

No. 1667/h d/3/7/84

Recorded

(S.B.)

Gobt. of {1884} Madras.

MARINE.

Issued

Recd.

Encl.

G.O., dated 18th June 1884, No. 251.

B/h 1667/h d/3/7/84

JUNE.

Madras Harbour.

Referring to a Committee for report question of revised rates of Harbour Dues.

Withdrew

ORDER—dated 18th June 1884, No. 251, Marine.

These papers relating to the revision of the rates of Harbour Dues will be referred for the consideration and report of the Committee appointed under G.O., 21st February 1883, No. 121.

2. The Committee will bear in mind that a certain amount of revenue has to be raised and that in revising the rates of dues this must be kept prominently in view.

3. The Master Attendant will prepare a statement shewing the monthly revenue derived from each item, and submit it for the consideration of the Committee.

(True Extract.)

Chief Secretary.

To the Collector of Madras.
„ the Honorable A. Mackenzie.
„ the Superintending Engineer, Presidency Circle.
„ the Commissioner of Police.
„ the Master Attendant.
„ the Chairman, Chamber of Commerce.
„ the Harbour Works Engineer.
„ J. A. Boyson, Esq.
„ R. Turnbull, Esq.
„ J. C. Shaw, Esq.
„ F. W. Emery, Esq.
„ H. R. Dawson, Esq.
The Government Solicitor.
Copy to the Public Works Department.

I am desired to avail myself of this opportunity to point out the inconsistency and hardship of taxing articles for Harbour Dues, according to shipping bulk, instead of at the rate of 20 cwts. to the ton. The Schedule of Harbour Dues, published with the Notification of Government of the 5th February last, has been found in practice to be so full of anomalies, that the Chamber is very anxious to submit a revised Schedule to the Government without delay. It will, therefore, be obliged by your mentioning in your communication to the Government the desire of the Chamber to have the List amended. The letters that you have already addressed to the Chamber on the subject seem to show that the defects of the Schedule have not escaped your own notice; and that, pending a general alteration of the Schedule, it seems urgently necessary at once to relieve articles such as Ground Nut kernels and Turmeric which are now in season, and the trade in which is being seriously interfered with, from an overcharge in weight which is manifestly unjust or not intended.

(Signed) J. A. BOYSON,
Vice-Chairman.

From the Acting Master Attendant Madras, to the Chairman of Chamber of Commerce, dated Madras, 2nd June 1884, No. 5290.

I have the honor to acknowledge receipt of your letter of the 31st ultimo, remarking upon the severe incidence of the demand for Harbour Dues on coal.

2. You request me to wire Government for authority to reduce the demand to 3 annas per ton, a request I regret exceedingly I cannot comply with, consistent with my duty to Government, to the Harbour Committee, and to the general Mercantile Community, both European and Native, whose interests are quite as much at stake under the present system of levying Harbour Dues as importers of coal. Besides, large sums of money, amounting in all to nearly 15,000 Rupees, have already been paid without any demur by importers of coal, so that you will observe that the objection to the present rate of dues on coal, which, indeed, is the uniform rate of Rs. 1-5-6 per ton, is not a general one.

4. The only practicable and indeed legal way of making any alteration in the schedule under Act VI of 1882 is to revise it on an *ad valorem* basis, and submit it to Government for sanction, but the incidence of taxation must be so arranged as to provide for a revenue of Rs. 3,85,937 per annum, estimated for by the Harbour Committee. I would add that I have already suggested this course to Government for approval.

4. I would take this opportunity of calling the attention of the Chamber to the fact that the Government are in no way to blame for the levy of the Dues in their present form. The Harbour Dues Act was passed and published so far back as December 1882. A committee was formed on the 21st February 1883 for the express purpose of consulting on the most advantageous ways and means of working the Act, and advising the Government thereon. On this Committee were several Mercantile gentlemen. After various meetings were held, the deliberations of the committee were submitted to Government, who, acting solely on the suggestions of the Committee, notified the rates for Harbour Dues and the tonnage schedule prepared by the Committee for general information in the Gazette of the 17th July 1883, so that both the Chamber of Commerce and the Mercantile Community generally had ample notice afforded them prior to the introduction of the tax, in order to either object to the tax itself, or to the incidence of the same. Two months have now elapsed since the Dues were first collected on goods of every description from Saltfish and Bone manure to Indigo and Corals, and the Act is in full working order, and I think your Chamber will agree with me when I assert that it would be extremely unwise and impolitic on the part of the Government to suddenly, and without any previous notice, rescind or reduce the Dues on any one particular article of Commerce, and in justice to all sections of the

Mercantile Community any such concession must be a general one, with reference to all other commodities, besides coal, which suffer from the present incidence of the tax.

(Signed) T. E. MARSHALL,
Acting Master Attendant.

