perhaps not fall short of Rs. 30,000.

4. Again, it appears to be assumed that the Harbour Trust Board would hand over the receipts, estimated at Rs. 15,000 a year, and pay from their other income, presumably the pay of the new establishment to be entertained (Rs. 106 × 12 or Rs. 1,272), the cost of repairs to the sheds (Rs. 4,147) and municipal taxes thereon (Rs. 2,996). It is doubtful whether they will agree to do so, and whether they will not deduct these charges from the receipts. If not, the net revenue which Government may look forward to, would be Rs. 15,000 — (Rs. 1,272 + 4,147 + 2,996) or Rs. 6,585. Taking the cost of the establishment, which the Customs Collector can dispense with, at Rs. 2,000, and deducting the cost of repairs and municipal taxes the net income hitherto obtained was Rs. 30,000 — (Rs. 2,000 + 4,147 + 2,996) or Rs. 20,857. The Government would, therefore, lose Rs. 14,272 a year.

N.E.M.

I submit Government may hear what the Board has got to say before ordering reductions of establishment in round figures.

N.E.M.—3-7-99.

5. It is suggested by the Financial department that the Customs sheds should be permanently transferred to the Harbour Trust Board, as they can then claim exemption from payment of municipal taxes under section 28 of Act II of 1886. It is doubtful whether exemption may be claimed. Section 28 states that "the property vested by this Act in the Board shall be exempted from assessment of any rate or tax, etc." From section 25 it will be observed that the property vested by the Act is the several properties specified in schedule A, which do not include the Customs sheds under consideration. It cannot be contended that what is acquired by the Harbour Trust Board by purchase is vested in them; for section 26 uses the two words—vested and acquired—as having different meanings. If, however, it is thought that exemption can be claimed, the Harbour Trust Board must purchase the sheds. It is not known whether they are able or willing to do so.

Property vested in or acquired by them.

6. The annual loss to Government may perhaps slightly diminish, if the receipts of the Harbour Trust Board increase; but as the highest estimate of them is only Rs. 20,000, the loss can never be less than Rs. 9,000. This is not a small amount to be easily sacrificed, and it is for the Financial department to say whether it is competent to this Government without reference to the Government of India to conclude the bargain.

7. The Financial department suggests that the Board of Revenue should be directed to make a saving of not less than Rs. 2,000 by reducing the Customs establishment. The Board may be asked what reductions are feasible; but it is not certain whether it can fully carry out the direction.

N.E.M.

8. It appears to have been anticipated that the Harbour Trust Board will eventually provide buildings of their own, surrendering those to be rented by them from Government. It is not known whether any use can be found for them. Perhaps it will be best to lease them permanently to the Harbour Trust Board.

Paragraph 3 of G.O., No. 861, Revenue, dated 9th October 1897.

9. When these questions are settled, this Department has to issue a notification under section 11 of the Sea Customs Act (VIII of 1878) and to approve certain rules for regulating the mutual relations of the Sea Customs and Harbour Trust authorities.

V.K.R.—1-7-99.

Hon'ble Mr. Arundel, C.S.I.

Hon'ble Mr. Winterbotham.

With reference to Honourable Members' notes on the previous page.

N. E. Marjoribanks—3-7-99.

The suggestion of the Chief Secretary that trade is being driven away from the port by its costliness and that by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port, is a new argument in the discussion, which I do not think it valid,—for in the first place the godown rents have been steadily increasing and in the second place it is found that the Madras fees are far less than those of Calcutta or Bombay.

It does not seem to me that there is any question of "driving a hard bargain." The Harbour Trust Board and the Chamber of Commerce desire to change the present system and to take over the Custom House sheds as they have none of their own. The sheds bring in a certain revenue to Provincial funds and I cannot see why Government should make a present of all or part of this in complying with the desire of the Harbour Trust Board to change the system. I think the equitable way will be to inform the Harbour Trust Board what Government derives from the rents, deduct the cost of repairs, taxes, and any saving of establishment that may be feasible and ask the Harbour Trust Board if they are prepared to pay the balance annually to Government.

I do not think we can order the Board to reduce establishment by Rs. 2,000 or any other figure. It will almost certainly be found impossible to make such a reduction. The Board should require the Collector to report on the matter. The Harbour Trust Board may be told that such reductions as are found to be feasible will be deducted from the amount to be paid to Government.

From the note in Revenue it seems clear that the Harbour Trust Board will have to pay municipal taxes.

A. T. A[rundel]—5-7-99.

H. M. W[interbotham]—6-7-99.

Returned to Marine with Honourable Members' notes above.

H. Tremenheere—10-7-99.

Marine Department.

I accept the proposals of Honourable Members as made in their notes of 5th July 1899 and 6th July 1899.

A. E. H[avelock]—4-8-99.

[G.O., No. 787, Marine, dated 18th August 1899.]

Marine (1898) Department.

CURRENT No. 370

Print

Order

From
The Chairman,
Harbour Trust Board,
Madras.

No. 5598.

Dated 21*st March* 1898.

Despatched 24*th* „ „

Received 25.3.98

Enclosures: nil.

Spare copies: three.

SUBJECT.

Submitting for the approval of Government, a scale of rates framed by the Trustees of the Harbour under Section 45, Act II of 1886, for the storage of goods within the Sea Custom House and the Combustible shed.

BACK PAPERS.

G. O.	No.	Department.	Date.
931		Marine	15-11-97
899		Marine	4-11-97
778		Marine	4-9-97

FURTHER PAPERS.

G. O.	No.	Department.	Date.

18

18

No. 5598.

HARBOUR TRUST OFFICE,
MADRAS, 21*st March* 1898.

FROM

J. N. ATKINSON, Esq., I. C. S.,
CHAIRMAN, HARBOUR TRUST BOARD,
Madras.

To

W. B. DEWINTON, Esq.,
SECRETARY TO GOVERNMENT,
Marine Department.

SIR,

I have the honor to submit, herewith for the approval of Government, a scale of rates framed by the Trustees of the Harbour under Section 45, Act II of 1886, for the storage of goods within the Sea Custom House and the Combustible shed.

2. The scale of rates of godown rent as charged at present by the Sea Customs Department is annexed. The schedule of articles is very incomplete, and being at so much per package, is not uniform with the other rates, at so much per ton, framed by the Trustees under Section 45, Act II of 1886, for wharfage, storage and demurrage, &c., upon the Harbour Trust's own premises, and which have already been approved and sanctioned by Government, from time to time.

The Board has, therefore, adopted a scale of rates for storage at so much per ton, which will be uniform with the other charges leviable under that section.

3. The proviso that the Chairman is authorised to reduce or remit the charge at his discretion, on production of a certificate from the Collector of Sea Customs, that storage charges have accrued due owing to detention of goods by the Customs authorities, will enable the Board to remit the charge for storage when due to the action of the Collector, and not to delay on the part of merchants in clearing their goods.

Vide para 2 of Rev. G.O. in G.O. 931 Mar 15-11-97

4. The Sea Customs Department collected about Rs. 30,000 godown rent last year, but this scale is calculated to yield only about Rs. 15,000 to Rs. 20,000, the latter being the figure taken in the budget; but it is uncertain whether it will be realised, as the proposed scale gives all importers ample time to remove their goods without incurring any storage charges.

5. It is requested that, if approved, the scale may be notified in the *Gazette* to take effect from the date on which the custody of goods stored in the Sea Custom House is transferred from the Collector to the Harbour Trust Board.

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

J. N. Atkinson
Chairman,
Harbour Trust Board.

The following scale of rates, framed by the Trustees of the Madras Harbour, under Section 45, Act II of 1886 (The Madras Harbour Trust Act), for the storage of goods within the Madras Sea Custom House, and the Combustible Shed, requires the sanction of Government.

VI. *For the storage of goods within those premises in the occupation of the Board known as* (1) *the Sea Custom House yards*, (2) *the Combustible Shed.*

Three days free, from the date the vessel from which landed completes discharge of cargo for storage in the Custom House, exclusive of Sundays and Chamber of Commerce holidays.

For eight running days thereafter two annas per ton per day; for the next eight running days double the rate leviable for the first eight days; thereafter up to the time of delivery to the Collector of Sea Customs under Section 88, Act VIII of 1878 (the Sea Customs Act); treble the rate leviable for the first eight days; provided that on production of a certificate from the Collector of Sea Customs, to the effect that storage charges have accrued due under this scale owing to detention of the goods by the Customs authorities, the Chairman is authorised to reduce or remit the charge at his discretion.

C. PINSENT,
Secretary,
Harbour Trust Board.

Extract of Proceedings of the Trustees of the Harbour of Madras, at a Meeting held at the Offices of the Board on Friday, the 18th day of March 1898.

* * *

8. Read and approved draft scale of rates of godown rent framed under Section 45, Act II of 1886, for the storage of goods in the custody of the Board within

(1) the Sea Custom House yards and

(2) the Combustible shed,

Resolved,—that this scale of rates be submitted to Government, for approval, in anticipation of the transfer of the custody of goods from the Collector of Sea Customs to the Trust; to be brought into force from such date as the proposed transfer may take effect from.

* * *

(True extract.)

C. PINSENT,
Secretary,
Harbour Trust Board.

Godown Rent at present charged in the Madras Custom House.

Rule 1,— Goods shall be allowed to remain for four days only in any Custom House free of charge.

Rule 2.—After that period, single rates shall be charged for seven days.

Rule 3.—Treble rates shall be charged after seven days. These penalty rates may however be reduced at the discretion of the Customs Collector.

Single rates of godown rent will be charged on all iron for ten days and thereafter at treble rates, and the rate of godown rent will be six pies per cwt. per month instead of per bazaar maund, as in the case of "Metals" in the accompanying schedule.

Rule 4.—The day of landing and that of removal to be reckoned as one day; Sundays and close holidays are not recokned in the rent-free terms. When delay is caused by the inability of the Custom House officers to examine and pass the goods, such delay is not to be reckoned. The foregoing rules are equally applicable to personal effects deposited in the Custom Houses.

The rates of wharfage or godown rent are given below; they are applicable to all Customs ports. The rate of 1 rupee per mensem per 100 cubic feet of space should be applied to all goods not specified in this list.

No charge for godown rent to be made if the amount does not exceed six pies.

Rates for Godown Rent.

	Per month. RS.	A.	P.
Beer, whole pipes, butt, or puncheon ...	0	12	0
Do. half pipe or hogshead	0	6	0
Do. quarter pipe	0	3	0
Large casks cong. glass or earthenware..	1	0	0
Small casks	0	12	0
Tierce do. do. or provisions	0	12	0
Large crates, 12 dozen bottles ...	0	6	0
Small do. 6 or 8 dozen, more less ...	0	4	0
Wines, butt or pipe	2	0	0
Do. half pipe or hogshead ..	1	0	0
Do. quarter pipe	0	8	0
Do. chests above 12 dozen size ...	0	8	0
Do. do. of 12 dozen or above 6 doz.	0	6	0
Do. do. of 6 dozen or 3 do. ...	0	3	0
Do. quarter chest or 3 dozen ...	0	2	0
Do. all boxes under 3 dozen and above 1 dozen	0	1	0
Do. one dozen boxes	0	0	9
Cases of under 1 dozen size	0	0	6
Spirits, per pipe	2	0	0
Do. hogshead	1	0	0
Do. in bottle case of 1 dozen ...	0	1	0
Do. above 1 and under 3 dozen ...	0	1	6
Do. 3 dozen	0	2	0
Do. above 3 and under 6 dozen ..	0	3	0
Do. 6 dozen	0	4	0
Do. for every dozen in excess of 6 dozen size	0	0	9
British piece-goods, per case above 12 dozen	0	8	0
Do. do. do. per case of 12 dozen or above 6 dozen ...	0	6	0
Do. do. do. 6 or 3 dozen do. ...	0	3	0
Do. do. do. 3 dozen or less ...	0	2	0
Do. do. do. bale of size of bale of twist of 400 to 500 lbs.	0	6	0
Do. do. per bale of smaller size ...	0	4	0
Twist of all sorts, per bale of 400 or 500 lbs.	0	6	0
Do. do. do. of smaller size ...	0	4	0
Metals, per bazaar maund	0	0	6
Canvas, per bale	0	3	0
Silk, per bale	0	6	0
Silk piece-goods, per case	0	6	0
Indigo, per chest	0	6	0

	Per month. RS.	A.	P.
Opium	0	6	0
Cotton hemp, jute and safflower, per bale of 300 lbs. ...	0	4	0
Sugar, rice and seeds, per 100 bazaar maunds	2	8	0
Cutch, per 100 bazaar maunds ...	2	0	0
Shell-lac and lac-dye, per chest ...	0	4	0
Vermilion, per box	0	2	0
Arsenic, do.	0	3	0
Brass leaf, do.	0	2	0
China paper, per case ...	0	2	0
China, casea of nankin, cassia, camphor, silk, aniseed, &c,, per case	0	3	0
Ginger or Turmeric, per 100 bazaar maunds	3	0	0
Betelnut, per bazaar maund	0	0	6
Cloves, do. do.	0	1	0
Coffee, pepper, cardamom, cummin seed, aniseed, in bags or bales, per bazaar maund	0	1	0
Sugar, spices, or any other similar articles, per hogshead ...	0	8	0
Do. do. do. per tierce	0	4	0
Sugar-candy, per tub	0	0	6
Tea, per whole chest	0	2	0
Tea, per smaller box	0	1	0
Paint, per beg of 56 lbs	0	0	6
Salmon, herrings, or other fishes, per keg	0	0	6
Turpentine, linseed or other vegetable oil, per jar	0	2	0
All cordage, per cwt	0	1	0
Rosin or dammer, per bazaar maund ...	0	1	0
Tobacco unmanufactured, per 1 maund bale	0	2	0
Gunnies, per large bale	0	8	0
Do per small bale	0	6	0
Cow hides, per large bale	0	12	0
Do. per small bale	0	8	0
Goat skins, per bale...	0	8	0
Quicksilver, per bazaar maund ..	0	2	0
Tin plates, per box	0	0	6
Bricks, per 1,000	1	0	0
Valuables, such as specie, jewellery, corals, gold thread, silver plate, &c., per case.	2	0	0

Vide Cr. 370/98

Marine Department

37

Memo: No. 2412 92 - May 1898

Adverting to letter from the Chairman, Harbour Trust Board, No. 5598, dated 21st March 1898, the undersigned is directed to request that information may be afforded as to how the proposed scale of fees for storage of goods compares with those in force in Calcutta and Bombay.

To
The Chairman,
Harbour Trust Board.

Note for W.

The information is not available in the records of the office.

3

18

L.O. No. 113

Marine (1898) Department.

CURRENT No. 639

Print

Order

From
The Chairman,
Harbour Trust Board,
Madras.

No. 698

Dated 11—5—98

Despatched 12—"—"

Received 14-5-98

Enclosures –.

Spare copies –

SUBJECT.

Replying to memo No.241 E dated 2nd May enquiring how the proposed scale of rates to be charged for goods stored in the Custom House and Combustible shed compared with those at Bombay and Calcutta.

BACK PAPERS.

G. O.	No.	Department.	Date.

FURTHER PAPERS.

G. O.	No.	Department.	Date.

Harbour Trust Office,

MADRAS, 11th May 1898.

No. 698

From

J.N.Atkinson Esq I.C.S,

Chairman, Harbour Trust Board,

MADRAS.

To

W.B.deWinton Esq,

Secretary to Government,

Marine Department.

Sir,

I have the honour to acknowledge the receipt of your memo dated 2nd May No.241 E and to inform you in reply that according to the list of articles chargeable with wharf rent in Calcutta Appendix E to the Sea Customs Act, as printed in "The Sea Customs Law of India and Tariff Act 1894" by W.H.Grimley I.C.S., late Secretary to the Board of Revenue Calcutta,-the rates therein given are exactly double those printed on page 3 of my letter No.5598 dated 21st March, at present charged in the Madras Custom House; but in addition to the rates at Calcutta being double those now paid at Madras, quadruple rates are charged at Calcutta as a maximum, against treble rates only in Madras.

2. The Madras rules as at present existing are therefore far more liberal than those in force at Calcutta: for an 8 anna rate at Madras is only liable to be trebled to Rs 1/8 while at Calcutta the corresponding rate of Rs 1/ on the same article may be quadrupled, to a maximum of Rs 4/.

3. The rates proposed by the Harbour Trust Board as explained in para 4 of my letter above quoted, are calculated to further reduce the Madras charge by one third to one half.

4.

5P

As regards Bombay I have written for information; all I have available, at present, is the rates for Warehousing, and a comparison between those rates and the rates proposed to be charged in the Madras Custom House cannot be made, as the charges for storage in the Custom House are intended to compel clearance of goods, while the warehouse charges in Bombay have been framed to compete with private godowns, and to encourage storage.

I have the honour to be,

Sir,

Your Obedient Servant,

J. W. Atkinson

Chairman,

Harbour Trust Board.

Secy.

18

For 113

Marine (1897) Department.

CURRENT No. 730

Order

From
The Chairman,
Harbour Trust Board,
Madras.

No. 1032

Dated 2 — 6 — 98

Despatched 3 — 6 — 98

Received 6 — 6 — 98

Enclosures —

Spare copies —

SUBJECT.

Storage of goods.

Giving as a comparison with Bombay the rates levied at Madras for the-

BACK PAPERS.

G. O.	No.	Department.	Date.

FURTHER PAPERS.

G. O.	No.	Department.	Date.

18

Harbour Trust Office,

MADRAS, 2nd June 1898.

No. 1032

From

J.N.Atkinson Esq I.C.S.,

Chairman, Harbour Trust Board,

MADRAS.

To

W.B.deWinton Esq.,

Secretary to Government,

Marine Department.

Sir,

In continuation of my letter No.698 dated IIth May, I have the honour to report that, so far as any comparison can be made between the rates at Bombay and Madras, for the storage of goods, the following items will give particulars.

2. Sugar, rice, and dutiable goods are allowed seven days free, and non dutiable goods five days free from date of landing, and after these free days have expired extra rents are incurred for every three days, or part of three days at the rate of one third of the wharfage fee to which the goods may be liable.

3. The wharfage fee referred to is the charge which corresponds to the Harbour Trust landing due of I2 annas per ton, but while at Madras there is this fixed rate of I2 annas upon all goods landed, the charge varies in Bombay very considerably; for instance:-liquors are charged in Bombay at 8 annas per one dozen case, of which about 35 go to the ton of 50 cubic feet. The charge in Bombay for liquors is therefore Rs 4-8-0 as against I2 annas in Madras; therefore the rent charge after the expiry of the free days would be, at one third for every three days, Rs 4-8-0 for only nine days, or per mensem Rs I4-9-4, as against a rate of 9 pies per case in Madras, which at the trebled penal rate gives only Rs 4-I4-9 for a month after the free and single rate periods have expired.

4.

for cartons & cases transferred to it.

4. But there is an alternative charge in Bombay "immediately after the expiry of free days, goods may be removed into the warehouse "for unclaimed goods" and the rates chargeable for liquors in this warehouse (which is not the warrant warehouse) are as follows: 3 pies per week or part of a week, for a one dozen case. In this instance therefore the charge for a month would be five rates, that is, I anna 3 pies per dozen case which equals Rs 3.II.9 per ton, as against the Madras treble penal rate of Rs 4.I4.9 at present charged.

