Revenue (189) Department.

MISCELLANEOUS SERIES.

G.O., No. 4072

DATED 2 Ist Aug.

[Despatch Abstract.]

Passing orders on the representations made by the Madras Chamber of Commerce in regard to the entrusting of the Harbour Trust Board with the Custody & Storage of Goods landed, & abolition of the godown rent system for the storage of rice at the Madras Sea Customs House, and of sale-on-storage system in the factories of the Chingleput Dt.

21-8-01

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Order

Revenue (1896) Department.

G.O. CURRENT No. 66

From H. A. Stuart Esq ICS
Private Secy
to H.E. the Gov

No.

Dated 22.10.96

Received 26.10.96

Registered 26-10-96.

Enclosures 1.

Spare copies

SUBJECT.

Asking for certain papers for the perusal of His Ex.

BACK PAPERS.

G O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

The Chamber of Commerce,

MADRAS, 23*rd October*, 1896.

FROM

THE CHAIRMAN, CHAMBER OF COMMERCE,

MADRAS.

To

THE PRIVATE SECY. TO H. E. THE GOVERNOR,

MADRAS.

SIR,

I have the honour, on behalf of the Chamber, to request that you will place the following statement before His Excellency the Governor, in the hope that a perusal of the facts set forth will enable His Excellency to appreciate the force of its contention that, in respect of the matters referred to, the Madras Government has not accorded to the Chamber's representations that consideration to which they are entitled. The Chamber ventures to hope that His Excellency will receive a small deputation to discuss the matters in person, as it is confident that its representations will meet with sympathetic consideration, and so conduce to a better understanding between the Government and itself.

MADRAS HARBOUR IMPROVEMENTS.

The first subject to which the Chamber would direct His Excellency's attention is that of Madras Harbour Improvements. As His Excellency is aware, the Harbour Improvements Committee—appointed under G.O., dated the 9th February, 1895, No. 47, Marine—in paragraph 15 of its Report, made a strong recommendation in favour of the adoption in Madras of the procedure existing in Bombay, "by which the Harbour Trust Board would remove into its sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office." On the 14th July last the Chamber addressed Government expressing a hope that "early orders may be passed on the above recommendation, as pending such it understands that the Harbour Trust Board is unable to make arrangements for proceeding with the other improvements recommended by the Harbour Improvements Committee"—a hope, it should be mentioned, which was expressed in the Chamber's letter to Government, dated the 24th August, 1895. Some 20 months have elapsed since the above recommendation of the Harbour Improvements Committee was made, and yet nothing has been done, for the matter, as stated in G. O., No. 1670, R., dated the 27th August, 1896, "is under reference to the Hon'ble the Advocate-General." The Chamber ventures to hope that His Excellency will as far as possible expedite the disposal of this most important subject, which so vitally affects the prosperity of this port. The Chamber does not overlook the weighty questions that may have to be decided, but it trusts that something may be

done at an early date to give effect to the recommendations of the Harbour Improvements Committee so as to enable the Harbour Trust Board to arrive at a decision in connection with the other proposals of the Committee.

GODOWN RENT ON IRON.

The next subject to which the Chamber would refer is that of the present system of levying godown rent on iron stored at the Custom House. In G. O., dated the 2nd March, 1895, No. 948, Mis., the Madras Government passed orders on the representation made to it by the Chamber in 1894—in which the Chamber protested against the levy of rent for the storage of iron in the Custom House—and declined to revert to the old system of ground rents, as was suggested. The Chamber again addressed Government and protested against the former system, stating that it was unworkable and pressed heavily on the merchants; it advocated the introduction of wharfage or ground rent, and suggested that the rates should be fixed after ascertaining the annual income derived in the Port by the Harbour Trust Board from ground rents, making such enhancements in them as might be considered necessary to cover the expenses of storage and guarding. The matter was referred for report to the Collector of Sea Customs, Madras, who stated that the present rate of godown rent involved a loss to Government, and suggested that the rate should be doubled so as to cover the cost of collection and meet the rent due to the Harbour Trust Board for the land taken up. Government finally (G. O., No. 3643, dated the 4th September, 1895,) agreed with the Board of Revenue that the system of godown rent should be tried for one year, and a further report be submitted before any change was made—this report to be submitted at the end of December last. On the 8th November, 1895, the Chamber once more addressed Government, stating that it was with a view of relieving merchants of the necessity of having to submit to the inequitable porterage arrangements that it made its proposals, and trusting that, upon reconsideration of the matter, the system of ground rents, which was approved of by the trade and was found satisfactory financially to the Harbour Trust Board, would be reverted to. Government, however, in the G. O. dated the 2nd December, 1895, No. 4859, Mis., stated that it was not prepared to reopen the subject until the year's experience, previously referred to, had been gained. This period elapsed on the 16th March last, and on the 14th August the Chamber wrote to Government asking whether the system of ground rents was to be reverted to, and was informed in reply (G. O., dated the 26th August, No. 3450, Mis.,) that "it is not the intention of Government to reconsider the present system of levying godown rent on iron stored at the Customs House till the end of June, 1897." The Chamber is at a loss to understand why an experience of the present system of close upon two and a half years should be necessary before a decision either way can be arrived at; and it cannot but express its regret at the abrupt manner in which this departure from the previously expressed intention of Government was communicated to it, no reasons whatever being vouchsafed to it on a subject upon which it respectfully claims to be in the best position to form an opinion.

The Chamber does not wish to dwell at too great length upon this subject but it feels that it cannot well leave it without quoting from a petition presented to it by 27 native iron merchants of Madras, in which the hardships inseparable from the system of godown rents are very clearly established. The merchants say:—

"We have found from actual experience that there can be nothing more unjust than the retaining of this godown rent. Government, we believe, did not

want to renew the subject till an year's experience has been gained. We hope they have seen the desirability of doing away with godown rent. We fail to see how the Government feels justified in retaining the godown rent seeing that it is a physical impossibility to weigh and deliver more than 60 to 70 tons per day *i. e.*, from 10 A.M. to 4 P.M. Even according to present arrangements it is impossible to weigh and deliver more than 100 tons a day (*i. e.*, 6 A.M. to 6 P.M). If a steamer lands, say, 1,000 tons (which is not an unusual thing during the first quarter of the year) it would take 10 working days to deliver the whole quantity, whereas Government allows only 4 days time to take delivery of the 1,000 tons, knowing that they cannot deliver same to the parties within the free rent period, however willing and prepared we may be to take delivery of goods, and if the iron is not cleared in the 4 days they charge godown rent. In the Sea Customs Act it is expressly stated that in case any delay in delivering goods is attributable to the inability of the Customs authorities, no godown rent is to be charged on such goods; yet in spite of this ruling the Collector charges godown rent on iron after the usual time of 4 days. We hope you will kindly point out the injustice of the present procedure and request the Government to put an end to this odious godown rent."

The experience of these native merchants is more or less that of those members of the Chamber engaged in the iron trade, and this unanimity of opinion, the Chamber holds, is sufficient justification for its contention that in deferring the settlement of this question the Government is inflicting upon importers pains and penalties from which they ought to be relieved at the earliest possible date.

