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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

.....DEPARTMENT

G.O. No. 73.	Press
B.P. No.	Mis.
Dated 16.1.1874	196 .

Not to be folded or roughly handled

No. 140. Read the following letter from J. GROSE, Esq., Secretary to the Board of Revenue, to D. F. CARMICHAEL, Esq., Secretary to Government, Revenue Department, dated Madras, 11th December 1873, No. 2,538 :—

I AM directed to submit letters from the Collector of Sea Customs and the Chamber of Commerce on the alteration in the Tariff of Act XIII. of 1871 which they consider necessary.

2. The only Articles which call for notice so far as Madras is concerned are the following :—

Article 12, Cotton Piece-goods.—It is reported that the average value of Grey Long Cloth for six years has been 11 Annas and 11 Pies; the tariff value should be raised to 11 Annas.

The value of Grey T. Cloth has not increased, and the tariff value should not be altered.

but the Board do not concur with them.

26, *Liquors.*—The Board think that liqueurs should be taxed at the same rate as spirits and that both liqueurs and spirits should pay Rupees 4 a-gallon. Mr. Blair thinks the rate should be Rupees 3 on liqueurs and Rupees 5 on spirits, but the latter alteration would involve too great an increase on the present rate.

The Board agree with Mr. Blair that the tax on light claret should be reduced to 1 Anna a-gallon.

29, *Metals.*—There can be no doubt but what the tariff values of iron articles should be revised and made more correct, but the amount of duty should not be increased. It might, as Mr. Blair suggests, be made half per cent. instead of one per cent.

The Board are disposed to agree with the Chamber of Commerce, who wish the duty reduced on all metal articles used for domestic purposes. The rate on hardware should be made five per cent. instead of $7\frac{1}{2}$ per cent.

30, *Naval Stores.*—The Board agree with Mr. Blair that the duty should be reduced to five per cent., the rate now charged on canvas. The Chamber propose that it should be reduced to $3\frac{1}{2}$ per cent.

34, *Painters' Colours.*—The tariff may be raised and the duty reduced, but the amount of duty need not be decreased. The Chamber think the rate should be reduced to $3\frac{1}{2}$ per cent.

38, *Porcelain and Earthenware.*—The Chamber think these articles should be free, but the Board would reduce the duty from $7\frac{1}{2}$ per cent. to five per cent.

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16th January 1874.

Exports.

2, Grain and 4, Indigo.—The Chamber are very urgent as to the expediency of freeing these articles. The Board are disposed to agree with the opinion expressed by Government in G. O., dated 19th February 1870, No. 244. Indigo should certainly be free.

5, Seeds.—The Chamber think the tariff values need revision, and the Board agree with them.

From J. HUNTER-BLAIR, Esq., Collector of Sea Customs, to the Acting Secretary to the Board of Revenue, dated Madras, 20th September 1873, No. 1,056.

I HAVE the honour to acknowledge receipt of the Board's Proceedings, Miscellaneous No. 3,881, of the 25th June 1873, forwarding correspondence on the subject of alterations in the tariff from the Collector of Customs Calcutta, and the Member of the Board of Revenue in charge of Customs Department.

2. GREY LONG CLOTH.—The average market-value of Grey Long Cloth here for the last six years is Annas 11-11; I therefore agree with Mr. Crawford that they should be placed in the highest class at 11 Annas.

3. GREY T. CLOTH.—The market-values of Grey T. Cloth have not increased here, particularly in the last two years, of which the average market-value of imports was only Annas 9-7 per lb.

4. LIQUEURS.—I agree with Messrs. Money and Crawford in their proposal to raise the duty on Liqueurs to 3 Rupees per gallon.

5. SPIRITS.—With regard to the duty on spirits, I agree with Mr. Money that the duty should be raised for the purpose of keeping out, if possible, the lower quality of brandies. I, however, think the rate. I think it should be at least Rupees

	RS.	A.	P.
Duty on brandy at proof, per Imperial gallon.	3	0	0
Colombo Arrack pays per common gallon at 25° under-proof	2	15	3
Add one-third of Rupees 2-15-3, to get the rate for proof	0	15	9
	3	15	0
Add twenty per cent. of the above total to get rate for Imperial gallon	6	12	7
	4	11	7
Difference...	1	11	7

a-gallon. The worst classes of brandies are not sold at 8 Rupees per dozen in Madras, or 14 Annas per glass retail. An additional duty of Rupees 4 per dozen will not even raise the price of brandy to that of Colombo Arrack. Colombo Arrack pays 63½ per cent. more duty than brandy (vide marginal statement), and I see no good reason why foreign spirits should pay smaller duties than country-made ones.