5. Piece goods compare as follows:-The wharfage charge is 4 annas per bale, therefore at one third this rate for every three days the charge would be 4 annas per bale for 9 days, or I3 annas and 4 pies per bale per mensem, as compared with I2 annas the treble penal rate at present charged in Madras.

The alternative rate in the unclaimed packages Warehouse would be I0 annas only at Bombay per mensem.

6. Iron. The rate at Bombay is, if stored in the open, Rs 20 per 500 square feet per mensem; equal to Rs 96 per ground of 2400 square feet, the charge for which at Madras is Rs 5 only.

If stored in sheds the rate at Bombay is Rs I44 per ground per mensem, no extra rate is levied in Madras when iron is stored in the shed used for the purpose in the iron yard.

7. Unenumerated goods are charged in Bombay at from 2 annas to Rs I.I4.0 per package according to size, from 4 cubic feet to 60 cubic feet, which gives a rate throughout of 6 pies per cubic foot for wharfage, but each package appears to be charged separately, which would considerably enhance the rate. Taking however for the purpose of comparison the all round rate at 6 pies per cubic foot, a Madras ton of 50 cubic feet would be charged Rs I.9.0, one third of which for every three days would give Rs I.9.0 for nine days, or Rs 5.3.4 per month of 30 days, or Rs I0.6.8 per I00 cubic feet.

The corresponding rate in Madras is one rupee per mensem per I00 cubic feet, or a maximum penal rate of Rs 3/- per mensem per I00 cubic feet.

The alternative rate in Bombay is only one rupee per I00 cubic feet per mensem on goods stored in the unclaimed warehouse.

8. It is to be observed that at Madras the rates at present charged are at so much per month; that is to say, a package left for 8 days would be charged 8/30ths of the rate per mensem, while at Bombay

the

the charge would be two or three rates according to whether the charge is levied per week or for every three days; in other words, the charge at Madras is day by day, at Bombay a package left one day has to pay either for seven days or for three days, and as packages as a rule do not, at Madras, remain more than one or two days over the rent free period the Bombay method of levying their rents at once enhances the comparative charge it may be treble or quadruple, although the rate per mensem may appear low.

88

9. It is clear that Madras rates are far more liberal in every way than either Bombay or Calcutta, and the proposed scale will tend to still further reduce the charges on the trade of this port, and to simplify procedure, all charges being reckoned at so much per ton, which is a great advantage, as it enables dues to be assessed more promptly, and the audit of accounts is also very much facilitated.

I have the honour to be,

Sir,

Your Obedient Servant,

Secy.

J. N. Atkinson

Chairman,

Harbour Trust Board.

amount of rent.

omit

Read B.P. No. 2380 d. 15-6-98
(Cor. 4456 of 98).
Endt. No. 3204 d/ 2d Augt. 1898.

~~Referred to the Marine Dept for [favour of] remarks.~~

~~2.~~ With reference to para 3 of its Pro: read above, the Board of Revenue is requested to report at a very early date how the rent of Rs 764 was arrived at by the Consulting Architect to Govt. Information as to the amount of rent hitherto derived from the premises should be furnished and the Board of Revenue should also state its opinion as to how far the proposed rent is fair, and may be accepted.

S.A. 30/7/8

KO 29/8 7/98

2/8/98

To the Marine Dept: } 4/8/98
- - Board. S.R. }

[illegible] premises transferred to it.

amount of rent.

Marine (1898) Department.

CURRENT No. 998

Order

From The Revenue dept

Inst No. 3204

Dated 2nd August 1898

Received 5-8-98

Enclosures One

Spare copies –

SUBJECT.

Requesting the Board of Rev: to report regarding certain points connected with the Calculation of rents to be charged to the Harbour Trust Board for Customs premises transferred to it.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

amount of rent.

Circ. No. 115
1-6-98.

To the Board of Revenue

Separate Revenue

Advertising

To the correspondence ending with C.O. No. 861 Revd 9-10-97, the Board of Revenue is requested to furnish information on the following points at a very early date:

(1) in what stage are the question of the transfer of the custody of goods from the collector of Sea Customs to the Harbour Trust Board is at present;

(2). what rent the Harbours Trust Board will pay to Govt for the premises now used for the storage of goods; and

(3). what reduction may be effected in the Sea Customs establishments may be expected in consequence of the transfer of the custody of goods from the Collr to the Harbour Trust Board

11.5.98

KD 26/5/98.

for Customs premises transferred to it.

amount of rent.

Note

The above one is submitted with reference to the Hon Sir Henry Bliss's queries on Marine Cir. 370 of 98.

S.W. 24/5/98

18

Revenue (1898) Department.

CURRENT No. 4456

E/

8P

Order ~~Endt~~ Endl.
No. 419 Ec., d/11th August 1898

Referred to the Chairman Harbour Trust Board for any remarks he may wish to offer on the rules proposed by the Board of Revenue.

C.S.

To the Ch. H. T. Bd. with 3 Enclosures and plan to be returned

D/10/8/98

From
The Secretary to the Commissioner of Salt, Abkari and Separate Revenue, Madras.

Mis. No. 2380.

Dated 15th June 1898.
Received 23 "
Registered 24 "
Enclosures 3
Spare copies

SUBJECT.

Submitting to Government in connection with the transfer of the custody of goods in Madras to the Harbour Trust Board, ~~and~~ a draft Notification declaring certain Customs and Harbour Trust Board premises to be a Customs House and a set of Rules defining the relations between the Sea Customs Authorities and the Harbour Trust Board and stating the amount of rent to be charged to that Board for Customs premises transferred to it.

11/24.6.98

BACK PAPERS.

G.O.	No.	Department.	Date.
O.M.		115	
			1.6.98

FURTHER PAPERS.

G.O.	No.	Department.	Date.

amount of rent.

REVENUE BOARD OFFICE MADRAS.

Proceedings of the Board of Revenue

(Separate Revenue),

Dated 15th June, 1898.

Mis. No. 2380.

Read again Board's Proceedings Mis.No.1259, dated 29th March 1898, calling for certain information and a plan in connection with the notification for declaring certain Customs and Harbour Trust Premises to be parts of the Customs House, pointing out certain omissions in the rules defining the relations between the Sea Customs authorities and the Harbour Trust Board and considering that the fixing of hours during which the gates of the sheds are to be kept open for the receipt and delivery of goods without overtime fees would require the sanction of Government.

Read also letter from J.N.Atkinson Esquire.,I.C.S,Ag. Collector of Sea Customs, Madras, No.3676 G,dated 6th June 1898, forwarding for the Board's approval and submission to Government for sanction amended drafts of the Notification and Rules defining the relations between the Sea Customs authorities and the Harbour Trust Board on the transfer of the Custody of goods to Harbour Trust Board's Traffic Department.

Read also Official Memorandum from Government Revenue Department No.115, dated 1st June 1898, requesting further information in connection with the transfer of the custody of goods from the Collector of Sea Customs to the Harbour Trust Board.

R E S O L U T I O N.

The Board begs, with reference to Government Order No.861, Revenue, dated 9th October 1897,to submit a draft notification declaring certain Customs and Harbour Trust Premises to be a Customs House at the port of Madras, and a set of Rules defining the relations between

the Sea Customs Department and the Harbour Trust Board and providing that no foreign goods shall be delivered except under a "Pass Order" from certain Customs Officers. Delay - has arisen from the necessity to remit the matter to the - Collector of Sea Customs for further consideration.

2. The new arrangement may be brought into force from - 15th July 1898.

3. The monthly rent for the Customs premises made over to the Harbour Trust Board inclusive of the combustible shed is Rs. 764/ per mensem as estimated by the Consulting Architect to Government.

4. A report as to what reduction may be effected in the Sea Customs establishments will be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

5. A tracing of the Harbour Trust property which it is - proposed to declare to be within Customs limits is also submitted.

(True extract)

Acting Secretary.

21.6.98

To the Secretary to Government, Revenue Department, with a draft Notification, Rules and a tracing.

Copy to the Collector of Sea Customs, Madras.

amount of rent.

DRAFT NOTIFICATION.

Print 10 ✓

In supersession of notification No.492, dated 22nd September 1896, published on page 1239 of the Fort Saint George Gazette, dated 18th October 1896, His Excellency the Governor in Council is pleased to declare under section 11 clause (f) of the Sea Customs Act VIII of 1878, the undermentioned - buildings and areas to be a Customs House at the Port of - Madras for the purposes of the Act:-

(a). The building with its verandah and ground comprised - within the iron palisade commonly known as "the Custom House", situated in ~~the~~ North Black Town, and bounded on the north - by Jaffer Syrang Lane, on the south by Naraina Naick street, on the east by the North Beach Road and on the west by Jaffer Syrang Garden street.

(b). The building, with its enclosure, commonly known as " the combustible shed " situated on the beach to the south of the Southern groyne of the Madras Harbour, and ~~on~~ north - of the premises belonging to the Postal Department, measuring 2390 square feet.

(c) The Harbour Trust premises on the foreshore lying between the north and south arms of the Harbour from high water mark on the east to the Harbour Trust boundary pillars on the west; and the sheds, buildings and areas, within these limits, excepting the Public Warehouse, the Harbour Master's office, the Police Deputy Commissioner's office, Clive's - Battery and plantation and grounds attached thereto.

Acting Secretary.

21.6.98

amount of rent.

DRAFT RULES.

Print 11 Sp

Rules defining the relations between the Sea Customs - Authorities and the Harbour Trust Board.

These rules are framdd in view of the Customs House sheds and combustible shed being rented to the Harbour Trust Board to be used for the storage of all Foreign Cargo as hitherto. They will require revision, from time to time, as accommodation is provided to meet the requirements of the Port and - Customs Staff. Any alterations in the rules are to be settled in communication with the Customs Collector.

(1) These rules will apply to all Foreign goods imported at the Port of Madras.

(2) The storage of all Foreign goods shall be conducted - only in such sheds and places as the Customs Collector may from time to time direct.

(3) The front and pass gates connected with the sheds - will be under the joint locks of Customs and Harbour Trust - Officials.

(4) The front gate will be open from 6 A.M. to 6 P.M. daily (Sundays and holidays included) for the reception of dutiable Cargo. The pass gates will be opened for the delivery of - goods from 10 A.M. to 4 P.M. daily (Sundays and holidays excepted). The Collector may, at his discretion, extend these - hours at any time without overtime fees being charged.

(5) The liquor sheds, the godowns in which broken packages are stored, and the strong rooms located within what is known as the Customs House Buildings will be under the joint locks of the Customs House and Harbour Trust Officials and will be open before and after office hours, and on Sundays - and holidays when goods are brought in for deposit in them. The godown for unclaimed goods will however remain under the sole charge of the Collector.

(6) All packages selected for examination by the Customs - House Officials ~~should~~ shall be taken by the Harbour Trust Authorities to the place or places set apart by the Collector for - the purpose in the Customs House on written requisitions made to them by the Customs House Authorities, and after examination

will be taken back by the Harbour Trust Authorities to the sheds.

(7) All foreign goods shall be subject to the above rules in regard to the hours of delivery, etc, and shall in no case be delivered by the Harbour Trust Board Officials except under a " Pass Order" from the Collector or his Deputy and in the presence of a Customs House Official.

(8) A list will be prepared by the Harbour Trust of all foreign goods remaining unclaimed for the space of four months after entry of the vessel in which they were imported and will be submitted to the Collector at the beginning of each month with the unclaimed packages covered by it. These packages will be taken charge of by the Import Department of the Customs House and lodged in the Queen's Warehouse for disposal under section 88 of the Sea Customs Act, and the list will be checked and verified by that Department with the Customs House Import Accounts, the Harbour Trust being held responsible for any missing packages that have been actually landed.

(9) Goods detained by the Customs Department for examination in the course of appraisement, etc, will be exempt from godown rent until orders have been communicated to the owner enabling him to remove his goods.

(10) No goods shall be opened in the Customs House except by order of the Collector of Sea Customs or his Deputy or one of the Appraisers.

(11) All coopers and carpenters employed for opening and examining packages shall be licensed by the Harbour Trust Board.

Gtalhunt
Acting Secretary.
21.6.98.

4/
21/6/98
21/6/98

Marine 1898
REVENUE DEPARTMENT
3
4455 / 111

amount of rent.

18

730

Revenue Department.

Copy of Proceedings of the Board of Revenue, Separate Revenue, Misc. No. 2380 dated 15th June 1898.

Read again B. P. Misc. No. 1259, dated 29th March 1898, calling for certain information and a plan in connection with the notification for declaring certain Customs and Harbour Trust Premises to be parts of the Customs House, pointing out ceertain omissions in the rules defining the relations between the Sea Customs authorities and the Harbour Trust Board and considering that the fixing of hours during which the gates of the sheds are to be kept open for the receipt and delivery of goods without overtime fees would require the sanction of Government.

Read also letter from J. N. Atkinson Esqr. I. C. S. Ag. Collector of Sea Customs, Madras, No. 3676G, dated 6th June 1898, forwarding for the Board's approval and submission to Govt. for sanction amended drafts of the Notification and Rules defining the relations between the Sea Customs authorities and the Harbour Trust Board on the transfer of the custody of goods to Harbour Trust Board's Traffic Dept.

Read also Official Memorandum from Govt. Revenue Dept. No. 115, dated 1st June 1898, requesting further information in connection with the transfer of the custody of goods from the Collector of Sea Customs to the Harbour Trust Board.

R e s o l u t i o n .

G.O. 931
15-11-97

The Board begs, with reference to G. O. No. 861, Revenue dated 9th October 1897, to submit a draft notification declaring certain Customs and Harbour Trust Premises to be a Customs House at the port of Madras, and a set of Rules defining the relations between the Sea Customs Dept. and the Harbour Trust Board and providing that no foreign goods shall be delivered except under a "Pass Order" from certain Customs Officers. Delay has arisen from the necessity to remit the matter to the Collector of Sea Customs for further consideration.

2. The new arrangement may be brought into force from 15th July 1898.

3. The monthly rent for the Customs premises made over to the Harbour Trust Board inclusive of the combustible shed is Rs. 764 per mensem as estimated by the Consulting Architect to Govt.

4. A report as to what reduction may be effected in the Sea - Customs establishments will be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

5. A tracing of the Harbour Trust property which it is proposed to declare to be within Customs limits is also submitted.

(True Copy.)

Ag. Under-Secy to Government.

Mar Gen I
998/98

amount of rent.

[F. 4]
2,000-5 3-98.

REVENUE DEPARTMENT.

Print

GOVERNMENT OF MADRAS.

148

PROCEEDINGS OF THE MADRAS GOVERNMENT.

READ the following paper:—

Proceedings of the Board of Revenue, Separate Revenue, Misc. No. 2380 dated 15th June 1898.

Order thereon, Misc. No. 3204 d/ 2nd August 1898.

With reference to para 3 of its Proceedings read above, the Board of Revenue is requested to report at a very early date how the rent of Rs. 764 was arrived at by the consulting architect to Government. Information as to the amount of rent hitherto derived from the premises should be furnished and the Board of Revenue should also state its opinion as to how far the proposed rent is fair, and may be accepted.

(True Extract.)

Secretary to Government.

To the Marine Department.

,, Board of Revenue, Separate Revenue.

amount of rent.

L.O. 1P—135

Marine (1897) Department.

CURRENT No. 1052

Point

Order

From
The Chairman,
Harbour Trust Board,
Madras.

No. 1849

Dated 18—8—98

Despatched —"—"—

Received 20-8-98

Enclosures

Spare copies

SUBJECT.

Transfer of the custody of goods landed.

Replying to memo (Marine) dated 16th August enquiring what additional establishment would be required in the Traffic Department consequent on the — to the Harbour Trust Board while stored in the Custom House.

Await reply from the Revenue Dept to No 421 E of 16 August 1898

AK 22-8-98.

KW

BACK PAPERS.

G. O.	No.	Department.	Date.
422	247	16-8-98	
421	247	16-8-98	
419	247	16-8-98	
P.O.	247	8-2-98	

FURTHER PAPERS.

G. O.	No.	Department.	Date.

amount of rent.

Harbour Trust Office,

MADRAS, 15th August 1898.

No. 1849

From

J.N.Atkinson Esq I.C.S.,

Chairman, Harbour Trust Board,

MADRAS.

15P

To

W.E.deWinton Esq,

Secretary to Government,

Marine Department.

Sir,

I have the honour to acknowledge the receipt of your memo dated 15th August, and to submit herewith memo, at foot, showing the increased establishment that it is anticipated will be required to the Board's Traffic Department, in connection with the transfer of the custody of goods landed to the Harbour Trust while stored in the present Custom House yards.

Provision has been made in the Establishment list and Budget estimates for the current year, vide para 14 of my No.5076 dated 26th February and the printed list forwarded therewith page 3 Nos.68 and 69 and page 4 Nos.76 and 77.

P-247 Jua 2-4-98

I have the honour to be,

Sir,

Your Obedient Servant,

J.N. Atkinson

Chairman,

Harbour Trust Board.-

Secy.

No.68 Delivery order clerk Rs 60

" 69 Assistant ----"---- " 30

" 76 Peon -------"---- " 8

" 77 -do- --------"---- " 8

Total Rs 106 per mensem.

10

amount of rent.

T.O. No 135

108

Marine Department

No 422 E.G. 16th August 1898

Memo.

Adverting to the letter from the Chairman Harbour Trust Board No 5598 dated 21st March 1898, on the subject of the transfer of the custody of goods landed, from the Collector of Sea Customs to the Harbour Trust Board, the undersigned is directed to inquire whether any increase of establishment will be necessary in connection with the new duties; and, if so, its approximate cost.

R.S.

A.W.
16.8.98.
D.W.

× Sent to Rev. Dept. [illegible]
No 421 E.G. 16 Aug. 98

12

The Col[illegible]

amount of rent.

L.O. 1-135

Marine (1897) Department.

CURRENT No. 1111

Order

From
The Chairman,
Harbour Trust Board,
Madras.

Print — *No.* 2040

Dated 30—8—'98

Despatched " — " — "

Received 1—9—98

Enclosures 4 + (1 Plan)

Spare copies

SUBJECT.

Transfer of the custody of goods landed to the Harbour Trust.

Replying to endorsement No.419 E Marine dated IIth August referring to the Chairman for remarks draft notification and rules in connection with the ----------

BACK PAPERS.

G. O.	No.	Department.	Date.
	4192		11-8-98

FURTHER PAPERS.

G. O.	No.	Department.	Date.

amount of rent.

18

21/11/98. D. X.11

Harbour Trust Office,

MADRAS, 30th August 1898.

No. 2040

From

168 J.N.Atkinson Esq I.C.S.,

Chairman, Harbour Trust Board,

MADRAS.

To

W.B.deWinton Esq,

Secretary to Government,

Marine Department.

Sir,

I have the honour to acknowledge the receipt of your endorsement dated IIth August No.419 E and to return the draft notification and draft rules together with Proceedings of the Board of Revenue (Separate Revenue) dated I5th June I898 No.2380 mis.

These drafts are practically the same as have already been approved by the Harbour Trustees and I have no remarks to offer.

I have the honour to be,

Sir,

Your Obedient Servant,

Secy.

J.N. Atkinson

Chairman,

Harbour Trust Board.

amount of rent.

20R D/14.2.99. Rev. Dept.