THE SALT OUTSTORAGE SYSTEM.

The last subject which the Chamber wishes to bring before His Excellency's notice is the Outstorage system in the salt trade. On the 31st July last the Chamber wrote to Government regarding the condition of the salt trade of the Chingleput Factories situated immediately to the North and South of the Presidency town, which forms the outlet for the salt manufactured at these factories, and suggested for the consideration of Government that the Outstorage system had entirely failed in the object for which it had been established and acted most injuriously upon the interests of all concerned. The Chamber pointed out that "the chief object of the Outstorage system was to do away with the middleman. It was assumed, on the introduction of the system, that by doing away with the storage platforms at the Salt Cotaurs and by substituting storage platforms at the factories, the Madras salt merchant would be compelled to go to the factories and purchase his salt direct from the ryot or licensee, and that therefore the salt would pass through one hand less before reaching the consumer. But it soon became apparent that this object was doomed to failure. The average salt ryot is too poverty stricken to be able to work his pans without an advance at the beginning of the season, and for this advance he was obliged to go either to the capitalist or to the native money lender, to whom, in return for the accommodation, his salt was hypothecated. The salt was then brought down to Madras for sale, as before, by the capitalist on behalf of the licensee, but at an enormously increased expense," for several reasons, which the Chamber need not now specify. In para. 7 of its Order, No. 43, Rev., dated the 28th January, 1896, Government stated that the old Monopoly rate of 3 annas per maund was exceeded by the average Excise rate of 3 As. 4·8 pies; but the Chamber pointed out that the increase in price on account of the Outstorage system would have to be deducted from the Excise rate before a proper comparison could be instituted between the two rates. The Chamber also contended that

as Government, in its own interests, found it necessary, as a matter of sound policy, to bring its own salt to the Salt Cotaurs for sale, it was only fair that a similar policy should be appliad in the interests of the licensees, and, finally, it stated that the result of the Outstorage system had been the exact reverse of what was intended, "for the market remains in Madras and the cost of salt to the consumer is considerably enhanced." To this letter the following reply was received (Endorsement, No. 3369, Mis., Rev.):—"The Hon'ble Mr. Chambers will be informed that his request to be allowed to store and sell the Excise salt of the Chingleput Factories at the Madras Depôt cannot be complied with as the unoccupied portion of the Depôt is required for the storage of Government salt of the current season's manufacture." With regard to this, it seems necessary to point out that the letter in question was written on behalf of the Chamber, and not of the Hon'ble Mr. Chambers, and further, that it contained no such request, but advocated that the Outstorage system should be abolished, a totally different matter. The Chamber is thus forced to the conclusion that its representations cannot have received due consideration, for otherwise so mistaken an idea as to its wishes could never have been entertained.

In conclusion, the Chamber thinks that His Excellency will see that undesirable misapprehensions have arisen which a personal explanation of the several facts might remove, and it hopes that His Excellency will accordingly be pleased to grant the favour of an interview with a small deputation of its members with that object.

Annexed will be found printed copies of the correspondence referred to.

I have the honour to be,

Sir,

Your most Obedient Servant,

(Signed) G. L CHAMBERS,

Chairman.

ENCLOSURES.

MADRAS HARBOUR IMPROVEMENTS.

From the Chairman, Chamber of Commerce, Madras, to the Chief Secretary to Government, Marine Department, Ootacamund, dated 24th August, 1895:—

In paragraph 15 of its Report, the Madras Harbour Improvements Committee, on the suggestion of the Chamber, "strongly recommended" the adoption in Madras of a system similar to that obtaining in Bombay, whereby the Harbour Trust Board would receive into its sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office.

The plans and estimates of scheme No. A 1—which was adopted by the Madras Harbour Improvements Committee—and of certain new proposals, will shortly be in the possession of the Harbour Trust Board, but no decision can be arrived at until Government has signified its acceptance or rejection of the above-mentioned proposals. In the former case the Board would have to provide the necessary Custom House accommodation, whereas in the latter case it would not have to do so.

As the question of the adoption of the new procedure was raised by the Chamber, I have the honour to request that the Government will be pleased to give a decision on this point as soon as possible, so that there may be no delay in the settlement of the question of the Harbour improvements.

From the Chairman, Chamber of Commerce, Madras, to the Chief Secretary to Government, Marine Department, Ootacamund, dated 14th July, 1896:—

With reference to my letter of the 24th August, 1895, in which I drew the attention of Government to para. 15 of the Report of the Harbour Improvements Committee appointed under G. O., dated 9th February, 1895, No. 47 Marine—which para. contained a strong recommendation in favour of the adoption at Madras of the procedure existing at Bombay "by which the Harbour Trust Board would remove into their sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office," I have the honour to inform you that the Chamber has desired me to again express a hope that early orders may be passed on the above recommendation, as pending such it understands that the Harbour Trust Board is unable to make arrangements for proceeding with the other improvements recommended by the Harbour Improvements Committee.

Proceedings of the Madras Government, Marine Department.

READ the following Proceedings of the Madras Government, Revenue Department.

Read reminders from the Marine Department, Nos. 503/i Marine and 298E./iii, dated 18th August, 1896.

ORDER thereon, No. 1670 R. dated 24th August, 1896.

Recorded with the remark that the matter is under reference to the Honourable the Advocate-General.

(True Extract)

(Signed) LIONEL DAVIDSON,
Ag. Under-Secretary to Government.

ORDER thereon, No. 582 Marine, dated 27th August, 1896.

Communicated to the Chairman, Harbour Trust Board, and the Chairman, Chamber of Commerce, with reference to the undermentioned correspondence.

Letter from the Chairman, Harbour Trust Board, No. 1471, dated 11th July, 1896.

Letter from the Chairman, Chamber of Commerce, No.——, dated 14th July, 1896.

(True Extract)

(Signed) J. J. WILSON,
For Secretary to Government.

GODOWN RENT ON IRON.

From the Chairman, Chamber of Commerce, Madras, to the Collector of Sea Customs, Madras, dated 8th September, 1894:—

I have the honour to draw your attention to the charge now made for storing iron on the Beach. Formerly all common iron was stored on the Beach on premises rented from the Harbour Trust Board at the rate Rs. 5 per ground (storage capacity 200 tons.) Since iron became a dutiable article, however, the storage of it has been taken charge of by the Customs authorities, who, the Chamber understands, rent storage ground from the Harbour Trust on the same terms as merchants did formerly. The only unmanufactured metals which used to go into the Custom House were such as yellow metal and copper sheets, which are

valuable and being packed in cases or bundles of specified weights are deliverable without weighment at short notice. Godown rent for these was provided for in the Schedule at 6 pies per bazaar maund of 25lbs. per mensem under the head "metals," and the Chamber is informed that it is now sought by the Customs authorities to impose a similar charge on iron stored on the Beach, equivalent to a charge of *Rs. 560 per 200 tons per mensem* against Rs. 5 previously charged by the Harbour Trust.

