

Revenue Department

No 355.

Dated 18—3—1859

Fort Saint George, Revenue Consultation of 22d March 1859.

No. 35. Read the following letter from CECIL BEADON, Esq., Secretary to the Government of India; to T. PYCROFT, Esq., Chief Secretary to Government of Fort St. George; dated Fort William the 4th March 1859, No. 429.

SIR,

I am directed to forward the accompanying copy of a resolution this day passed by the Government of India respecting a proposed alteration in the existing tariff of duties on imports and exports by sea.

2. His Excellency the Governor General in Council requests that the Right Honorable the Governor in Council will take the subject into consideration, and report his sentiments, 1st, as to what change is necessary in the Excise duty on spirits distilled in India consequent on the increase in the import duty on foreign spirits; and 2dly, whether the general increase in the rate of import duties renders it necessary to make any alteration in the existing customs law or practice.

Fort William Home Department (Separate Revenue.)

The 4th March 1859.

Resolution.—The Governor General in Council having resolved in the Financial Department that, with a view to the improvement of the finances of India it is expedient that measures should be taken as soon as practicable to increase the duties in the customs, the subject has been considered in this Department.

The subjoined Tables show the manner and degree in which, in the opinion of His Excellency in Council, the existing tariff of duties on imports and exports by sea may best be altered so as to increase the public revenue, and at the same time to bear with the least pressure on the trade and industry of the country.

It will be seen that the principal features of the change are:

- (1.) The abolition of differential duties.
- (2.) The imposition of the highest duty on articles of luxury only: this duty being fixed at 20 per cent.
- (3.) The imposition of a duty of 10 per cent. upon other articles generally; excepting cotton twist upon which the duty will be 5 per cent., and some articles free of duty.
- (4.) An increase of the duty on the export of grain but within such limit that the whole duty shall bear but a small proportion to the difference between the prices in the Indian markets and the prices prevailing in the countries to which this description of produce is exported, and
- (5.) The repeal of the export duty on Raw silk and Tobacco two articles of importance the export of which from India is affected by competition from other countries.

Table. I.

Import Tariff.

1. Bullion and coin.	Free at all the Presidencies and will continue to be free.
2. Precious stones and Pearls.	The same.
3. Grain and pulse.	Free at all the Presidencies except Madras, where rice and paddy are subject to a duty of 2 annas a bag, but the levy of this duty has for some time been suspended by an order of the executive Government. In future the import of grain will be free at all the Presidencies.
4. Horses and other living animals.	Free at all the Presidencies and will continue to be so.
5. Ice.	The same.
6. Coal, coke, bricks, chalk and stones (marbles and wrought stones excepted).	The same.

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7. Books (except music and music books). Foreign books are now subject to a duty of 3 per cent., but this is a duty that was imposed for purposes of protection, and will be repealed. The amount yielded from this source is insignificant. In future the import of books at all the Presidencies will be free.
8. Cotton wool. Is now subject at Bombay and Madras to a duty of 9 annas a Maund, but the levy of this duty has been suspended by an order of the Government. In future it will be everywhere free.
These are now free by law at Bombay, and are elsewhere exempt from duty by an executive order. In future machinery for the improvement of the communications and for the development of the resources of the country will be free. Plate iron will be charged under the appropriate head.
In the duties on these articles it is not proposed to make any change.
All these articles are now subject to a duty of 5 per cent. if of British, and to a duty of 10 per cent. if of foreign manufacture or produce. In future they will be subject to a duty of 10 per cent.
9. Machinery for the improvement of the communications and for the development of the resources of the country; and Plate Iron for the hulls of steamers.
10. Opium.
11. Salt.
12. Marine stores.
13. Metals wrought or unwrought.
14. Woollens.
15. Cotton and silk piece goods and all manufactures of cotton and silk, or of cotton or silk mixed with any other materials.
16. Cotton thread twist and yarn. Is at present subject to a duty of $3\frac{1}{2}$ per cent. if of British, and to a duty of 7 per cent. if of foreign origin. In future it will be subject to a duty of 5 per cent.
Is now subject to a duty of 10 per cent. but will in future pay 20 per cent.
Is now subject to $7\frac{1}{2}$ per cent. but will in future pay 20 per cent.
17. Tea.
18. Coffee.
19. Spices including pepper, cassia, cinnamon, cloves, nutmegs, and mace. Are now subject to a duty of 10 per cent, but will henceforth be charged with a duty of 20 per cent.
20. Haberdashery, millinery and hosiery.
21. Grocery, confectionary and oilmans stores.
22. Provisions, hams and cheeses.
23. Perfumery.
24. Jewellery plate and plated ware.
25. Tobacco. These are at present generally charged with duty as unenumerated articles; it is intended that in future they shall be subject to a duty of 20 per cent.
Is at present subject to a different duty at the different Presidencies. In Bengal it comes in as an unenumerated article at 5 and $3\frac{1}{2}$ per cent. In Madras the duty is 10 per cent. In Bombay it is Rupees 1-8 a maund when the price is not above Rupees 30 a maund, and when the price is above Rupees 30 a maund the duty is 5 per cent.; and when removed from Bond for consumption in the Island of Bombay it is subject to a duty of $7\frac{1}{2}$ per cent. The duty every where will now be uniform at 20 per cent.
26. Porter, ale, beer, cider, and other similar fermented liquors. These now pay a duty of 5 per cent. It is intended that they shall hereafter be charged with a duty of 20 per cent. Instead however of imposing an ad valorem duty of this amount the duty will be fixed at four annas a gallon, which is equivalent to a duty of 20 per cent. when the average price of beer is Rupees 60 the hogshead.

