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*Proceedings of the Madras Government, Revenue Department,
19th February 1870.*

No. 187. Read the following Proceedings of the Board of Revenue, dated 31st January 1870, No. 704:—

Read the following letter from the Chairman of the Chamber of Commerce, to the Chief Secretary to Government, Fort Saint George, dated Madras, 10th January 1870, No. 22.

It will not have escaped the notice of Government that the subject of export-duties, especially with reference to rice, has been exciting considerable attention both in Burmah and Bengal. Although the export rice-trade of this Presidency does not at all approach that of Burmah, and is of far less importance both to the producer and the exporter, yet the Chamber is unwilling that a discussion as to the desirability of the duty should be allowed to go on without taking the opportunity of expressing an opinion on the subject.

2. So long ago as the 22nd April 1865 this Chamber availed of the Budget proposal of Sir Charles Trevelyan to protest against the policy of all export-duties, and at the same time to direct special attention to the hardship that a rice-duty is likely to inflict on the producers of the article, who are so situated that their protests never can attract public attention.

3. The Chamber cannot regret that a duty, which they condemned as being a tax falling entirely on the ryot, has so operated as to induce the powerful mercantile bodies of Burmah and Bengal to agitate for its abolition, and I am instructed to request that His Excellency the Governor in Council will convey to the Government of India this Chamber's entire disapproval of the tax, and their concurrence with the views against it already submitted at great length to the Supreme Government.

4. The Chamber see no reason whatever to modify the opinion already expressed in their letter of five years ago as to the unsoundness of the political economy which prompts the retention or the imposition of export-duties; and in the case of rice this opinion passes beyond the region of theory, for the practical effect of the duty is to protect the produce of other countries at the expense of India. Already India is shut out of all the consuming countries east of Singapore, seeing that its duty-paying rice cannot compete with the rice sent from Cochin, China, and Siam; and a reference to the statistics of the trade shows clearly that Bangkok and Saigon are already running India hard for the possession of the European markets.

5. On State grounds alone, therefore, the Chamber feel justified in urging a repeal, or at least an immense reduction of the duty, for it is impossible to destroy or cripple a branch of the export without affecting the import-trade of a country. The producers of the rice are the consumers of the duty-paying imports, and if they cannot sell their produce, they can buy no goods, and the Customs returns will suffer far more than by any reduction or abolition of an export-duty.

6. As already remarked the subject of the rice-duty is of minor importance to Madras, as so much of the grain grown here is consumed as food in the country.

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But the Chamber is very strongly of opinion that a repeal of the duty would give an impetus to the cultivation of grain, would consequently bring more money into the country, and would thereby add to the revenue of Government by increased land-tax, and a greater consumption of duty paying imports.

7. While, however, rice is of small importance to Madras commerce, the Chamber would direct special attention to indigo—an article which is very valuable in itself—from which the ryot derives great profit, and the steady cultivation of which enriches every district in which it is produced. It is not to be expected that India should be allowed to have a monopoly of this article, and the fact is that every year the indigo of the Madras Presidency has to run a very close race for public favour with that produced in Guatamala. This Chamber entertain no doubt but that if Indian indigo continues to be weighted with the present duty, it will ultimately be ent out by the manufacture of other countries, and that then a repeal of the duty will come too late. The saltpetre-trade in this Presidency is an instance of the effects of an export-duty on an article which has competition from other countries, and the attempt to resuscitate the trade once killed by a removal of the duty has completely failed, so far as Madras is concerned.

8. The Chamber trust that in what they have written they will have carried the Governor in Council along with them, and they beg that the views they have expressed may be forwarded to the Supreme Government, with, if possible, a recommendation from this Government that these views be acted on, and that export-duties, especially those on rice and indigo, should be at once done away with.

9. The time seems opportune to make a representation on this subject, as the rice-trade of the year is just opening, and the Budget for 1870-71 is no doubt now under consideration.

REFERRED to the Board of Revenue, who are requested to favour the Government with their views upon the questions adverted to by the Chamber of Commerce not later than the 1st proximo.

