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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

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Dated 2-10-1878 197

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1592
1

CONFIDENTIAL.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

2nd October 1878, No. 1,592.

Read the following paper :—

No. 1. Proceedings of the Board of Revenue, dated 10th September 1878, Miscellaneous No. 9,326.

From R. J. MELVILLE, Esq., Collector of Sea Customs, Madras, to C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, dated 30th August 1878, No. 1,484.

I HAVE the honor to submit the following report with reference to Board's Proceedings, dated 8th August 1878, Miscellaneous Nos. 8,112 and 8,113.

2. The returns of piece-goods and twist passed free under the Notification, No. 43, dated 18th March last, together with the explanatory memorandum indicating in what manner and to what extent the notification has affected the trade of the port, called for in paragraphs 1 and 2 of the letter of the Government of India recorded in Proceedings, No. 8,112, are herewith submitted, marked A, B, C.

3. As regards the expediency of extending the exemption of duty to all grey cotton piece-goods unmixed with foreign substances, as size, &c., not containing yarn finer than 30's and to chudders made from yarn of Nos. 20 to 24, the Chamber of Commerce and the several Houses of Agency and Firms marginally noted were called upon to state their opinion. The Chamber of Commerce, Messrs. Parry and Co., and the Native Firm Vijiaragavooloo Chetty and Co. have not yet sent any replies. Their replies will be communicated to the Board when received.

Messrs. Arbuthnot and Co.
" Binny and Co.
" Wilson and Co.
" T. A. Taylor and Co.
" Gordon, Woodroffe and Co.
" Parry and Co.
" S. Vijiaragavoolo Chetty and Co.

4. Of the firms, which have sent in replies, Messrs. Arbuthnot and Co. state that they have no personal knowledge of chudders, and that, not knowing to what other goods the exemption is proposed to be extended, they are not competent to give any opinion in the matter.

5. Messrs. Binny and Co. think that the further exemption proposed would more particularly benefit the manufacturers in England, and they deprecate the proposal, on the ground that the benefit to the interested in India is insufficient to compensate for the loss to Government in customs collections.

The other firms, Messrs. Wilson and Co., Messrs. T. A. Taylor and Co., and Messrs. Gordon, Woodroffe and Co., are all of them in favor of the exemption from duty of all grey cotton goods not containing yarn finer than 30's. Messrs. Wilson and Co. and Messrs. Gordon, Woodroffe and Co. point out that in the manufacture of all grey cotton goods a certain quantity of foreign substance of the nature of size, &c., is necessary, and they think that the exemption should be extended without any reference to the admixture of foreign substances.

6. As regards chudders no opinion has been offered. The article is not known in this market.

7. My own opinion is that the exemption should be extended to all grey cotton piece-goods not containing finer yarn than 30's, without reference to the particular names by which the cloths are distinguished. At present, under the Notification of the Government of India, dated 18th March 1878, No. 43, cloths known as grey T. cloths, jeans, domestics, sheetings, and drills, not containing finer yarn than 30's are passed free, while other cloths manufactured from the same yarns, but named shirtings, longcloth, &c., are charged with duty. If goods in which there is an admixture of foreign substances, such as size, &c., be excluded, the exemption would be inoperative as all these goods contain size to some extent. If it were possible to exclude from the benefits of the concession goods which are largely mixed with China clay and other substances, with a view of increasing their weight, it would be beneficial.

8. With reference to the probable financial effect of extending the exemption as above proposed, no accounts are kept in this office distinguishing the imports of cloth according to the numbers of the yarn of which they are manufactured, and I cannot therefore offer any decided opinion. I think, however, that, though there may be a slight falling off in the revenue on cotton piece-goods at first, it will be made up for by larger imports of finer goods liable to duty, the trade in which there is no reason to expect will suffer by the exemption accorded to goods made of yarns Nos. 30 and under.

ENCLOSURE No. 1.

(A)

Cotton Piece-goods passed free under Notification, dated 18th March 1878, No. 43.