The Chamber understands from what lately transpired at a meeting of the Harbour Trust Board regarding delivery of iron, that the Board would still perform the duties of storing and delivering, charging the Custom House instead of consignees the existing ground rent. As this system involves no increase in establishment the Chamber fails to see why the Customs authorities should propose additional charges. From enquiries, the Chamber learns that the Customs authorities have realised that the 6 pies charge would be exorbitant and that it is in contemplation to reduce the rate to 3 pies per 25 lbs. giving 10 days free, 10 days simple rate and thereafter the penal rate. This charge appears to the Chamber as still far too heavy and one the trade cannot stand. It moreover seems an unreasonable charge, when it is borne in mind that the work is still to be performed by the old agency which was content with a charge of Rs. 5 per ground per month and that little or no additional labour will be thrown on the Customs officials by the changes required by the Tariff Act.

Under these circumstances the Chamber trusts that you will see fit to consider the advisability of causing some substantial reduction to be made in the amended rate you have proposed to the Government.

Extract from the "Fort St. George Gazette" dated 25th September, 1894.

REVENUE NOTIFICATION.

MODIFICATION OF THE RATES OF WHARFAGE OR GODOWN RENT.

Under Section 205 of Act VIII of 1878, the Board of Revenue hereby modifies the notification published on pages 842 and 843 of the *Fort St. George Gazette*, dated 11th December, 1883, under Section 199 of the Act as follows:—

(*a*) *For* the second and third clauses in the notification *substitute* as below:—

"After that period, single rates will be charged for ten days in the case of iron and for seven days in the case of other goods.

"After ten days in the case of iron and after seven days in the case of other goods, treble rates will be charged. These penalty rates may, however, be reduced at the discretion of the Customs Collector."

(*b*) *For* "Metals per bazaar maund ... ... Rs. 0 A. 0 P. 6"
Substitute—
"Iron per cwt. 0 0 6
"Other metals per bazaar maund ... ... 0 0 6"

Board of Revenue (Separate Revenue), 27th August, 1894.

(Signed.) D. D. MURDOCH,
Secretary.

CIRCULAR No. 3785 G.

Notice is hereby given that under Revenue Notification, dated 27th ultimo, published at page 1471, of the *Fort St. George Gazette*, dated 25th instant, single rates of godown rent will be charged on all iron for 10 days and thereafter treble rates. The modified rate of godown rent will be 6 pies per cwt. per month, instead of per bazaar maund of 25 lbs. as heretofore.

Sea Custom House, Madras, 29th September, 1894.

(Signed) E TURNER,
Ag. Collector of Sea Customs.

Communicated to the Chairman, Chamber of Commerce, Madras, for information with reference to his letter dated 8th September, 1894.

Sea Custom House, Madras, 2nd October, 1894.

(Signed) E. TURNER,
Ag. Collector of Sea Customs.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Fort St. George, dated 31st October, 1894:—

I have the honour to draw the attention of Government to the charge now made by the Customs authorities for storing iron on the Beach. Formerly all common iron was stored on the Beach premises rented from the Harbour Trust Board at the rate of Rs. 5 per ground (storage capacity 200 tons.) Since iron became a dutiable article, however, the storage of it has been taken charge by the Customs authorities who rent the storage ground from the Harbour Trust on the same terms as merchants did formerly. The only unmanufactured metals which used to go into the Custom House were such as yellow metal and copper sheets, which are valuable, and, being packed in cases or bundles of specified weights, are deliverable at short notice.

From the Notification of the 27th August, published in the *Fort St. George Gazette* of the 25th ultimo, modifying the rates of wharfage or godown rent, the Chamber understands that iron will be allowed 4 days free storage. For the next 10 days a charge of 6 pies per cwt. will be made, and thereafter treble rates which may, however, be reduced at the discretion of the Customs Collector. Assuming the storage capacity of a ground to be 200 tons, the charge pr ground at 6 pies per cwt. amounts to Rs. 125 per mensem, against Rs. 5 previously charged by the Harbour Trust without any limit as to time after allowing 3 days free storage.

The scale published in the *Gazette* appears to the Chamber far too heavy and one which the trade cannot stand. The unreasonableness of the charge becomes more apparent when it is borne in mind that the real work in connection with storing and delivery of iron would have still to be performed by the old Agency, the Harbour Trust Board, the Customs paying the former

ground rent of Rs. 5 per mensem, while little or no additional work will be thrown on the Customs officials by the changes required by the Tariff Act. As this system would involve no increase in establishment the Chamber fails to see the equity of the additional charge of Rs. 120 per ground, which was suggested by the Collector and has been agreed to by Government without any reference being made to the Chamber. Moreover, the Customs regulations appear quite unsuited for a bulky article like iron, a whole consignment of which it would be impossible to store and deliver in 14 days. It would require that period to land and store alone.

The Chamber, therefore, has the honour to request Government to consider the advisability of adhering to the Board's system of collecting and levying rent for iron storage.

Proceedings of the Madras Government.

READ—Again G. O., dated 7th January, 1895, No. 3, referring to the Board of Revenue for remarks letter from the Chairman, Chamber of Commerce, dated 31st October, 1894.

READ—Also Proceedings of the Board of Revenue, Separate Revenue, dated 1st February, 1895, No. 447 Mis., submitting to Government with the Board's concurrence the remarks of the Collector of Sea Customs, Madras, and the petition of the Chamber of Commerce against the levy of godown rent on iron.

ORDER thereon, dated 2nd March, 1895, No. 948, Mis.

The Government observes that the rates of rent for the storage of iron notified in the *Fort. St. George Gazette* of the 25th September last, and to which the Chamber takes exception, are considerably less than the rates levied and paid without demur prior to the general repeal of import duties in 1882. The reduced rates when worked out for the month are no doubt considerably higher than the rent paid by Government to the Harbour Trust Board, but the actual amounts realised will probably fall considerably short of this monthly calculation, as the storage grounds may not always be occupied, and further, allowance has to be made for the days of free storage. It does not, therefore, necessarily follow that the Customs Department will make a large profit out of the rates notified, as supposed by the Chamber of Commerce. The object of Government in levying godown rents is only to cover the expenses of storing and guarding, and if the amounts realised should be considerably in excess of such expenses, the Government will be prepared to reduce the rates proportionately. As, however, the Customs Department has not yet begun to collect the new rates, the Government has no information before it as to their financial results, and is not prepared to consider the question of their further reduction or of extending the periods of free storage or of single charge in the absence of such information.

* * * * * * *

(True Extract.)

(Signed) E. GIBSON,
Secretary to Government.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Ootacamund, dated 18th April, 1895:—

I have the honour to acknowledge receipt of the Proceedings of the Madras Government, dated the 2nd March, 1895, No. 948, Miscellaneous, passing orders on the representation made by the Chamber in its letter to Government of the 31st October, 1894, with reference to the levy of rent for the storage of iron in the Custom House.