6. IRON.—The price of iron of all sorts has increased very much lately, to even double the tariff values, for certain sorts (vide subjoined statement):

Articles.	Average market-rate for six years—1867 to 1872.	Average market-rate for 1872 and six months of 1873.	Average market-rate of six months ending June 1873.	Tariff.
	RS. A. P.	RS. A. P.	RS. A. P.	RS.
Iron, flat, square and bolt, per ton.	93 7 0	136 4 0	160 0 0	80
Do. hoop and sheet plate, do.	119 2 8	157 8 0	173 12 0	100
Do. round rod, do.	118 12 0	160 0 0	195 0 0	105
Do. Swedish, do.	162 1 4	171 4 0	222 8 0	120
Do. nail, per cwt. ...	8 15 3	11 0 0	10 8 0	10
Tin Block, do. ...	57 3 0	71 0 0	71 0 0	45

The tariff valuations may, therefore, be fairly increased to rates a little less than the average market-value of the past six months. (1.) My reason is that for trade returns and reports it is necessary

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16th January 1874.

that the actual value of iron imported should be accurately calculated, which is not the case under present valuations; (2), the one per cent. duty, which is merely a registration* fee, should be reduced to half per cent. I do not think the absolute duty ought to be increased, and for the purposes of registration a charge of half per cent. will answer as well as the higher one. The other articles referred to require no remark.

7. LEVY OF DUTY ON QUANTITIES.—I entirely coincide in Mr. Crawford's suggestion to levy duty on quantities, instead of at a percentage, upon a fixed value in all cases, where such a course is practicable. This system would undoubtedly simplify the tariff for importers and also save intricate and unnecessary calculations.

8. On the 6th instant I received a letter (copy herewith sent) from the Chamber of Commerce, waiting for which was the cause of delay in sending this report.

9. The Chamber only send a copy of a report (copy herewith sent) sent by them to the Bengal Chamber of Commerce in March last and have no further suggestion to offer at present.

10. The Chamber naturally object to the duties, and wish them reduced. I have already remarked on certain classes of these goods.

Cotton and woollen piece-goods.

As regards the general question of reduction of duty, I do not think it should be considered at present. Even with the present duty of five per cent. there is little or no manufacture of cotton piece-goods in India. Until such manufacture is established, and the time arrives when duties on cotton piece-goods should be entirely abolished, I do not think there is any good reason for making small reductions of duty, by which the public benefit very slightly, if at all.

11. METALS.—Iron has been already discussed. As regards other metals, I think, considering the general rise of prices, the duty on all other metals might be reduced to five per cent., and the duty on these goods might also be reduced to five per cent. Canvas has been tariffed at that rate for some years.

13. PAINTS AND COLOURS.—The duty may be high, but tariff rates are too low; if they are altered the duty might be reduced to five per cent., and Government would lose little or nothing.

14. PORCELAIN AND EARTHENWARE.—This trade is increasing, and these goods are coming rapidly into use by natives of India, and I think, therefore, a reduction of the rate to five per cent. is advisable. Large imports will soon repay any loss at first.

15. EXPORTS—GRAIN.—I cannot agree with the Chamber in their opinion as to the duty on grain. The increased export duty of fifty per cent. from 2 to 3 Annas per maund was recommended by the Tariff Committee* of 1866

* Of which I was a Member because they were aware that import duties varying from 2 to 3s. per cwt. were levied in Australia, Ceylon, and the Mauritius—the three chief importing countries. As those Governments, which required grain to feed their inhabitants, imposed duties of six to nine times the amount of the Indian export duty, there was no hardship in the Government of the exporting country slightly raising the duty. There was also another reason, that by encouraging the export of food-grain the price to consumers in the exporting country is thereby raised.

16. The retail price of second sort rice in Madras in 1851 was 9 Pies per measure; it is now (1873) 16 Pies per measure. The monthly wages of a labourer were in 1851 Rupees 4; the wages of the same labourer are in 1873 Rupees 5. The labourer could, therefore, for half his wages purchase in 1851 forty-two measures of rice for the food of himself and family; he can now for half his wages only purchase thirty measures. From 1865 to 1867, inclusive, the same rice sold for 24 to 26 Pies per measure. In these times of scarcity and famine the unfortunate labourer could, therefore, only buy nineteen or twenty measures monthly with half his wages.

17. The Manchester trader's argument is that by raising the prices of grain you raise the price of labour; the labourer gets larger wages, lives better, can buy more piece-goods, and thereby increases the Government revenue, to say nothing of the labourer's personal comfort.