FORT ST. GEORGE,
22nd January 1870.

(Signed) R. A. DALYELL,
Acting Secretary to Government.

In this Memorial the Chamber of Commerce of Madras protest against the export-duties on rice at 3 annas per maund, equivalent at present prices to about eight per cent. *ad valorem*, and on indigo at Rupees 3 per maund, equivalent at present prices to about two and-a-half per cent. *ad valorem* on inferior qualities.

2. The facts and arguments against these duties put forward by the Chamber of Commerce are relevant and sound, and the Board are satisfied that, as regards both of these articles, the Madras Presidency enjoys no such advantage of production as neutralizes the risk of weighting them with export-duty, especially in respect to the lower qualities of indigenous rice.

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3. The following statement shows the condition of the country in respect to rice-cultivation in juxtaposition with Trade Returns of rice-exports during the twenty years last past:—

* RICE-CULTIVATION.				ASSESSMENT.		
Years.	Acres.	Assessment.	Rate per Acre.	Export.	Declared Value.	Amount of Duty.
		RS.	RS. A. P.	TONS.	RS.	RS.
1849-50...	2,108,568	1,26,71,319	6 0 2	100,949	37,60,908	1,51,415
1850-51...	2,176,503	1,33,90,982	6 2 5	115,495	42,61,290	1,61,322
1851-52...	2,188,481	1,44,45,147	6 9 7	128,953	47,87,731	1,83,477
1852-53...	2,342,195	1,50,69,597	6 6 11	136,137	49,28,107	2,07,523
1853-54...	2,177,350	1,49,50,615	6 13 10	139,532	59,25,118	2,11,946
1854-55...	2,308,808	1,51,67,313	6 9 1	106,406	47,81,074	1,52,579
1855-56...	2,341,775	1,62,62,287	6 15 1	134,367	54,94,631	2,17,228
1856-57...	2,520,912	1,66,52,057	6 9 8	120,750	51,19,522	1,99,488
1857-58...	2,406,333	1,66,53,707	6 14 8	132,509	57,74,071	2,18,501
1858-59...	2,599,939	1,85,84,766	7 2 4	92,901	43,92,164	92,179
1859-60...	2,702,142	1,63,86,857	6 1 0	241,630	51,93,783	3,51,743
1860-61...	2,682,392	1,57,89,595	5 14 2	131,597	61,80,741	4,39,903
1861-62...	2,802,779	1,65,57,404	5 14 6	76,179	45,88,390	2,48,975
1862-63...	2,974,919	1,75,21,243	5 14 2	61,041	44,85,438	2,01,355
1863-64...	2,949,892	1,72,93,884	5 13 9	75,795	58,75,295	2,35,977
1864-65...	2,924,044	1,69,44,279	5 12 8	72,299	60,61,253	2,26,017
1865-66...	3,020,444	1,79,13,923	5 14 10	72,171	65,88,492	2,29,250
1866-67...	3,092,129	1,81,92,450	5 14 2	75,491	83,78,954	2,33,024
1867-68...	2,915,190	1,73,87,497	5 15 5	86,673	69,67,153	4,19,229
1868-69...	2,368,781	1,76,70,224	5 15 3	88,119	69,44,070	4,48,075

* Zemindary areas are excluded.

4. From the above statement it appears that, while the cultivation of rice has advanced steadily from about two millions of acres in 1849-50 to three millions in 1868-69, or thirty-three per cent., to which something must be added for the effect of improved agriculture—rice, exports have fallen from Tons 124,200, the average of five years, from 1849-50 to 1853-54, to Tons 79,000, the average of the last five years. Population has increased, and there is a prosperous home coasting-trade in this article, but the Board are credibly informed that Madras rice has almost ceased to be exported to European and China markets as was formerly the case.

5. It will be observed that besides the charges of a costly agriculture, Madras rice pays a land-tax of 6 rupees an acre, and contributes to the Imperial Revenue one and three-quarter millions Sterling. The Board are satisfied that an export-duty on rice is especially to be deprecated in this country, and at this time.