O. M. No. 192

(The top paper in the lower file).

D.C. no. 2289/99

Df 19/8/98 kept the files intact

Referring to the correspondence ending with G.O. No. 3204 dt 2.8.98 regarding the transfer to the Harbour Trust Board of certain custom premises at the Port of Madras, the Board of Revenue is requested to be good enough to furnish information on the following points:—

(i) the amount of assessment fixed on the premises by the municipality for the levy of municipal taxes; ~~on the premises~~;

(ii) the cost of keeping them in repair; and

(iii) the authority by which such cost and the municipal taxes thereon will be paid after the transfer.

(Para 4 of the office note on Current no 4456 below the ~~filed with the~~ top paper in the lower file)

2. If the rent of Rs 764 per mensem fixed by the Consulting Architect to Govt be accepted, Govt will apparently lose the difference between Rs 764×12 or Rs 9168 and Rs 30,000 the godown

godown rent which, it is understood, is now realised by the Customs Department i.e. Rs 20,832. It should be stated ~~by whom~~ how it is proposed that this amount shall be made good to the Provincial Revenues

KD
18/8/98

GJ
19/8

Contracommd
19th Aug: 1898

To

The Board of Revenue,
(Sep. Rev.)

Accepted 20/8/98

amount of rent.

Revenue (1899) Department.

CURRENT No. 1289

From
The Secretary to the Commissioner
of Salt, Abkari and Separate Revenue,
Madras.

Order

Print Mis. No. 671.

Dated 17th February 1899.

Received 20 ~~th~~ ".

Registered 21 ~~st~~.

Enclosures 7 //

Spare copies

SUBJECT.

Submitting to Government certain information called for in connection with the transfer of the custody of goods to the ~~the~~ Harbour Trust Board.

18/2/99

BACK PAPERS.

G.O.	No.	Department.	Date.
cmis	3204	Rev	2.8.98
O m	192		19.8.98

FURTHER PAPERS.

G.O.	No.	Department.	Date.

amount of rent.

PRICE 1 *pie.* 2,000 1-9-98.

REVENUE BOARD OFFICE MADRAS.

Proceedings of the Board of Revenue

(Separate Revenue).

Dated 17th February 1899.

Mis. No. 671.

Read Government Order Mis.No.3204, Revenue, dated 2nd August 1898.

Read also Official Memorandum from Government, Revenue Department, No.192, dated 19th August 1898.

Read also letter from J.N.Atkinson,Esquire, I.C.S., Collector of Sea Customs, Madras, No.5507 G, dated 17th August 1898.

Read also letter from the same officer, No.6695 G,dated 6th October 1898.

Read also letter from G.S.T.Harris,Esquire, Consulting Architect to Government, Madras, No.3952, dated 14th December 1898.

Read also letter from J.N.Atkinson,Esquire,I.C.S,Collector of Sea Customs, Madras, No.906 G,dated 9th February 1899.

Resolution.

In the Official Memorandum and Government Order first read above Government calls for information on

departmental rules,be excluded in the case of both.

the following points:-

(1) How the rent of Rupees seven hundred and sixty-four for the premises to be handed over to the Harbour Trust Board was arrived at by the Consulting Architect to Government:

(2) The amount of rent hitherto derived for the premises and the Board's opinion as to how far the proposed rent is fair and may be accepted:

(3) The amount of assessment fixed on the premises by the Municipality for the levy of Municipal taxes:

(4) The cost of keeping the premises in repairs:

(5) The authority by which such cost and the Municipal taxes will be paid after the transfer:

(6) How the difference between the proposed rent and the present godown rent realized, being Rs.20,832, is proposed to be made good to Provincial Revenues.

2.(1) Copies of the two statements furnished by the Consulting Architect showing the data for the calculation of the rent as arrived at by him are herewith submitted. The Board cannot discuss these valuations to profit; they are drawn up according to departmental rules governing such matters; but the methods are different in the two statements.

(ii) The statement in the margin gives the amount collected during the last five years in the shape of godown rent which is the only

Years	Total amount of godown rent realized	Deduct amount of godown rent realized on the Iron yard#	Net Amount
1893-94	17,521 - -	" " "	17,521 - -
1894-95	23,553 - -	" " "	23,553 - -
1895-96	40,560 - -	8,389 - -	32,171 - -
1896-97	36,179 - -	3,091 - -	33,088 - -
1897-98	33,691 - -		30,600 - -

#The Iron yard belongs to the Harbour Trust

amount of rent.

income; the average, it will be observed, is Rs.26,011, but the increase has been continuous from Rs.17,521 to 30,600.- Cotton duties were introduced in December 1894. There is no apparent reason why the net income should decrease; neither is there any sufficient reason why the Government should accept an annual rent of Rs.9,168 if the Harbour Trust is likely to realize more than three times that amount.

(iii) The rental value fixed by the Municipality on the whole of the Custom-house building is Rs.21,549, this being what the Municipal Commission considers a reasonable valuation. It is understood that the whole premises has been valued by the Consulting Architect to Government as shown in the enclosed statement marked C. Items 4 to 9 are the portions which would be handed over to the Harbour Trust Board and the value thereof is Rs.1,05,075 out of the total of Rs.2,07,552. The proportionate amount of the Municipal valuation proper to these latter premises is therefore Rs.10,909. The Consulting Architect, however,# objects to the total valuation of Rs.21,549-8-0, claiming that, at 6 per cent, it should be only Rs.12,453; the matter is still unsettled.

#Vide his letter to the President marked D.

It will be observed that the Consulting Architect's current valuation of Rs.105,075 is considerably below the total capital cost on which the monthly rental of Rs.764 was arrived at by him; the items of cost of establishment and cost of site being included for the main buildings and excluded for the combustible sheds, whereas apparently they should, under the departmental rules, be excluded in the case of both.

The Municipal tax on the Custom-house premises is Rs.2,996 which would represent a yearly valuation of Rs.19,644 and therefore covers the last two items in the Consulting Architect's letter Marked D. to the President of the Municipal Commission No.2713, dated 25th November 1898. How much of that would be due by the Harbour Trust for the premises they are to receive it is impossible to say on the papers and figures before the Board; it represents the premises that will continue to remain in the Collector's charge as well as those to be handed over, and will probably be altered on the result of the correspondence between the Consulting Architect and the President.

(iv) Columns 14 of ~~the~~ statements A and B show that the Consulting Architect estimates the cost of the annual repairs at Rs.4,147; the figure of course depends on the figures adopted for the capital cost, and these, as stated above, do not appear correct; the Consulting Architect may be able to give the actual figures of repairs for a series of years on particular portions of the premises.

(v) The cost of repairs and the Municipal taxes are usually paid by the Landlord, but these may be made matter of special agreement.

(vi) If Government is not prepared to forego the godown rents-and there seems to be no reason why it should do so-two courses are open to it, first, to hand over the premises, subject to the Harbour Trust making over the godown rents they realize, or to adopt a specified rent founded thereon, say Rs.30,000. The former would appear the more equitable course to follow. Otherwise the ordinary method of fixing house rent is to be followed and the whole of the elements

amount of rent.

constituting house value has to be considered.

But apparently the Harbour Trust Board regard the matter of the godowns as properly a source of income for themselves. 19p marked E A copy of the letter of the Secretary to the Collector of Sea Customs is enclosed. The Harbour Trust urges that Government should have nothing to do with storage of goods, that wherever there are dock companies or Harbour Boards the custody of goods landed or awaiting shipment rests with them and that they alone have any right to levy rent or other charges for warehousing goods, pending their examination and passing by the Customs authorities. The contention would be valid enough if the Madras Harbour Trust were in the possession of premises so as to take over the warehousing. That is not the case. The Harbour Trust further urges that the officers of Government cause detention of goods and the delays so made are penalised; and that these charges, therefore, should not be considered in the light of ordinary sources of revenue. But, looking at the printed Schedule of rates proposed by the Harbour Trust, it will appear that that body does not propose to give up the penal charges, and, in the Collector's opinion, the rates ordinary and penal will press more heavily than the Government rates upon importers. If, therefore, the present rate of rent is adopted or a lower rate is fixed, Government will simply be surrendering its privileges as owner of the premises to the Harbour Trust, while failing to benefit importers or the

6

community generally. Higher rates for storage may induce earlier removal but may also lead to a claim for increased establishment for the speedier disposal of the work of passing.

(True extract)

C. Tallents
Acting Secretary.
20.2.99.

To the Secretary to Government, Revenue Department,
with three statements, A, B and C, Consulting Architect's letter (D), Copy of Harbour Trust Board's letter and its printed schedule of rates and Madras Customs Collector's letter No. 906 C, dated 9th February 1899, with enclosures.

18

amount of rent.

7

Print

20 Br

Statement giving data for calculation of rent of Buildings in charge of Consulting Architect Division.

No.	Name of Building	Official designation and salary of occupant	Whether permanent or temporary	Date of completion or purchase	Capital cost: Cost of construction	Capital cost: 10 per cent for establishment + T. & P.	Capital cost: Cost of site	Capital cost: Total	4 per cent on capital cost	Actual average cost of repairs vide G.O. No 1367 W dated 22.5.89: Cost of repairs	10 per cent for establishment + T. & Plant	Total	Estimated cost of repairs when actual average is not taken + 10% for same	Normal rate of rent on basis of foregoing data: yearly 10+13 or 10+14	monthly 15/12	Rent paid prior to 1st September 1888	Rent to be charged: yearly	Rent to be charged: monthly	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
1.	Sheds and yards attached to the Sea Custom House	"	P	"	67,536	6,754	42,172	1,16,462	4,658	"	"	"	3843	8501	708	"	8501	708	

Madras,
21-2-98.

(Signed) G. S. T. Harris,
Consulting Architect to Govt.
to Government

(True copy)

Sea Custom House,
Madras, 10th March 1898.

[illegible]
Ag. Collector of Sea Customs

Appendix B

Statement giving data for calculation of rent of Buildings in charge of Consulting Architect Division

No.	Name of Building	Official designation and salary of occupant.	Whether permanent or Temporary	Date of Completion or purchase	Capital Cost: cost of construction	Capital Cost: 10% for establishment & Tools & Plant	Capital Cost: cost of site	Capital Cost: Total.	4 per cent on Capital cost	Actual average cost of repairs vide G.O. 26-1367 W. dated 22nd May 1889: cost of repairs	10% for establishment &c.	Total.	Estimated cost of repairs when actual average is not taken 10 per cent on the above.	Normal rate of rent on basis of foregoing data: Yearly 10+13½	Monthly 15/12	Rent paid prior to 7th September 1888:	Rent to be Charged: Yearly.	Monthly.	Remarks.
1.	Combustible sheds and yards.		Permanent.	1886–87.	Rs 9200.	920	# Rs 25000.	10,120	405				333	738	62		744	62	(a)
								9,200	368				304	672	56		672	56	(b)

The cost of site being approximate and not being actually paid for will not go against Capital Cost of the building in calculation of rent of buildings under code Vol. i Chap. X para 28 i (a) as modified by S.O. note 2, dated 17 May 1895.

(Signed) G. Harris.
Consulting Architect to Govt:

(Truecopy)

J. U. Atkinson

amount of rent.

(a) Rent of Rs62 as arrived at is calculated on the capital cost of the building inclusive of share for Establishment and Tools and Plant.

(b) Rent of Rs56 as arrived at is calculated on the cost of the building exclusive of the share for Establishment and Tools and Plant.

Under Code I. X. 281(a) the share for Establishment and Tools and Plant need not be added to the cost of building if the building was in existence prior to 7th September 1888 provided the result is not reduction of rent charged previously.

That which is applicable to the case may be adhered to.

[signature]

1899
REVENUE DEPT.
2
1289
Emig & Collr Cust G.O. 2990/98

amount of rent.

C

Extract from the report of the Sub-divisional officer in charge of the Customs buildings in Madras to the Consulting Architect to Government.

	Area Sq: feet	Valuation Rs.
(1) Office of the Protector of Emigrants including front verandah main building	4,830	16,905
(2) Collector of Madras, upper story Do. Do.	2,186	7,651
(3) Collector of Sea Customs Do.	22,263	77,921
(4) To be handed over to Harbour Trust Board.	6,433	22,515
(5) Out-building to be handed over Do.		
Import shed.	185′ × 93′	17,205
Export shed.	185′ × 94′	17,320
(6) Block containing broken packages, latrines & godowns &c	2,184	2,184
(7) Liquor shed - - - -	240′ × 30′	11,827
(8) Open iron shed against the back walls	300′ × 20′	5,824
(9) Combustible shed - - -	93′ × 25′	9,200
		207,552

[signature]
Acting Secretary.
20.2.99.

amount of rent.

No 2910

Office of the Consulting Architect to Government,
Chepâk, 10th December 1898.

Appendix D Print

Copy of a communication from the Consulting Architect to Government to the President, Municipal Commission Madras No 2713 dated 25th November 98.

I have the honor to state that the Collector of Sea Customs wrote to me recently to fix the rent value, for municipal tax purposes, of that portion of the Customs premises which is not to be handed over to the Harbour Trust Board. Upon which I directed the Sub-Divisional officer in charge of these buildings to verify the value of the whole of the Custom House buildings and enclose a list of the same with their value the total amounting to Rs 207552/- the annual value according to which at 6 per cent should be Rs 12453/- whereas the annual value of the Custom House buildings at present is Rs 21549-as 8-0 as follows:—

office

amount of rent.

12

	Rs - a - p
Office of Protector of Emigrants	436 - 12 - 0
— do Collector of Madras	1468 - 12 - 0
Marine Dispensary (formerly, but now occupied by Customs Dept)	125 - 0 - 0
Custom House	19519 - 0 - 0
Total Rs	21549 - 8 - 0

The sub-Divisional Officer reports that many of the buildings which formerly existed were demolished some years ago and no deduction appears to have been made in the annual value. I request that you will appoint some of your Assistants to investigate the matter and make necessary reduction in the annual value.

Forwarded to the Collector of Sea Customs with reference to his Reminder No 8083 dated 9th December 1898. To fix the correct value of the portion to be handed over to the Harbour Trust Board the actual annual value of the entire buildings should be settled

13

settled.

I have forwarded a reminder to the President, Municipal Commission.

24 S/

(Sd) W. G. Molesworth
for Consulting Architect
to Government.

No 8134 G

Copy forwarded to the Secretary to the Board of Revenue, Separate Revenue, for information, with reference to correspondence ending with telephone message of 9th December 1898.

Sea Custom House
Madras, 12th December 98

J. N. Atkinson
Collector, Sea Customs

899
REVENUE DEPT.
Press No. 4
No. 1289

amount of rent.

14

Madras Harbour Trust
Secretary's Office
27th September 1898.

No. 2423

From

The Secretary, Harbour Trust Board,
M a d r a s.

To

The Collector of Sea Customs,
M a d r a s.

Sir,

I am directed to acknowledge the receipt of your letter dated 3rd September, No. 5976 G, in reference to the proposed rental charge for the godowns and yard attached to the Sea Custom-house, in which you point out that should those premises and the combustible shed be rented to the Trustees of the Harbour at Rs. 764 per mensem Provincial Revenues would suffer to the extent of about Rs. 20,832 per annum.

2. The Harbour Board would point out that the figures you quote, by which you arrive at this conclusion, show that the rents collected have risen from Rs. 17,521 in 1893-94 to Rs. 30,600 in 1897-98, and if the years 1891-93 are taken into consideration the tax on the trade of the port has been increased from Rs. 12,943, the average for these two years, to more than double in 1897-98.

The values of imports and godown rent collected for the years for which Statistics are available compare as follows:-

~~1891-92~~	Godown rent. Rs.	Value Rs.
1891-92	11,491	5,28,25,429
1892-93	14,396	4,50,26,435

	Godown rent Rs.	Value Rs.
1893-94	17,521	5,32,09,638
1894-95	23,553	5,81,94,962
1895-96	29,141	4,91,91,580
1896-97	29,141	
1897-98	30,600	

3. When the Harbour Trust was constituted the Custom-House yards were made over to the Trustees, and the average rents collected from 1886-91 amounted to about Rs.10,000 per annum. The rents collected have steadily risen year after year and have, since 1891, increased threefold without any additional facilities being afforded; on the contrary a good deal of the increase may be attributed to the Customs authorities compelling all dutiable goods which can be taken through the entrance archway to be brought into the Custom-House yards, thus rendering clearance and delivery more difficult, and such accommodation as is available less efficient, as it is frequently necessary to store goods (which ought to be under cover) in the open spaces around the sheds.

4. It will therefore be seen that the import trade of this port is penalised over and above Customs duty for a service of storage which has deteriorated in efficiency, and trebled in cost, since the custody of goods was taken away from the Harbour Board and resumed by the Customs authorities.

This the Trustees consider is to be regretted as a retrograde procedure, and they would strongly urge that it is contrary to

amount of rent.

to good policy that penal charges should be regarded as an ordinary source of Revenue.

5. The Trustees are of opinion that it is greatly against the interests of the trade of this port that they should be expected to continue this penal charge upon imports, and that Government should not expect to receive as rent for the Customs yards more than a fair return for the building, and certainly should not attempt to obtain from the import trade, as rent of a building, penal rates levied under a schedule which arbitrarily imposes a charge out of all proportion to services rendered, that is, over three times as much as is a fair rental charge for the premises. The Customs yards are not, it would seem, intended as a source of Revenue, but merely as a place for the temporary storage of goods to facilitate the convenient levy of duty imposed by Statute, and it is altogether wrong, in the opinion of the Harbour Board, to endeavour to collect an additional revenue because the accommodation provided is inadequate.

6. The Harbour Trust Board believes that, wherever there are Dock Companies, or Harbour Boards, custody of goods landed or awaiting shipment rests with the Companies or Boards concerned, who alone have any right to levy rent, or other charges for warehousing goods pending their examination and passing by the Customs authorities. The Board knows of no instance where the Customs authorities claim or exercise a right to detain goods pending their pleasure, and to charge fees other than Customs duties for such detention.

Apart from the singularity of the procedure that has hitherto

obtained in Madras the Board cannot refrain from alluding to complaints, which it believes to have been made, that goods are at times detained in the Madras Custom-house, on insufficient and even frivolous grounds with the result, whether intentional or not, that the Government's charge for rent is thereby enhanced. It seems to be an undesirable state of affairs that a Department of Government should have the power to detain goods, and then to levy penal charges on account of such detention.

7. It is impossible to say with exactness how the Harbour Trust's proposed new scale of rates compares with the present Customs scale. When the proposed schedule was submitted to Government with the Chairman's letter No.5598, dated 21st March 1898, it was stated that "the Sea Customs Department collected about Rs.30,000 godown rent last year but this scale is calculated to yield only about Rs.15,000 to Rs.20,000, the latter being the figure taken in the budget, but it is uncertain whether it will be realised as the proposed scale gives all importers ample time to remove their goods without incurring any storage charges."

The present scale is at so much per package, while the scale proposed by the Board is at so much per ton, which will facilitate calculation of the charges, and prevent delay in passing documents connected with the importation of the goods.

8. The question why Government should pay the municipal tax would appear to be a matter that should be settled by the ordinary custom of landlord and tenant; the tax should be taken into consideration when fixing the rent, and the schedule of rates to recoup that rent should not be such as to bring in over three times the fair amount

amount of rent.