*Proceedings of the Madras Government, Revenue Department,
16th January 1874.*

18. I think paragraph 16 entirely disproves such reasoning, for the labourer gets absolutely less to eat than he did twenty years ago, unless he spends a larger relative amount of his wages on food, and consequently has a smaller proportion of wages to spend on necessities and luxuries such as piece-goods.

19. The statement annexed, taken from Board's Proceedings of the 31st January 1870, No. 704, for the eight years previous to the report, proves the following facts:—

RICE CULTIVATION.				ASSESSMENT.		
Years.	Extent.	Assessment.	Rate per Acre.	Export.	Declared Value.	Amount of Duty.
	ACRES.	RS.	RS. A. P.	TONNAGE.	RS.	RS.
1861-62	28,02,779	1,65,57,404	5 14 6	76,179	45,88,390	2,48,975
1862-63	29,74,919	1,75,21,243	5 14 2	64,041	44,85,438	2,01,355
1863-64	29,49,892	1,72,93,884	5 13 9	75,795	58,75,295	2,35,977
1864-65	29,24,044	1,69,44,279	5 12 8	72,299	60,61,255	2,26,017
1865-66	30,20,444	1,79,13,928	5 14 10	72,171	65,88,482	2,29,250
1866-67	30,92,429	1,81,92,450	5 14 2	75,491	83,78,954	2,33,024
1867-68	29,15,190	1,73,87,497	5 15 5	86,673	69,67,153	4,19,229
1868-69	29,68,784	1,76,70,224	5 13 3	88,119	69,11,079	4,48,075

Column 1, *Acreage* remains almost the same; was rather less in 1868-69 than in 1862-63.

Column 2, *Assessment* shows a very small increase caused by increased rate (Column 3) per acre.

Column 4, *Export tonnage* increased from 76,179 to 88,119 in 1868-69, and that, though the duty was raised fifty per cent. in 1867, the exports of 1867-68 were 86,673 against 75,491 of 1866-67, an increase of 14½ per cent.

20. The value of *Exports* increased fifty per cent. though the tonnage only increased 14½. This proves the difference in cost, for which the labourer has suffered.

Column 6, *Duty collected* increased from 2,48,975 in 1861-62 to 4,48,075 in 1868-69, the difference between 1866-67—the year before the increase of duty, and 1867-68, the year it was increased, being no less than Rupees 2,15,051, or 92½ per cent.

21. **INDIGO.**—I strongly recommend the reduction of the duty on this article. Good reasons for reduction are given by the Chamber and also by the Board in their Proceedings of 31st January 1870, No. 704. The duty might, I think, be even entirely abolished, and, remembering the destruction of the saltpetre trade, I strongly urge the Government to allow indigo to be exported free of duty. Large quantities are now manufactured in French territory and exported from Pondicherry, and I have reason to believe that the trade is conducted on "peculiar principles." Government has passed a Bill taxing dry and green indigo leaf, which will stop a good deal of the manufacture in French territory; but, as long as there is a duty at all, the Madras merchants and indigo traders will be under-sold by those of Pondicherry. Government by continuing the duty is, therefore, throwing the trade and manufacture out of the hands of its own subjects into those of a foreign State.

22. **METAL, HARDWARE, IRONMONGERY, AND CUTLERY.**—I recommend the duty on these articles be reduced to five per cent. The use of these goods is gradually increasing, and I think the amount should be reduced to five per cent. *ad valorem*.

23. **LIQUORS.**—The duty on "light breakfast clarets" ought to be reduced to 1 Anna per gallon. They are about the same value and contain less alcohol than ale, and are of less value than cider. I therefore recommend that they should be placed in a special class and a duty of 1 Anna per gallon charged on all importations of above twenty-four gallons or twelve dozen quarts in one and the same consignment.

*Proceedings of the Madras Government Revenue Department,
16th January 1874.*

ENCLOSURE No. 1.

From the Hon. A. F. BROWN, Chairman of the Chamber of Commerce, to the Collector of Sea Customs, dated Madras, 5th September 1873.

Your letter of the 3rd July, enclosing some correspondence from the Government of India regarding certain changes proposed in the Tariff Act (XIII. of 1871), has been under the consideration of the Chamber, who now desire me to forward, for your information, the copy of a report on this subject submitted by them to the Bengal Chamber in March last.

2. Since the receipt of your letter the Chamber have again had the tariff valuation under their consideration, but at present they see no reason for adding to, or modifying, the recommendation made in the accompanying report. The Chamber, however, are still in correspondence with the Bengal Chamber on the subject of a general revision of the tariff, and it is possible, therefore, that they may have some further recommendation to submit hereafter.

(True Copy.)

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

ENCLOSURE I IN No. 1.