Description of Cotton Piece-goods.	April 1878.	May 1878.	June 1878.	July 1878.
	lb.	lb.	lb.	lb.
Grey T. cloths under 18 reed not containing finer yarn than 30's	22,400	8,200	7,280	12,077
Jeans not containing finer yarns than 30's ...	...	...	...	...
Domestics do.	...	...	...	5,425
Sheetings do.	140	6,353	1,200	280
Drills do.	18,800	21,300	11,550	30,500

MADRAS,
30th August 1878.

(Signed) R. J. MELVILLE,
Collector of Sea Customs.

ENCLOSURE No. 2.

(B)

Cotton Twist passed free under Notification, dated 18th March 1878, No. 43.

Description of Twist.	April 1878.	May 1878.	June 1878.	July 1878.
	lb.	lb.	lb.	lb.
Mule Twist, No. 15 and lower numbers ...	...	...	...	...
Do. No. 16 to 24	...	...	...	...
Do. No. 25 to 32	...	...	...	...
Water Twist, No. 20 and lower numbers ...	49,250	110,105	104,500	167,055
	...	...	...	...

MADRAS,
30th August 1878.

(Signed) R. J. MELVILLE,
Collector of Sea Customs.

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ENCLOSURE No. 3.

(C)

Explanatory Memorandum to accompany Statements A and B.

The exemption from duty of mule twist 32's count and lower has stimulated the importation of No. 30 yarn; this, however, does not appear hitherto to have had any effect in checking the importation of 40's and higher numbers. With regard to yarns of 20's and lower counts, this market has been for several years supplied from Bombay and Calcutta, and recently also by the mills established in Madras. The exemption in their case has not in any way stimulated their imports.

2. In water twist there is very little trade in this port.

3. The exemption accorded to certain descriptions of grey cotton piece-goods in Notification, No. 43, dated 18th March 1878, has considerably developed the importations of grey T. cloths, and slightly the imports of drills; but there has been no decrease in importations of finer goods.

4. No great practical difficulty has been experienced in this office in carrying out the exemption accorded in the notification above referred to. Disputes, however, have arisen in a few cases, but in all of them the decision of this office has been ultimately accepted. In two of these cases the goods appeared to have been specially manufactured with a view to evade the tariff, but, on examination, they were charged with duty.

MADRAS,
30th August 1878.

(Signed) R. J. MELVILLE,
Collector of Sea Customs.

From the same Officer, dated 6th September 1878, No. 1,529.

IN continuation of my letter, dated 30th August 1878, No. 1,484, I have the honor to forward, herewith, copy of a letter received from the Chairman of the Chamber of Commerce, dated 3rd September 1878. The Chamber are averse to the proposal made by the Government of India to extend the exemption of duty.

ENCLOSURE No. 1.

From A. MACKENZIE, Esq., Chairman, Chamber of Commerce, to R. J. MELVILLE, Esq., Collector of Sea Customs, dated Madras, 3rd September 1878.

I HAVE the honor to acknowledge receipt of your letter of the 17th ultimo, requesting the opinion of the Chamber on the expediency of exempting all grey cotton piece-goods unmixed with foreign substances, not containing yarn finer than 30's, and chudders made from 20's to 24's yarn, from import duty.

In reply, I am desired to inform you that, so far from admitting the expediency of the proposed exemption from duty, the Chamber fail to see any reason for inflicting upon the State a loss of revenue for which no compensation will be obtained. It seems to the Chamber that the present is a most unsuitable time for thinking of sacrificing any of the State's resources under pressure from interested and imperfectly informed foreign manufacturers, and that it would be difficult to find a tax which is felt so little by the people as that upon the fabrics referred to. The repeal of all import duties might be expedient if the country were in a position to sustain without detriment the sacrifice of revenue, but, situated as the finances now are, it is more than ever expedient that financiers should leave well alone. The Chamber would refer to the various reductions which from time to time have been made in the duty on cotton yarns and goods, and would ask whether in any instance manufacturers obtained any benefit thereby. It will be found in all cases that the ultimate effect was simply to cheapen goods in India by the amount of duty surrendered; and the present complaints of Lancashire manufacturers are sufficient answer to any argument that they have profited by an increased consumption of cheaper goods.