9. Repairs also should follow the usual custom of landlord and tenant, but it should be remembered that in the case of both rent and repairs the building itself is primarily intended for the convenience of the Sea Customs Department, and that import duties collected in it could not conveniently be assessed on goods lying upon the open beach. It is a question whether Government would care to leave it to the Harbour Trust Board to keep the sheds in repair.

10. The storage of goods in the Customs yard is neither for the convenience of the owners nor of the Harbour Trust Board. So far as the latter is concerned it would be more convenient to deliver to consignees direct from the Beach, when all goods could be cleared by consignees within 24 hours of landing. It is Government alone that compels goods to be brought into the Custom-house, and generally speaking it is only the inadequacy of the space therein and of the Custom-House staff that causes detention.

I have etc.,

(Signed) C. Pinsent,
Secretary,
Harbour Trust Board.

(True Copy)

Acting Secretary.
20.2.99.

Marine (1898) Department.

CURRENT No.

Order

From
The Chairman,
Harbour Trust Board,
Madras.

No. 5598.

Dated 21*st March* 1898.

Despatched 24*th* „ „

Received

Enclosures : nil.

Spare copies : three.

SUBJECT.

Submitting for the approval of Government, a scale of rates framed by the Trustees of the Harbour under Section 45, Act II of 1886, for the storage of goods within the Sea Custom House and the Combustible shed.

BACK PAPERS.

G. O.	No.	Department.	Date.

FURTHER PAPERS.

G. O.	No.	Department.	Date.

19

No. 5598.

HARBOUR TRUST OFFICE,
MADRAS, 21*st March* 1898.

FROM

J. N. ATKINSON, ESQ., I. C. S.,
CHAIRMAN, HARBOUR TRUST BOARD,
Madras.

To

W. B. DEWINTON, ESQ.,
SECRETARY TO GOVERNMENT,
Marine Department.

SIR,

I have the honor to submit herewith, for the approval of Government, a scale of rates framed by the Trustees of the Harbour under Section 45, Act II of 1886, for the storage of goods within the Sea Custom House and the Combustible shed.

2. The scale of rates of godown rent as charged at present by the Sea Customs Department is annexed. The schedule of articles is very incomplete, and being at so much per package, is not uniform with the other rates, at so much per ton, framed by the Trustees under Section 45, Act II of 1886, for wharfage, storage and demurrage, &c., upon the Harbour Trust's own premises, and which have already been approved and sanctioned by Government, from time to time.

The Board has, therefore, adopted a scale of rates for storage at so much per ton, which will be uniform with the other charges leviable under that section.

3. The proviso that the Chairman is authorised to reduce or remit the charge at his discretion, on production of a certificate from the Collector of Sea Customs, that storage charges have accrued due owing to detention of goods by the Customs authorities, will enable the Board to remit the charge for storage when due to the action of the Collector, and not to delay on the part of merchants in clearing their goods.

4. The Sea Customs Department collected about Rs. 30,000 godown rent last year, but this scale is calculated to yield only about Rs. 15,000 to Rs. 20,000, the latter being the figure taken in the budget; but it is uncertain whether it will be realised, as the proposed scale gives all importers ample time to remove their goods without incurring any storage charges.

5. It is requested that, if approved, the scale may be notified in the *Gazette* to take effect from the date on which the custody of goods stored in the Sea Custom House is transferred from the Collector to the Harbour Trust Board.

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

J. N. ATKINSON,
Chairman,
Harbour Trust Board.

The following scale of rates, framed by the Trustees of the Madras Harbour, under Section 45, Act II of 1886 (The Madras Harbour Trust Act), for the storage of goods within the Madras Sea Custom House, and the Combustible Shed, requires the sanction of Government.

VI. *For the storage of goods within those premises in the occupation of the Board known as* (1) *the Sea Custom House yards*, (2) *the Combustible Shed.*

Three days free, from the date the vessel from which landed completes discharge of cargo for storage in the Custom House, exclusive of Sundays and Chamber of Commerce holidays.

For eight running days thereafter two annas per ton per day; for the next eight running days double the rate leviable for the first eight days; thereafter up to the time of delivery to the Collector of Sea Customs under Section 88, Act VIII of 1878 (the Sea Customs Act); treble the rate leviable for the first eight days; provided that on production of a certificate from the Collector of Sea Customs, to the effect that storage charges have accrued due under this scale owing to detention of the goods by the Customs authorities, the Chairman is authorised to reduce or remit the charge at his discretion.

C. PINSENT,
Secretary,
Harbour Trust Board.

Extract of Proceedings of the Trustees of the Harbour of Madras, at a Meeting held at the Offices of the Board on Friday, the 18th day of March 1898.

* * *

8. Read and approved draft scale of rates of godown rent framed under Section 45, Act II of 1886, for the storage of goods in the custody of the Board within

(1) the Sea Custom House yards and

(2) the Combustible shed.

Resolved,—that this scale of rates be submitted to Government, for approval, in anticipation of the transfer of the custody of goods from the Collector of Sea Customs to the Trust; to be brought into force from such date as the proposed transfer may take effect from.

* * *

(True extract.)

C. PINSENT,
Secretary,
Harbour Trust Board.

Godown Rent at present charged in the Madras Custom House.

Rule 1.—Goods shall be allowed to remain for four days only in any Custom House free of charge.

Rule 2.—After that period, single rates shall be charged for seven days.

Rule 3.—Treble rates shall be charged after seven days. These penalty rates may however be reduced at the discretion of the Customs Collector.

Single rates of godown rent will be charged on all iron for ten days and thereafter at treble rates, and the rate of godown rent will be six pies per cwt. per month instead of per bazaar maund, as in the case of "Metals" in the accompanying schedule.

Rule 4.—The day of landing and that of removal to be reckoned as one day; Sundays and close holidays are not reckoned in the rent-free terms. When delay is caused by the inability of the Custom House officers to examine and pass the goods, such delay is not to be reckoned. The foregoing rules are equally applicable to personal effects deposited in the Custom Houses.

The rates of wharfage or godown rent are given below; they are applicable to all Customs ports. The rate of 1 rupee per mensem per 100 cubic feet of space should be applied to all goods not specified in this list.

No charge for godown rent to be made if the amount does not exceed six pies.

Rates for Godown Rent.

	Per month. Rs.	A.	P.
Beer, whole pipes, butt, or puncheon ...	0	12	0
Do. half pipe or hogshead	0	6	0
Do. quarter pipe	0	3	0
Large casks cong. glass or earthenware..	1	0	0
Small casks	0	12	0
Tierce do. do. or provisions	0	12	0
Large crates, 12 dozen bottles ...	0	6	0
Small do. 6 or 8 dozen, more or less...	0	4	0
Wines, butt or pipe	2	0	0
Do. half pipe or hogshead ..	1	0	0
Do. quarter pipe	0	8	0
Do. chests above 12 dozen size ...	0	8	0
Do. do. of 12 dozen or above 6 doz.	0	6	0
Do. do. of 6 dozen or 3 do. ...	0	3	0
Do. quarter chest or 3 dozen ...	0	2	0
Do. all boxes under 3 dozen and above 1 dozen	0	1	0
Do. one dozen boxes	0	0	9
Cases of under 1 dozen size	0	0	6
Spirits, per pipe	2	0	0
Do. hogshead	1	0	0
Do. in bottle case of 1 dozen ...	0	1	0
Do. above 1 and under 3 dozen ...	0	1	6
Do. 3 dozen	0	2	0
Do. above 3 and under 6 dozen ...	0	3	0
Do. 6 dozen	0	4	0
Do. for every dozen in excess of 6 dozen size	0	0	9
British piece-goods, per case above 12 dozen	0	8	0
Do. do. do. per case of 12 dozen or above 6 dozen	0	6	0
Do. do. do. 6 or 3 dozen do. ...	0	3	0
Do. do. do. 3 dozen or less ...	0	2	0
Do. do. do. bale of size of bale of twist of 400 to 500 lbs.	0	6	0
Do. do. per bale of smaller size ...	0	4	0
Twist of all sorts, per bale of 400 or 500 lbs.	0	6	0
Do. do. do. of smaller size ...	0	4	0
Metals, per bazaar maund	0	0	6
Canvas, per bale	0	3	0
Silk, per bale	0	6	0
Silk piece-goods, per case	0	6	0
Indigo, per chest	0	6	0

	Per month. Rs.	A.	P.
Opium	0	6	0
Cotton hemp, jute and safflower, per bale of 300 lbs. ...	0	4	0
Sugar, rice and seeds, per 100 bazaar maunds	2	8	0
Cutch, per 100 bazaar maunds ...	2	0	0
Shell-lac and lac-dye, per chest ...	0	4	0
Vermilion, per box	0	2	0
Arsenic, do.	0	3	0
Brass leaf, do.	0	2	0
China paper, per case	0	2	0
China, casea of nankin, cassia, camphor, silk, aniseed, &c., per case	0	3	0
Ginger or Turmeric, per 100 bazaar maunds	3	0	0
Betelnut, per bazaar maund	0	0	6
Cloves, do. do.	0	1	0
Coffee, pepper, cardamom, cummin seed, aniseed, in bags or bales, per bazaar maund	0	1	0
Sugar, spices, or any other similar articles, per hogshead	0	8	0
Do. do. do. per tierce	0	4	0
Sugar-candy, per tub	0	0	6
Tea, per whole chest	0	2	0
Tea, per smaller box	0	1	0
Paint, per bag of 56 lbs	0	0	6
Salmon, herrings, or other fishes, per keg	0	0	6
Turpentine, linseed or other vegetable oil, per jar	0	2	0
All cordage, per cwt	0	1	0
Rosin or dammer, per bazaar maund ...	0	1	0
Tobacco unmanufactured, per 1 maund bale	0	2	0
Gunnies, per large bale	0	8	0
Do per small bale	0	6	0
Cow hides, per large bale	0	12	0
Do. per small bale	0	8	0
Goat skins, per bale...	0	8	0
Quicksilver, per bazaar maund ..	0	2	0
Tin plates, per box	0	0	6
Bricks, per 1,000	1	0	0
Valuables, such as specie, jewellery, corals, gold thread, silver plate, &c., per case.	2	0	0

R. No/3123.

Revenue Department
Municipal office,
Madras, 2nd February 1899.

From.
Mahomed Sufdar Hosain Sahib
Bahadur. B.C.S.
Revenue officer, Municipal
Commission, Madras

To. The Consulting Architect
to the Government of Madras,
Chepauk.

Sir, With reference to your letter no. 2713, dated 25th November 1898, I have the honor to state as follows.

Formerly all the premises mentioned in your letter under reply formed one block of building bearing no 20. North Beach Road and assessed at the valuation of Rs 20,000 in 1885, the then Collector of Madras Mr Barlow objected to the rate of assessment and the same was confirmed by the Appeal Board in the presence of Col Burton R.E. and Mr Chisholm in 1891-92. This assessable value was raised to Rs 21,200 and the increased rate of assessment continued to be paid up to 1894-95. In 1895-96 at

at the instance of the Consulting Architect to Government, the building was sub-divided and the assessments distributed as follows.

No.	Street.	Description of property.	Annual valuation Rs	as	P.
1st 20	North Beach Road	Office of the Protector of Emigrants	436	12	4
2nd 20		Office of the Collector of Customs.	1468	12	4
3rd 20		Marine Dispensary	125	"	"
4th 20		Sea Customs office	19,169	8	4

Subsequently the assessable value of No 4th 20 was raised to Rs 19,680 for the 2nd half year of the year 1895-96 on account of a Zinc roofed verandah added to the building. On objection, this rate was reduced to Rs 19,519. In the 2nd half year of 1898-99, the Collector of Madras requested in his No. 7009 Gr. dated 20th October 1898 that No. 3rd 20 be added to No. 4th 20. This was accordingly done and an amalgamated Bill for the 2 Buildings was issued and has been paid.

2. From the enquiries made it appears that since 1891-92 no building which formerly existed was demolished

3

3. The assessment for the current official year has become final under the provisions of Section 196 of the City of Madras Municipal Act. If you consider it excessive, I would suggest your taking objection to it in time next year when the matter will be laid before the Appeal Board and disposed of

29 Sk

(Sd) M. S. Hussain
Revenue Officer

No 3481 dated 4th February 1899.

(True Copy)

Forwarded to the Collector of Sea Customs, Madras, for information with reference to his letter No. 7158 Gr, dated 27th October 1898.

(Signed) G. S. T. Harris.
Consulting Architect
to Government.

(True Copy)

J. H. Atherwood
Collector,
Sea Customs.

Sea Custom House,
Madras, 9th Febry '99.
h
10/2/99

25

Office of the Consulting Architect
to Government, Chepauk, Madras
7th February 1899

No 3524.

From

J. B. T. Harris, Esq
Consulting Architect
to the Government of Madras

To

The Collector of Sea Customs
Madras.

Sir,

Enclosure 2

With reference to your letter No 262 G, dated the 11th January 1899, I have the honor to forward Statement showing the rent-value of the Custom House buildings according to present Municipal valuation and that considered fair by this office. Objection will be taken to the valuation early next official year in accordance with the Municipal Revenue officer's letter, a copy of which was sent to you with this office No 3, dated

Dated 4th February 1899

26

I have &c

(Sd) G. D. T. Harris

Consulting Architect
to Government.

(True Copy)

Sea Custom House
Madras, 9th February 1899.

J. R. Atkinson
Collector, Sea
Customs.

Dft 10/2/99.

1899
REVENUE DEPT.
8
1899

27

No. 906 G

Sea Customs Collector's Office,
Madras, 9th February 1899.

Enclosures. 4

From

J. R. Atkinson Esq. I.C.S.
Collector of Sea Customs.
Madras,

To

33 SP

The Secretary to the Commissioner of
Salt, Abkári and Separate Revenue,
Chepâk, Madras.

Sir

Adverting to Board's telephonic message, dated 27th October 1898, I have the honor to forward herewith two Statements, furnished by the Consulting Architect to Government, showing the rent-value and Municipal assessment of the Custom House buildings according to present Municipal valuation and that considered fair by the Government Architect. It will be seen that the Consulting Architect's valuation of that portion of the Customs premises which is not to be handed over to the Harbour Trust Board is Rs 4675, but the Municipality apparently are not prepared to accept it. Vide copy of Consulting Architect's letter, No 3524, dated 7th February 1899 and docket No 3481 of 4th idem.

I have the honor to be,

Sir

Your most obedient Servant

J. R. Atkinson

Statement showing the cost & rent value of the several portions of the Custom House buildings as revised & not accepted by the Madras Municipality

Buildings	Proportional cost of building	Rent value			Municipal Assessment		
Portion to be retained as Custom Office	77,921	4675	4	2	712	15	0
Do to be rented to Harbor Trust Board	95,875	5752	8	.	877	4	1
Do occupied by Sheristadar's Office (Collector of Madras)	7651	459	-	11	70	-	1
Do do. by Emigration Office	16905	1014	4	9	154	10	10
Combustible shed	9200	552	-	.	84	2	10
	2,07552	12,453	1	10	1899	-	10

Print

32 B

28

177-4-1
84-2-10
261-6-11

26,1 7
313 2

Madras
7 February 1899

Geo. Daniel
Cons. Architect to Govt.

1899
REVENUE DEP.
No. 9
1289

Form No. 6—500—7-10-97.

Statement showing the cost and rent value of the several portions of the Custom House buildings as at present valued by the Municipality

Buildings	Proportional Cost of building	Rent value			Municipal Assessment		
Portion to be retained as Custom House	1,74,558	10473	8	4	1597	3	5
Do. to be rented to Harbour Trust Board	143,641	8618	7	8	1314	5	1
Do. occupied by Sheristadar's office (collector of rates)	24,479	1468	12	0	223	15	10
Do. do. by Emigration office	7279	436	12	.	66	9	8
Combustible Shed	9200	552	.	.	84	2	10
	3,59,157	21,549	8	.	3286	4	10

Madras
7 February 1899

Geo Desvoeux
Consulting Architect to Govt

obtai

Marine DEPARTMENT.

Mar. Non 782 19-8-99

C. No. 379 of 1898.

~~HIS EXCELLENCY THE GOVERNOR.~~

THE HON'BLE SIR HENRY BLISS, K.C.I.E.

~~THE HON'BLE MR. GROSE, C.I.E.~~

SUBJECT.

New Scale of rates for custody of goods — Madras Harbour.

FOR ORDERS.

With his letter read above, the Chairman, Harbour Trust Board, submits for the approval of Government a scale of rates under section 45, Act II of 1886 for the storage of goods within the Sea Customs House and the Combustible shed, framed with reference to the arrangements recently approved under which the custody of goods landed is to be transferred from the Collector of Sea Customs to the Harbour Trust.

2. To secure uniformity the Board has adopted a tonnage rate instead of the varying rates now charged by the Sea Customs Department.

3. The proposed scale will take effect from the date of transfer of the custody of goods.

(1) How does this scale compare with those in force in Calcutta & Bombay? (2) In what stage is the question of the transfer of the custody of goods from the Collr. to the H. T. B.? I forget.
From para 4 of the Chairman's letter it seems that the H. T. B. will stand to lose over Rs 10000 p. a. by this scale as compared with that now in force. (3) What rent are they going to pay Govt. for the premises? (4) What reduction shall we be able to make in our estts in consequence of their taking over the custody of goods? We can't afford to lose godown rents amounting to Rs 30000 p. a. by the transfer —

27/4/98

Will the Revenue Dept. kindly afford the information under (2) (3) & (4) asked for by the H. M.

28.4.98

1899
REVENUE
11
1289

customs premises to be (ii) made over to the H.T.B., and (iii) that information as to what reduction may be effected in the Custom establishments is promised to be submitted as soon as experience is gained after the transfer of the custody of goods to the H.T.B.

KD
29/7/98

Mammeller [?]

To D.A.to Co.

[initials]
30/7/8

Mor. Note 782/18.10.99

Read B.P. No 2380 dt 15-6-98
(C No. 4456 of 98).

To Secretary.

The transfer of the custody of goods ^ from the Sea Customs Collector to the Harbour Trust Board having been decided on, the Board of Revenue was requested in

^ at the port of Madras

A

G.O. No 861 Rev dt 9-10-97

(1) to submit a draft notification under Section 11(f) of the Sea Customs act, (VIII of 1878) declaring the premises of the H.T.B. to be a part of the Sea custom House Madras

Para 1 of the G.O

(2) to draw up, in communication with the Collr of Sea customs and the Harbour Trust Board, a set of rules defining the relations ~~[illegible]~~ betw the sea customs authorities and the

Para 2 ibid

H.T.B. in the matter and
(3) to report what would be a fair rent to demand for the customs sheds proposed to be rented to the H.T.B. pending the erection of suitable buildings by that body for the storage of goods.