Report of the Committee appointed at the Monthly Meeting of the Chamber on the 24th February to consider whether the Customs Tariff for Imports and Exports are susceptible of amendment, with a view to enabling the Chamber to favour the Bengal Chamber with any modifications for submission to the Government of India.

Special Committee met on the 6th March, when there were present—

The Hon. A. F. Brown, Chairman.	A. F. Pater, Esq.
A. J. Byard, Esq.	C. Simpson, Esq.
J. Maxwell, Esq.	C. A. Lawson, Esq., Secretary.

2. Your Committee are strongly of opinion that, in order to encourage the consumption in India of European-manufactured goods, it is expedient to reduce the impost on cotton piece-goods, other cotton goods, and woollen piece-goods, from five per cent., the present rate of duty, to 3½ per cent., the rate that is levied on cotton twist. They recognize it to be a paramount duty of the Government to foster industrial enterprise in India by affording all reasonable facilities to the establishment of spinning and weaving mills in the country for the manufacture of the country's produce; but, at the same time, they consider that the present impost on European piece-goods is unduly heavy, as those goods are among the chief of the necessities of life in the country. They are sanguine that, as the reduction of the duty would favour larger importations, the revenue derived from the duty would not for any length of time, if at all, suffer by the assimilation of the duty on manufactured cotton and woollen goods to that on cotton yarns.

3. As India is mainly dependent on Europe for the metals that it requires, the Committee recommend that the Government of India be urged to consider the advisability of considerably mitigating the rate of duty on all metals used for industrial purposes. The charge of 7½ per cent. on brass and copper is exceedingly heavy, and a reduction should result in the cheapening of these metals, which are very extensively used by almost all classes of natives in the country for domestic purposes.

4. On naval stores the duty varies from five per cent. on country cable and canvas to 7½ per cent. on European cordage, pitch, tar, etc. The Committee are of opinion that, as such goods are of indispensable service in the trade of the country, they have a strong claim on the indulgence of the Government, and the Committee would advise the reduction of the duty on naval stores generally to a uniform rate of 3½ per cent.

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16th January 1874.*

5. Paints and colours, etc., are also, they suggest, too highly taxed by a $7\frac{1}{2}$ per cent. duty, and advise a reduction to $3\frac{1}{2}$ per cent.

6. Porcelain and earthenware are also weighted with a duty of $7\frac{1}{2}$ per cent., and, as these articles are extensively consumed by the natives and are becoming necessities of life, the Committee consider it would be wise to encourage their importation by admitting them duty free.

7. The Committee are averse to frequent alteration of the tariff, particularly in the case of staple imports, and although, in some instances, the present tariff values are not accurately adjusted to those of the market, the Committee have thought it better to recommend only such changes as seem to be called for in the interests of trade.

8. EXPORTS.—With regard to export duties, the Committee need hardly remark that they regard all such imposts as opposed to the commercial interests of the country, and they would see their removal with unqualified satisfaction. But, as they are not encouraged to believe that the Government are yet prepared to relieve the whole of the products of the country from liability to duty, they would urge that the Government be moved to reduce the duty on *grain*, which now stands at 3 Annas per maund. This is not the first occasion on which the Chamber have recommended a reduction or abolition of duty on grain. In January 1870 they addressed the Government as follows :—

“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. 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 prompts the retention or the imposition of export duties, and in the case of rice this 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. 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 the 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. 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 are 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.”

9. INDIGO.—At the same time that the Chamber recommended a reduction in the duty on grain they made the following remarks as to the necessity of reducing the duty on indigo :—

“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 Guatemala. 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.”

10. The impost of three per cent. on *seeds* is assessed on values that are too high with reference to current quotations, and your Committee would advise the reduction of those tariff values by 1 Rupee per cent. all round, in which case *gingelly* would be valued at Rupees 5; ground-

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16th January 1874.*

nuts with shell at Rupees 4, without shell at Rupees 5; linseed at Rupees 4; rape at Rupees 3-8-0, etc.

11. These are all the suggestions that your Committee deem it advisable to make for the Chamber's consideration.

(True Copy.)

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

From J. HUNTER-BLAIR, Esq., Collector of Sea Customs, to the Secretary to the Board of Revenue, dated Madras, 20th November 1873, No. 1,308.

With reference to Board's Proceedings, No. 2,061, of 9th October 1873, I have the honour to forward copy of a letter from the Chamber of Commerce stating that they have at present no other recommendations to make regarding the tariff valuations than those made in their report to the Bengal Chamber of Commerce in March last, a copy of which was forwarded to the Board with my letter, No. 1,056, of 20th September 1873.

ENCLOSURE No. 1.