I am now requested to lay before Government copy of a letter from the Traffic Manager, Harbour Trust Board, to the Secretary of the Board which deals very fully with this question, and shows that the system of levying godown rent on consignments of iron has been frequently tried and has as frequently been proved to be unworkable, having to be abandoned in favour of a wharfage or ground rent, which has fully met the requirements of the trade and apparently been satisfactory financially to the Harbour Trust Board.

The object of Government in levying godown rent on iron is stated to be simply to cover the expenses of storing and guarding. This being so, the Chamber can see no reason why the rates were fixed at such a very high figure as compared with those lately ruling, and it is of opinion that the result desired by Government would be much more satisfactorily arrived at under the old system of ground rents, which could be easily modified so as to cover the expenses alluded to. The Chamber would therefore suggest that the Government should ascertain the annual income derived by the Harbour Trust Board from ground rents in the past and determine the charge accordingly. It may be added that all native dealers in iron have addressed the respective European Firms through which they obtain their supplies protesting against the system of godown rents, which they find to be a very heavy burden.

One result of this system is that whereas formerly natives were in the habit of purchasing on c. f. & i. terms, landing and taking delivery of the iron themselves, they now seek to purchase on *ex*-godown terms, thus transferring all the risk of additional godown rent—which must, under the present unsatisfactory arrangements, be incurred—to the European Firms.

It is shown in the letter of the Traffic Manager, Harbour Trust Board, that the ability of the Board to commence delivery and the rate of delivery of the iron both depend upon numerous factors, such as the extent of the consignments, the number of consignees, the state in which the iron is landed, etc., which are beyond the control of the importer, and render it absolutely impossible for him, when selling on *ex*-godown terms, to determine with any accuracy what the charges in respect of godown rent will be. In the case of a consignment of 200 tons of iron undelivered for a month, godown rent to the amount of Rs. 241-10-8 would be incurred, representing a charge of about $1\frac{1}{2}$ per cent. on the value of the consignment, which, if unprovided for—and it has been shown that it cannot be provided for with certainty—would exceed the profit which is usually expected from this business.

Under all the circumstances of the case, the Chamber ventures to hope that Government will reconsider the matter, and revert to the system lately in force, such enhancement of the ground rent being effected in the manner indicated above as to secure the result desired by Government.

ENCLOSURE.

Copy of letter from the Traffic Manager, Harbour Trust Board, to the Secretary, Harbour Trust Board, dated the 15th March, 1895 :—

SIR,—I beg to acknowledge receipt of your memo. of this date forwarding letter from Messrs. Volkart Brothers complaining that their iron *ex* s. s. *Rudesheimer* will not be delivered within the few days allowed before the levy of godown rent by the Sea Customs.

This vessel has landed some 800 tons of iron and the Board's Traffic Department cannot deliver this quantity within the four days from date of landing which is, I understand, the time allowed free of rent.

The iron has to be carefully tallied, sorted and stacked by size, quality, and description before delivery can be made, and on delivery has to be again tallied and delivered by tally in the case of sheet and rod bundles, while the bulk, viz., the bar iron, has to be carefully weighed.

The tally, sorting and stacking takes a long time, especially when, as in this case, a half of the iron has been landed on the pier mixed in every way. I have not yet had sufficient time to do the sorting, and while deliveries are being made I do not see how I can do the sorting and stacking of the iron landed on the pier.

It has always been found impossible to deliver iron before godown rent becomes due. In 1882 or 1883 the Collector abandoned the attempt to levy godown rent on iron, and made over the then existing iron yard to the Emigration Department. In 1884-85 the Master Attendant, under the provisions of the Harbour Dues Act, also failed, and in lieu of godown rent, ground was rented to consignees for storage of iron on a monthly rental. This was in practice till January, 1888, when the Board endeavoured to enforce the levy of godown rent, but instead of levying from three days after landing, the Chairman gave 40 clear days from date of completion of discharge of vessel before levying godown rent. At this time iron began to be imported in large consignments, as at present in the case of the *Rudesheimer* and *Baroda's* consignments, and it was found that the 40 days were not sufficient to remove a large consignment, consequently the levy of godown rent was abandoned and ground was rented as formerly for storage of iron. This arrangement of charging ground rent, or wharfage as it is now called, gave entire satisfaction to the trade of the Port and continued up to within the last few days.

From the foregoing *résumé* it will be seen that the levy of godown rent on iron is no new matter and also that every attempt to do so has failed and been abandoned.

With reference to Messrs. Volkart Brothers' complaint, I would point out that other consignees have also to be attended to, and taking into consideration the fact that I have not been allowed time to properly sort and stack the *Rudesheimer's* iron before being called on to deliver, I have made good deliveries as under, viz. :—

On the 13th instant	...	...	...	...	tons 70—15 0 24
Do 14th do.	...	...	...	...	,, 72— 0 0 0
To-day (15th)	...	...	...	...	,, 104—13 0 14

This is fully up to the average of deliveries in past years as shown by the records of this office and is all the Traffic Department can do. The increase of deliveries from 72 tons on the 14th to 104 tons to-day, is due to the fact that I have been able to sort and stack all iron landed on the beach which is now ready for delivery. I hope to be able to deliver more than 104 tons to-morrow as iron is ready for delivery and the Customs Department are delivering both before and after hours.

On former occasions when iron has been received in large quantities I have always been allowed time to receive, sort and stack the iron before I have been called on to deliver, and even then, when everything has been ready, the deliveries have very seldom exceeded 100 tons per day, from either iron yard.

I understand that this Department is responsible for the correct reception of the iron in the first instance (in fact, I grant a receipt for every bar, bundle or sheet received) also for the correct delivery to each consignee according to invoice by size, quality, description and weight, and when it is considered that there are often from 15 to 20 consignees (the *Rudesheimer's* lot consists of 31 invoices, one of which contains no less than 35 different sizes) whose invoices comprise 10 or 15 different sorts, sizes, shapes and descriptions of iron, the care necessary in making correct deliveries will be apparent to all. It will also be apparent that work of this nature cannot be hurried. It has to be done by trained coolies who with their maistries are experts in the sorting and selection of the iron.

If it were simply a matter of bundling 300 or 400 tons of iron daily out of the yard, I could easily do so, but as I have to receive by correct tally and also deliver by correct tally as to number as well as by a perfectly accurate weight, I feel that I cannot possibly do what is required, viz., deliver consignments of iron before godown rent becomes due.

I have, &c.,
(Signed) S. HUTCHENCE,
Traffic Manager.

Proceedings of the Madras Government.

READ the following Proceedings of the Board of Revenue (Separate Revenue), dated 21st August, 1895, No. 3545, Mis., on the following :—

Letter from the Collector of Sea Customs, Madras, dated 10th July, 1895, No. 3212 G.

I have the honour to acknowledge the receipt of Board's No. 1946 Mis., dated 7th May, 1895, referring for remarks letter dated 18th April, 1895, with annexure, herewith returned, from the Chamber of Commerce, protesting against the present system of levying godown rent on consignments of iron landed from foreign ports and stored on the three plots of ground on the Beach which have been recently declared to be part of the Custom House, as it is found to be unworkable and presses heavily on the merchants. The Chamber accordingly proposes that the existing system be abandoned in favour of that previously in force, viz., wharfage or ground rent, which fully met the requirements of the trade, and further that the rates to be charged hereafter be fixed after ascertaining the annual income derived in the Port by the Harbour Trust Board from ground rent, and making such enhancements in them as may be considered necessary to cover the expenses of storage and guarding.