2. The current read at the top of this note is in compliance with this order.

3. It does not appear that, in drafting the rules, the H.T.B. was consulted as directed by Govt. In any case, it is presumed that the rules should be referred to the Marine Dept for remarks. ~~A draft order accepting sheet is accordingly submitted for approval.~~

In para 3 of the current the Board states that the rent

Para 3 of G.O no 861 dated 9-10-97 A

yes no.
8/12

for the customs premises to be made over to the H.T.B. is estimated by the consulting architect to Govt at Rs 764 per mensem. It is not clear how the figure has been arrived at. The annual rent at the rate proposed will be Rs 9,168, which is considerably less than the godown rent of Rs 30,000 derived by the Customs Dept last year. In his remarks on the note for orders on Marine Co's observed 370 of 98, the Hon. has said that "we can't "afford to lose godown "rents amounting to "Rs 30000 p.a. by the ~~fees~~ "transfer". The Board of Revenue has not expressed any opinion whether the rent proposed by the Consulting architect is fair. In

para 4 of the letter of the Chairman, Chamber of Comm. under Marine Co's 370 of 98. (in the upper file)

information is accordingly called for on the point (vide para of the draft order below)

KD
29/7/98

Issue endt to the Board calling for infn on the points in question. Then send the file to Marine Dept for remarks on the rules.

S.P. 30/7/8

Marine Dept

Marine DEPARTMENT.

Note of Orders on C.No.370 of 1898.
C. Nos.639, 730 & 998 of 1898.

~~HIS EXCELLENCY THE GOVERNOR.~~
THE HON'BLE SIR HENRY BLISS, K.C.I.E.
~~THE HON'BLE MR. GROSE, C.I.E.~~

SUBJECT.

Transfer of the custody of goods from the Customs authorities to the Madras H.T. Board.

FOR ORDERS.

In connection with the proposed scale of rates for the storage of goods within the Sea Customs House and the Combustible shed at Madras under the proposed arrangements for the custody of imports, the Hon.Member asked for certain information in his note dated 27th April 1898.

2. As regards

(1) attention is invited to C.Nos. 639 and 730 from the Chairman of the Harbour Trust Board in which he makes a comparison -- between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs but the general conclusion the Chairman draws is that the --- Madras rates are far more --

Flag E

No. 421 Eq 16th August 1898

Note for the Revenue Dept.

Will the Revenue Dept. please furnish the information asked for by the Hon: Member under Items (1) to (5) of his note? Item (6) has been referred to the Chairman, Harbour Trust Board.

AW
16-8-98
D.W.

To
The Rev: Dept. U.O.

To Secretary

Please see a draft O.M. to the Board submitted below. The information required by the Marine Dept cannot be furnished by this office.

KQ
18/8/98

Issue the O.M.*

SH
19/8

*No. 192 d/ 19.8.98

From the Board of Revenue (S.R.) Mis No. 671 d/ 17.2.99

To Secy ... the Board's reply

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7P

to O.M. No 192 d/ 19.8.98 be forwarded to the Marine Dept.? It gives the information called for by the H. M. in that Dept.

KQ
3-3-99

SH
4/3

Mar. Dept. U.O.

Quote

obta

Custody and warehousing of goods landed at Madras

Marine DEPARTMENT.

Mar 78 / 18-8-99 17 9

READ the following :—

Letter from the Chairman Harbour Trust Board Madras No 5598 of 21 March 98
U.O. Reference from the Rev. Dept of 30 July 1898.
Letter from the Chairman Harbour Trust Board No 698 of 11th May 1898.
— Do — Do — Do — No 1032 of 2 June 1898
From the Rev: Dept Mis No 3204 of 2 August 1898.
Letter from the Chairman Harbour Trust Board No 1849 of 18 August 1898
Do — Do — — Do — No 2040 of 30 August 1898
U.O. Reference from the Rev: Department of 4th March 1899.

Circulated to

His Excellency the Governor again 11/7/99
The Hon Mr. Arundel C.S. I's
The Hon Mr Winterbotham

× vide GO 682 Rev of 1-12-96 Flag S

FOR ORDERS

I think this file should go to Rev. for C.I. or note. Sea customs revenue is dealt with in Rev.
AHA 19.6.99

In para 15 of its report, the Madras Harbour Improvements Committee recommended on the suggestion of the Chamber of Commerce, the adoption in Madras of a system similar to that obtaining in Bombay, whereby the Harbour Trust Board would receive into its shed (when built) all cargo as landed, deliver the same upon pass order from the Collector, warehouse goods upon warrant and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs office — At present the custody o

The case should, I think, be referred to Financial for opinion, — before a decision is given.
A.G.H. 29.4.99

No. 204 E d/ 1 May '99
To The Financial Dept. for favour of opinion —
R.L.
Sent 1/5/99

BC 3/5

Note by Financial Dept is herewith submitted
[illegible]

goods landed devolves on the Collector of Sea Customs.

2. The recommendation of the Committee was approved by Govt in G. O 682 Rev. of 1st December 1896, and it was considered that the Harbour Trust Board should be allowed to provide the buildings necessary for such Service. It was further directed, in view to definitely settling the relations between the Harbour Trust Board and the Sea Customs Authorities, that definite rules should be drawn up laying down the conditions on which the Harbour Trust Board should be allowed to undertake this Service.

3. The advantages claimed for the proposed arrangement are (1) that there will be no chance of dutiable goods, which would otherwise remain in the custody of owners, being tampered with, and (2) that the Sea customs department will

will be saved the expense of guarding and watching the goods. The trustees will also make a revenue by the fees which they will charge for the use of their sheds.

4. Some legal difficulties having arisen, the matter was referred, through the Govt of India, for the opinion of the Advocate General, Bengal, who stated that if the Harbour Trust Board premises were declared to be a part of the Customs House under Section 11 of the Sea customs Act 1878, the Harbour Trust Board could deal with the goods as proposed. The Board of Revenue was thereupon directed to submit the draft of a notification to give effect to the Advocate General's suggestion, and to draw up a set of rules defining the relations between the Sea Customs authorities

and the Harbour Trust Board. It was further decided that until the erection of suitable buildings by the Harbour Trust Board, the Store-sheds attached to the Custom House, might be rented to that body, the amount of the proposed rent being reported by the Board of Revenue.

5. The first letter read above, No. 5598 of 21st March 1898, contained the proposals of the Harbour Trust Board for the levy of a Scale of fees, under Sec: 45 of Act II of 1886, for the Storage of goods by the Board, within the Sea Customs House and the Combustible shed. The Scale is calculated to yield only about Rs 15,000 to Rs 20,000 per annum as against Rs 30,000 collected by the Sea Customs Dept.

When the question was first brought [illegible]

Mar 787/1899

'E'

38

the Hon'ble Sir Henry Bliss asked the following questions:-

(1) How does the Scale compare with those in force in Calcutta and Bombay.

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board.

(3) What rent are the H. T. Board going to pay for the Customs premises.

(4) What reduction shall we be able to make in our Establishment in consequence of their (the H.T. Bd.) taking over the custody of goods.

He added "We cannot afford to lose godown rent Rs 30,000

6. To obtain the requisite information, the proper authorities had to be applied

12

rents they realize or to adopt a specified rent founded thereon, say Rs 30,000. The former would appear to the Board to be the more equitable Course to follow, otherwise the ordinary method of fixing house rent will have to be followed. But the Harbour Trust Board is of opinion that wherever there are Dock Companies or Harbour Boards, Govt should have nothing to do with the storage of goods which should be left exclusively to such Companies, and that heavy penal charges are in many cases due to delays on the part of Govt offices. Should the Rev: Board would accede to the first [illegible] of the Harbour Board were in possession of premises, which however they are not; but as regards the second point it is not higher rates

Note

In this case it will have to be considered whether the Harbour Trust Board should be allowed to reduce the Scale of fees as they propose to do.

I should say it is better to fix a rent say for five or ten years subject to revision at the end of that time.

If a reduction is possible in Customs Est. on account of this transfer the rent need not be fixed as high as Rs 30,000 per annum.

Asst
22/4/99

mar 28/4/99

× Vide Flag 'G'

1 delivery order clerk	Rs 60
1 Asst. do	30
2 Peons on Rs 8 each per mensem	16
	106

× Flag 'E'

I do not know why the Rev. Bd cannot give this information - a certain definite portion of the Sea Customs work is to be transferred and an estimate therefore of

× Flag B, para 4 of the Board's proceedings No 2380 of 15-6-98.

but the saving on est. should be given.

Asst
22/4/99

× Vide page 5 of the Rev Board's proceedings No 2671 of 17-8-99 Flag 'H'

for storage may cause earlier removal.

As regards (vi), the Harbour Trust Board propose to increase their establishment at a cost of Rs 106, per mensem as detailed in the ×margin.

Turning now to the Hon'ble Sir Henry Bliss' enquiry (4) in his ×note of 27th April 1898, viz- what reduction can be made in the Sea Customs establishment in Consequence of the proposed transfer of the Custody of goods - it is submitted that the Rev: Board is not yet ×prepared to say what reduction can be effected. ~~in the Harbour establishments~~ The Board promises to report on this matter as soon as experience is gained in the working of the new arrangement.

Asst
22/4/99

Received from ... 16-11- ... 190 4
Sent to Mar ... 10-11- ... 190 4

oe query
10/11

20l
12/11

NOTES CONNECTED WITH G.O., No. 787, MARINE, DATED 18TH AUGUST 1899.

[SUBJECT.—*New scale of rates for storage of goods, Madras Harbour.*]

From the Chairman, Madras Harbour Trust Board, No. 5598, *dated* 21*st March* 1898.

To the Hon'ble Sir Henry Bliss, K.C.I.E.

With his letter read above, the Chairman, Harbour Trust Board, submits, for the approval of Government, a scale of rates under section 45, Act II of 1886, for the storage of goods within the Sea Customs House and the combustible shed, framed with reference to the arrangements recently approved under which the custody of goods landed is to be transferred from the Collector of Sea Customs to the Harbour Trust.

2. To secure uniformity the Board has adopted a tonnage rate instead of the varying rates now charged by the Sea Customs department.

3. The proposed scale will take effect from the date of transfer of the custody of goods.

R. PARSONS.

W. B. DEWINTON—14-4-98.

(1) How does this scale compare with those in force in Calcutta and Bombay?

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board? I forget.

From paragraph 4 of the Chairman's letter, it seems that the Harbour Trust Board will stand to lose over Rs. 10,000 per annum by this scale as compared with that now in force.

(3) What rent are they going to pay Government for the premises?

(4) What reduction shall we be able to make in our establishments in consequence of their taking over the custody of goods?

We can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer.

H. B[LISS]—27-4-98.

Will the Revenue department kindly afford the information under (2), (3) and (4) asked for by the Honourable Member?

W. B. DEWINTON—29-4-98.

REVENUE DEPARTMENT.

To Secretary—

Please see the Marine note above, and the remarks of the Hon'ble Sir Henry Bliss thereof. The Marine department requires information on points marked (2), (3) and (4). Papers were obtained from the Madras office; but a complete reply cannot be furnished without reference to the Board. A draft memorandum is put up below for approval.

V. K. RAMANUJA CHARIAR—26-5-98.

Draft passed.

G. STOKES—27-5-98.

[Memorandum, No. 115, Revenue, dated 1st June 1898.]

Proceedings of the Board of Revenue, No. 2380, *dated* 15*th June* 1898.

To Secretary—

Board's Proceedings, No. 2380, dated 15th June 1898, contains the reply to Memorandum, No. 115, Revenue, dated 1st June 1898. It is submitted that a copy of the Board's Proceedings may be furnished to the Marine department.

2. It will be seen from the Board's Proceedings (i) that the transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected; (ii) that a rent of Rs. 764 per mensem is suggested for the customs premises to be made over to the Harbour Trust Board; and (iii) that information as to what reduction may be effected in the Customs establishments is promised to be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

V.K.R.—29-7-98.

(Further note in Revenue department.)

To Secretary—

The transfer of the custody of goods at the Port of Madras from the Sea Customs Collector to the Harbour Trust Board having been decided on, the Board of Revenue was requested in G.O., No. 861, Revenue, dated 9th October 1897.

(1) to submit a draft notification under section 11 (*f*) of the Sea Customs Act (VIII of 1878), declaring the premises of the Harbour Trust Board to be a part of the Sea Custom House, Madras;

Paragraph 1 of the Government Order.

(2) to draw up, in communication with the Collector of Sea Customs and the Harbour Trust Board, a set of rules defining the relations between the Sea Customs authorities and the Harbour Trust Board in the matter; and

Paragraph 2 *ibid.*

(3) to report what would be a fair rent to demand for the customs sheds proposed to be rented to the Harbour Trust Board pending the erection of suitable buildings by that body for the storage of goods.

Paragraph 3 *ibid.*

2. Board's Proceedings, No. 2380, dated 15th June 1898, contains the reply of the Board of Revenue.

3. It does not appear that, in drafting the rules, the Harbour Trust Board was consulted as directed by Government. In any case, it is presumed that the rules should be referred to the Marine department for remarks.

Yes, un-officially.
G. S. Forbes.

4. In paragraph 3 of the Boards Proceedings, the Board states that the rent for the customs premises to be made over to the Harbour Trust Board is estimated by the Consulting Architect to Government at Rs. 764 *per mensem*. It is not clear how the figure has been arrived at. The annual rent at the rate proposed will be Rs. 9,168, which is considerably less than the godown rent of Rs. 30,000 derived by the customs department last year. In his remarks on the note for orders in Marine the Honourable Member observed that "we can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer". The Board of Revenue has not expressed any opinion whether the rent proposed by the Consulting Architect is fair. Further information is accordingly called for on the point (*vide* the draft order below).

K.P.—29-7-98.

Issue endorsement to the Board calling for information on the points in question. Then send the file to Marine department for remarks on the rules.

G. S. Forbes.—30-7-98.

Marine Department.

From the Chairman, Madras Harbour Trust Board, No. 698, *dated* 11*th May* 1898.
" " " " " 1032, *dated* 2*nd June* 1898.
From the Revenue Department, No. 3204, *dated* 2*nd August* 1898.

In connection with the proposed scale of rates for the storage of goods within the Sea Customs House and the combustible shed at Madras, under the proposed arrangements for the custody of imports, the Honourable Member asked for certain information in his note, dated 27th April 1898.

2. As regards—

(1) Attention is invited to the letters from the Chairman of the Harbour Trust Board Nos. 698 and 1032, dated 11th May and 2nd June 1898, respectively, in which he makes a comparison between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs, but the general conclusion the Chairman draws is that the Madras rates are far more liberal (*i.e.*, on a much lower scale) than those of either Calcutta or Bombay, and he claims for the Madras rates the advantages of still further reducing the charges on the trade of this port, of simplicity of procedure, and of facility of audit of accounts.

(2) The transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected. The Board of Revenue has just sent up a set of rules defining the relations between the two authorities, etc., but as the rules seem to have been drawn up without consulting the Harbour Trust Board they are, at the instance of the Revenue department, now being referred to the Chairman for remarks.

(3) A rent of Rs. 764 per mensem has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. The Revenue department is not satisfied with this assessment, and has called upon the Board of Revenue for further information (*a*) as to how the rent has been arrived at, and (*b*) as to what amount of rent has hitherto been derived from the premises, and whether the proposed rent is fair and may be accepted.

(4) The Revenue Board is not yet prepared to say what reduction can be effected in the customs establishments in consequence of the transfer of the custody of goods. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangements.

R.P.

3 This change in the agency for storing goods landed appears to have been decided upon in the interests of the trade of the port, but it is evident that the Sea Customs department will lose a lot of money and the Harbour Trust Board not gain much because they will have to build new godowns eventually and perhaps increase their establishment. Moreover, it seems to me a very inopportune moment for introducing a much more liberal scale of fees than exists at either Bombay or Calcutta where the Harbour Trust Board wants every pie it can scrape together for protective work on the foreshore. I think the Board should be asked to revise and enhance the scale.

W.B.deW.—10-8-98.

(1) What are these buildings assessed at for Municipal taxes? (2) Who is going to pay the Municipal taxes? (3) And also the cost of keeping the buildings in repair? (4) and what will that come to?

H. W. B[liss].

(5) I want to know who is going to make up to Provincial for the loss of over Rs. 20,000 per annum. We can't afford to lose this sum or anything like it.

(6) I don't know that the Harbour Trust Board will lose. They will pay about Rs. 9,000 per annum (say) for rent—and they will levy Rs. 15,000 to Rs. 20,000. But won't they have to increase their establishment? The whole thing seems to me to need more working out.

H. B[liss]—11-8-98.

[*No.* 421-*E.*, *dated* 16*th August* 1898.]

Will the Revenue department please furnish the information asked for by the Honourable Member under items (1) to (5) of his note? Item (6) has been referred to the Chairman, Harbour Trust Board.

A.K.—16-8-98.

Revenue Department.

To Secretary—

Please see a draft Memorandum to the Board submitted below. The information required by the Marine Department cannot be furnished by this office.

V.K.R.—18-8-98.

Issue the Memorandum.

G. S. F[orbes]—19-8-04.

[Memorandum No. 192, Revenue, dated 19th August 1898.]

From the Board of Revenue (Separate Revenue) No. 671, dated 17th February 1899.

To Secretary—

May the Board's reply to memorandum No. 192, dated 19th August 1898, be forwarded to the Marine department? It gives the information called for by the Honourable Member in that department.

V.K.R.—3-3-99.

G.S.F.—4-3-99.

To Marine Department u.o.

From the Chairman, Harbour Trust Board, No. 5598, *dated* 21*st March* 1898.
U.O. Reference from the Revenue department, dated 30*th July* 1898.
From the Chairman, Harbour Trust Board, No. 698, *dated* 11*th May* 1898.
" " " *No.* 1032, *dated* 2*nd June* 1898.
From the Revenue department, Mis. No. 3204, *dated* 2*nd August* 1898.
From the Chairman, Harbour Trust Board, No. 1849, *dated* 18*th August* 1898.
" " " *No.* 2040, *dated* 30*th August* 1898.
U.O. Reference from the Revenue department, dated 4*th March* 1899.

His Excellency the Governor.

The Hon'ble Mr. Arundel.

The Hon'ble Mr. Winterbotham.

In paragraph 15 of its report, the Madras Harbour Improvements Committee recommended, on the suggestion of the Chamber of Commerce, the adoption in Madras of a system similar to that obtaining in Bombay whereby the Harbour Trust Board would receive into its shed (when built) all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs office. At present the custody of goods landed devolves on the Collector of Sea Customs.

2. The recommendation of the committee was approved by Government in G.O., No. 682, Revenue, dated 1st December 1896, and it was considered that the Harbour Trust Board should be allowed to provide the buildings necessary for such

service. It was further directed, in view to definitely settling the relations between the Harbour Trust Board and the Sea Customs authorities, that definite rules should be drawn up laying down the conditions on which the Harbour Trust Board should be allowed to undertake this service.

3. The advantages claimed for the proposed arrangements are (1) that there will be no chance of dutiable goods, which would otherwise remain in the custody of owners, being tampered with, and (2) that the Sea Customs department will be saved the expense of guarding and watching the goods. The trustees will also make a revenue by the fees which they will charge for the use of their sheds.

4. Some legal difficulties having arisen, the matter was referred, through the Government of India, for the opinion of the Advocate-General, Bengal, who stated that if the Harbour Trust Board premises were declared to be a part of the customs-house under section 11 of the Sea Customs Act, 1878, the Harbour Trust Board could deal with the goods as proposed. The Board of Revenue was thereupon directed to submit the draft of a notification to give effect to the Advocate-General's suggestion, and to draw up a set of rules defining the relations between the Sea Customs authorities and the Harbour Trust Board. It was further decided that, until the erection of suitable buildings by the Harbour Trust Board, the store-sheds attached to the customs-house might be rented to that body, the amount of the proposed rent being reported by the Board of Revenue.