From the Hon. A. F. BROWN, Chairman of the Chamber of Commerce, to the Collector of Sea Customs, dated Madras, 18th November 1873.

With reference to your letter of the 10th ultimo, enclosing copy of Proceedings of the Madras Government, dated 26th September, on the subject of revision of tariff valuation, I have the honour to inform you that the Chamber have at present no other recommendation to make than that contained in the report which was forwarded to you on the 5th September last.

(True Copy.)

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

No. 141.

ORDER THEREON, 16th January 1874, No. 73.

Separate Revenue, No. 8.

Customs.

(Here enter No. 74, dated 16th January 1874.)

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

Exd. W. F. French.

From J. HUNTER-BLAIR, Esq., Collector of Sea Customs, to the Acting Secretary to the Board of Revenue, dated Madras, 20th September 1873, No. 1,056.

I HAVE the honour to acknowledge receipt of the Board's Proceedings, Miscellaneous No. 3,881, of the 25th June 1873, forwarding correspondence on the subject of alterations in the tariff from the Collector of Customs Calcutta, and the Member of the Board of Revenue in charge of Customs Department.

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3. GREY T. CLOTH.—The market-values of Grey T. Cloth have not increased here, particularly in the last two years, of which the average market-value of imports was only Annas 9-7 per lb.

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a-gallon. The worst classes of brandies are now sold at 8 Rupees per dozen in Madras, or 1½ Annas per glass retail. An additional duty of Rupees 4 per dozen will not even raise the price of brandy to that of Colombo Arrack. Colombo Arrack pays 63½ per cent. more duty than brandy (vide marginal statement) and I see no good reason why foreign spirits should pay smaller duties than country-made ones.

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Articles.	Average market-rate for six years—1867 to 1872.	Average market-rate for 1872 and six months of 1873.	Average market-rate of six months ending June 1873.	Tariff.
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The tariff valuations may, therefore, be fairly increased to rates a little less than the average market-value of the past six months. (1.) My reason is that for trade returns and reports it is necessary that the actual value of iron imported should be accurately calculated, which is not the case under present valuations; (2), the one per cent. duty, which is merely a registration* fee, should be reduced to half per cent. I do not think the absolute duty ought to be increased, and for the

* Vide Sir Charles Trevelyan's remarks in his Financial Statement for 1863-64.

Colt. of 1874

REVENUE.

THE BOARD OF REVENUE.

Dated 10th January 1874.

Recd.

G. O., 16th January 1874, No. 73

JANUARY.
Nos. 140-141.

Tariff of Act XIII. of 1871.—Ordering that the communications received from certain authorities regarding certain proposed alterations in the tariff be despatched to the Government of India for their consideration.

purposes of registration a charge of half per cent. will answer as well as the higher one. The other articles referred to require no remark.

7. **LEVY OF DUTY ON QUANTITIES.**—I entirely coincide in Mr. Crawford's suggestion to levy duty on *quantities*, instead of at a percentage, upon a fixed value in all cases, where such a course is practicable. This system would undoubtedly simplify the tariff for importers and also save intricate and unnecessary calculations.

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11. **METALS.**—Iron has been already discussed. As regards other metals, I think, considering the general rise of prices, the duty on all other metals might be reduced to five per cent., the tariff valuation being raised, where required, to insure correct returns.

12. **NAVAL STORES.**—I think the duty on these goods might also be reduced to five per cent. all round. Canvas has been tariffed at that rate for some years.

13. **PAINTS AND COLOURS.**—The duty may be high, but tariff rates are too low; if they are altered the duty might be reduced to five per cent., and Government would lose little or nothing.

14. **PORCELAIN AND EARTHENWARE.**—This trade is increasing, and these goods are coming rapidly into use by natives of India, and I think, therefore, a reduction of the rate to five per cent. is advisable. Larger imports will soon repay any loss at first.

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* Of which I was a Member.

because they were aware that in India duties varying from 2 to 3s. per cwt. were levied in Australia, Ceylon, and the Mauritius—the three chief importing countries. As those Governments, which required grain to feed their inhabitants, imposed duties of six to nine times the amount of the Indian export duty, there was no hardship in the Government of the exporting country slightly raising the duty. There was also another reason, that by encouraging the export of food-grain the price to consumers in the exporting country is thereby raised.

16. The retail price of second sort rice in Madras in 1851 was 9 Pies per measure; it is now (1873) 16 Pies per measure. The monthly wages of a labourer were in 1851 Rupees 4; the wages of the same labourer are in 1873 Rupees 8. The labourer could, therefore, for half his wages purchase in 1851 forty-two measures of rice for the food of himself and family; he can now for half his wages only purchase thirty measures. From 1865 to 1867, inclusive, the same rice sold for 24 to 26 Pies per measure. In these times of scarcity and famine the unfortunate labourer could, therefore, only buy nineteen or twenty measures monthly with half his wages.