From Messrs. T. A. TAYLOR & CO., to the Chief Secretary to Government Ootacamund, dated Madras, 5th June 1884.

We have the honor to request that you will bring before His Excellency the Governor in Council the grievous oppression of Harbour Dues levied under Act VI of 1882 on Imports of Bar Iron, and to beg that some remission of the dues be ordered in the case we now lay before you.

On the 18th February and 1st March 1884, we ordered from England two shipments of Bar Iron, together about 170 tons, for a native constituent of ours in Madras, who placed the order with us as Agent for other natives in Bimlipatam for whom the Bar Iron was eventually destined.

The notification that Harbour Dues would be levied from 1st April was not published in Madras when the first portion of the order was sent, and the Bimlipatam Merchants knew nothing of its incidence on shipments *via* Madras, when the second portion was placed.

The iron was landed at Madras about 80 tons by the S. S. "Clan Maclean," about 90 tons by the S. S. "Clan Macintosh" and has to pay Harbour Dues of Rs. 1-5-6 per ton, not only on the landing but also the re-shipping to Bimlipatam, that is Rs. 2-11-0 per ton, or very nearly $3\frac{1}{2}$ per cent. on the cost (about Rs. 80 per ton) of the iron.

It is with much difficulty this port has been able to compete with Bombay and Calcutta for the trade of the Coast Ports of the Madras Presidency, and if this impost on the import of Bar Iron is to be permitted the native dealers will find it greatly to their advantage to buy iron in Calcutta, or order direct from England, for transshipment at Bombay to the British India Steamers, and by them to be delivered at the Ports on the Coast of Madras.

A difference of 12s. 6d. to 16s. per ton generally exists between freight to Bombay and Madras, and the British India Steamers often carry cargo as cheaply from Bombay to a Port on the Madras Coast, as they will do from Madras to the Madras coast ports, so that not only might the Madras Harbour Dues of Rs. 2-11-0 per ton be saved, but possibly the Iron could be landed at Bimlipatam *via* Bombay, cheaper than we could do it *via* Madras, even supposing no Harbour Dues were levied.

The fact that it has not yet been attempted is owing to the conservatism of Native trade, which continues in the old groove, as long as it can be conducted profitably in the accustomed channels.

But an extra $3\frac{1}{2}$ per cent. on the cost of a shipment of iron will necessitate an endeavour to avoid the heavy costs of transshipment at Madras, and it will be found that other articles can also be obtained without the intervention of Madras. The re-export trade of Madras will suffer, and as a consequence, its imports will gradually fall off.

We beg to suggest that as steamers having paid Port Dues, are not liable on their return, if within 90 days, the same indulgence be extended to the Imports of Madras, re-exported within the same time, say 90 days, and to request that a refund be ordered of the Export Harbour Dues paid on the Iron to which we have had the honor to call your especial attention.

ORDER—dated 18th June 1884, No. 251, Marine.

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(True Extract.)

Chief Secretary.

To the Collector of Madras.
 „ the Honorable A. Mackenzie.
 „ the Superintending Engineer, Presidency Circle.
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 „ H. R. Dawson, Esq.
 The Government Solicitor.
 Copy to the Public Works Department.

From T. E. MARSHALL, Esq., Acting Master Attendant, Administrative Department, Madras, to the HON'BLE E. FORSTER WEBSTER, Chief Secretary to Government, Marine Department, Fort Saint George, dated Madras, Marine Office, 29th May, 1884, No. 5216.

I have the honor to return herewith the letter from the Mill-owning Companies of Madras, forwarded to me for report with your endorsement No. 1141, of 27th instant, with the following remarks.

2. The Mill-owners complain of the heavy burden imposed on them by the levy of Harbour Dues at 1 rupee 4 annas per ton on all coal imported by them into Madras. The rate, however, is actually 1 rupee 5 annas 6 pies per ton. They complain that coal at Madras costs more than at Bombay, owing to the heavy Port dues levied at the former port, but as the Ship-owner, and not the Mill-owner, pays these dues, I fail to see that they have any grievance to complain of on this score. Freight outward bound from the United Kingdom to Madras has always, and will always, be somewhat higher than to Bombay for two reasons:—First, because a voyage to Bombay is much shorter than one to Madras; and secondly, because Bombay is a great commercial port, where a return freight to England or elsewhere is always obtainable. But even with all its advantages, Bombay, from the letter under notice, manages to land its coal at Rupees 2-12 per ton less than Madras, a result which can only reasonably be expected not only on coal, but on every article of foreign import.