SUBMITTED to Government with reference to Endorsements, dated 6th July and 5th August, on the subject of the proposed exemption of shirtings, longcloths, and chudders from the payment of import duties in India.

2. In his first letter the Collector of Sea Customs submits the statements and explanatory memorandum called for, and gives the purport of the replies of the

firms consulted on she subject; with his second letter he forwards a communication from the Chamber of Commerce. Messrs. Binny & Co. and the Chamber of Commerce are adverse to the proposal on the ground that the benefit to those interested in India is incommensurate with the loss to Government in customs collections; the Chamber of Commerce moreover consider the advantages likely to be derived by the manufacturers in England from the proposed measure problematical. Four of the firms engaged in the trade are in favour of the exemption from duty of all grey cotton goods not containing yarn finer than 30 's, and two of them consider that the exemption should be extended to such goods irrespective of the admixture of foreign substances. The Collector of Sea Customs concurs in this view, but thinks that if it were possible to exclude from the benefits of the concession goods which are largely mixed with foreign substances it would be advisable to do so. He considers that no falling off in the revenue is to be apprehended from the measure.

3. From the figures given by Mr. Melville it seems that, with the exception of mule twist Nos 25 to 32, grey T. cloths, and drills, the exemption promulgated in March last has had but little effect on the Madras import trade; it is stated that there has been no decrease in the importation of finer goods, but the Board do not think the concession has been long enough in operation to admit of a judgment being arrived at as to its general effect. On this ground and because this is a singularly inopportune time for relinquishing any source of revenue, the Board would deprecate its extension for the present. In this view they are supported by the Chamber of Commerce. The Board are not aware what description of goods are designated chudders. The article is not known in this market; but if the term applies to the coarse sheetings used by the poorer classes to protect themselves from cold, the proposed exemption will be a fatal blow to the weaving industry of the country, by which all such cloths are now supplied. The Board do not understand on what grounds the limit to which the Manchester Chamber of Commerce object was imposed, and under ordinary circumstances they would not advocate the continuance of a protective duty, such as that under discussion; but the present time does not appear opportune for removing the restriction on foreign competition, which, instead of stimulating the weaving industry of the country, must have the effect of seriously depressing it.

(True Copy and Extract.)

(Signed) C. A. GALTON,
Acting Secretary,

(True Copy.)

(Signed) C. G. MASTER,
Acting Chief Secretary.

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CONFIDENTIAL.

REVENUE DEPARTMENT,
OOTACAMUND,
2nd October 1878.

No. 1,592.

No. 2.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF REVENUE, AGRICULTURE, AND COMMERCE.

Separate Revenue, No. 1.
Customs.

SIR,—With reference to your letter of the 28th June last, No. 65 (Customs), I am directed by His Grace the Governor in Council to forward the accompanying Proceedings of the Board of Revenue, embodying letters from the Collector of Sea Customs, Madras, submitting the statements and explanatory memorandum called for on the subject of the proposed exemption of shirtings, longcloths, and chudders from the payment of import duty and the purport of the replies of the firms consulted, together with the opinion of the Chamber of Commerce on the subject.

2. I am to remark that the peculiar circumstances of the trade in piece-goods during the past six months, consequent on the poverty of the bulk of the population and the general inability to spend money caused by the famine, makes any estimate founded on the effects of the recent reduction during the short time it has been in force quite unreliable, and that, as an expression of opinion by this Government has not been asked, they offer none on the general question, which is one mainly affecting imperial finance and to be ruled by imperial policy.

3. But in the event of any further relaxations of duty being decided on, His Grace the Governor in Council considers it desirable that the rules relating to the importation of cotton piece-goods should be as simple as possible and be framed with reference to quality and material, and not to the trade names which may be given in various markets, and embrace different goods in different countries.