2. With reference thereto, I beg to offer the following remarks. This Office letter to the Board No. 368 G., dated 23rd January, 1895, deals very fully with the question of the levy of godown rent and the rate to be charged by this Department on the storage of iron and the Government in its Order marginally noted approving the collection of rents at the rates notified in the *Fort St. George Gazette* of 25th September, 1894, Part II, page 1,471 on the publication of the Notification declaring the storage spaces to be part of the Custom House, directed the Collector to submit

G. O. (Rev.) No 948 Mis., dated the 2nd March, communicated with Board's Resolution, No. 1040 Mis., dated 6th March, 1895.

a detailed report on the working of the new system at the end of two months in view to determining whether some reduction in the rates charged might not be feasible, or whether the period of free storage or single rate might not be extended.

3. Godown rent began to be collected by this Department from the 5th March, 1895, the date of issue of the Notification in the *Fort St. George Gazette*, declaring the three plots referred to to be part of the Custom House, and I now forward for the information of the Board and the Government a Statement containing the particulars required by para. 2 of Government Order (Revenue) No. 948 Mis., dated 2nd March, 1895. From this Statement it will be seen that during the four months that the godown rent system has been in operation the following amounts have been collected :—

	Rs.	A.	P.
March 1895	53	7	9
April	125	3	8
May	89	14	2
June	257	11	11
Total Rs.	526	5	6

while during the corresponding months of the two previous years (*vide* Statement of Secretary, Harbour Trust Board copy attached) the Harbour Trust Board's collections were as follows :—

	1893. Rs.	1894. Rs.
March	190	375
April	195	225
May	335	260
June	335	200
	Total Rs. 1,055	Total Rs. 1,060

showing not only an excess of Rs. 529 and Rs. 534 in each year respectively, but revealing a net loss to Government of a sum of Rs. 54 (*i. e.* Rs. 580—Rs. 526=Rs 54) during the four months that the Harbour Trust Board has been paid ground rent at the rate of Rs. 145 (29 grounds at Rs. 5 per ground,) per mensem, while this Department endeavoured to recoup the amount by charging godown rent at the rate fixed by Notification of 29th September, 1894, above quoted.

4. It will thus be seen that the Chamber's contention that the present system of godown rent presses heavily on the merchant is not sustainable. Before the general abolition of import duties in 1882, iron merchants paid without demur godown rent at the rate of 6 pies per *bazaar maund* per month, whereas they now pay rent at 6 pies *per cwt.* So long as iron was a dutiable article, godown rent was charged, and it was not until after the abolition of duties in 1882 that the Harbour Trust Board dealt with the storage of this article under their schedule of rates.

5. Government has also extended the period of single rate of godown rent in the aforesaid Notification to 10 days with regard to consignments of iron, and the difficulty pointed out by the Traffic Manager, Harbour Trust Board, and emphasised by the Chamber of Commerce of commencing to deliver iron until the consignments are landed and sorted, has entirely vanished, as godown rent is now charged not from the fifth day after a vessel commences to discharge her cargo, but from the fifth day after a consignment is landed, sorted and got ready for delivery. This concession has virtually done away with godown rent on small consignments, for, as matters stand, very little godown rent is paid by the consignees, as almost all the iron is cleared before godown rent becomes due. In cases where godown rent is paid, it is not so much owing to the tardy delivery of iron on the part of the Customs Department as to the inability on the part of consignees to clear their consignments which are, as a rule, unduly large and demand more labour than the porterage can place at their disposal to weigh and carry it out of the yards.

6. As pointed out above, the present low rate of godown rent involves a loss to Government It is a matter, therefore, for serious consideration whether, under the circumstances, the rate of 6 pies per cwt. should not be doubled so as to cover the cost of collection and meet the rent due to the Harbour Trust Board for the land taken up.

7. If it is decided to levy wharfage fees, or ground rent in lieu of godown rent, as proposed by the Chamber, I would suggest as this Department has to pay rent to the Harbour Trust Board at Rs. 5 per ground or Rs. 145 per mensem whether any iron is stored on the grounds or not, and there is a likelihood of Government losing in some months, that in order to guard against any possible loss, the ground may be let to iron merchants permanently at a fixed monthly rental of Rs. 7 or Rs. 8 whether they store iron thereon or not. If this proposal does not commend itself to the Board and Government, I would suggest as an alternative measure that the rate of ground rent as levied by the Harbour Trust Board be enhanced as proposed by the Chamber so as to cover cost of collection, &c. In this connection, I wish to state that the ground in question could only be leased from month to month, as it is impossible to say what ground will be taken up in the boat harbour improvements. I should further state that the Chairman, Harbour Trust Board, offered to two large importing firms to lease these sites at reasonable rates on which to store their iron when cleared from the Customs, and both firms, after consideration, declined to accept the offer.

8. In conclusion, I beg to report with reference to para. 1 of Government Order (Rev.) No 948, Mis., dated 2nd March, 1895, that no additional establishment is required, as it is found that the guarding and delivering of the iron can be efficiently performed by the existing staff.

Board's Reference thereon, dated 29th July, 1895.

The Collector is requested to give the tonnage of the iron dealt with in each of the months for which he gives the collection of rent in para. 3 of the letter read above.

(Signed) EDMUND MILLETT,
Assistant Secretary.

Read also the following letter from the Collector of Sea Customs, Madras, dated 17th August, 1895, No. 3813 G:—

Adverting to Board's Reference on General Register No. 7685 of 1895, dated 29th July, I have the honour to append a statement showing the tonnage of iron dealt with by the Harbour Trust and this Department and the amount of rent collected thereon during the months of March, April, May and June in the years 1893, 1894 and 1895 respectively.

	1893 (a)		1894 (a)		1895 (b)		Amount of godown rent collected.
	Tons.	Amount of ground rent collected.	Tons.	Amount of ground rent collected.	Tons. cwts. qrs. lbs.		
		Rs. A. P.		Rs. A. P.			Rs. A. P.
March	1,448	190 0 0	1,303	375 0 0	1,646- 2-2-18		53 7 9
April	4,205	195 0 0	2,016	225 0 0	1,349-17-2- 2		125 3 8
May	1,110	335 0 0	864	260 0 0	2,195-11-3- 0		89 14 2
June	1,555	335 0 0	319	200 0 0	1,229- 4-0- 2		257 11 11

(a) Handled by the Harbour Board.
(b) Handled by the Customs Department.

RESOLUTION—Submitted to Government with reference to its Endorsement No. 1753, Mis., dated 2nd May, 1895.

