24 H 124 — 19.2.1870

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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, 19th 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.

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 cut 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,
22*nd 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.

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

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

Years.	* Rice-cultivation. Acres.	Assessment.	Rate per Acre.	Assessment. Export.	Declared Value.	Amount of Duty.
		Rs.	Rs. A. P.	Tons.	Rs.	Rs.
1849-50	2,108,568	1,26,74,319	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	1,88,477
1852-53	2,342,195	1,50,69,597	6 6 11	136,137	49,28,107	2,07,523
1853-54	2,177,359	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	92,961	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	45,88,300	2,48,975
1862-63	2,974,919	1,75,21,243	5 14 2	64,041	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	72,209	60,61,255	2,26,017
1865-66	3,020,444	1,79,13,928	5 14 10	72,171	65,88,482	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	2,968,781	1,76,70,224	5 15 3	88,119	69,51,070	4,48,075

* Zemindary areas are exc luded.

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.

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	203,366	26,504	37,86,910	1,07,883
1853-54	161,979	20,718	32,41,909	83,274
1854-55	161,731	12,570	22,43,566	51,058
1855-56	190,771	25,890	43,14,286	1,05,515
1856-57	201,607	25,418	47,24,631	97,804
1857-58	205,663	18,649	38,59,826	71,666
1858-59	172,490	17,543	35,78,679	72,126
1859-60	165,002	22,605	45,55,258	91,947
1860-61	126,568	14,193	28,17,882	56,907
1861-62	173,436	20,791	48,69,090	85,160
1862-63	203,131	21,725	51,67,790	86,811
1863-64	163,666	18,069	40,37,259	73,959
1864-65	128,140	13,665	3,35,915	55,682
1865-66	151,542	14,297	31,57,070	56,200
1866-67	106,518	5,878	14,21,717	22,429
1867-68	116,880	20,099	41,83,587	72,883
1868-69	162,015	23,785	61,03,555	91,169

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

respect to the average [illegible] 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-[illegible] of the export-duty levied until the export ceased. The Board beg strongly to second the prayer of this memorial.

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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

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.

E.J. U.D. Pantulu.

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.

Sir,—I am directed to submit, for the consideration of His Excellency the Viceroy and Governor-General in Council, and for the issue of such orders as may seem proper, the accompanying

Procs. of Govt., 19th February 1870, No. 244.

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.

Govt. of Madras.

REVENUE.

To

THE BOARD OF REVENUE,
&c. &c. &c.

Dated February, 19th.
Recd.
Encl.

G. O., 19th February 1870, No. 244.

FEBRUARY.

Nos. 187-188.

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

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

Years	Tons	Value	Duty	
1849-50	9030	Rs. 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	134,000	= 121,000
1854-55	20990	1721245		5[520
1855-56	31568	2048791		116,000
1856-57	21607	1223959		= £400,000.
1857-58	14041	821518		
1858-59	9228	648870		
1859-60	5648	366655		
1860-61	10536	748637	Repeal	
1861-62	33508	2440847	44,000	
1862-63	46751	3202648	84,000	
1863-64	52109	3854227	75,000	
1864-65	52708	4032397	72,000	= 20,000
1865-66	27234	2512205	72,000	= 45,000
1866-67	13600	1451723	75,000	= 62,000
1867-68	17579	1540690	86,000	= 69,000
1868-69	26753	2130734	88,000	= 62,000

Average of the 5 years — 7,850

5 years — 77,274

5[256
51,000

= £400,000

Received 18th February 1870 Statistical Department.

From Government of Madras, Public Department.

Dated 10th Feby. 1870. No. 215.

Enclosures 6 spare copies

D. No. Progs. D.
L. No. No.

FEBRUARY.
No. 159.

Forwarding Extracts Proceedings of Government on two communications from the Chamber of Commerce and Board of Revenue requiring the repeal of the export duties on rice and indigo.

"Early orders are requested
in these papers, in order
that the views of this
port may be before
the Financial Dept

I think the Govt of India
should be addressed in
time the Budget of
the Year of the letter from
Mr Chamber Commerce
& Re Pro of the Board
of Revenue: and that
we should urge a considerable
reduction or both the Export
duties of Rice & Indigo.
In the present Financial crisis
they are not likely to abandon
at once these sources of Revenue
The dependence of the Budget each
year therefore, more & more
upon Indigo, augured
some years back than at the present
& the duty — Mr

Mr Chamber Commerce
& the Board of Revenue
Circumstances the Chamber
of Commerce in drawing
it highly desirable
that the export
duties on Rice &
Indigo should be

I must state an
Extension for my
of the Board's Rule
Chamber's order
appeal of the Collector
duty on the Ambaji
and of so much of
the duty as grants an
annuity with
the financial portion.