4. His Grace in Council would also strongly recommend that in any rearrangement of duty effort be made to discourage to the utmost delusive improvements of quality effected by the use of thickening matter with a view to conceal defects and impart to the goods a fictitious weight.

I have the honor to be,
Sir,
Your most obedient servant,

(Signed) C. G. MASTER,
Acting Chief Secretary.

Original

Agriculture (1878) Department

[ ]

Government of Fort St. George.

Dated 2nd Oct. 1876. } No. 1,592. Enclosures, 5 Spare Copies.

Received.

D. No. Progs.

L. No. No. 2.

Transmitting, with remarks, Proceedings of the Board of Revenue embodying letters from the Collector of Sea Customs, Madras, submitting the statements and explanatory memoranda called for on the subject of the proposed exemption from import duty and the purport of the replies of the firms consulted, with opinion of the Chamber of Commerce on the subject.

Confidential

Revenue Department

1592/1

Miscellaneous No. 9326.

Proceedings of the Board of Revenue

Dated 10th September 1878.

Read the following.

No. 1484.

Confidential.

From A. J. Arbuthnot Esqre
Collector of Sea Customs
Madras.

To C. A. Galton Esqre
Acting Secretary to the
Board of Revenue

Sir,

I have the honor to submit the following report with reference to Board's Proceedings dated 8th August 1878 circulated under No. 8112 and 8113.

2. The returns of piece goods and twist passed free under the notification No. 43 dated 18th March last, to-gether

=gether with the explanatory memo-
=randum indicating in what
manner and to what extent
the notification has affected
the trade of the port, called
for in paras 1 and 2 of the letter
of the Government of India
recorded in Proceedings No.
8/12 are herewith submitted
marked A. B. C.

3. As regards the expedi-
=ency of extending the exemp-
=tion of duty to all grey Cotton
piece goods mixed with no
foreign substance of size &c,
not containing yarn finer than
30's used to Cheddars made
from yarn of Nos. 20 to 24, the
Chamber of Commerce and the
several houses of Agency

and

and firms marginally noted
were called upon
to state their opinion.
The Chamber of Com-
=merce, as per Para
8/6 and the noted
firms Vijiaragavaloo
Chetty 8/6 have
not yet sent any
replies. Their replies will be
communicated to the Board
when received.

Asst. Arbuthnot 8/6
" Binny 8/6
" Wilson 8/6
" J. A. Taylor 8/6
" Gordon Woodroffe 8/6
" Parry 8/6
" V. Vijiaragavaloo Chetty 8/6

4. Of the firms which
have sent in replies, Asst.
=Arbuthnot 8/6 state that they
have no personal knowledge
of Cheddars, and that not
knowing to what other goods
the exemption is proposed
to be extended they are not
competent to give any opinion
in the matter.

5. Asst. Binny 8/6 thinks
that

that the further exemption proposed would more particularly benefit the manufacturers in England and they deprecate the proposal on the ground that the benefit to the interested in India is insufficient to compensate for the loss to Government in Customs Collections.

The other firms viz^z^. Jessop & Co^z^., Jessop & Co^z^., Taylor & Co^z^., Wilson & Co^z^., Jessop & Co^z^., and Jessop Gordon Woodroffe & Co^z^. are all of them in favour of the exemption from duty of all grey Cotton goods not containing yarn finer than 30's. Jessop Wilson & Co^z^. and Jessop Gordon Woodroffe & Co^z^. point out that in the manufacture of all grey cotton goods

1592/6 3

goods a certain quantity of foreign substance of the nature of size &c^z^. is necessary and they think that the exemption should be extended without any reference to the admixture of foreign substances.