2. The Collector has dealt fully with the matter and the Board will only remark that in its opinion the complaint of the Chamber of Commerce does not appear to be well founded, and that the system of godown rent should be tried for a year and a further report be submitted before any change is made. The quantity of iron dealt with and the ground or godown rent collected thereon in the months of March to June in the last 3 years were as follows:—

	Iron dealt with. Tons.	Ground rent or godown rent collected. Rs. A. P.
1893	8,318	1,055 0 0
1894	4,502	1,060 0 0
1895	6,420	526 5 6

ORDER thereon, 7th September, 1895, No. 3643.

The Government agrees with the Board of Revenue.

2. A further report showing whether Government continues to lose by existing arrangements sho be submitted at the end of December next.

(True Extract)

(Signed) E. GIBSON,
Secretary to Government.

From the Chairman, Chamber of Commerce, Madras, to the Collector of Sea Customs, Madras, da 9th October, 1895:—

I have the honour to inform you that the Government of Madras, in its reply to the Chamb letter of the 18th April last, with reference to the mode of levying godown rent on iron stored in Customs yard, communicated copy of your letter dated the 10th July, 1895. When the Cham addressed the Government it was unaware of any modification of the Notification of the 27th Augu published in the *Fort St. George Gazette* of the 25th September, 1894, whereby 4 days' free storage w allowed. But in para. 5 of your letter you state that "godown rent is now charged not from the 5th after a vessel commences to discharge her cargo but from the 5th day after a consignment is *landed, sor and got ready for delivery.*"

Will you kindly inform me on what date the change was made and whether any notification issued for the information of the public?

[The Traffic Manager, Harbour Trust Board, Madras, was also addressed to the above effect.]

From the Traffic Manager, Harbour Trust Board, Madras, to the Chairman, Chamber of Commer Madras, dated 9th October, 1895:—

I have the honour to acknowledge receipt of your letter of this date, regarding levy godown rent on iron stored in the Customs yards, and, in reply to the questions contained in t last para., to enclose copy of letter from the Acting Collector of Sea Customs to the Chairman, Harbo

Trust Board, dated the 11th April, 1895, received 17th idem, and of the endorsement of the Secretary forwading the Collector's letter for my information.

2. This is the only intimation I have received that any modification of the Notification of the 27th August has been made. I am not aware whether any other notice has been given.

From the Collector of Sea Customs, Madras, to the Chairman, Harbour Trust Board, Madras, dated 11th April, 1895:—

With reference to para. 7 of your letter No. 4549, dated 21st ultimo, I have the honour to inform you that there is no rule regulating the delivery of iron, which is treated like any other cargo under the Sea Customs Act. As, however, complaints regarding delays in delivery were frequent, it was decided that godown rent should be charged only from the 5th day after any particular consignment *had been landed, sorted and got ready for delivery.*

9th October, 1895.

Copy forwarded to the Traffic Manager, Harbour Trust Board, for information.

2. Please report in future when each ship's iron has been sorted and is ready for delivery.

(Initialled) C. P.,
Secretary, H. T Board.

From the Collector of Sea Customs, Madras, to the Chairman, Chamber of Commerce, Madras, dated 15th October, 1895:—

In reply to your letter of the 9th October, I have the honour to inform you that the order authorising the levy of godown rent on iron, stored on Customs premises, from the fifth day after a consignment had been landed, sorted, and got ready for delivery, was brought into effect from the 15th March, 1895, *i.e.*, from a date prior to that of your representation to Government, viz., 18th April, 1895.

2. No Notification in the *Gazette* was considered necessary, as the principal iron importing firms were informed specially by Circular Memo., dated 1st April, 1895, of the foregoing decision.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Fort St. George, dated 8th November, 1895:—

In the G. O. No. 3643, dated the 7th September, 1895, the Government expresses agreement with the Board of Revenue in considering that the Chamber's complaint regarding the levy of godown rent on iron, referred to in its letter of the 18th April last, is not well founded; but no reasons are assigned for the entertainment of this opinion. In view to what appears in paragraph 5 of the letter, dated the 10th July, No. 3212 G., from the Collector of Sea Customs to the Board of Revenue, as to the difficulty referred to by the Traffic Manager, Harbour Trust Board, and the Chamber, having "entirely vanished," that is, before the Chamber's letter was submitted, I beg to point out that the statement in that para., that "godown rent is now charged, not from the fifth day after a vessel commences to discharge her cargo, but from the fifth day after a consignment is landed, sorted and got ready for delivery," was the *first* intimation which the Chamber received of the extension of the time. Although intimation of the change may have been given to certain firms, in reply to enquiries, early in April, no Notification was published in the *Fort St. George Gazette*, though, in the Chamber's opinion, the matter was of such general importance as to necessitate the adoption of this customary procedure, and the Traffic Manager, Harbour Trust Board, was only informed of the change on the 17th April.

The Collector's report on the Chamber's complaint was thus rather misleading, and as showing the spirit in which his Department approaches and views questions of the nature of that under consideration, the Chamber would refer to his remarks at the end of para. 5 of his letter regarding the "unduly large" consignments of iron demanding more labour than the porterage can place at the disposal of consignees to weigh and carry out of the yards before rent becomes due. The Collector has overlooked the fact that a speedy delivery of iron depends much more on the number of parties to whom the iron is to be delivered than on the quantity. If, for instance, 2,000 tons arrived by one steamer, and were weighed out and delivered to eight consignees, it would be impossible to deliver the whole quantity in much less than 14 days, and in such a case those served last would have to pay godown rent, for no fault of their own, but owing to inadequate porterage arrangements.

It was with a view to relieving merchants of the necessity of having to submit to this inequitable arrangement that the Chamber made its proposals, and it trusts that upon a reconsideration of the matter Government will see its way to revert to the system of ground rents, which is approved of by the trade and was found satisfactory financially to the Harbour Trust Board.

Proceedings of the Madras Government, Revenue Department.

Read letter from the Chairman, Chamber of Commerce, Madras, dated 8th November, 1895.

ORDER thereon, 2nd December, 1895, No. 4859, Mis.

The Government has already decided that the further consideration of the question shall be deferred until a year's experience has been gained, and is not prepared to re-open it now.

(True Extract.)

(Signed) W. FRANCIS,
Ag. Under-Secretary to Government.

From the Vice-Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Ootacamund, dated 14th August, 1896:—

In the Order of the Madras Government, in the Revenue Department, dated the 2nd December, 1895, No. 4859, Mis, it was stated that the Government had decided that the further consideration of the question of the levy of godown rent for the storage of iron in the Custom House should be deferred until a year's experience had been gained. As more than sixteen months have elapsed since this system was introduced, viz. on the 15th March, 1895, I have now the honour to enquire whether it is the intention of Government to continue that system or, as suggested by the Chamber, to revert to the system of ground rents.

Proceedings of the Madras Government, Revenue Department, dated the 26th August, 1896.

Read letter from Mr. W. S. Shaw, Vice-Chairman, Chamber of Commerce, Madras, dated 14th August, 1896, regarding the question of the levy of godown rent for the storage of iron in the Custom House.

ORDER thereon, dated 26th August, 1896, No. 3450, Mis.

The Chairman, Chamber of Commerce, will be informed that it is not the intention of Government to reconsider the present system of levying godown rent on iron stored at the Custom House till the end of June, 1897.