6. Enormous sums of money are being expended by the State on irrigation works, and every effort is being made to extend irrigation to lands hitherto cultivated with any crops. The effect of this is, of course, to increase the production of rice at the expense of other crops; for, practically speaking, in this Presidency cultivation under irrigation means the cultivation of rice.

7. We are thus with one hand striving to increase the production of rice, and with the other imposing restrictions on the trade by which production is stimulated.

8. The Board are therefore satisfied that the high export-duty on rice cannot be maintained without further seriously affecting trade and agriculture, and should at once be abandoned.

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19th February 1870.*

9. The Chamber of Commerce have taken this opportunity of urging the abolition of the export-duty on indigo, the Board have therefore prepared the following statement showing the cultivation and export of indigo, so far as their records afford the information:—

INDIGO-CULTIVATION.		TRADE.		
Years.	Acres.	Export.	Declared Value.	Amount of Duty.
		CWT.	RS.	RS.
1849-50		13,391	15,93,226	53,752
1850-51		19,605	25,82,162	78,270
1851-52		15,348	19,18,588	68,428
1852-53		26,504	37,86,910	1,07,883
1853-54		20,718	32,41,909	83,274
1854-55		12,570	22,43,566	51,058
1855-56		25,890	43,14,286	1,05,515
1856-57		25,418	47,24,631	97,804
1857-58		205,663	18,649	38,59,826
1858-59		172,490	17,543	35,78,679
1859-60		165,002	22,605	45,55,258
1860-61		126,568	14,193	28,11,882
1861-62		173,436	20,791	48,60,090
1862-63		203,131	21,725	51,67,790
1863-64		163,666	18,069	40,37,259
1864-65		128,140	13,605	3,35,915
1865-66		151,542	14,297	31,57,070
1866-67		106,518	5,878	14,21,717
1867-68		116,880	20,099	41,83,587
1868-69		162,015	23,783	61,03,555

10. The above statement shows a backward and stagnant condition of the cultivation of indigo as well as the trade. The average acreage under indigo during the five years, from 1852-53 to 1856-57, was 183,000 acres, and during the last five years 135,000 acres; while the export of indigo averaged during the first five years of the series Cwt. 19,000, but has fallen to Cwt. 15,500 on the average of the last five years. The last two years present a slightly improved appearance, but the Board learn from reliable sources that the import from Guatamala, mentioned in the letter of the Chamber of Commerce, into the English market have risen during the last six years from 18,000 maunds to nearly 50,000, with such improvement in quality that it now enters into direct competition with the highest qualities of Madras manufactured indigo, and threatens to equal in price the better qualities of Bengal indigo. Manilla indigo likewise now competes successfully in the European markets with the Madras product.

11. The production of indigo represents a special industry which is of great value to the country. It attracts a large amount of English capital; it is grown in many places on soil which is not of much value for other crops, and the preparation of the article affords remunerative employment to a considerable number of the poorer classes all over the country.

12. The duty considered as an *ad valorem* charge is not high, but the Board are satisfied that, if it be maintained, serious consequences are likely to arise in

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respect to the average value of this article of foreign commerce and agricultural industry. The duty acts as a protective duty in favour of the produce of foreign countries, where far greater impetus has been given to production.

13. The Chamber of Commerce have justly instanced the disastrous consequence to the saltpetre trade of the export-duty levied until the export ceased. The Board beg strongly to second the prayer of this memorial.

38. ORDER THEREON, 19th February 1870, No. 244.

Separate Revenue, No. 13.

Customs.

In the foregoing Proceedings the Board of Revenue express their concurrence in the views of the local Chamber of Commerce as to the expediency of

the immediate repeal of the export-duties on rice and indigo.

2. The Governor in Council concurs with the Board and the Chamber in deprecating the imposition of export-duties, except under very exceptional circumstances, which do not exist with reference to the commodities under consideration. The tendency of export-duties must necessarily be to restrict production, to reduce prices in the home market, and to limit the operations of foreign trade.