17. The Manchester trader's argument is that by raising the prices of grain you raise the price of labour; the labourer gets larger wages, lives better, can buy more piece-goods, and thereby increases the Government revenue, to say nothing of the labourer's personal comfort.

18. I think paragraph 16 entirely disproves such reasoning, for the labourer gets absolutely less to eat than he did twenty years ago, unless he spends a larger relative amount of his wages

on food, and consequently has a smaller proportion of wages to spend on necessaries and luxuries such as piece-goods.

19. The statement annexed, taken from Board's Proceedings of the 31st January 1870, No. 704, for the eight years previous to the report, proves the following facts:—

RICE CULTIVATION.				ASSESSMENT.		
Years.	Extent.	Assessment.	Rate per Acre.	Export.	Declared Value.	Amount of Duty.
	ACRES.	RS.	RS. A. P.	TONNAGE.	RS.	RS.
1861-62	28,02,779	1,05,57,404	5 14 6	76,179	45,88,390	2,48,975
1862-63	29,71,919	1,75,21,243	5 14 2	64,041	41,85,438	2,01,355
1863-64	29,49,892	1,72,93,884	5 13 9	75,795	58,75,295	2,35,977
1864-65	29,24,044	1,69,44,279	5 12 8	72,299	60,61,255	2,26,017
1865-66	30,20,444	1,79,13,928	5 14 10	72,171	65,88,482	2,29,250
1866-67	30,92,429	1,81,92,450	5 14 2	75,491	83,78,954	2,33,024
1867-68	29,15,190	1,73,87,497	5 15 5	86,673	69,67,153	4,19,229
1868-69	29,68,784	1,76,70,224	5 13 3	88,119	69,11,079	4,48,075

Column 1, *Acreage* remains almost the same; was rather less in 1863-69 than in 1862-63.

Column 2, *Assessment* shows a very small increase caused by increased rate (Column 3) per acre.

Column 4, *Export tonnage* increased from 76,179 to 88,119. On this point I note that, though the duty was raised fifty per cent. in 1867, the exports of 1867-68 were 86,673 against 75,491 of 1866-67, an increase of 14½ per cent.

20. The *value of Exports* increased fifty per cent. though the tonnage only increased 14½. This proves the difference in cost, for which the labourer has suffered.

Column 5, *Duty collected* increased from 2,48,975 in 1861-62 to 4,48,075 in 1868-69, the difference between 1866-67—the year before the increase of duty, and 1867-68, the year it was increased, being no less than Rupees 2,15,051, or 92½ per cent.

21. **INDIGO.**—I strongly recommend the reduction of the duty on this article. Good reasons for recommending its abolition by the Chamber and also by the Board in their Proceedings of 31st January 1870, No. 704. The duty might, I think, be even entirely abolished, and remembering the destruction of the saltpetre trade, I strongly urge the Government to allow indigo to be exported free of duty. Large quantities are now manufactured in French territory and exported from Pondicherry, and I have reason to believe that the trade is conducted on "peculiar principles." Government has passed a Bill taxing dry and green indigo leaf, which will stop a good deal of the manufacture in French territory; but, as long as there is a duty at all, the Madras merchants and indigo traders will be under-sold by those of Pondicherry. Government by continuing the duty is, therefore, throwing the trade and manufacture out of the hands of its own subjects into those of a foreign State.

22. **METAL, HARDWARE, IRONMONGERY, AND CUTLERY.**—I recommend the duty on these articles be reduced to five per cent. The use of these goods is gradually increasing, and I think the amount should be reduced to five per cent. *ad valorem*.

23. **LIQUORS.**—The duty on "light breakfast clarets" ought to be reduced to 1 Anna per gallon. They are about the same value and contain less alcohol than ale, and are of less value than cider. I therefore recommend that they should be placed in a special class and a duty of 1 Anna per gallon charged on all importations of above twenty-four gallons or twelve dozen quarts in one and the same consignment.

ENCLOSURE No. 1.

From the Hon. A. F. BROWN, Chairman of the Chamber of Commerce, to the Collector of Sea Customs, dated Madras, 5th September 1873.

Your letter of the 3rd July, enclosing some correspondence from the Government of India regarding certain changes proposed in the Tariff Act (XIII. of 1871), has been under the consideration of the Chamber, who now desire me to forward, for your information, the copy of a report on this subject submitted by them to the Bengal Chamber in March last.