R.B.

upon the
Bombay Presidency
Bombay
Presidency
Bombay
Presidency
Bombay
Presidency

description of tenure. The
Bombay Presidency forms
an exception, estimated, the
best cultivation of the
Province, & Sukkur
& Lower Sind, which there
are no measurement, at
1½ million acres and
the Inam lands amount
to Rent Charge
1 million acres. There
remain then the 5½ million
of acres under rice culti-
vation 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

I do not concur to the full extent in the views urged by the Chamber of Commerce and the Board of Revenue. The production of rice does not appear to have been limited and the exportation exceeded by the export duty and do I think that such will be the case in a material degree in future. In calculating the duty the area of cultivation has increased and the last three years have seen the export duty had operated to disadvantage of the duty would diminish the area of cultivation should be diminished and a glut in the domestic market would have produced a fall in price. While recognizing in general terms the inexpediency of export duties

Rev. Dept.
10

Proceedings of the Madras Government
Under date the 19th January 1870.

Read the following papers:-

From the Chairman Chamber of Commerce Expressing opinion on the subject of Export duties on Rice	3	M. 19th Jan'y 1870.
Rep: of the Board of Revenue Recommending abolition of Export duty on Rice and Indigo	3	" 31st "

In the foregoing Pros 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 Right Honble the Governor in Council agrees with the Board and the Chamber as to the inexpediency of export duties on general principles and resolves to forward the two communications above recorded.

Memo:
Absent Sykes
Chairman of Com
Lushington

It is not a thing I should argue and ask that the bad effects of an export duty on rice cultivation have been counteracted by contemporary reductions of land assessment & by an increase of home prices caused by the general prosperity of the country. It should also be admitted that the season in which the Govt are advancing large sums for loan works, the object of which is to increase the area of cultivation etc is not unreasonable that Govt should endeavour to recover by taxation affecting especially this kind of produce a portion of their expenditure. As far as the Presidency is concerned there is no pressing 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 I should argue that the early operation of the export duty on indigo has been counteracted by extension of cultivation. Before I can express an opinion I should like to be informed what has been the effect of the export duty on indigo cultivation. Has there been any considerable increase of area since the duty was imposed? Should think not. Have very moderate crops been realized in the Presidency in recent years? Should think not. The communication of the Board of Revenue also the letter from the Collector of Tinnevelly. The latter gives the history of the export duty on indigo. Should like to see Robertson's letter.

I have read the draft letter and the alterations

N.

Mr.

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) 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 and a fall in the market value of the commodity.

~~to lessen prices.~~

4. It is also worthy of consideration whether at a period when the State is expending large sums for

omit

with reference to the cultivation of rice in this Presidency

N.

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

11a

loan works the object of which is to increase the area of cultivation yet it is not reasonable that an endeavour should be made to recover a portion of this expenditure by taxation affecting 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

I would omit this. I question whether an export duty is the right mode of realizing the unearned increment in land values. Land must pay in proportion to its productiveness and in assessing the land tax this principle is recognized. Export duties are not.

N.

of the whole Presidency, shows only that portion of the area cultivation of the Presidency which is held in Zemindaries Districts on ryotwary tenure. If the cultivation of the Districts of Malabar, and Canara and that of the Zemindary 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

Rec. Dpt. No 4

Rec. of the Madras Govt. No 264.
Under date the 19th Feby. 1870
Read the following papers.

From the Chairman Chamber of Commerce expressing opinion on the subject of Export duties on Rice
Rec. 19th Jany. 1870

Rec. of Mem. recommending abolition of Export Duty on Rice and Indigo
Draft order

" 31st "

" " "

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.

The Governor in Council concurs with the Board and the Chamber in deprecating the imposition of Export duties except in peculiar exceptional circumstances which dont exist with reference to the commodities under consideration. The tendency of Export duties must necessarily be to restrict production & reduce prices in the home market and to limit the operations

A/A.

R.S.E

Foreign Trade.

The Government do not however entirely share the sentiments of the Board and the Chamber with respect to the decided practical disadvantages attached to the maintenance of an Export duty on Rice in this Presidency. In reference to the Returns furnished by the Board with convincing to shew 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 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 checked by a reduction of a permanent and by State irrigation works, in the opinion of this Government it is practically circumscribed by the water supply alone: the profits of the cultivation are undeniably large and abundant. The price is regulated and sustained by the home demand chiefly owing with the increasing prosperity of the country. The Government believe

that the cause which
has so fatally 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
Agricultural Country will on
comparison be almost
imperceptible. It seems
not impossible to the
Govt. that if the Export
duty was abolished the
effect of the measure ~~Less~~ as far as this country 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
import considered of.
It remains with the
Govt. of India to

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. 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.

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

Shew 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 at much less
than double the
estimate given in the
returns alluded to.
These remarks apply
but in a less degree to
the returns of Indigo
cultivation.

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
on wild Cane would
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 shew the total
quantity & the total
exports of the
whole Presidency

14 Collrs B of Rev Decr 21
1 — Chambers of Commerce

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v directed to
pointed 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 Post
on two communications
recently received from
the Local Chamber of
Commerce and Board
Revenue regarding
the

By 163 & 340.