3. The Government do not, however, entirely share the sentiments of the Board and the Chamber with respect to the decided practical disadvantages which have actually resulted, or which may be apprehended from the maintenance of an export-duty on rice in this Presidency. A reference to the Returns furnished by the Board will convincingly show that the operation of an export duty has, in this instance, been counteracted by other powerful influences. Concurrently with the existence of the duty the area of rice-cultivation has greatly increased; while the price has, at the same time, augmented. There has been no arrest of cultivation; there has been no glut of produce. A slight reduction in the extent of cultivation in the most recent years must undoubtedly be ascribed not to the depressing influence of an export-duty, but to some local discouragements to wet cultivation and to the failure of local rains. The expansion of wet cultivation has been helped by a reduction of assessments and by State irrigation-works; in the opinion of Government it is practically circumscribed by the water-supply alone. The profits of the cultivation are undeniable and abundant. The price is regulated and sustained by the home demand constantly rising with the increasing prosperity of the country. The Government believe that the causes which have so favourably affected this branch of cultivation in the past will continue to affect it in the future, and that the influence of the export-duty in an opposite sense will, in comparison, be almost imperceptible. It seems not improbable to the Government that if the export-duty was abolished, the effect of the measure, as far as this part of India is concerned, would neither be felt in an increase of remuneration to the domestic producer, nor in a reduction of price to the foreign consumer, but that the whole, or nearly the whole, of the amount now paid to the State would be paid to the exporter. In short, the prosperity of this Presidency is not materially affected by the impost complained of. It remains with the Government of India to determine whether the practical evil inflicted by the duty elsewhere is such as to justify the sacrifice

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of revenue which would be involved in the measure proposed. This Government would of course see the present reduction and eventual abrogation of the duty with satisfaction, but they cannot offer the interests of Madras as a preponderant argument in deciding the question.

4. The case of indigo is different. The value of this commodity is chiefly determined by foreign demand; the area of cultivation has diminished; it is a kind of industry less susceptible of development by public works and internal regulations than the cultivation of rice. It appears to this Government that the total repeal of the export-duty would have a decidedly favourable effect on the production of indigo in this Presidency, and they venture to press the question upon the attention of the Government of India, if the general sacrifice of revenue can be safely made.

5. It is observed that the statements embodied by the Board in their Proceedings, while giving the total exports of the whole Presidency, show only that portion of the rice-cultivation which is held in seventeen districts on Ryotwary tenure. If the cultivation in the districts of Malabar and Canara and that on Zemindary and Inam lands in all the districts were included, the area under rice would probably be found to be not much less than double the estimate given in the Returns alluded to. These remarks apply but in a less degree to the return of indigo cultivation.

(True Extract.)

(Signed) R. A. DALYELL,

Acting Secretary to Government.

To the Board of Revenue.
the Chamber of Commerce.

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REVENUE DEPARTMENT,
FORT SAINT GEORGE,
19th February 1870.

No. 245.

No. 189.
To

THE SECRETARY TO THE GOVERNMENT OF INDIA,

FINANCIAL DEPARTMENT.

Separate Revenue, No. 14.
Customs.

Proc. of Govt., 19th February 1870, No. 214.

Proceedings of this Government on two communications recently received from the local Chamber of Commerce and Board of Revenue regarding the repeal of the export-duties on rice and indigo. The views of this Government on the question are fully set forth in these Proceedings.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed) R. A. DALYELL,

Acting Secretary to Government.

Exd. F. R. Bantleman.

Colt. of 1870: 214.

REVENUE.

THE BOARD OF REVENUE,

Secy. Secy. Secy.

Dated February, 1870.

Recd.

G. O., 19th February 1870, No. 214.

FEBRUARY.

Nos. 187-188.

Export-duty on Rice and Indigo.—Record-
ing views on the question of its abolition.



Serial 1870 Department.

From Government.

Date 1866.

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 REPORT of the superintendents on rice and indigo.

