

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	4 5 3	Press ~~Mis.~~
263-64 Dated	18-2-18 68.	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
13th February 1868.*

No. 363. Read the following Endorsement of the Under Secretary to the Government of India, Home Department, dated Fort William, 7th February 1868, No. 8-148:—

Read the following Despatch from the Right Honorable the Secretary of State for India, (Revenue,) to His Excellency the Right Honorable the Governor General of India in Council, dated India Office, London, 23rd December 1867, No. 66.

I transmit, for the information of your Excellency in Council, a copy of a Despatch from Her Majesty's Charge d'Affaires at Washington, which has

been sent to this Department by Her Majesty's Secretary of State for Foreign Affairs, on the question of the repeal of the present tax on Cotton in the United States of America, which is now under the consideration of the Government and Legislature of that country.

From F. C. FORD, Esq., to Lord STANLEY, &c., &c., dated Washington, 26th November 1867.

1. I have the honor to inform your Lordship that, on the assembling of Congress on the 21st instant, a resolution was submitted to the Senate, and agreed to, to the effect that the Secretary of the Treasury be directed to communicate any facts or reports in possession of the department relating to the repeal of the tax on Cotton, and on the same day a resolution was submitted in the House of R. Rs., and agreed to, that the Committee of Ways and Means be directed to inquire into the expediency of that tax being repealed.

2. In connection with this subject, which is one of such paramount importance to the future material prosperity of the Southern States of this country, I have the honor to transmit herewith, to your Lordship, copy of a letter that has been addressed by Mr. Wells, the Special Commissioner of the Revenue, to the Secretary of the Treasury, recommending a repeal of the tax.

3. Mr. Wells, in stating that India is the principal competitor of the United States in the production of Cotton, asserts that the present tax of $2\frac{1}{2}$ cents per lb on American Cotton is equal to a premium of at least fifty per cent. upon the cost of raising that article in India, and that, whilst prior to the Civil War, America supplied eighty-five per cent. of the whole Cotton furnished to the world, her contribution of that staple this year has fallen to less than forty-seven per cent.

4. Mr. Wells expresses his belief that, should the present oppressive tax be repealed, the United States will speedily re-gain the control of the Cotton market, and again supply by far the larger portion of the total demand of Europe for consumption. He further states that the season of 1867 has been a very propitious one, and places the crop of the year at nearly fourteen hundred millions of pounds.

5. The total amount of internal revenue derived from the tax on raw Cotton for the fiscal year ended 30th June 1867 was upwards of £4,000,000, and although the Treasury could ill-afford to lose so important a source of revenue, a compensation might be found by the results of proposed retrenchment, to be made in the several branches of the Administration, and notably in that of the Department of War, by the discontinuance, in the month of July next year, of the Freedmans

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18th February 1868.*

Bureau which is no longer deemed necessary, and which entails a heavy yearly expense of nearly £3,000,000.

6. In short, the repeal of the tax on Cotton is considered as a necessary measure if the cultivation of this crop is to be continued in the Southern States, and it is thought highly desirable that this branch of agriculture should be kept up, as it is an industry which is not only familiar to the people, but likewise one which is immediately available and practicable to the great body of the laboring population of the south.

Copy forwarded to the Government of Fort St. George.

By order,

(Signed) J. GEOGHEGAN,
Under Secy. to the Govt. of India.

No. 364.

ORDER THEREON, 18th February 1868, No. 453.

Miscellaneous.

Ordered to be recorded.

(True Extract.)

(Signed) F. BRANDT,
Under Secretary to Government.

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Dir. of Govt. for Feb. 1868*

From

*The Under Secy. to the
Govt. of India*

*Noted 7th 3 July/68.
Received 11th 3
W. 1868.*

*Forwarding Copy of a
Despatch from
the Home Govt.
on the question of
the repeal of the
present tax on Cotton
in the United States
of America -*

No 363-364.

RECORDED