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27. Wines and liquors. Are now charged with duty at the rate of 1 Rupee a Gallon. In future they will be charged at the rate of 2 Rupees a Gallon.
28. Spirits. Are now charged with a duty of 1 Rupee 8 annas a Gallon everywhere except in Bombay, where spirits of country manufacture including Ceylon Arrack are admitted on payment of a duty of 9 annas a Gallon. In future spirits of all kinds will be charged without distinction with a duty of 3 Rupees a Gallon.
At present in Bombay all unenumerated articles bear a duty of 5 per cent. In Bengal and Madras they are subject to 5 per cent. if manufactured, and to $3\frac{1}{2}$ per cent. if unmanufactured. Alum, Camphor, Coral and Vermillion are everywhere subject to 10 per cent. and Rattans to $7\frac{1}{2}$ per cent. At Madras betelnuts if boiled are subject to 10 per cent, and if raw to 5 per cent. At the other Presidencies betelnuts are treated as unenumerated articles. All unenumerated article including those above mentioned will now be charged with a uniform duty of 10 per cent.
29. All articles not included in the above enumeration.

Table II.

Export Tariff.

1. Bullion and Coin. Will continue free as at present.
2. Precious stones and pearls. The same.
3. Books, Maps and Drawings (printed in India). The same.
4. Horses and living animals. The same.
5. Opium. It is not proposed to make any change in the duty on these Articles.
6. Salt.
7. Cotton Wool. Will continue free as at present.
8. Sugar and Rum. The same.
9. Spirits. Are now charged with a duty of 9 annas a Gallon, but will henceforth be free.
10. Tobacco. Is now charged with a duty of 1 Rupee 8 annas per Indian Maund of 80 tolahs to the seer at Bombay, 5 per cent. at Madras, and 4 annas per maund in Bengal. Henceforth it will be free.
11. Raw Silk. Is now charged with a duty of 3 annas and $3\frac{1}{2}$ annas a seer. In future it will be free.
12. Grain and pulse of all sorts. Now charged uniformly with a duty of 1 anna a bag except at Madras, where rice and Paddy are charged a duty of 2 annas a bag of two maunds. It is intended that all grain and pulse shall everywhere be charged with a duty of 4 annas a bag.
13. Indigo. Will be charged as at present with a duty of 3 Rupees a maund.
14. Lac dye and shell lac. Will continue to be charged as at present with a duty of 4 per cent.
15. All articles not enumerated or named above. Will continue to be charged with a duty of 3 per cent. as at present.

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The following Tables shew the increase and decrease of Revenue from the proposed duties under each head of the Tariff which would follow if the quantity and value of the imports and exports should remain the same as they were in 1857-58.

TABLE III.

Duty on Imports.