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From Government of India

Ms. A. 15. 21

Microscopic

D. No.	D.
Prof.	Prof.
L. No.	L. No.

Price

10

Statement shewing the Quantity and Value
of Rice Imported into the Madras Pre-
sidency for the last 20 years. —

Years	Tons	Value	Wt.	Sp.
1849-50	9030	338485	100,000	90,000
1850-51	9452	352288	115,000	106,000
1851-52	4226	172538	120,000	114,000
1852-53	1391	56709	136,000	135,000
1853-54	15155	1061757	139,000	125,000
1854-55	20990	1721245		
1855-56	31568	2048791		
1856-57	21607	1223959		
1857-58	14071	821518		
1858-59	9228	648870		
1859-60	5648	366655		
1860-61	10536	748637		
1861-62	33508	2440847		
1862-63	46751	3202648		
1863-64	52109	3854227		
1864-65	52708	4032597		
1865-66	27234	2512205		
1866-67	13600	1451723		
1867-68	17579	1540690		
1868-69	26753	2130734		

Orange chaffin.
 4 years — 7,850
 2 of the best
 4 years — 77,771

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I think the Govt of India
 should be addressed in
 the name of the letter from
 Melchambee Mommene
 & the Pres of the Board
 of Revenue: and that
 we should urge a consideration
 reduction on both the Export of
 duties of Rice & Indigo.
 In the present financial crisis
 they are not likely to abandon
 at once these sources of Revenue.
 The depression of the Indigo trade
 is due I believe, more to the evil
 reputation of our Indigo acquired
 some years back than to the effects
 of the duty.

repeated, and the argument brought for
 I must state in
 of the Board & the
 Chamber a report the
 report of the Board
 duty as the Board
 The Board is situated and of so much of
 the duty as grain as
 are, however, a little less than an amount
 to mislead. They put assistance with
 the financial position.
 down the rice cultivation
 of the Presidency at a
 State under three million
 acres, and the export
 in the last financial
 year at 80,000 tons, but
 the fact is that the figure of 80,000 tons is not
 figure refers only to the
 Ryotwary lands of the
 Presidency though the
 land of course includes
 rice from under every

description of tenures. The
 under the British Government
 occurrence estimated the
 but cultivation of the
 Tenam daria & Malabari
 & Lanna of which there
 are no measurement, at
 1 1/2 million acres, and
 the same lands containing
 2. Rice lands containing
 1 million acres. There
 would thus be 5 1/2 millions
 of acres under rice cultivation
 in the whole
 Presidency, and the
 80,000 tons would
 represent the proportion
 of the produce of this
 quantity of land which
 is exported, and not
 of only 3 millions of acres

no record to them
from the B. & S. statement.
In October, the B. & S. have
not taken into account
the imports of rice. It
has been ascertained
however, that the average
imports were 51,000 tons in
1869. The average imports
during the last 5 years, when
during the five years commencing
in 1864.50. The average annual
imports were 46,000 tons. The
conclusion arrived at by the
Board is that the statement
is defective, and is
therefore incorrect.
The Board is
of opinion that the statement is
defective, and is
therefore incorrect.

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I don't concern to the full
extent in the new report
by the Chamber of Commerce
and the Board of Revenue.
The production of rice
does not appear to me to
have been limited in the
expectation created by the
Export duty and I
think that such will be
the case in a material
degree in future.
Undoubtedly the duty
the area of cultivation
has increased and the
home prices have
risen. If the export
duty had operated
disadvantageously
by considerable degree
the area of cultivation
should have diminished
and a glut in the
domestic market
would have produced
a fall in price. This
recognizes in general
terms the unsoundness
of export duties.

the govt. should, I think
 point out these facts
 and ^{argue} that the
 bad effects of an export
 duty on this cultivation
 have been counteracted
 by temporary reductions
 of land assessment & by
 an increase of some prices
 caused by the general
 prosperity of the country.
 It should also be admitted
 that at a period, in which the
 govt. are advancing large sums
 for loan works, the duty of
 which is to increase the
 area of cultivation it is
 not unreasonable that
 govt. should endeavor
 to recover by taxation
 affecting especially this
 kind of produce a portion
 of their expenditure. as far
 as this expenditure is concerned
 there is no piecing or cogent
 reason for repealing the
 export duty on rice. It is
 for the govt. of India to determine
 whether the same duty operates
 so prejudicially elsewhere
 as to justify the sacrifice
 of a branch of revenue.

