M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2420 Press ~~Mis.~~

264-268

Dated 15—12— 1860.

Not to be folded or roughly handled

No. 267. Read the following letter from the Honorable A. EDEN, Secretary to the Customs Committee, to J. D. BOURDILLON, Esq., Secretary to the Government of Madras, dated Fort William, 19th November 1860:—

R. Spooner, Esq., President.
J. N. Bullen, Esq.
The Honorable A. Eden.

SIR,

1. I am desired by the Customs Commission to acknowledge the receipt of your letter No. 1,941, dated 24th October, forwarding certain papers for their consideration, and informing them that Mr. Forbes has signified his willingness to act as a Member of the Tariff Conference on behalf of the Madras Government.

2. The Committee regret that these papers did not reach them until after they had submitted their Report on the Tariff; they have, therefore, been unable to avail themselves of the counsel and advice of Mr. Forbes; and the consideration of these papers is now useless, as the revised Tariff has already been sanctioned by the Government of India.

3. The Committee, however, I am to observe, see nothing in the papers received from Madras, which would in the slightest degree have shaken their conviction of the possibility and expediency of introducing an uniform Tariff into all the ports of British India. The principles upon which the Revenue authorities at Madras have based their calculations of value, are so very vague, and in some instances so unsound, that the Committee are inclined to attach very little importance to the conclusion arrived at by the Collector, as to "the requirements of the two ports differing so widely as to discourage the measure" of having the same Tariff in force at Madras as at Calcutta.

4. It is perhaps scarcely necessary to meet the arguments of the Collector of Customs at Madras in detail. The Government of Madras will not have failed to observe that in fixing the average of Twist in the Madras market, the Collector has taken rates which he says are "barely the English cost price, without charges." Now, it is simply impossible that any trade could be carried on at all at Madras if the price generally obtained there came to barely the cost price in England; no Merchant would continue to trade under such conditions, and the Committee are altogether at a loss to understand why the value of Twist should be reckoned below the cost price on the "ground of its being an article to undergo further process of manufacture." This may, or may not, be sufficient ground for admitting it at a lower rate of duty than fully manufactured goods; but it cannot possibly be a reason for valuing it at what must obviously be at least 18 per cent. below its market value; and the question of valuation was the only one before the Collector, and is the only one with which the Customs Committee have to deal in revising the Tariff.

5. Again, the Committee observe, that the Collector appears to be of opinion, that metals are of greater value in Madras than in Calcutta, which he endeavors to prove in the following words: "The former place (Calcutta) possesses entire appliances for the repairs of ships "requiring metals of all sorts, in hundred-fold, to the extent in demand here. This induces "a uniform supply to meet demand and regulates prices." In the first place the metal used in ship-building at this port, bears a most insignificant proportion to the total imports; and in the next place, it is very certain that no trade can for any extended period return to the Merchant on an average more than his first cost charges, with the usual interest and a moderate commercial profit. One or two years of exceptionally high profits naturally attract into the trade new shippers, the result of which is that the market is overstocked, and for a time the Merchants will lose as much or more than they made in the years of extraordinary profit. The Committee see no grounds for believing that in Madras any more than elsewhere, can abnormal profits be obtained for a series of years. As Madras draws its supplies from the same source as Calcutta, and as goods can be laid down at almost the same rate at both ports, it follows that there can be no permanent difference between the market values of any article of considerable import at the two ports.

6. There is another point with reference to which the Collector at Madras appears to have formed an erroneous opinion. He remarks in the 5th paragraph of his letter to the Revenue Board, that the "extensive inland trade of Bengal limits the call for fabrics to a cheap description, and the rates of Tariff were evidently meant to embrace the quality that was in demand." So far from this being the case, there is a very large demand at this port for the finer qualities of fabrics, particularly of bleached and fancy goods, and the demand for even the finer qualities of Grey goods is by no means inconsiderable. The fault of the Bengal Tariff was avowedly that it was based on averages including the higher qualities, and thus bore too heavily on the cheaper description of Cotton manufacture. The recommendation of the Committee to levy duty on bleached and fancy goods *ad valorem* and to value Grey goods by the weight, which has now received the sanction of Government will, however, dispose of all these objections, and the Committee are satisfied that the Collector of Customs at Madras will, on further consideration, admit that there is no real sustained difference between the prices of goods at the two ports.

7. From the note to the 4th paragraph of the Collector's letter, No. 549, it occurs to the Committee that he may have omitted to deduct the duty from the market price of the goods, which would of course account for the values fixed by him not coinciding with those in the Calcutta Tariff, where a more equitable course was pursued.

8. I am desired to take this opportunity of forwarding a table of the Tare which is generally allowed at Bombay on account of the weight of the hoops and covering of the bales of piece goods, and which is deducted from the gross weight in assessing duty. The Committee will be glad to learn whether the correctness of this Tare is borne out by the Collector of Custom's experiences at Madras.

Rule regarding Tare allowed on Grey Piece Goods observed in Bombay.

The Tare depends on the number of pieces a bale contains, the number of hoops and battens and prepared cloth with which the bale is secured; the general average is as follows per each bale :—

Bale Grey Shirtings	containing	50	pieces, secured with	3	hoops lbs 22—25
,, Madapollams	do.	100	do.	,,	.....22—24
,, T Cloth	do.	100	do.	,,	.....25—26
,, G Printers	do.	200	do.	,,	.....27—28
,, Long Cloth	do.	50	do.	,,	.....22—24
,, Domestics	do.	30	do.	,,	.....27—28
,, American Drills	do.	25	do.	,,	 5

and for every additional hoop 3 lbs. are allowed.

No. 268. ORDER THEREON, 15th December 1860, No. 2,420.

Ordered to be forwarded to the Board of Revenue for report on the last paragraph.

(Signed) J. D. SIM,
Acting Secretary to Government.

R-24th October /60 Nos 381 to 383

Revenue 1860 Dept.
Pro: of Govt. for Decr
No: 2801

From the Secretary
to the Customs Committee

Dated 19th November 1860

Rec'd 3rd December

States that the Papers on the subject of the proper rates of valuation for certain articles reached the Committee after they had reported on Tariff, and that the consideration of them is now useless, and requests to be informed whether the correctness of the accompanying Table of the Tare allowed on Piece Goods in Bombay is borne out by the Collrs of Customs' Experiences at Madras.

No 2420. 15th December

Millr and Coles

No 2420

Ordered to lie for
warded to the Board of Revenue
for report on the last para.

I D S

Fort St. Geo.
15 Decr 1860.

Rec'd in Bd of Rev
Dis: 17

From the Board of Rev D/
2nd March 1861 No: 584

No 267 & 268.