(True Extract)

(Signed) J. J. WILSON,
for Ag. Under-Secretary to Government.

THE SALT OUTSTORAGE SYSTEM.

From the Chairman, Chamber of Commerce, to the Secretary to Government, Revenue Department, Madras, dated 31st July, 1896:—

The attention of the Chamber has been drawn to the condition of the salt trade of the Chingleput Factories situate immediately to the North and South of the Presidency Town, which forms the outlet for the salt manufactured at these factories, and it would suggest for the consideration of Government that the Outstorage system has entirely failed in the object for which it was established, and acts most injuriously upon the interests of all concerned.

The chief object of the Outstorage system was to do away with the middleman. It was assumed, on the introduction of the system, that by doing away with the storage platforms at the Salt Cotaurs and by substituting storage platforms at the factories, the Madras salt merchant would be compelled to go to the factories and purchase his salt direct from the ryot or licensee, and that therefore the salt would pass through one hand less before reaching the consumer. But it soon became apparent that this object was doomed to failure. The average salt ryot is too poverty-stricken to be able to work his pans without an advance at the beginning of the season, and for this advance he was obliged to go either to the capitalist or to the native money lender, to whom, in return for the accommodation, his salt was hypothecated The salt was then brought down to Madras for sale, as before, by the capitalist on behalf of the licensee, but at an enormously increased expense, for the following reasons:—

(1). The salt has to be brought down in small quantities all through the year, and whether the canals are in a suitable state or not.

(2). Duty has to be paid at up-country factory weights, and therefore the merchant loses in wastage, pilfering and drying on a duty-paid article worth Rs. 2-12 instead of an ex-duty article worth 3 to 4 annas.

(3). Double transport of salt—(i) from the pans to the platform (ii) from the Madras Basin, then by carts to railway platforms, then by hand to the railway waggons.

(4). Salt removed by double transport is depreciated, as it is made heavier by constant handling. In the old days, salt was brought direct to the Salt Cotaurs in Madras, and thence loaded direct into waggons; whereas, nowadays, it is dumped down at the factory, then put into bags, brought by boat as required to the Madras Basin, placed on the Basin platform, then into carts, then removed from the carts to the railway platform, then lifted again and put into waggons.

(5). There is a loss of interest to the salt merchant.

(6). The local cess (owing to the construction of platforms at the factories) is raised as much as from 2 pies up to 18 pies per maund—the average may be safely taken as an expense of 9 pies per maund.

(7). There is delay in supplying dealers from up-country with salt, as it does not pay to keep large stocks at the Basin in boats, and the Salt Department refuses to allow the platforms at the Salt Cotaurs to be used. Thus, if the market has been dull and a sudden demand springs up, salt cannot be supplied, and prices rise until fresh stocks can be obtained from the factories.

(8). As the salt is duty paid it comes in charge of a peon in private service, and the merchants have great difficulty in preventing pilfering. Under the old system, Government petty officers were in charge of the salt until its arrival in Madras, and if there was any pilfering, the merchants did not bear the loss.

(9). If in the transit of salt from the factories to Madras the boats are sunk in the Canal or in crossing the locks and estuaries, the loss to the owner is of duty-paid salt costing Rs. 2-12 per maund. This was not a loss to the licensee under the old system, when duty was payable on removal from the Salt Cotaurs, as the cost to him at the time of loss of salt was, say, only 2 annas per maund. The Chamber would submit that it is unjust that Government should make a double profit by the misfortunes of the licensee.

The extra cost of salt brought down for sale in Madras under the Outstorage system may be calculated as follows:—

Loss in measurement and therefore in value by the constant handling	...	·44
Loss in weight on the duty-paid article between factory and Basin	...	·44
Loss of interest	...	·12
Double transport and cart hire	...	·75
Enhanced Cess	...	·75
	Annas...	2·50

In para. 7 of its Order, No. 43, Revenue, dated the 28th January, 1896, Government states that the old Monopoly rate of 3 annas per maund is exceeded by the average Excise rate of 3 annas 4 8 pies; but it must be remembered that the increase in price on account of the Outstorage system has to be deducted from the Excise rate.

It must further be observed that as Government, in its own interests, finds it necessary, as a matter of sound policy, to bring its own salt to the Salt Cotaurs for sale, it is only fair that a similar policy should be applied in the interests of the licensees.

A consideration of the reasons and figures given above shows that the result of the Outstorage system has been exactly the reverse of what was intended, for the market remains in Madras and the cost of salt to the consumer is considerably enhanced, and the Chamber therefore trusts that the system will be changed at the earliest possible date.

Government of Madras, Revenue Department, Endorsement No. 3369, *Mis.*

The Hon'ble Mr. Chambers will be informed that his request to be allowed to store and sell the Excise salt of the Chingleput factories at the Madras Depôt cannot be complied with as the unoccupied portion of the Depôt is required for the storage of Government salt of the current season's manufacture.

(By Order.)

(Signed) J. J. WILSON,
for Ag. Under-Secretary to Government.

OOTACAMUND,
20th August, 1896.

SECY. GOVT. MADRAS
4 SEP 1896
REV. DEPT.

The Chamber of Commerce,

MADRAS, 31*st July*, 1896.

FROM

THE HON'BLE MR. G. L. CHAMBERS,
CHAIRMAN, CHAMBER OF COMMERCE,
MADRAS.

To

THE SECRETARY TO GOVERNMENT,
REVENUE DEPARTMENT,
OOTACAMUND.

SIR,

The attention of the Chamber has been drawn to the condition of the salt trade of the Chingleput Factories situate immediately to the North and South of the Presidency Town, which forms the outlet for the salt manufactured at these factories, and it would suggest for the consideration of Government that the Outstorage system has entirely failed in the object for which it was established, and acts most injuriously upon the interests of all concerned.

The chief object of the Outstorage system was to do away with the middleman. It was assumed, on the introduction of the system, that by doing away with the storage platforms at the Salt Cotaurs and by substituting storage platforms at the factories, the Madras salt merchant would be compelled to go to the factories and purchase his salt direct from the ryot or licensee, and that therefore the salt would pass through one hand less before reaching the consumer. But it soon became apparent that this object was doomed to failure. The average salt ryot is too poverty stricken to be able to work his pans without an advance at the beginning of the season, and for this advance he was obliged to go either to the capitalist or to the native money lender, to whom, in return for the accommodation, his salt was hypothecated. The salt was then brought down to Madras for sale, as before, by the capitalist on behalf of the licensee, but at an enormously increased expense, for the following reasons :—

(1). The salt has to be brought down in small quantities all through the year, and whether the canals are in a suitable state or not.

(2). Duty has to be paid at up-country factory weights, and therefore the merchant loses in wastage, pilfering and drying on a duty paid article worth Rs. 2-12 instead of an ex-duty article worth 3 to 4 annas.

(3). Double transport of salt—(i) from the pans to the platform (ii) from the Madras Basin, then by carts to railway platforms, then by hand to the railway waggons.