5. The first letter read above, No. 5598, dated 21st March 1898, contains the proposals of the Harbour Trust Board for the levy of a scale of fees, under section 45 of Act II of 1886, for the storage of goods by the Board, within the Sea Customs-house and the combustible shed. The scale is calculated to yield only about Rs. 15,000 to Rs 20,000 *per annum* as against Rs. 30,000 collected by the Sea Customs department When the question was first brought forward for orders, the Hon'ble Sir Henry Bliss asked the following questions:—

(1) How does the scale compare with those in force in Calcutta and Bombay.

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board.

(3) What rent are the Harbour Trust Board going to pay for the customs premises.

(4) What reduction shall we be able to make in our establishment in consequence of their (the Harbour Trust Board) taking over the custody of goods.

He added "we cannot afford to lose godown rents amounting to Rs. 30,000 by the transfer.

6. To obtain the requisite information, the proper authorites had to be applied to and the correspondence has only recently been completed. The result is as follows:—

As regards (1) above, attention is invited to letters from the Chairman, Harbour Trust Board, No. 698, dated 11th May 1898, and No. 1032, dated 2nd June 1898, in which he makes a comparison between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs, but the general conclusion the Chairman draws is that Madras rates are far more liberal (*i.e.*, on a much lower scale) than those of either Calcutta or Bombay, and he claims for the Madras rates the advantage of still further reducing the charges on the trade of this port, of simplicity of procedure, and of facility of audit of accounts.

As regards (2), the transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected. The Board of Revenue submitted a set of rules defining the relations between the two authorities, and the Chairman, Harbour Trust Board, to whom they were, at the instance of the Revenue department, referred says: "He has no remarks to offer, as these drafts are practically the same as have already been approved by the Harbour Trustees". The rules are accordingly recommended for approval.

As regards (3), a rent of Rs. 764 *per mensem* or Rs. 9,168 *per annum* has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. As to how this rental has been arrived at, please see data statements A and B which form enclosure to Board's Proceedings No. 671, dated 17th February 1899. From the statement given in the margin, it would appear that there has been a continuous increase in the amount of fees collected by the customs department, *viz.*, from Rs. 17,521 to Rs. 30,600, during the last five years in the shape of godown rents, giving an average of Rs. 26,011 *per annum*. The Board sees no reason why the net income should decrease nor why Government should accept the proposed rent, if the Harbour Trust Board can realize more than three times the amount.

Years.	Total amount of godown rent realized.	Deduct amount of godown rent realized on the iron yard.	Net amount.
	Rs.	Rs.	Rs.
1893-94	17,521	....	17,521
1894-95	23,553	....	23,553
1895-96	40,560	8,359	58,380
1896-97	26,179		
1897-98	32,691	2,091	30,600

The iron yard belongs to the Horbour Trust Board.

It is, however, pointed out that according to the scale of fees proposed by the Harbour Trust Board, that body will realize no more than Rs. 15,000 *per annum* as a minimum. It will thus appear that the Harbour Trust Board propose to materially reduce, in favour of the trade, the fees hitherto assessed. The question for decision is whether this material reduction is necessary or desirable, or whether the Harbour Trust Board should not be required to continue the higher scale now in force in the Sea Customs department. If the latter be decided on the proposal of the Board to enhance the rent for the Sea Customs premises will become feasible.

I think the policy of reduction is a good one—the cheaper the port the better for trade and the most likely its expansion.

A. W. SMART—22-4-99.

As regards the rental for the buildings the Hon'ble Sir Henry Bliss made the following inquiries:—

(i) What are these buildings assessed at for municipal taxes.
(ii) Who is going to pay the municipal taxes.
(iii) Who will bear the cost of keeping these buildings in repair.
(iv) What will that come to?
(v) Who is going to make up to Provincial for the loss of over Rs. 20,000 *per annum*.
(vi) Won't the Harbour Trust Board have to increase their establishment.

As regards (i) above it is submitted that the municipal tax on the Custom-house premises is Rs. 2,996 representing a yearly valuation of Rs. 19,644. The Board is unable, at present, to say how much of the municipal taxation would be due by the Harbour Trust Board for such portion of the premises as they will take over. The Consulting Architect and the President, Municipal Commission, are in correspondence as to the capital cost and the rental value of the buildings, and the exact amount leviable may have to be modified.

As regards (ii), (iii) and (iv), the cost of repairs and the municipal taxes are usually paid by the landlord, but these may be made a matter of special agreement. From column 14 of the statements A and B the cost of repairs appears to be Rs. 4,147; but the Board of Revenue doubts the correctness of the figure and says that the Consulting Architect may be able to give the actual figures for a series of years and on particular portions of the premises.

As regards (v), if Government is not prepared to forego the godown rents—for which the Board sees no reason—, it suggests two courses, viz., first to hand over the premises subject to the Harbour Trust Board making over to Government the godown-rents they realize or to adopt a specified rent founded thereon, say, Rs. 30,000. The former would appear to the Board to be the more equitable course to follow;

Note.—In this case it will have to be considered whether the Harbour Trust Board should be allowed to reduce the scale of fees as they propose to do.

I should say it is better to fix a rent, say, for five or ten years subject to revision at the end of that time.

If a reduction is possible in Customs establishment on account of this transfer, the rent need not be fixed as high as Rs. 30,000 *per annum*.

A. W. SMART—22-4-99.

otherwise, the ordinary method of fixing house-rent will have to be followed. But the Harbour Trust Board is of opinion that where there are Dock Companies or Harbour Boards, Government should have nothing to do with the storage of goods which should be left exclusively to such Companies, and that heavy penal charges are in many cases due to delays on the part of Government offices. The Revenue Board would accede to the first point if the Madras Harbour Board were in possession of premises, which however they are not; and as regards the second point thinks that higher rates for storage may induce earlier removal.

	Rs.
One delivery order clerk	60
One assistant delivery order clerk ..	30
Two peons on Rs. 8 each *per mensem*.	16
Total ..	106

As regards (vi), the Harbour Trust Board propose to increase their establishment at a cost of Rs. 106 *per mensem* as detailed in the margin.

Turning now to the Hon'ble Sir Henry Bliss' inquiry (4) in his note of 27th April 1898, viz., what reduction can be made in the Sea Customs establishment in consequence of the proposed transfer of the custody of goods, it is submitted that the Revenue Board is not yet prepared to say what reduction can be effected. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangement.

I do not know why the Revenue Board cannot give this information. A certain definite portion of the Sea Customs work is to be transferred and an estimate therefore of probable saving on establishment should be possible.

A.W.S.—22-4-99.

A.W.S.—22-4-99.

R.P.

FINANCIAL DEPARTMENT.

The case should, I think, be referred to Financial department for opinion before a decision is given.

A. E. H[AVELOCK]—29-4-99.

To the financial department for favour of opinion.

R.P. A.W.S.—1-5-99.

FINANCIAL DEPARTMENT.

The question that concerns Financial is the effect on Provincial revenues of the proposed transfer of the custody of goods landed at Madras from the Customs authorities to the Harbour Trust Board. The scheme itself was approved in December 1896, and some legal difficulties connected with it, including the passing of Act II of 1898, have been overcome. A draft notification declaring certain buildings and areas to be a Custom House and draft rules defining the relations between the Sea Customs authorities and the Harbour Trust Board and a scale of fees to be levied under section 45 of Act II of 1886 for the storage of goods by the Harbour Trust Board have been submitted for approval; and it remains to be considered how best to give effect to the transfer without loss, if possible, to Provincial.

G.O., No. 682. Revenue, dated 1st December 1896.
G.O., No. 861, Revenue, dated 9th October 1897.
G.O., No. 83, Legislative, dated 12th October 1897.

* Included under VII. Customs, Warehouse and Wharf Rents.

Vide page 11 of Civil Budget Estimate; also G.O., No. 1026, Financial, dated 8th November 1898.

2. The receipts that will be affected by the transfer are the godown * rents hitherto collected by the Customs department. The collection for the last five years were as follows :—

	Rs.
1893–94	17,500
1894–95	23 500
1895–96 } 1896–97 }	58,400
1897–98	30,600
Total ..	1,30,000

As there has been a *steady increase* in the receipts the average cannot well be taken for purposes of calculation. The receipts that will cease to be realized by Provincial from this source may be set down *therefore*† at Rs. 30,000 *per annum*, the amount collected during the last year. On the other hand, the proposal to rent the store sheds attached to the Customs House to the Harbour Trust board would bring in an income, as assessed by the Consulting Architect to Government, of Rupees 9,168 *per annum*. The exact amount leviable may have to be modified as the matter is still under correspondence between the Consulting Architect and the President, Municipal Commission, Madras. Accepting, however, the Consulting Architect's figure Sir Henry Bliss enquired who was going to make up to Provincial for the loss of over Rs. 20,000 *per annum*. The Board of Revenue proposes that, in case Government is not prepared to forego the godown rents, for which it sees no reason, one of the following two courses may be adopted :—

† The past "steady increase" would tend to show that the loss would be greater.
C.M.S.

(1) to hand over the premises, subject to the Harbour Trust making over the godown rents they realize; or (2) to adopt a specified rent founded thereon, say, Rs. 30,000.

The Board would prefer the former course, as otherwise the ordinary method of fixing house-rent would have to be followed and it is not apparent how so high a rent as Rs. 30,000 could be demanded. If the former course then be adopted, the godown rents to be made over would, according to the scale of fees proposed to be levied by the Harbour Trust Board, amount to about Rs. 15,000 to Rs. 20,000. From this the Harbour Trust Board should properly be allowed to deduct the cost of the extra establishment which it would have to entertain. This is estimated at Rs. 106 *per mensem* or Rs. 1,272 *per annum*. The loss to Provincial would then be about Rs. 11,000 to Rs. 16,000 *per annum*, from which the saving to be effected in Customs establishment will have to be further deducted. To reduce this loss as far as possible the scale of fees would have to be enhanced. But the Harbour Trust Board appears opposed to this. It considers that the increase of godown rents in recent years is due to a great extent to the inclusion of penal fees imposed in consequence of the unsatisfactory arrangements obtaining under the present system. From Board's Proceedings, No. 671, dated 17th February 1899, however, it appears that the increase in 1894–95 was mainly due to the introduction of cotton duties in December 1894, while the subsequent further increases are probably due to normal growth as well as to the diversion of some of the trade of Bombay on account of plague. It seems to be a matter of doubtful policy therefore to permit the Board under present circumstances to so materially reduce the scale which is drawn up at rates far more liberal than those of either Calcutta or Bombay.

3. The Harbour Trust Board, on the other hand, urges that Government should have nothing to do with the storage of goods, that wherever there are dock companies or Harbour Boards, the custody of goods landed or awaiting shipment rests with them and that they alone have any right to levy rent or other charges for warehousing goods pending their examination and passing by the Customs authority. The Board

of Revenue considers that the contention would be valid, if the Harbour Trust Board were in possession of the premises so as to take over the warehousing. But as this is not the case, it is submitted that the best solution of the question would be to adopt the first proposal of the Board of Revenue referred to above, namely, to hand over the premises to the Harbour Trust Board subject to its making over the godown rents it realises, *minus* the cost of extra establishment it would have to entertain in consequence of the transfer. This arrangement may be allowed to continue till the end of the current Provincial contract period by which time the Harbour Trust Board might be required to erect its own buildings when it could be allowed to make use of its own receipts. Meanwhile the loss to Provincial which would run into the next contract will be made good by the adjusting assignment which would then be made by the Government of India to equate the revenues and expenditure of that contract period.

Please see note at end.
C.M.S. ??

4. As, however, the receipts anticipated, according to the scale of fees proposed by the Harbour Trust Board, fall short as shown above of the amount of godown rents at present collected, the Harbour Trust Board might be requested to revise the scale so as to compensate Provincial for the loss it would suffer during the next few years of the current contract period. This loss can only be ascertained on the Board of Revenue furnishing information as to the saving that is likely to be effected by the reduction which will have to be made in the Sea Customs Establishment in consequence of the proposed transfer. The Board of Revenue has already been requested to furnish this information, but it states that a report will be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board. As remarked by the Chief Engineer it is not apparent why the Board of Revenue cannot give this information as a certain definite portion of the Sea Customs work is to be transferred to the Harbour Trust Board and an estimate therefore of the probable saving on establishment should be possible. Until such an estimate is furnished the exact loss to Provincial cannot well be ascertained and it will not be possible to say to what extent the Harbour Trust Board should revise its prepared scale of fees. It is submitted that information on this point should first be obtained before orders are issued.

5. The questions as to who is to pay the municipal taxes and bear the cost of keeping the buildings in repair and as to what that would come to, raised by Sir Henry Bliss at an earlier stage of this file, need not be considered if the foregoing suggestion is approved. It may, however, be thought more convenient, as a part of the arrangement suggested, to allow the Harbour Trust Board to pay the taxes and keep the buildings in repair and to deduct the actual cost, in addition to the cost of the additional establishment already referred to above, from the godown rents to be made over to Government.

F. A. D'Cruz—12-5-99.

For the Chief Secretary—

It is submitted that the only course to which it would be fair to commit Provincial funds is the first course proposed by, the Board—viz., to hand over the premises to the Harbour Trust Board subject to its making over the godown rents it realizes. It must also be stipulated, it is submitted, that there is *no loss* to Provincial.

There is another aspect of this question which, it is submitted, should not be lost sight of. These "warehouse and wharf rents" under VII. Customs are Provincial under the present contract and they have been Provincial for some time past. But this fact cannot empower the Local Government to hand over the receipts (as a permanent measure) to a semi-private body or to keep them out of the accounts. Much less can this Government expect, as suggested at the end of paragraph 3 of the foregoing note that if it makes presents of sources of revenue to the Harbour Trust Board or any other body, the Government of India will make the loss good at the end of the contract period. These rents are portions of the revenues of the empire entrusted to the keeping of the Local Government which has no power to alienate them. It is submitted that whatever is done now must be done with the knowledge and concurrence of India. This procedure seems all the more necessary, as, if it *is* in the interests

of the trade of the country that the rates in question should be reduced, there is no reason why Imperial, which is really more concerned with the general question of trade than is Provincial, should not bear the loss.

C. M. Schmidt—5-6-99.

The Revenue Board recommends that the custom-house premises should be made over to the Harbour Trust Board on condition they hand over the godown rents. I would add "and keep the buildings in repair and pay all taxes".

What we have to see is that the yield of the rents under the new scale *plus* the saving on establishment, etc., is equal to, say, Rs. 26,000. We know that the rents under the new scale will amount to about Rs. 15,000, but the saving in establishment is not ascertained. The Revenue Board can ascertain it for there must be a definite establishment which is employed in the custody and storage of goods. I would not wait for the Board to do this now but would tell the Board to make a saving of not less than Rs. 2,000. This they can surely do for the Harbour Trust Board's establishment to be newly entertained is Rs. 1,200. The saving in taxes is Rs. 2,996. The repairs cost Rs. 4,147. The matter would equate thus: Government now gets Rs. 26,000, godown rent. Taking the reduction of establishment as Rs. 2,000, it would get Rs. (15,000 + 2,000 + 4147 + 2,996=) 24,143. or it would lose Rs. 2,000 *per annum*. It is well to point out, however, that if this property, *i.e.*, the custom-house, were vested in the Harbour Trust Board, it would, under section 28 of Act II of 1886, be free of tax, and that, if the proposed arrangement is carried out, Government will have no further use for the custom-house. It would seem desirable therefore to make the building over permanently to the Harbour Trust Board.

I do not think Government should try to drive a hard bargain in this matter. Trade is being driven away from the port of Madras by its costliness and by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port. I would direct the Revenue Board to make a saving of not less than Rs. 2,000 by reducing establishment and would accept the scale of rates proposed by the Harbour Trust Board. I do not think the matter need be reported to India.

G. Stokes—11-6-99.

The Chief Secretary's proposals seem to me fair. I think they may be accepted and offered to the Harbour Board.

A. E. H[avelock]—14-6-99.

I think this file should go to Revenue for counter-initials or note. Sea customs revenue is dealt with in Revenue.

A. T. A[rundel]—19-6-99.

With reference to the Hon'ble Mr. Arundel's remark will Revenue please counter-initial or note.

H. M. [Winterbotham]—21-6-99.

Revenue Department.

To Secretary—

In G.O., No. 861, dated 9th October 1897, it was decided that at the port of Madras the Harbour Trust Board, instead of the Customs Collector, should take charge of goods as they are landed, that they should deliver them to the owners on passes granted by that officer, and that for this purpose, the sheds belonging to the Customs department should be rented to the Harbour Trust Board. The Consulting Architect to Government fixed Rs. 764 as the monthly rent to be paid by the Harbour Trust Board, while the godown rents realised by Government in 1897-98 amounted to Rs. 30,600. The question discussed in these notes is whether Provincial may lose the difference between Rs. 30,600 and Rs. 764 × 12 or Rs. 21,432, and if not, what should be done in the matter.

2. The proposal made by the Board of Revenue, which the Financial department has accepted, is that the Harbour Trust Board should hand over to the Customs department the rents received by them. Taking the average of godown rents for five years, the Financial department makes out that Provincial would lose only Rs. 2,000 a year, and thinks that this loss may be accepted in consideration of the importance of making the port less costly than it is.

3. The rents obtained during the five years ending with 1897-98 were as under:—

	Rs.
1893-94	17,500
1894-95	23,500
1895-96	58,400
1896-97	
1897-98	30,600

Seeing that there has been a progressive increase, it is doubtful whether the average is a correct measure of the revenue to be lost to Government in future years. It may perhaps not fall short of Rs. 30,000.

4. Again, it appears to be assumed that the Harbour Trust Board would hand over the receipts, estimated at Rs. 15,000 a year, and pay from their other income, presumably the pay of the new establishment to be entertained (Rs. 106 × 12 or Rs. 1,272), the cost of repairs to the sheds (Rs. 4,147) and municipal taxes thereon (Rs. 2,996). It is doubtful whether they will agree to do so, and whether they will not deduct these charges from the receipts. If not, the net revenue which Government may look forward to, would be Rs. 15,000 — (Rs. 1,272 + 4,147 + 2,996) or Rs. 6,585. Taking the cost of the establishment, which the Customs Collector can dispense with, at Rs. 2,000, and deducting the cost of repairs and municipal taxes the net income hitherto obtained was Rs. 30,000 — (Rs. 2,000 + 4,147 + 2,996) or Rs. 20,857. The Government would, therefore, lose Rs. 14,272 a year.

N.E.M.

I submit Government may hear what the Board has got to say before ordering reductions of establishment in round figures.
N.E.M.—3-7-99.

5. It is suggested by the Financial department that the Customs sheds should be permanently transferred to the Harbour Trust Board, as they can then claim exemption from payment of municipal taxes under section 28 of Act II of 1886. It is doubtful whether exemption may be claimed. Section 28 states that "the property vested by this Act in the Board shall be exempted from assessment of any rate or tax, etc." From section 25 it will be observed that the property vested by the Act is the several properties specified in schedule A, which do not include the Customs sheds under consideration. It cannot be contended that what is acquired by the Harbour Trust Board by purchase is vested in them; for section 26 uses the two words—vested and acquired—as having different meanings. If, however, it is thought that exemption can be claimed, the Harbour Trust Board must purchase the sheds. It is not known whether they are able or willing to do so.

Property vested in or acquired by them.