No.	Article.	Rate of duty.		Duty received at the present rates.	Increase of duty at the proposed rates.	Decrease of duty at the proposed rates.	Gross amount of duty at the proposed rates.
		Present.	Proposed.				
1	Books.....	3 per cent.	Nil.	303	.....	303	.....
2	Marine Stores.....	5 & 10 "	10 per cent.	75,877	64,726	.....	1,40,603
3	Metals.....	5 & 10 "	10 "	15,48,506	10,35,551	.....	25,84,057
4	Woollens.....	5 & 10 "	10 "	1,83,558	1,66,226	.....	3,49,784
5	Piece Goods.....	5 & 10 "	10 "	27,66,376	24,96,083	.....	52,62,459
6	Cotton Twist.....	3 1/2 to 7 "	5 "	3,59,295	1,20,802	.....	4,80,097
7	Tea.....	10 "	20 "	1,01,113	1,01,113	.....	2,02,226
8	Coffee.....	7 "	20 "	50,468	84,113	.....	1,34,581
9	Tobacco.....	1-8 & 4 as. per Md. & 5 per cent.	20 "	25,749	77,247	.....	1,02,996
10	Spices.....	10 "	20 "	1,23,447	1,23,447	.....	2,46,894
11	Haberdashery.....	5 "	20 "	1,61,417	4,84,251	.....	6,45,668
12	Grocery, &c.....	5 "	20 "	59,755	1,79,265	.....	2,39,020
13	Provisions, &c.....	5 "	20 "	52,406	1,57,218	.....	2,09,624
14	Perfumery.....	5 "	20 "	12,754	38,262	.....	51,016
15	Jewellery, &c.....	5 "	20 "	57,430	1,72,293	.....	2,29,723
16	Porter, Ale, Beer, &c.	5 "	20 "	94,395	2,83,185	.....	3,77,580
17	Spirits.....	1-8 per Gln.	3 Rupees.	4,25,683	4,25,683	.....	8,51,366
18	Wines.....	1 R. per "	2 Rupees.	2,80,174	2,80,174	.....	5,60,348
19	Alum, Betelnuts, Coral, Camphor, Rattans, Vermillion...	10 per cent.	10 per cent.	1,11,793	13,509	.....	1,25,302
20	Unenumerated.....	5 "	10 "	10,64,355	11,57,167	.....	22,21,522
Total...				75,54,854	74,60,315	303	1,50,14,866

TABLE IV.

Duty on Exports.

No.	Article.	Rate of duty.		Duty received at the present rates.	Increase of duty at the proposed rates.	Decrease of duty at the proposed rates.	Gross amount of duty at the proposed rates.
		Present.	Proposed.				
1	Grain and Pulse of all kinds.....	1/2 Anna and 1 anna per Md. or 1 A. & 2 annas a bag.	2 As. a Md. or 4 As. a bag.	8,44,525	20,47,959	.....	28,92,484
2	Indigo.....	3 Rs. pr. Md	3 Rs. pr. Md	3,14,107	.....	.....	3,14,107
3	Lac dye & shell lac.	4 per cent.	4 per cent.	42,311	.....	.....	42,311
4	Raw Silk.....	3 1/2 As. per Seer.	Free.	1,56,556	.....	1,56,556	.....
5	Spirits.....	9 Annas per Gallon.	Free.	55	.....	55	.....
6	Tobacco.....	4 As. & 1-8 per Maund and 10 per cent.	Free.	29,394	.....	29,394	.....
7	Unenumerated.....	3 per cent.	3 per cent.	14,76,477			14,76,477
Total.....				28,63,425	20,47,959	1,86,005	47,25,379

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Thus the Abstract result of the proposed change in the customs duties is as under.

Present amount of Customs duties.

From Imports ...	75,50,000
„ Exports ...	28,50,000
	1,04,00,000

Increase.

On Imports ...	74,50,000
„ Exports ...	20,50,000
	95,00,000

Total.....

1,99,00,000

Decrease.

On Imports..	.....
„ Exports.....	1,75,000
	1,75,000

Probable amount.....

1,97,25,000

No. 36.

ORDER THEREON, No. 355; dated 18th March 1859.

Referred to the Board of Revenue for their early report on the two points noticed. As respects the first of those points, viz. the necessity of a change in the Excise duty on home-made spirits, in consequence of the increase in the import duty on foreign spirits, the Governor in Council believes that there is nowhere in this Presidency any excise duty, properly speaking, on spirits. Within the limits of Madras town, however, spirits both home-made and foreign are furnished to retail dealers by Government only; and the Government price of each description includes a high duty, the exact amount of which, however, varies with the cost of the spirit to Government. The Board will consider whether any change should be made in the amount of this selling price, or in any of the arrangements.

(Signed) J. D. BOURDILLON,

Secretary to Government.

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Rev Dept

No 355

Extract from the Memoirs of the

Under date the 18th March 1859

Read the following
letter from the Secy.
to the Govt of India

(Here enter 4th March 1859 at
429)

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3 Copies to the B. of Rev. Dis. 19th

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Revenue 1859 Sept.
Jto Cons: 22nd March.

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No 355.

Extract Mins of Cons.
D^y 18th March /59.

from Govt of India dated
20th May /59. Cons: 10th June
12-13-

The Board to report their
opinion on the Resolutions of the
Government of India respecting
a proposed alteration in the
existing tariff of duties on
imports and Exports by sea.

No 355+36.

27/7/60
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