The case of indigo is
 different. Here the area of
 cultivation has materially diminished. It is not a thing hard
 of cultivation. Before I have except a strong opinion at the
 subject I would like to be assured that the laws adapted
 for early cultivation have not been occupied by cotton or by some
 other dry crop more profitable to the cultivator.

Memorandum
 About Export
 Duties on Rice
 & Indigo

In both cases I think the govt. should be very moderate and
 cautious in the expression of an opinion. The communication of the
 Board of revenue is too dogmatical. It savors also of personal
 interest in the exporter who pays the duty. The letter from the Board of
 Revenue appears to have been written by Mr. Robinson. I

I have
 found an
 alternative
 I have
 found an
 alternative
 I have
 found an
 alternative

MR.

Rev. Dept.
 Proceedings of the Madras Government
 Under date the 10th

Read the following papers:-
 From the Chairman Chamber of Commerce
 Expressing opinion on the
 subject of Export duties on Rice 3
 No. of the Board of Revenue
 Recommending abolition of
 Export duty on Rice and Indigo 3

In the foregoing Pro.
 the Board of Revenue express
 their concurrence in the views
 of the local Chamber of Commerce
 as to the expediency of the im-
 mediate repeal of the export
 duties on Rice and Indigo.
 2. The Right Honble
 the Governor in Council
 agrees with the Board and
 the Chamber as to the in-
 expediency of export duties
 on general principles and
 resolves to forward the two
 communications above
 recorded.

recorded for the consideration
of the Govt of India.

3. His Lordship in
Council is, however, constrained
to observe that the usually
depressing effect of an export
duty (on Rice cultivation) ~~omit~~
has, in point of fact, been
counteracted so far as the
Madras Presidency is concerned
by contemporary reductions
in the assessment of land,
and by an increase of home demand and
local prices caused by the
general prosperity of the
country. The production
of Rice in this Presidency
cannot be said to have been
limited by the export duty,
nor has it so operated as
to produce a glut in the
domestic market under a
liberal demand.

4. It is also worthy of con-
sideration whether at a
period when the State is
expending large sums for
law

with reference to the
cultivation of rice
in the Presidency
N.

area of Rice cultivation
in the Presidency of
Madras has not been

fall in the market
value of the commodity

I would wish
to know whether an export
duty is the right
mode of increasing
the State's revenue
in this nature. The
inland market is
for the home
increasing the export
duty I think is
supporting the
market in it.
N.

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even works the object of which
is to increase the area of culti-
vation, it is not reasonable that
an endeavour should be made
to recover a portion of this
expenditure by taxation affect-
ing especially this kind of
produce.

5. In regard to Indigo
these arguments do not apply.
The cultivation is by no means
a thriving one, and would
probably be assisted and to
some extent developed by the
repeal of the export duty.

6. It is observed that
the statements embodied by the
Board in their Proceedings,
while giving the total exports
of

of the whole Presidency, should
 only that portion of the rice
 cultivation of the Presidency
 which is held in Seventeen
 Districts on ryotwary tenure.
 If the cultivation of the Districts
 of Malabar, and Canara and
 that of the Zamindari and
 Inam lands were included,
 the area under rice would
 probably be found to be
 nearly double that given
 in the statements. These
 remarks apply in a
 minor degree to the return
 of Indigo cultivation
 in the Districts of Malabar
 and Canara.

State

J. H. Bell

[Faint, illegible handwritten notes in the center of the page, possibly bleed-through from the reverse side.]

No. of the Madras Govt. Res. Dpt. n^o
 Under date the 19th Febry 1870
 Read the following papers.