6. As regards Chevdeos no opinion has been offered. The article is not known in this market.

7. My own opinion is that the exemption should be extended to all grey cotton piece goods, not containing finer yarn than 30's without reference to the particular names by which the cloths are distinguished. At present under the notification

of

of the Government of India dated 18th March 1870 No 43, Cloths known as Grey T. cloths Jeanes, Domestics, Sheetings and Drills, not containing finer yarns than 30's are passed free, while other cloths manufactured from the same yarns, but named Shirtings, Long-cloth &c are charged with duty. If goods in which there is an admixture of foreign substances such as size &c be excluded, the exemption would be inoperative as all these goods contain size to some extent. If it were possible to exclude from the benefits of the concession goods which are largely mixed with China clay and other substances with a view of increasing their weight it would be beneficial.

8. Such reference to the probable financial effect of extending the exemption as above proposed, no accounts are kept in this Office distinguishing the imports of cloth according to the numbers of the yarns of which they are manufactured and I cannot therefore offer any decided opinion. I think however that though there may be a slight falling off in the revenue on

Cotton

cotton piece goods at first, it will be made up for by longer imports of finer goods, liable to duty, the trade in which, there is no reason to expect, will suffer by the exemption extended to goods made of Yarns of Nos. 30 and under.

I have &c.

Sea Custom House
Madras
30 August 1870.

(Sd) R. S. Melville
Collector of Sea Customs.

No. 1529.

From

R. S. Melville Esqre
Collector of Sea Customs
Madras

To

C. A. Galton Esqre
Actg Secretary to the
Board of Revenue.

Sir,

In continuation
of my letter dated 30 August 1870

No. 1484, I have the honor to forward herewith, Copy of a letter received from the Chairman of the Chamber of Commerce dated 3d September 1870. The Chamber are averse to the proposal made by the Government of India to extend the exemption of duty.

I have &c.

Sea Custom Collector's Office
Madras 6 September 1870.

(Sd) R. S. Melville
Coll. Sea Customs.

Submitted to Government with reference to endorsement dated 6 July and 5 August on the subject of the proposed exemption of shirtings, long cloths and Chudders from the payment of Import duties in India.

2. In his first letter the Collector

Collector of Sea Customs sub-
=mits the statements and
explanatory memorandum
called for, and gives the
purport of the replies of the
persons Consulted on the sub-
=ject; with his second letter
he forwards a communication
from the Chamber of Commerce.
Messrs Binny & Co and
the Chamber of Commerce are
adverse to the proposal on
the ground that the benefit to
those interested in India
is inconsiderable with the
loss to Government in Customs
Collections; the Chamber of
Commerce moreover Consider
the advantages likely to
be
derived by the manufacturers
in England from the proposed
measure problematical. For
of the persons engaged in the
trade are in favor of the
exemption from duty of all
grey Cotton goods not contain-
=ing yarn finer than 30's, and
two of them Consider that the
exemption should be extended
to such goods irrespective
of the admixture of foreign
substances. The Collector of
Sea Customs Coincides in this
view but thinks that if it were
possible to exclude from the
benefits of the Concession
goods which are largely mixed
with foreign substances it
would

would be advisable to do so.

He considers that no falling off in the revenue is to be apprehended from the measure.

3. From the figures given by Mr. Melville it seems that with the exception of Rule twist Nos. 25 to 32, Grey T. cloths and drills the exemption promulgated in March last has had but little effect on the Aberdeen import trade; it is stated that there has been no decrease in the importation of finer goods, but the Board do not think the concession has been long enough in operation to admit of a judgment being formed as to its general effect; on this ground and because this is a singularly inopportune time for relinquishing any source of revenue, the Board would deprecate its extension for the present. In this view they are supported by the Chamber of Commerce. The Board are not aware what description of goods are designated Cheddars; the article is not known in this market, but if the term applies to the coarse Shantungs used by the poorer classes to protect themselves from cold the proposed exemption will be a fatal blow to the weaving

1892
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1502/12

The Chamber of Commerce

Madras 3d September 1878

From,

The Chairman
Chamber of Commerce

To,

The Collector of Sea Customs
Madras

Sir,

I have the honor to acknowledge receipt of Your letter of the 17th Ultimo, requesting the opinion of the Chamber on the expediency of exempting all grey Cotton Piece goods, unmixed with foreign substances, not containing Yarn finer than 30's, and Chuddars made from 20's to 24's Yarn, from Import duty.