2. Since the receipt of your letter the Chamber have again had the tariff valuation under their consideration, but at present they see no reason for adding to, or modifying, the recommendation made in the accompanying report. The Chamber, however, are still in correspondence with the Bengal Chamber on the subject of a general revision of the tariff, and it is possible, therefore, that they may have some further recommendation to submit hereafter.

(True Copy.)

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

ENCLOSURE 1 IN No. 1.

Report of the Committee appointed at the Monthly Meeting of the Chamber on the 24th February to consider whether the Customs Tariff for Imports and Exports are susceptible of amendment, with a view to enabling the Chamber to favour the Bengal Chamber with any modifications for submission to the Government of India.

Your Special Committee met on the 6th March, when there were present—

The Hon. A. F. Brown, Chairman.	A. F. Pater, Esq.
A. J. Byard, Esq.	C. Simpson, Esq.
J. Maxwell, Esq.	C. A. Lawson, Esq., Secretary.

It is strongly of opinion that, in order to encourage the consumption in India of European-manufactured goods, it is expedient to reduce the impost on cotton piece-goods, other cotton goods, and woollen piece-goods, from five per cent., the present rate of duty, to 3½ per cent., the rate that is levied on cotton twist. They recognize it to be a paramount duty of the Government to foster industrial enterprise in India by affording all reasonable facilities to the establishment of spinning and weaving mills in the country for the manufacture of the country's produce; but, at the same time, they consider that the present impost on European piece-goods is unduly heavy, as those goods are among the chief of the necessities of life in the country. They are sanguine that, as the reduction of the duty would favour larger importations, the revenue derived from the duty would not for any length of time, if at all, suffer by the assimilation of the duty on manufactured cotton and woollen goods to that on cotton yarns.

3. As India is mainly dependent on Europe for the metals that it requires, the Committee recommend that the Government of India be urged to consider the advisability of considerably mitigating the rate of duty on all metals used for industrial purposes. The charge of 7½ per cent. on brass and copper is exceedingly heavy, and a reduction should result in the cheapening of these metals, which are very extensively used by almost all classes of natives in the country for domestic purposes.

4. On naval stores the duty varies from five per cent. on country cable and canvas to 7½ per cent. on European cordage, pitch, tar, etc. The Committee are of opinion that, as such goods are of indispensable service in the trade of the country, they have a strong claim on the indulgence of the Government, and the Committee would advise the reduction of the duty on naval stores generally to a uniform rate of 3½ per cent.

5. Paints and colours, etc., are also, they suggest, too highly taxed by a 7½ per cent. duty, and advise a reduction to 3½ per cent.

6. Porcelain and earthenware are also weighted with a duty of 7½ per cent., and, as these articles are extensively consumed by the natives and are becoming necessities of life, the Committee consider it would be wise to encourage their importation by admitting them duty free.

7. The Committee are averse to frequent alteration of the tariff, particularly in the case of staple imports, and although, in some instances, the present tariff values are not accurately adjusted to those of the market, the Committee have thought it better to recommend only such changes as seem to be called for in the interests of trade.

8. EXPORTS.—With regard to export duties, the Committee need hardly remark that they regard all such imposts as opposed to the commercial interests of the country, and they would see their removal with unqualified satisfaction. But, as they are not encouraged to believe that the Government are yet prepared to relieve the whole of the products of the country from liability to duty, they would urge that the Government be moved to reduce the duty on grain, which now stands at 3 Annas per maund. This is not the first occasion on which the Chamber have recommended a reduction or abolition of duty on grain. In January 1870 they addressed the Government as follows:—

"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. 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 of other countries at the expense of India. Already India is shut out of all the rice-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. On 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 the 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. 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 are 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."

9. INDIGO.—At the same time that the Chamber recommended a reduction in the duty on grain they made the following remarks as to the necessity of reducing the duty on indigo:—

"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 Guatemala. 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."

10. The impost of three per cent. on seeds is assessed on values that are too high with reference to current quotations, and your Committee would advise the reduction of those tariff values

by 1 Rupee per cent. all round, in which case *gingelly* would be valued at Rupees 5; ground-nuts with shell at Rupees 4, without shell at Rupees 5; linseed at Rupees 4; rape at Rupees 3-8-0, etc.

11. These are all the suggestions that your Committee deem it advisable to make for the Chamber's consideration.

(True Copy.)

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

From J. HUNTER-BLAIR, Esq., Collector of Sea Customs, to the Secretary to the Board of Revenue, dated Madras, 20th November 1873, No. 1,308.