From the Chairman Chamber of Commerce
 expressing opinion on the subject of Export
 duties on Rice.
 No. 18 of Res. Recommending abolition of
 Export duty on Rice and Indigo
 Draft order
 (Res. 14 Jan'y 1870)

In the foregoing proceedings
 the Board of Revenue
 express their concurrence
 in the view of the
 local chamber of
 commerce as to the
 expediency of the
 immediate repeal
 of the Export duties
 on Rice and Indigo.

The Governor in
 Council concurs with
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 the imposition of
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 under very exceptional
 circumstances which
 don't exist with
 reference to the
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 tendency of Export
 duties must necessarily
 be to restrict production
 to reduce prices in the
 home market and
 to limit the operations

A/A

R.S.E

of foreign trade.

The Government do not however entirely share the sentiments of the Board and the Chambers with respect to the decided practical disadvantages attached to the maintenance of export duty on Rice in this Presidency. A reference to the Returns furnished by the Board will convincingly show that the operation of export duty has in this instance been counteracted by their powerful influence. Concurrently with the existence of the duty the area of rice cultivation has greatly increased while the price has at the same time augmented. There has been no arrest of cultivation; there has been no glut of produce.

which have
materially
increased
the
area

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A slight reduction in the extent of cultivation in the most recent years must undoubtedly be ascribed, not to the depressing influence of an Export duty but to some local discouragements to wet cultivation and to the failure of local rains. The expansion of wet cultivation has been helped by a reduction of assessments and by State irrigation works, in the period of the Government it is practically circumscribed by the water supply alone. The profits of the cultivation are undenied and abundant. The price is regulated and sustained by the home demand constantly rising with the increasing prosperity of the country. The Government when

that the cause which
has so far affected
this branch of cultivation
in the past will continue
to affect it in the future
and that the influence of
the Export duty in an
opposite sense will in
compensation be almost
imperceptible. It seems
not improbable to the
Govt. that if the Export
duty was abolished the
effect of the measure ^{as far as this country is} ~~concerned~~ ^{concerned},
would rather be felt
in an increase of remuneration
to the domestic producer
or in a reduction of price
to the foreign consumer
but that the whole or
nearly the whole of the
amount now paid to the
State would be paid to
the Exporter. In short
the prosperity of this
Presidency is not
materially affected by the
import complained of.
It remains with the
Govt. of India to

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determine whether
the practical evil
inflicted by the duty
elsewhere is such as to
justify the sacrifice
of revenue which would
be involved in the
measure proposed. The
Govt. could of course
see the present reduction
and counteract abrogation
of the duty with
satisfaction but they
cannot offer the
interests of Madras
as a preponderant
argument in deciding
the question.

The case of Indigo
is different. The value
of this commodity
is chiefly determined
by foreign demand, the
area of cultivation
has fallen much, it is
a kind of industry

up susceptible of
development by public
works and internal
regulations than the
cultivation of Rice. It
appears to this govt.
that the total Repeal
of the export duty
would have decidedly
favourable effect on the
production of Indigo
in this Presidency and
they venture to press
the question upon the
attention of the govt. of
India if the general
sacrifice of revenue
can be safely made. —

It is observed that
the statements embodied
by the Board in their
proceedings while
giving the total
exports of the
whole Presidency

150 pages
show only that proportion
of the Rice cultivation
which is held in
seventeen districts on
ryotwary tenure. Of
the cultivation in the
districts of Malabar
and Canara and that
on Zemindari and
Gnan lands in all
the Districts were
included the area
under rice would
probably be found to
be not much less
than double the
estimate given in the
returns alluded to.
These remarks apply
but in a less degree to
the return of Indigo
cultivation.

11. *Letter of 21 Decr 21*
1 — *Chamber of Commerce*

2/2001/89

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Respected
M. L. S. S.
P. of India
S. S.

Copy sent

To
The Sec

is directed to
submit for the considera-
tion of His Excellency
the Viceroy and Governor
General in Council
for the issue of such
orders as may seem
proper, the accompanying
Proceedings of this sort
on two communications
recently received from
the Local Chamber of
Commerce and Board
Revenue regarding the

163434

A
M