6. The annual loss to Government may perhaps slightly diminish, if the receipts of the Harbour Trust Board increase; but as the highest estimate of them is only Rs. 20,000, the loss can never be less than Rs. 9,000. This is not a small amount to be easily sacrificed, and it is for the Financial department to say whether it is competent to this Government without reference to the Government of India to conclude the bargain.

7. The Financial department suggests that the Board of Revenue should be directed to make a saving of not less than Rs. 2,000 by reducing the Customs establishment. The Board may be asked what reductions are feasible; but it is not certain whether it can fully carry out the direction.

N.E.M.

8. It appears to have been anticipated that the Harbour Trust Board will eventually provide buildings of their own, surrendering those to be rented by them from Government. It is not known whether any use can be found for them. Perhaps it will be best to lease them permanently to the Harbour Trust Board.

Paragraph 3 of G.O., No. 861, Revenue, dated 9th October 1897.

9. When these questions are settled, this Department has to issue a notification under section 11 of the Sea Customs Act (VIII of 1878) and to approve certain rules for regulating the mutual relations of the Sea Customs and Harbour Trust authorities.

V.K.R.—1-7-99.

Hon'ble Mr. Arundel, C.S.I.

Hon'ble Mr. Winterbotham.

With reference to Honourable Members' notes on the previous page.

N. E. MARJORIBANKS—3-7-99.

The suggestion of the Chief Secretary that trade is being driven away from the port by its costliness and that by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port, is a new argument in the discussion, which I do not think it valid,—for in the first place the godown rents have been steadily increasing and in the second place it is found that the Madras fees are far less than those of Calcutta or Bombay.

It does not seem to me that there is any question of "driving a hard bargain" The Harbour Trust Board and the Chamber of Commerce desire to change the present system and to take over the Custom House sheds as they have none of their own. The sheds bring in a certain revenue to Provincial funds and I cannot see why Government should make a present of all or part of this in complying with the desire of the Harbour Trust Board to change the system. I think the equitable way will be to inform the Harbour Trust Board what Government derives from the rents, deduct the cost of repairs, taxes, and any saving of establishment that may be feasible and ask the Harbour Trust Board if they are prepared to pay the balance annually to Government.

I do not think we can order the Board to reduce establishment by Rs. 2,000 or any other figure. It will almost certainly be found impossible to make such a reduction. The Board should require the Collector to report on the matter. The Harbour Trust Board may be told that such reductions as are found to be feasible will be deducted from the amount to be paid to Government.

From the note in Revenue it seems clear that the Harbour Trust Board will have to pay municipal taxes.

A. T. A[RUNDEL]—5-7-99.

H. M. W[INTERBOTHAM]—6-7-99.

Returned to Marine with Honourable Members' notes above.

H. TREMENHEERE—10-7-99.

MARINE DEPARTMENT.

I accept the proposals of Honourable Members as made in their notes of 5th July 1899 and 6th July 1899.

A. E. H[AVELOCK]—4-8-99.

[G.O., No. 787, Marine, dated 18th August 1899.]

Received from Press 28-9-1904.

Sent to MVZ Supdt. 28-9-1904 (with all orig. g. notes)

Submitted to the ... for approval. These notes were printed up under the orders of the Hon'ble Mr. Forbes.

NOTES CONNECTED WITH G.O., No. 787, MARINE, DATED 18TH AUGUST 1899.

[SUBJECT.—*New scale of rates for* ~~*custody*~~ storage *of goods, Madras Harbour.*]

[From the Chairman, H. T. B. No. 559 ... 21-3-98]

To the Hon'ble Sir Henry Bliss, K.C.I.E.

With his letter read above, the Chairman, Harbour Trust Board, submits, for the approval of Government, a scale of rates under section 45, Act II of 1886, for the storage of goods within the Sea Customs House and the combustible shed, framed with reference to the arrangements recently approved under which the custody of goods landed is to be transferred from the Collector of Sea Customs to the Harbour Trust.

2. To secure uniformity the Board has adopted a tonnage rate instead of the varying rates now charged by the Sea Customs department.

3. The proposed scale will take effect from the date of transfer of the custody of goods.

R. PARSONS.

W. B. DEWINTON—14-4-98.

(1) How does this scale compare with those in force in Calcutta and Bombay?

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board? I forget.

From paragraph 4 of the Chairman's letter, it seems that the Harbour Trust Board will stand to lose over Rs. 10,000 per annum by this scale as compared with that now in force.

(3) What rent are they going to pay Government for the premises?

(4) What reduction shall we be able to make in our establishments in consequence of their taking over the custody of goods?

We can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer.

H. B[LISS]—27-4-98.

Will the Revenue department kindly afford the information under (2), (3) and (4) asked for by the Honourable Member?

W. B. DEWINTON—29-4-98.

~~*To the Hon'ble Sir Henry Bliss, K.C.I.E.*~~

~~*To Revenue u.o.*~~

REVENUE DEPARTMENT.

~~*From the Marine Department, dated 29th April 1898.*~~

To Secretary—

Please see the Marine note above, and the remarks of the Hon'ble Sir Henry Bliss thereof. The Marine department requires information on points marked (2), (3) and (4). Papers were obtained from the Madras office; but a complete reply cannot be furnished without reference to the Board. A draft ~~official~~ memorandum is put up below for approval.

~~K.P.~~—26-5-98.

Draft passed.

G. STOKES—27-5-98.

[~~Official~~ Memorandum, No. 115, Revenue, dated 1st June 1898.]

Proceedings of the Board of Revenue, No. 2380, dated 15th June 1898.

To Secretary—

Board's Proceedings, No. 2380, dated 15th June 1898, contains the reply to ~~Official~~ Memorandum, No. 115, Revenue, dated 1st June 1898. It is submitted that a copy of the Board's Proceedings may be furnished to the Marine department.

V. K. Ramanujachariar

2. It will be seen from the Board's Proceedings (i) that the transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected; (ii) that a rent of Rs. 764 per mensem is suggested for the customs premises to be made over to the Harbour Trust Board; and (iii) that information as to what reduction may be effected in the Customs establishments is promised to be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board.

~~K.P.~~—29-7-98.

To Marine u.o.

~~G. S. FORBES~~—30-7-98.

To Secretary—

The transfer of the custody of goods at the Port of Madras from the Sea Customs Collector to the Harbour Trust Board having been decided on, the Board of Revenue was requested in G.O., No. 861, Revenue, dated 9th October 1897

(1) to submit a draft notification under section 11 (*f*) of the Sea Customs Act (VIII of 1878), declaring the premises of the Harbour Trust Board to be a part of the Sea Custom House, Madras;

Paragraph 1 of the Government Order.

(2) to draw up, in communication with the Collector of Sea Customs and the Harbour Trust Board, a set of rules defining the relations between the Sea Customs authorities and the Harbour Trust Board in the matter; and

Paragraph 2 *ibid.*

(3) to report what would be a fair rent to demand for the customs sheds proposed to be rented to the Harbour Trust Board pending the erection of suitable buildings by that body for the storage of goods.

Paragraph 3 ~~of G.O., No. 861, Revenue, dated 9th October 1897.~~

2. ~~The current read at the top of this note is in compliance with this order.~~

3. It does not appear that, in drafting the rules, the Harbour Trust Board was consulted as directed by Government. In any case, it is presumed that the rules should be referred to the Marine department for remarks.

Yes, un-officially.
G. S. FORBES.

4. In paragraph 3 of the ~~current~~, the Board states that the rent for the customs premises to be made over to the Harbour Trust Board is estimated by the Consulting Architect to Government at Rs. 764 *per mensem*. It is not clear how the figure has been arrived at. The annual rent at the rate proposed will be Rs. 9,168, which is considerably less than the godown rent of Rs. 30,000 derived by the customs department last year. In his remarks on the note for orders on Marine the Honourable Member observed that "we can't afford to lose godown rents amounting to Rs. 30,000 per annum by the transfer". The Board of Revenue has not expressed any opinion whether the rent proposed by the Consulting Architect is fair. Further information is accordingly called for on the point (*vide* the draft order below).

Paragraph 4 of the letter of the Chairman, Chamber of Commerce, under Marine.

K.P.—29-7-98.

Issue endorsement to the Board calling for information on the points in question. Then send the file to Marine department for remarks on the rules.

G. S. FORBES.—30-7-98.

~~*To Marine u.o.*~~

787. Marine

X

3 B

K.W. 787, MARINE, 18TH AUGUST 1899.

Marine dept

In connection with the proposed scale of rates for the storage of goods within the Sea Customs House and the combustible shed at Madras, under the proposed arrangements for the custody of imports, the Honourable Member asked for certain information in his note, dated 27th April 1898.

2. As regards— the letters

(1) Attention is invited to ~~C. Nos. 699 and 700~~ from the Chairman of the Harbour Trust Board, in which he makes a comparison between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs, but the general conclusion the Chairman draws is that the Madras rates are far more liberal (*i.e.*, on a much lower scale) than those of either Calcutta or Bombay, and he claims for the Madras rates the advantages of still further reducing the charges on the trade of this port, of simplicity of procedure, and of facility of audit of accounts.

nos 698 of 11th may & 1032 of 2nd june, 1898 respectively

(2) The transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected. The Board of Revenue has just sent up a set of rules defining the relations between the two authorities, etc., but as the rules seem to have been drawn up without consulting the Harbour Trust Board they are, at the instance of the Revenue department, now being referred to the Chairman for remarks.

(3) A rent of Rs. 764 per mensem has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. The Revenue department is not satisfied with this assessment, and has called upon the Board of Revenue for further information (*a*) as to how the rent has been arrived at, and (*b*) as to what amount of rent has hitherto been derived from the premises, and whether the proposed rent is fair and may be accepted.

(1) What are these buildings assessed at for Municipal taxes ? (2) Who is going to pay the Municipal taxes ? (3) And also the cost of keeping the buildings in repair ? (4) and what will that come to ?

H. W. B[LISS].

From the Chairman M.H.T.B. no 698 of 11-5-98.

Do Do — — 1032 of 2-6-98.

From the Rev. dept — 3204 of 2-8-98.

Trues

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(4) The Revenue Board is not yet prepared to say what reduction can be effected in the customs establishments in consequence of the transfer of the custody of goods. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangements.

R. Parsons.

3. This change in the agency for storing goods landed appears to have been decided upon in the interests of the trade of the port, but it is evident that the Sea Customs department will lose a lot of money and the Harbour Trust Board not gain much because they will have to build new godowns eventually and perhaps increase their establishment. Moreover, it seems to me a very inopportune moment for introducing a much more liberal scale of fees than exists at either Bombay or Calcutta where the Harbour Trust Board wants every pie it can scrape together for protective work on the foreshore. I think the Board should be asked to revise and enhance the scale.

W. B. de Winton—10-8-98.

(5) I want to know who is going to make up to Provincial for the loss of over Rs. 20,000 per annum. We can't afford to lose this sum or anything like it.

(6) I don't know that the Harbour Trust Board will lose. They will pay about Rs. 9,000 per annum (say) for rent—and they will levy Rs. 15,000 to Rs. 20,000. But won't they have to increase their establishment? The whole thing seems to me to need more working out.

H. B[liss]—11-8-98.

Here ends H.M's note in the previous page

[*No.* 421-*E.*, *dated* 16*th August* 1898.]

~~Note for the Revenue department.~~

Will the Revenue department please furnish the information asked for by the Honourable Member under items (1) to (5) of his note? Item (6) has been referred to the Chairman, Harbour Trust Board.

A.K.—16-8-98.

To Revenue Department u.o.

Revenue Department.

To Secretary—

Please see a draft ~~Official~~ Memorandum to the Board submitted below. The information required by the Marine Department cannot be furnished by this office.

~~K. Ramaswami Ayyangar~~—18-8-98.

~~No. 192, dated 19th August 1904.~~

Issue the ~~Official~~ Memorandum.

Memorandum no. 192 Rev & 19-8-98 G. S. F[orbes]—19-8-04.

From the Board of Revenue (Separate Revenue) No. 671, dated 17th February 1899.

To Secretary—

May the Board's reply to ~~official~~ memorandum No. 192, dated 19th August 1898, be forwarded to the Marine department? It gives the information called for by the Honourable Member in that department.

~~K.R.A.~~—3-3-99.

G.S.F.—4-3-99.

To Marine Department u.o.

V.K.R.

V.K.R.

NOTES CONNECTED WITH G.O., No. 787, MARINE, DATED 18TH AUGUST 1899.

[SUBJECT.—*Custody and warehousing of goods landed at Madras.*]

From the Chairman, Harbour Trust Board, No. 5598, *dated* 21*st March* 1898.
U.O. Reference from the Revenue department, dated 30*th July* 1898.
From the Chairman, Harbour Trust Board, No. 698, *dated* 11*th May* 1898.
" " " *No.* 1032, *dated* 2*nd June* 1898.
From the Revenue department, Mis. No. 3204, *dated* 2*nd August* 1898.
From the Chairman, Harbour Trust Board, No. 1849, *dated* 18*th August* 1898.
" " " *No.* 2040, *dated* 30*th August* 1898.
U.O. Reference from the Revenue department, dated 4*th March* 1899.

His Excellency the Governor.
The Hon'ble Mr. Arundel.
The Hon'ble Mr. Winterbotham.

In paragraph 15 of its report, the Madras Harbour Improvements Committee recommended, on the suggestion of the Chamber of Commerce, the adoption in Madras of a system similar to that obtaining in Bombay whereby the Harbour Trust Board would receive into its shed (when built) all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs office. At present the custody of goods landed devolves on the Collector of Sea Customs.

2. The recommendation of the committee was approved by Government in G.O., No. 682, Revenue, dated 1st December 1896, and it was considered that the Harbour Trust Board should be allowed to provide the buildings necessary for such service. It was further directed, in view to definitely settling the relations between the Harbour Trust Board and the Sea Customs authorities, that definite rules should be drawn up laying down the conditions on which the Harbour Trust Board should be allowed to undertake this service.

3. The advantages claimed for the proposed arrangements are (1) that there will be no chance of dutiable goods, which would otherwise remain in the custody of owners, being tampered with, and (2) that the Sea Customs department will be saved the expense of guarding and watching the goods. The trustees will also make a revenue by the fees which they will charge for the use of their sheds.

4. Some legal difficulties having arisen, the matter was referred, through the Government of India, for the opinion of the Advocate-General, Bengal, who stated that if the Harbour Trust Board premises were declared to be a part of the customs-house under section 11 of the Sea Customs Act, 1878, the Harbour Trust Board could deal with the goods as proposed. The Board of Revenue was thereupon directed to submit the draft of a notification to give effect to the Advocate-General's suggestion, and to draw up a set of rules defining the relations between the Sea Customs authorities and the Harbour Trust Board. It was further decided that, until the erection of suitable buildings by the Harbour Trust Board, the store-sheds attached to the customs-house might be rented to that body, the amount of the proposed rent being reported by the Board of Revenue.

5. The first letter read above, No. 5598, dated 21st March 1898, contains the proposals of the Harbour Trust Board for the levy of a scale of fees, under section 45 of Act II of 1886, for the storage of goods by the Board, within the Sea Customs-house and the combustible shed. The scale is calculated to yield only about Rs. 15,000 to

Rs. 20,000 *per annum* as against Rs. 30,000 collected by the Sea Customs department. When the question was first brought forward for orders, the Hon'ble Sir Henry Bliss asked the following questions:—

(1) How does the scale compare with those in force in Calcutta and Bombay.

(2) In what stage is the question of the transfer of the custody of goods from the Collector to the Harbour Trust Board.

(3) What rent are the Harbour Trust Board going to pay for the customs premises.

(4) What reduction shall we be able to make in our establishment in consequence of their (the Harbour Trust Board) taking over the custody of goods.

He added "we cannot afford to lose godown rents amounting to Rs. 30,000 by the transfer.

6. To obtain the requisite information, the proper authorites had to be applied to and the correspondence has only recently been completed. The result is as follows:—

As regards (1) above, attention is invited to letters from the Chairman, Harbour Trust Board, No. 698, dated 11th May 1898, and No. 1032, dated 2nd June 1898, in which he makes a comparison between the Madras rates and those at Calcutta and Bombay. There are a great many points of difference in the three tariffs, but the general conclusion the Chairman draws is that Madras rates are far more liberal (*i.e.*, on a much lower scale) than those of either Calcutta or Bombay, and he claims for the Madras rates the advantage of still further reducing the charges on the trade of this port, of simplicity of procedure, and of facility of audit of accounts.

As regards (2), the transfer of the custody of goods from the Collector to the Harbour Trust Board has not yet been effected. The Board of Revenue submitted a set of rules defining the relations between the two authorities, and the Chairman, Harbour Trust Board, to whom they were, at the instance of the Revenue department, referred says: "He has no remarks to offer, as these drafts are practically the same as have already been approved by the Harbour Trustees". The rules are accordingly recommended for approval.

As regards (3), a rent of Rs. 764 *per mensem* or Rs. 9,168 *per annum* has been assessed by the Consulting Architect for the customs premises to be made over to the Harbour Trust Board. As to how this rental has been arrived at, please see data statements A and B ~~attached herewith~~. which form enclosure 6 of B.P. no 671 dt 17-2-99. From the statement given in the margin, it would appear that there has been a continuous increase in the amount of fees collected by the customs department, *viz.*, from Rs. 17,521 to Rs. 30,600, during the last five years in the shape of godown rents, giving an average of Rs. 26,011 *per annum*. The Board sees no reason why the net income should decrease nor why Government should accept the proposed rent, if the Harbour Trust Board can realize more than three times the amount.

Years.	Total amount of godown rent realized.	Deduct amount of godown rent realized on the iron yard.	Net amount.
	Rs.	Rs.	Rs.
1893-94	17,521	....	17,521
1894-95	23,553	....	23,553
1895-96	40,560	8,359	58,380
1896-97	26,179		
1897-98	32,691	2,091	30,600

The iron yard belongs to the Horbour Trust Board.

It is, however, pointed out that according to the scale of fees proposed by the Harbour Trust Board, that body will realize no more than Rs. 15,000 *per annum* as a minimum. It will thus appear that the Harbour Trust Board propose to materially reduce, in favour of the trade, the fees hitherto assessed. The question for decision is whether this material reduction is necessary or desirable, or whether the Harbour Trust Board should not be required to continue the higher scale now in force in the Sea Customs department. If the latter be decided on the proposal of the Board to enhance the rent for the Sea Customs premises will become feasible.

I think the policy of reduction is a good one—the cheaper the port the better for trade and the most likely its expansion.

A. W. Smart—22-4-99.

As regards the rental for the buildings the Hon'ble Sir Henry Bliss made the following inquiries:—

(i) What are these buildings assessed at for municipal taxes.
(ii) Who is going to pay the municipal taxes.
(iii) Who will bear the cost of keeping these buildings in repair.
(iv) What will that come to?
(v) Who is going to make up to Provincial for the loss of over Rs. 20,000 *per annum*.
(vi) Won't the Harbour Trust Board have to increase their establishment.

As regards (i) above it is submitted that the municipal tax on the Custom-house premises is Rs. 2,996 representing a yearly valuation of Rs. 19,644. The Board is unable, at present, to say how much of the municipal taxation would be due by the Harbour Trust Board for such portion of the premises as they will take over. The Consulting Architect and the President, Municipal Commission, are in correspondence as to the capital cost and the rental value of the buildings, and the exact amount leviable may have to be modified.