In reply I am desired to inform You that so far from admitting the expediency of the proposed exemption from duty, the Chamber fail to see any reason for inflicting upon the state a loss of revenue for which no compensation will be obtained. It seems to the Chamber that the present is a most unsuitable time for thinking of sacrificing any of the States resources under pressure from interested and imperfectly informed

Foreign

Revenue 1878 Dept
No 1004
Forwarding opinion of
Chamber of Commerce
on proposed exemption
from duty on grey cotton
piece goods

Dated 10th Sept 1878.
Rec'd 12 — " —
Read 16 — do —
Entd.

BI

Dated 16th Sept 1878

Forwarding to Govt
a letter from the Collector
of Customs, with copy
of correspondence, on
the subject of the
proposed exemption of
certain piece goods from
the payments of duties
chargeable in Madras.

Rec'd 28-9-78
Ans'd 2-10-78

Rev 12-8/78-162 to 64

Rev 12-8/78-173-75

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Foreign Manufacturers; and that it would be difficult to find a tax which is felt so little by the people as that upon the fabrics referred to. The repeal of all import duties might be expedient if the country were in a position to sustain without detriment, the sacrifice of revenue, but situated as the finances now are, it is more than ever expedient that financiers should leave well alone. The Chamber would refer to the various reductions which from time to time have been made in the duty on Cotton Yarns and goods, and would ask whether in any instance Manufacturers obtained any benefit thereby. It will be found, in all cases that the ultimate effect was simply to cheapen goods in India by the amount of duty surrendered; and the present complaints of Lancashire manufacturers are sufficient answer to any argument that they have profited by an increased consumption of cheaper goods.

I have &c.

(signed) A. Mackenzie
Chairman

(True Copy)
(signed) R. J. Melville
Collector Sea Customs

(True Copy)
A. Alston
Ag Secretary

2 Encl

Annexure to the Letter
from Secretary to the Board
of Customs &c. dated
the 4th October 1878
No 9326

Rec'd 14th/78

(A)

Cotton piece goods passed free under Notification dated 18th March 1878 No 43.

Description of Cotton Piece goods	April 1878	May 1878	June 1878	July 1878.
	~~lbs~~	~~lbs~~	~~lbs~~	~~lbs~~
Grey T Cloths under 18 reed not containing finer Yarn than 30's	22,400	8,200	7,280	12,077
Jeans not containing finer Yarns than 30's	"	"	"	"
Domestics — Do —	"	"	"	5,425
Sheetings — Do —	140	6,353	1,200	280
Drills — Do —	18,800	21,300	11,550	30,500

Sea Customs House
Madras, 30th August 1878

(Signed) R. J. Melville
Collector Sea Customs

(True Copy)

A Clarke
Ag Secretary

W dupt

(A)

Cotton Twist passed free under Notification dated 18th March 1878 No. 43.

Description of Twist	April 1878	May 1878	June 1878	July 1878
	~~lbs~~	~~lbs~~	~~lbs~~	~~lbs~~
Mule Twist No. 15 and lower numbers	"	"	"	"
Mule Twist No. 16 to 24. ——	"	"	"	"
Mule Twist No. 25 to 32 —	49,250	110,105	104,500	167,055
Water Twist 20 and lower numbers	"	"	"	"

Sea Custom House
Madras, 30th August 1878.

(Signed) R. J. Melville
Collector Sea Customs

(True Copy)
A. Secretary

1502/16

(A)

Cotton Twist passed free under Notification dated 18th March 1878 No. 43.

Collector's Office
Madras, 30th August 1878.

No. 9326

To
The Secretary to Government,
Financial Department,
Fort St. George.