With reference to Board's Proceedings, No. 2,061, of 9th October 1873, I have the honour to forward copy of a letter from the Chamber of Commerce stating that they have at present no other recommendations to make regarding the tariff valuations than those made in their report to the Bengal Chamber of Commerce in March last, a copy of which was forwarded to the Board with my letter, No. 1,056, of 20th September 1873.

ENCLOSURE No. 1.

From the Hon. A. F. BROWN, Chairman of the Chamber of Commerce, to the Collector of Sea Customs, dated Madras, 18th November 1873.

With reference to your letter of the 10th ultimo, enclosing copy of Proceedings of the Madras Government, dated 26th September, on the subject of revision of tariff valuation, I have the honour to inform you that the Chamber have at present no other recommendation to make than those contained in the report which was forwarded to you on the 5th September last.

(Signed) J. HUNTER-BLAIR,
Collector of Sea Customs.

No. 2,538.

From J. GROSE, Esq., Secretary to the Board of Revenue,
To D. F. CARMICHAEL, Esq., Secy. to Govt., Revenue Department.

SIR,

I AM directed to submit letters from the Collector of Sea Customs and the Chamber of Commerce on the alteration in the Tariff of Act XIII. of 1871 which they consider necessary.

2. The only Articles which call for notice so far as Madras is concerned are the following:—

Article 12, Cotton Piece-goods.—It is reported that the average value of Grey Long Cloth for six years has been 11 Annas and 11 Pies; the tariff value should be raised to 11 Annas.

The value of Grey T. Cloth has not increased, and the tariff value should not be altered.

The Chamber of Commerce think the duty should be reduced to 3½ per cent., but the Board do not concur with them.

26, *Liquors.*—The Board think that liqueurs should be taxed at the same rate as spirits and that both liqueurs and spirits should pay Rupees 4 a-gallon. Mr. Blair thinks the rate should be Rupees 3 on liqueurs and Rupees 5 on spirits, but the latter alteration would involve too great an increase on the present rate.

The Board agree with Mr. Blair that the tax on light claret should be reduced to 1 Anna a-gallon.

29, *Metals.*—There can be no doubt but what the tariff values of iron articles should be revised and made more correct, but the amount of duty should not be increased. It might, as Mr. Blair suggests, be made half per cent. instead of one per cent.

The Board are disposed to agree with the Chamber of Commerce, who wish the duty reduced on all metal articles used for domestic purposes. The rate on hardware should be made five per cent. instead of 7½ per cent.

30, *Naval Stores.*—The Board agree with Mr. Blair that the duty should be reduced to five per cent., the rate now charged on canvas. The Chamber propose that it should be reduced to 3½ per cent.

34, *Painters' Colours.*—The tariff may be raised and the duty reduced, but the amount of duty need not be decreased. The Chamber think the rate should be reduced to 3½ per cent.

38, *Porcelain and Earthenware.*—The Chamber think these articles should be free, but the Board would reduce the duty from 7½ per cent. to five per cent.

Exports.

2, *Grain* and 4, *Indigo.*—The Chamber are very urgent as to the expediency of freeing these articles. The Board are disposed to agree with the opinion expressed by Government in G. O., dated 19th February 1870, No. 244. Indigo should certainly be free.

5, *Seeds.*—The Chamber think the tariff values need revision, and the Board agree with them.

REVENUE BOARD OFFICE,
Madras,
11th December 1873.

I have the honour to be,
Sir,

Your most obedient servant.

J. Grose
Secretary.

To the Secretary to Government, Revenue Department,
with copies of letters from Collector of Sea Customs, dated 20th September
and 20th November 1873, Nos. 1,056 and 1,308, with their enclosures.

Copy to the Collector of Sea Customs.

Exd. A. S. Rodgers.

125. 7/16 Jan'y 1874
244. 13. 1/140
244. 4046/73

1914 June 173 No. 105. 106.
- 26. 21/11/73 - 221 - 22.

Rec: 1873: 2446
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1873.

**Board of Revenue,
MADRAS.**

FROM THE SECT. TO THE BOARD OF REVENUE,
TO THE SECT. TO GOVERNMENT, REV. DEPT.

Aug 21 1873

Dated 11th December 1873.

Received *18th*

18th

Encl. 1.

DECEMBER.
No. 2,538.

Tariff of Act XIII. of 1871.—Reports from
Collector of Sea Customs, Madras, and Madras
Chamber of Commerce as to alterations neces-
sary in —, submitted to Government with re-
marks.

*The Govt. has been graciously
willing to take into consideration the
following alterations. In the schedule
to the Act of 1871. From 1871 to 1873
44. 11. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.*

222 Dec 73. No. 24/73.

Recd. 11. 12. 1873. R. D. 1/12/73