As regards (ii), (iii) and (iv), the cost of repairs and the municipal taxes are usually paid by the landlord, but these may be made a matter of special agreement. From column 14 of the statements A and B the cost of repairs appears to be Rs. 4,147; but the Board of Revenue doubts the correctness of the figure and says that the Consulting Architect may be able to give the actual figures for a series of years and on particular portions of the premises.

As regards (v), if Government is not prepared to forego the godown rents—for which the Board sees no reason—, it suggests two courses, viz., first to hand over the premises subject to the Harbour Trust Board making over to Government the godown-rents they realize or to adopt a specified rent founded thereon, say, Rs. 30,000. The former would appear to the Board to be the more equitable course to follow; otherwise, the ordinary method of fixing house-rent will have to be followed. But the Harbour Trust Board is of opinion that where there are Dock Companies or Harbour Boards, Government should have nothing to do with the storage of goods which should be left exclusively to such Companies, and that heavy penal charges are in many cases due to delays on the part of Government offices. The Revenue Board would accede to the first point if the Madras Harbour Board were in possession of premises, which however they are not; and as regards the second point thinks that higher rates for storage may induce earlier removal.

Note.—In this case it will have to be considered whether the Harbour Trust Board should be allowed to reduce the scale of fees as they propose to do.

I should say it is better to fix a rent, say, for five or ten years subject to revision at the end of that time.

If a reduction is possible in Customs establishment on account of this transfer, the rent need not be fixed as high as Rs. 30,000 *per annum*.

A. W. SMART—22-4-99.

	Rs.
One delivery order clerk	60
One assistant delivery order clerk ..	30
Two peons on Rs. 8 each *per mensem*.	16
Total ..	106

As regards (vi), the Harbour Trust Board propose to increase their establishment at a cost of Rs. 106 *per mensem* as detailed in the margin.

Turning now to the Hon'ble Sir Henry Bliss' inquiry (4) in his note of 27th April 1898, viz., what reduction can be made in the Sea Customs establishment in consequence of the proposed transfer of the custody of goods, it is submitted that the Revenue Board is not yet prepared to say what reduction can be effected. The Board promises to report on this matter as soon as experience is gained in the working of the new arrangement.

I do not know why the Revenue Board cannot give this information. A certain definite portion of the Sea Customs work is to be transferred and an estimate therefore of probable saving on establishment should be possible.

A.W.S.—22-4-99.

A. W. SMART—22-4-99.

R. PARSONS.

K.W. 787, Marine, 18th August 1899.

Financial Department.

The case should, I think, be referred to Financial department for opinion before a decision is given.

A. E. H[avelock]—29-4-99.

To the financial department for favour of opinion.

A. W. Smart—1-5-99.

Financial Department.

R.P.

The question that concerns Financial is the effect on Provincial revenues of the proposed transfer of the custody of goods landed at Madras from the Customs authorities to the Harbour Trust Board. The scheme itself was approved in December 1896, and some legal difficulties connected with it, including the passing of Act II of 1898, have been overcome. A draft notification declaring certain buildings and areas to be a Custom House and draft rules defining the relations between the Sea Customs authorities and the Harbour Trust Board and a scale of fees to be levied under section 45 of Act II of 1886 for the storage of goods by the Harbour Trust Board have been submitted for approval; and it remains to be considered how best to give effect to the transfer without loss, if possible, to Provincial.

G.O., No. 632. Revenue, dated 1st December 1896.
G.O., No. 861, Revenue, dated 9th October 1897.
G.O., No. 83, Legislative, dated 12th October 1897.

2. The receipts that will be affected by the transfer are the godown* rents hitherto collected by the Customs department. The collection for the last five years were as follows:—

	Rs.
1893-94	17,500
1894-95	23,500
1895-96 }	58,400
1896-97 }	30,600
1897-98	
Total	1,30,000

As there has been a *steady increase* in the receipts the average cannot well be taken for purposes of calculation. The receipts that will cease to be realized by Provincial from this source may be set down *therefore*† at Rs. 30,000 per annum, the amount collected during the last year. On the other hand, the proposal to rent the store sheds attached to the Customs House to the Harbour Trust Board would bring in an income, as assessed by the Consulting Architect to Government, of Rupees 9,168 per annum. The exact amount leviable may have to be modified as the matter is still under correspondence between the Consulting Architect and the President, Municipal Commission, Madras. Accepting, however, the Consulting Architect's figure Sir Henry Bliss enquired who was going to make up to Provincial for the loss of over Rs. 20,000 per annum. The Board of Revenue proposes that, in case Government is not prepared to forego the godown rents, for which it sees no reason, one of the following two courses may be dopted:—

(1) to hand over the premises, subject to the Harbour Trust making over the godown rents they realize; or (2) to adopt a specified rent founded thereon, say, Rs. 30,000.

The Board would prefer the former course, as otherwise the ordinary method of fixing house-rent would have to be followed and it is not apparent how so high

* Included under VII. Customs, Warehouse and Wharf Rents.

Vide page 11 of Civil Budget Estimate; also G.O., No. 1026, Financial, dated 8th November 1898.

† The past "steady increase" would tend to show that the loss would be greater.

C.M.S.

high a rent as Rs. 30,000 could be demanded. If the former course then be adopted, the godown rents to be made over would, according to the scale of fees proposed to be levied by the Harbour Trust Board, amount to about Rs. 15,000 to Rs. 20,000. From this the Harbour Trust Board should properly be allowed to deduct the cost of the extra establishment which it would have to entertain. This is estimated at Rs. 106 *per mensem* or Rs. 1,272 *per annum*. The loss to Provincial would then be about Rs. 11,000 to Rs. 16,000 *per annum*, from which the saving to be effected in Customs establishment will have to be further deducted. To reduce this loss as far as possible the scale of fees would have to be enhanced. But the Harbour Trust Board appears opposed to this. It considers that the increase of godown rents in recent years is due to a great extent to the inclusion of penal fees imposed in consequence of the unsatisfactory arrangements obtaining under the present system. From Board's Proceedings, No. 671, dated 17th February 1899, however, it appears that the increase in 1894–95 was mainly due to the introduction of cotton duties in December 1894, while the subsequent further increases are probably due to normal growth as well as to the diversion of some of the trade of Bombay on account of plague. It seems to be a matter of doubtful policy therefore to permit the Board under present circumstances to so materially reduce the scale which is drawn up at rates far more liberal than those of either Calcutta or Bombay.

3. The Harbour Trust Board, on the other hand, urges that Government should have nothing to do with the storage of goods, that wherever there are dock companies or Harbour Boards, the custody of goods landed or awaiting shipment rests with them and that they alone have any right to levy rent or other charges for warehousing goods pending their examination and passing by the Customs authority. The Board of Revenue considers that the contention would be valid, if the Harbour Trust Board were in possession of the premises so as to take over the warehousing. But as this is not the case, it is submitted that the best solution of the question would be to adopt the first proposal of the Board of Revenue referred to above, namely, to hand over the premises to the Harbour Trust Board subject to its making over the godown rents it realises, *minus* the cost of extra establishment it would have to entertain in consequence of the transfer. This arrangement may be allowed to continue till the end of the current Provincial contract period by which time the Harbour Trust Board might be required to erect its own buildings when it could be allowed to make use of its own receipts. Meanwhile the loss to Provincial which would run into the next contract will be made good by the adjusting assignment which would then be made by the Government of India to equate the revenues and expenditure of that contract period.

Please see note at end.

C.M.S. ??

4. As, however, the receipts anticipated, according to the scale of fees proposed by the Harbour Trust Board, fall short as shown above of the amount of godown rents at present collected, the Harbour Trust Board might be requested to revise the scale so as to compensate Provincial for the loss it would suffer during the next few years of the current contract period. This loss can only be ascertained on the Board of Revenue furnishing information as to the saving that is likely to be effected by the reduction which will have to be made in the Sea Customs Establishment in consequence of the proposed transfer. The Board of Revenue has already been requested to furnish this information, but it states that a report will be submitted as soon as experience is gained after the transfer of the custody of goods to the Harbour Trust Board. As remarked by the Chief Engineer it is not apparent why the Board of Revenue cannot give this information as a certain definite portion of the Sea Customs work is to be transferred to the Harbour Trust Board and an estimate therefore of the probable saving on establishment should be possible. Until such an estimate is furnished the exact loss to Provincial cannot well be ascertained and it will not be possible to say to what extent the Harbour Trust Board should revise its prepared scale of fees. It is submitted that information on this point should first be obtained before orders are issued.

5. The questions as to who is to pay the municipal taxes and bear the cost of keeping the buildings in repair and as to what that would come to, raised by Sir Henry Bliss at an earlier stage of this file, need not be considered if the foregoing suggestion is approved. It may, however, be thought more convenient, as a part of the arrangement suggested, to allow the Harbour Trust Board to pay the taxes and keep the buildings in repair and to deduct the actual cost, in addition to the cost of the additional establishment already referred to above, from the godown rents to be made over to Government.

F. A. D'CRUZ—12-5-99.

For the Chief Secretary—

It is submitted that the only course to which it would be fair to commit Provincial funds is the first course proposed by, the Board—viz., to hand over the premises to the Harbour Trust Board subject to its making over the godown rents it realizes. It must also be stipulated, it is submitted, that there is *no loss* to Provincial.

There is another aspect of this question which, it is submitted, should not be lost sight of. These "warehouse and wharf rents" under VII. CUSTOMS are Provincial under the present contract and they have been Provincial for some time past. But this fact cannot empower the Local Government to hand over the receipts (as a permanent measure) to a semi-private body or to keep them out of the accounts. Much less can this Government expect, as suggested at the end of paragraph 3 of the foregoing note that if it makes presents of sources of revenue to the Harbour Trust Board or any other body, the Government of India will make the loss good at the end of the contract period. These rents are portions of the revenues of the empire entrusted to the keeping of the Local Government which has no power to alienate them. It is submitted that whatever is done now must be done with the knowledge and concurrence of India. This procedure seems all the more necessary, as if it *is* in the interests of the trade of the country that the rates in question should be reduced there is no reason why Imperial, which is really more concerned with the general question of trade than is Provincial, should not bear the loss.

C. M. SCHMIDT—5-6-99.

The Revenue Board recommends that the custom-house premises should be made over to the Harbour Trust Board on condition they hand over the godown rents. I would add "and keep the buildings in repair and pay all taxes".

What we have to see is that the yield of the rents under the new scale *plus* the saving on establishment, etc., is equal to, say, Rs. 26,000. We know that the rents under the new scale will amount to about Rs. 15,000, but the saving in establishment is not ascertained. The Revenue Board can ascertain it for there must be a definite establishment which is employed in the custody and storage of goods. I would not wait for the Board to do this now but would tell the Board to make a saving of not less than Rs. 2,000. This they can surely do for the Harbour Trust Board's establishment to be newly entertained is Rs. 1,200. The saving in taxes is Rs. 2,996. The repairs cost Rs. 4,147. The matter would equate thus: Government now gets Rs. 26,000, godown rent. Taking the reduction of establishment as Rs. 2,000, it would get Rs. (15,000 + 2,000 + 4147 + 2,996=) 24,143, or it would lose Rs. 2,000 *per annum*. It is well to point out, however, that if this property, *i.e.*, the custom-house, were vested in the Harbour Trust Board, it would, under section 28 of Act II of 1886, be free of tax, and that, if the proposed arrangement is carried out, Government will have no further use for the custom-house. It would seem desirable therefore to make the building over permanently to the Harbour Trust Board.

K.W. 787, MARINE, DATED 18TH AUGUST 1899.

I do not think Government should try to drive a hard bargain in this matter. Trade is being driven away from the port of Madras by its costliness and by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port. I would direct the Revenue Board to make a saving of not less than Rs. 2,000 by reducing establishment and would accept the scale of rates proposed by the Harbour Trust Board. I do not think the matter need be reported to India.

G. STOKES—11-6-99.

The Chief Secretary's proposals seem to me fair. I think they may be accepted and offered to the Harbour Board.

A. E. H[AVELOCK]—14-6-99.

I think this file should go to Revenue for counter-initial or note. Sea customs revenue is dealt with in Revenue.

A. T. A[RUNDEL]—19-6-99.

With reference to the Hon'ble Mr. Arundel's remark will Revenue please counter-initial or note.

H. M. [WINTERBOTHAM]—21-6-99.

REVENUE DEPARTMENT.

To Secretary—

In G.O., No. 861, dated 9th October 1897, it was decided that at the port of Madras the Harbour Trust Board, instead of the Customs Collector, should take charge of goods as they are landed, that they should deliver them to the owners on passes granted by that officer, and that for this purpose, the sheds belonging to the Customs department should be rented to the Harbour Trust Board. The Consulting Architect to Government fixed Rs. 764 as the monthly rent to be paid by the Harbour Trust Board, while the godown rents realised by Government in 1897-98 amounted to Rs. 30,600. The question discussed in these notes is whether Provincial may lose the difference between Rs. 30,600 and Rs. 764 × 12 or Rs. 21,432, and if not, what should be done in the matter.

2. The proposal made by the Board of Revenue, which the Financial department has accepted, is that the Harbour Trust Board should hand over to the Customs department the rents received by them. Taking the average of godown rents for five years, the Financial department makes out that Provincial would lose only Rs. 2,000 a year, and thinks that this loss may be accepted in consideration of the importance of making the port less costly than it is.

3. The rents obtained during the five years ending with 1897-98 were as under :—

	Rs.
1893-94	17,500
1894-95	23,500
1895-96	58,400
1896-97	
1897-98	30,600

Seeing that there has been a progressive increase, it is doubtful whether the average is a correct measure of the revenue to be lost to Government in future years. It may perhaps not fall short of Rs. 30,000.

4. Again, it appears to be assumed that the Harbour Trust Board would hand over the receipts, estimated at Rs. 15,000 a year, and pay from their other income, presumably the pay of the new establishment to be entertained (Rs. 106 × 12 or Rs. 1,272), the cost of repairs to the sheds (Rs. 4,147) and municipal taxes thereon (Rs. 2,996). It is doubtful whether they will agree to do so, and whether they will not deduct these charges from the receipts. If not, the net revenue which Government may look forward to, would be Rs. 15,000 — (Rs. 1,272 + 4,147 + 2,996) or Rs. 6,585. Taking the cost of the establishment, which the Customs Collector can dispense with, at Rs. 2,000, and deducting the cost of repairs and municipal taxes, the net income hitherto obtained was Rs. 30,000 — (Rs. 2,000 + 4,147 + 2,996) or Rs. 20,857. The Government would, therefore, lose Rs. 14,272 a year.

N.E.M.

I submit Government may hear what the Board has got to say before ordering reductions of establishment in round figures.
N.E.M.—3-7-99.

5. It is suggested by the Financial department that the Customs sheds should be permanently transferred to the Harbour Trust Board, as they can then claim exemption from payment of municipal taxes under section 28 of Act II of 1886. It is doubtful whether exemption may be claimed. Section 28 states that "the property vested by this Act in the Board shall be exempted from assessment of any rate or tax, etc." From section 25 it will be observed that the property vested by the Act is the several properties specified in schedule A, which do not include the Customs sheds under consideration. It cannot be contended that what is acquired by the Harbour Trust Board by purchase is vested in them; for section 26 uses the two words—vested and acquired—as having different meanings. If, however, it is thought that exemption can be claimed, the Harbour Trust Board must purchase the sheds. It is not known whether they are able or willing to do so.

Property vested in or acquired by them.

6. The annual loss to Government may perhaps slightly diminish, if the receipts of the Harbour Trust Board increase; but as the highest estimate of them is only Rs. 20,000, the loss can never be less than Rs. 9,000. This is not a small amount to be easily sacrificed, and it is for the Financial department to say whether it is competent to this Government without reference to the Government of India to conclude the bargain.

7. The Financial department suggests that the Board of Revenue should be directed to make a saving of not less than Rs. 2,000 by reducing the Customs establishment. The Board may be asked what reductions are feasible; but it is not certain whether it can fully carry out the direction.

N.E.M.

8. It appears to have been anticipated that the Harbour Trust Board will eventually provide buildings of their own, surrendering those to be rented by them from Government. It is not known whether any use can be found for them. Perhaps it will be best to lease them permanently to the Harbour Trust Board.

Paragraph 3 of G.O., No. 861, Revenue, dated 9th October 1897.

9. When these questions are settled, this Department has to issue a notification under section 11 of the Sea Customs Act (VIII of 1878) and to approve certain rules for regulating the mutual relations of the Sea Customs and Harbour Trust authorities.

V. K. Ramanujachari—1-7-99.

Hon'ble Mr. Arundel, C.S.I.
Hon'ble Mr. Winterbotham.

With reference to Honourable Members' notes on ~~page 7~~ the previous page.

N. E. Marjoribanks—3-7-99.

787 Marine

13/13

K.W. 787, Marine, 18th August 1899.

The suggestion of the Chief Secretary that trade is being driven away from the port by its costliness and that by keeping up a number of petty fees we may be losing far more revenue than they yield by harassing the trade of the port, is a new argument in the discussion, which I do not think it valid,—for in the first place the godown rents have been steadily increasing and in the second place it is found that the Madras fees are far less than those of Calcutta or Bombay.

It does not seem to me that there is any question of "driving a hard bargain" The Harbour Trust Board and the Chamber of Commerce desire to change the present system and to take over the Custom House sheds as they have none of their own. The sheds bring in a certain revenue to Provincial funds and I cannot see why Government should make a present of all or part of this in complying with the desire of the Harbour Trust Board to change the system. I think the equitable way will be to inform the Harbour Trust Board what Government derives from the rents, deduct the cost of repairs, taxes, and any saving of establishment that may be feasible and ask the Harbour Trust Board if they are prepared to pay the balance annually to Government.

I do not think we can order the Board to reduce establishment by Rs. 2,000 or any other figure. It will almost certainly be found impossible to make such a reduction. The Board should require the Collector to report on the matter. The Harbour Trust Board may be told that such reductions as are found to be feasible will be deducted from the amount to be paid to Government.

From the note in Revenue it seems clear that the Harbour Trust Board will have to pay municipal taxes.

A. T. A[RUNDEL]—5-7-99.
H. M. W[INTERBOTHAM]—6-7-99.

Returned to Marine with Honourable Members' notes above.

H. TREMENHEERE—10-7-99.
MARINE DEPARTMENT.

I accept the proposals of Honourable Members as made in their notes of 5th July 1899 and 6th July 1899.

A. E. H[AVELOCK]—4-8-99.

[G.O., No. 787, Marine, dated 18th August 1904.]

à 87. Mars

370

117

also be stipulated, it is submitted, that there is no loss to Govt.

There is another aspect of this question which it is submitted should not be lost sight of. There "Wharfage & Wharf Rents" under VII Customs are Provincial under the present contract & they have been Provincial for some time past. But this fact cannot empower the Local Govt. to hand over the receipts (as a permanent measure) to a semi-private body or to keep them out of the accts. Much less can this Govt. expect as suggested at the head of page 5 of these notes, that if it makes presents of sources of revenue to the H.T. Board or any other body, the G of I. will make the loss good at the end of the contract period These rents are portions of the revenues of the Empire entrusted to the keeping of the local Govt. [illegible]