3. The Mill-owners, however, further allege that the landing charges on coal at Madras is Rupees 1-8 per ton. The legal charge is Rs. 1-8 per Masula boat carrying one-and-a-half ton of 20 cwt., and is therefore equivalent to 1 rupee per ton, or 4 annas in excess of the Bombay rate. But it is a well known fact that since the construction of the Harbour, Masula boats have been permitted to land 25 to 50 per cent. over and above the quantity allowed by the Schedule under the Boat Act, the Master Attendant having the power to grant the concession. Boats are therefore constantly landing 45 to 50 bags of coal, which is equivalent to $2\frac{1}{2}$ tons, or 9 annas and 7 pies per ton, so that you will observe that even on the score of landing charges, the Madras Mill-owners have no cause to complain.

4. In reference to the comparison instituted by the Mill-owners between the relative value of Indigo and Coal, I would observe that the Harbour Committee, in their deliberations on the ways and means of levying the dues, appear to have decided upon levying them on the bulk or capacity of a package, and not on its value, and the Schedule was framed accordingly. The Chamber of Commerce, in a communication to this office, remarks as follows upon the principle on which the dues are levied—“It is a serious matter, as it is, for articles of comparatively small value, such as Ground Nuts, Castor Seed, and Turmeric to be taxed at Rupees 1-9-6 per ton of 20 cwt., say about 2 per cent. of value, while Indigo, Coffee, Cotton, &c., are let off for $\frac{1}{16}$ to $\frac{1}{4}$ per cent, and the hardship will be increased if the former articles are taxed according to Tonnage scale at 16, 15 and 14 cwt. respectively. The Tonnage scale was made for Freight purposes, and has nothing to do with Harbour Dues. Comparatively cheap goods should not be taxed for dues in the same way as costly ones. For example, Avaran Bark (used for tanning) worth Rs. 15 to Rs. 22 per candy, has to pay Rupees 1-9-6 per ton of 8 cwt., or as much as is levied upon Chinchona Bark, which is worth Rupees 350 to Rupees 400 per candy.” I would therefore recommend that the Chamber be asked to appoint a special Sub-Committee to consider the question, and revise the Schedule upon an *ad valorem* basis, so arranging the incidence of the dues upon all articles of commerce, as to provide the Government in Revenue with a sum of 385,937 Rupees per annum or thereabout, as Harbour Dues, this sum being the amount originally estimated by the Harbour Committee. Pending this revision, I fail to see how any one class of goods can be eliminated from the Schedule and exempted from taxation, as the Harbour Dues are by law leviable on “all goods.”

18TH JUNE 1884, No. 251, MARINE.

GOVERNMENT OF MADRAS.
MARINE DEPARTMENT.

READ—the following papers:—

From the Mill-owning Companies of Madras, to the Chief Secretary to Government of Madras, (Marine Department,) Ootacamund, dated Madars, 15th May, 1884.

We, the undersigned Companies, carrying on business in Madras as Mill-owners, &c., have the honor to bring to your notice the heavy burden imposed on us by the rate of Rupee 1-4 per ton in Schedule A appended to Notification under Madras Act VI of 1882 (The Madras Harbour Dues Act).

This charge is equal to an Import Duty of 5 per cent., and makes Coal and Patent Fuel dearer than ever. At present it costs us, delivered in the Roads, 10 per cent. more than in Bombay, chiefly owing to the heavy Madras Shipping Port Dues. Furthermore, the Madras Landing charges amount to Rupees 1-8 per ton as compared with 12 annas in Bombay, which latter rate includes all Port charges.

From the above it will be seen that the Madras Mill-owner already burns his coal at about Rupees 2-12 per ton more than his Bombay competitors.

The further additional charge now being levied on this necessary of Industry is unbearable: as above stated, it amounts to 5 per cent. as compared with a charge of only $\frac{1}{4}$ to 1 per cent. on articles of luxury, such as Fruits, &c., which pay the same per ton as coals.

The unfairness of charging Coals on a tonnage scale in the same way as Indigo, for instance, will be apparent when it is considered that Coals are worth Rupees 18 to 20 per ton of 20 cwt., while a ton of Indigo (of 50 cubic feet as per Schedule A) is worth Rupees 2,500.

We consider that Coals cannot bear a higher charge than 2 annas per ton of 20 cwt., and we have the honor to request you will be good enough to write or telegraph to the Master Attendant, authorising him to collect dues accordingly as several steamers are expected.

We have the honor to be,

SIR,

Your most obedient servants,

THE BUCKINGHAM MILL COMPANY, LIMITED,

By its Secretaries and Treasurers, BINNY & Co.

THE CARNATIC MILL COMPANY, LIMITED,

BINNY & Co., Secretaries.

WEAVING MILLS COMPANY, LIMITED,

MOOLJEE JAITHA & Co., Secretaries & Treasurers.

THE SOUTHERN INDIA SPINNING AND

WEAVING COMPANY, LIMITED,

COWASJEE BOMANJEE, Manager.

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with order