Sir,

I have the honor to forward herewith a statement of Cotton Twist passed free under Notification dated 18th March 1878 No. 43 for the months of April, May, June and July 1878.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) R. J. Melville
Collector Sea Customs

(True Copy)
A. Secretary

(B)

Enclosure in Bard's Rep.
-ding to the Secretary to
Government, B&C, dated
10th Septr 78 No: No 9326

Rec'd
4/9/78

(C.)

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Explanatory Memorandum to accompany Statements (A), & (B).

The exemption from duty of Mule Twist 32's Count and lower has stimulated the importation of No 30 Yarn; this however does not appear hitherto to have had any effects in checking the importation of 40's and higher numbers. With regard to Yarns of 20's and lower counts, this market has been for several years supplied from Bombay and Calcutta and recently also by the mills established in Madras. The exemption in their case has not in any way stimulated their imports.

2. In water twist there is very little trade in this port.

3. The exemption accorded to certain descriptions of grey Cotton Piece goods in Notification No 43 dated 18th March 1878, has

1592/19

has considerably developed the importations of grey T. cloths, and slightly the imports of Drills. But there has been no decrease in importations of finer goods.

4. No great practical difficulty has been experienced in this office in carrying out the exemption accorded in the Notification above referred to. Disputes however have arisen in a few cases, but in all of them the decision of this office has been ultimately accepted. In two of these cases the goods appeared to have been specially manufactured with a view to evade the tariff, but on examination they were charged with duty.

(Signed) R.J. Melville
Collector of Sea Customs

Sea Customs House
Madras 30th August 1893

(True Copy)

A.J. Galton
A.S. Secretary

n Govt
c/ NO

1592/20

I would forward to the Govt. of India the replies received stating the circumstances in which each was ~~made~~ framed in the Treaty of Peace & General Tranquility & General Treaty Council & the measures adopted to ~~meet~~ any retaliate ~~intended~~ intended in the effect of the recent reduction having taken place since it has been in force quite unnecessarily

I replied to the S. of S. draw in the lines of H.E.'s note.

22/9.

Good - Leaves myself a protectionist to the extent extents & to the late extent and will defer a solid system of taxation. Of course

(C)

Enclosed in Board's Revenue Despatch to the Secretary to Government, Revenue Department, No. 10 of September 1877 & No. 9326

Revenue Department

That as the Question
was asked from the Govt.
they offer none on the
Special question - which
is the mainly affecting
the Special finance and
to be settled by questionary
in Special Society —

but - in the event of
any further relaxations of duty
being decided on - it
is desirable that the
Rules should be as
simple as possible -
dependent on quality &
Material - not on
the Denomination
by which
they be given in Returns

at 20 the difficulty
to argue as to the principle
but the factor that
the industry is one fairly
distributed in this country
the poor ville have their
clothes cheaper - that is
possible for England &
suffer them
but I cannot - offer
the position
Ld.
26/9

Markets - and embarrassing
different goods into different
Countries —

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21

And it - is desirable
in any rearrangement of duty
desirable that
a
definition in pursuance of
the Inquiry by the
Act - Minimising Matter
and
concealing defects and
giving a protection to
Weight to the
goods should
discouraged - in the
Returns to the Returns.

Ld. 23/9

Hastings

Confidential

Revenue Department

1592
22

To

The Secretary to the Govt of India
Dept of Revenue, Agriculture
and Commerce

Sir,

With reference to your
letter of the 28th June last
No 65 (Customs), I am
directed by His Grace the
Governor in Council to for-
ward the accompanying
Proceedings of the Board
of Revenue, embodying
letters from the Collector of
Sea Customs, Madras, sub-
mitting the Statements and
explanatory Memo called
for on the subject of the
proposed exemption of Shirt-
ings, Longcloths & Chuddars
from the payment of import
duty.

Dated Wm Sept 18 78 Rec 9 Oct 26

I think Nat Hist Govt Hd
State an Opinion on this pt
at once.

And that Nat Opinion
Note adverse to proposed relaxa-
tion at this time as adverse
to financial Interests
interests of India should
be in the interest of which pro-
ducers in England - the Co-

duty, and the purport of the replies of the Firms consulted, together with the opinion of the Chamber of Commerce on the subject.

C.U.A.

must succeed but success may be delayed or interfered with by meddling now.

2019 W.

I do not think this Govt. should express an opinion but I would advocate the abolition of the exemption of all coarse goods made of the lower No. of twist or yarn in the interests of the poorest class of consumers in India who I think should be considered before those of manufacturers. The retention of import duty &c. is opposed by home [illegible] manufrs. & advocated by those interested in local manufacturing — [illegible] is simply the protection of [illegible] producers in this country at the cost of local consumers & of foreign producers who are already [illegible] weighted in the competition by the cost of carriage of the raw material from India to England & of the manufd. goods from England to India & higher rates of wages at home —

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The principle of free trade has already been admitted in part by the reduced tariff of March last. The abolition thereby of the exemption of similar [illegible] of piece goods without regard to names or dimensions [illegible] [illegible] in both. Exemption of this class of goods benefits the poorest class of the community & considering the state of the [illegible] & relief operations [illegible] of certain [illegible]. If the poor can buy clothes cheaper they have more to spend on food. I do not think the interests of local manufacturers whether natives or Europeans need to be protected at the cost of consumers —

The industry of spinning & weaving has already the advantage of the raw material on the spot & of low wages & I do not think can fairly claim the protection of import duties against the

competition of foreign goods in the local market.

The interests of cotton growers are not likely to be injured for they have a monopoly of supply of the local & foreign manufacturers have to purchase on terms. Whatever thing that cheapens the manufactured goods will tend to increase the demand for them.

The only point to which the Hon'ble Member in my opinion needs to consider is whether at the moment state finance can support & make the reduction. I believe that ultimate gain to the state will ensue. but perhaps it is possible that the price of present stocks of cloth may be somewhat to ease at the moment & afford a pretext. I do not think the reduced tariff has been sufficiently long in operation to indicate positively what the ultimate effect

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RC 28-9-78
R 2-10-78

The question of Finance Member's address to the Chamber is that it should be issued in pamphlet form by Government or whether it should be published in the Gazette of India. I am inclined to think that it is desirable that it should be published in the Gazette of India.

MM 30.9.78

To Govt of India
No 4004
Exemption of Shirtings &c from import duty

Confidential

Revenue Department.

No 1092

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To

The Secretary to the Govt of India.
Dept of Revenue, Agriculture
and Commerce

Sir,

With reference to your letter of the 28th June last No 65 (Customs), I am directed by His Grace the Governor in Council to forward the accompanying Proceedings of the Board of Revenue, embodying letters from the Collector of the Customs, Madras, submitting the statements and explanatory memo called for on the subject of the proposed exemption of shirtings, longcloths, and chudders from the payment of import duty and the purport of the replies of the Firms consulted, together with

with the opinion of the Chamber of Commerce on the subject.

2. I am to remark that the peculiar circumstances of the trade in piece goods consequent on the poverty of the bulk of the popula-tion and the general inability to spend money caused by the famine make any estimate founded on the effects of the recent reduction during the short time it has been in force, quite unreliable, and that as the opinion of this Government has not been asked, they offer none on the general question, which is one mainly affecting imperial finance and to be ruled by imperial policy.

3. But in the event of any further relaxations of duty being decided on, His Grace the

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the Governor in Council considers it desirable that the rules relating to the importation of cotton piece goods should be as simple as possible and be framed with reference to quality and material, and not to trade names which may be given in various markets, and embrace different goods in different countries

4. I am further to state that His Grace in Council would recommend that in any rearrangement of duty, effort be made to discourage to the utmost, dishonest improvements of quality effected by the use of thickening matter with a view to conceal defects and impart to the goods a fictitious weight.

25/10

1st October 1875

C 28-9-78.
O 2-10-78.