(4). Salt removed by double transport is depreciated, as it is made heavier by constant handling. In the old days, salt was brought direct to the Salt Cotaurs in Madras, and thence loaded direct into waggons; whereas, nowadays, it is dumped down at the factory, then put into bags, brought by boat as required to the Madras Basin,

placed on the Basin platform, then into carts, then removed from the carts to the railway platform, then lifted again and put into waggons.

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(8). As the salt is duty paid it comes in charge of a peon in private service, and the merchants have great difficulty in preventing pilfering. Under the old system, Government petty officers were in charge of the salt until its arrival in Madras, and if there was any pilfering, the merchants did not bear the loss.

(9). If in the transit of salt from the factories to Madras the boats are sunk in the Canal or in crossing the locks and estuaries, the loss to the owner is of duty paid salt costing Rs. 2-12 per maund. This was not a loss to the licensee under the old system, when duty was payable on removal from the Salt Cotaurs, as the cost to him at the time of loss of salt was, say, only 2 annas per maund. The Chamber would submit that it is unjust that Government should make a double profit by the misfortunes of the licensee.

The extra cost of salt brought down for sale in Madras under the Outstorage system may be calculated as follows :—

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Enhanced Cess	·75
Annas ..	2·50

In para. 7 of its Order, No. 43, Revenue, dated the 28th January, 1896, Government states that the old Monopoly rate of 3 annas per maund is exceeded by the average Excise rate of 3 annas 4·8 pies; but it must be remembered that the increase in price on account of the Outstorage system has to be deducted from the Excise rate.

It must further be observed that as Government, in its own interests, finds it necessary, as a matter of sound policy, to bring its own salt to the Salt Cotaurs for sale, it is only fair that a similar policy should be applied in the interests of the licensees.

A consideration of the reasons and figures given above shows that the result of the Outstorage system has been exactly the reverse of what was intended, for the market remains in Madras and the cost of salt to the consumer is considerably enhanced, and the Chamber therefore trusts that the system will be changed at the earliest possible date.

I have the honour to be,

Sir,

Your most Obedient Servant,

(Signed) G. L. CHAMBERS,

Chairman.

CS 5553/96

Memo 3814
20-8-96

Re: Salt outstorage system

—

The originals of the following papers are submitted:

G.O. No 43 dt 28-1-96.
.. .. 789 dt 22-2-96
.. .. 3369 dt 20-8-96.

2. Attention is solicited to the last of the G.Os quoted above and the notes thereunder.

3. It is submitted in this connection that if the outstorage system be abolished, the salt of the factories in the Guntur, Nayalur and Coimbatore circles will have to be stored at Madras and consequently the request of the chamber to abolish the outstorage is in fact a prayer for permission to store the salt at the Madras depot. As there was no space in the depot the request had to be refused.

KD
24/10/96

B.W. No. 212

2. Hon. Int. Comm. C.S.
1. Hon. Int. Chm. C.S.
3. H.E. the Governor.

NOTE.

The papers which are circulated with this note relate to the ~~report~~ request of the Chamber of Commerce to His Excellency the Governor to receive a deputation from their body. The subjects which the deputation brought forward were

1. The request of the Harbour Trust Board to be placed in the same position to the trade of Madras that the Port Trust of Bombay holds to the trade of that Port.

(Harbour Trust sheds).

2. The abolition of the godown rent system for the storage of iron.

(Godown rents for iron).

3. The abolition of the salt out storage system.

(Salt out-storage system).

I have been directed to prepare a note for orders setting out what occurred at the reception of the deputation. A separate note on each

subject is accordingly submitted.

24/7/97.

100 18-1-97-

PUBLIC WORKS SECRETARIAT,
RAILWAY BRANCH.

Station _____ date _____ 189

OFFICE NOTE.

From Jt. Sec. P.W.D. Bs

To Sec. Rev. Dept.

I find on my return from tour that this file of Rev. Dept' papers is on my table. I cannot account for it being kept so long except on the theory of imbecility on the part of my office staff. I return it with apologies.

I see that in reply to my memo just below, dated 16-6-97, the Secty Rev. Dept noted in pencil "Await plans". My office has the plans and could at any moment have shown it to the Rev. Dept.

But the Hon Sir H. Rivers has since seen the plans in connection with the question of our ad interim letter to the Govt of India about access to Shadnagar for the P.C.R. and I cannot think that he can require to see it again in connection with this Rev. Dept' file, because I have explained

The manager of the K.Y.Branch (P.W.D.) took the file from this Dept for reference.

24/7/97.

in my Note below, dated the 16th June 97. that we are not yet in this Dept. making any definite proposition for the Railway to take over a part or the whole of the Rhodes Salt Dept. but are at this early stage merely enquiring whether it will be at all possible to do so in the event of negotiations with the Rhodes B.C. for the working of the S.C.R. falling through.

During the week I am in Rhodes between the big inspection I shall be busy with the map in question that I cannot let it out of my hands. But as I say, I do not think Sir H. Bliss can really want to see it again. If however he does want to see it, my Office Manager Mr. Calder can get it by giving to his Assistant Mr. Plummer to whom I have shown it. as I shall be out on tour again on the 28th.

F.W.S.

22/6/97

REVENUE DEPARTMENT.

OFFICE NOTE No. 48

Dated 12th June 1897.

12/6/97

From

THE SECRETARY TO GOVERNMENT, REVENUE DEPARTMENT,

To

THE Secretary to Govt. P.W.D. Railway Branch.

With reference to the Hon'ble Mr. Bliss's remarks dated the 11th instant on the file below, the undersigned has the honour to request that he may be furnished with the map therein referred to as modified to show the final intentions of the Railway dept.

G. Stokes

Asst Secretary to Govt RD.

12.6.97

To Sec. Rev. Dept.

The map and the Note which accompanied it has gone over to Rhodes and has been asked for. It shall be sent to Sec. Rev. Dept on arrival.

The Hon. Mr Bliss seems to think that the map referred to an authoritative and definite proposal. Such however are not the case. Learning accidentally that there is some

possibility of an up-country depot relieving the pressure on the Madras Depot. It seems to me that this would be the one chance of satisfactorily settling the very difficult question of access for the S.C.R. to the immediate neighbourhood of the Madras R. Centre Station; without Government being in any way under an obligation to, or obliged to compound for terms with, the M.R.C.

I therefore send a note with a view to ascertaining whether there was any chance of part of the M.S. Depot being given up, under the new Jollarpet arrangement, to allow the S.C.R. to get in closer to the M.R.C. station in the only possible way by which it could do so without being beholden to the latter Company.

Should the Revenue (Salt) authorities think my proposal practicable, and should Govt. agree, I would lay it before the Director General of Railways. Meanwhile there is no definite offer. I judge that fair price for Engineer (Railways) to pay Province for the plot of land that would be needed, would be the amount that it would cost to acquire an equivalent at the new up-country depot.

The plan is not still to be sent on as received.

F. [illegible]

[illegible]

GOVERNMENT OF MADRAS
10 MAR 97

The Chamber of Commerce,

MADRAS, 23rd *October*, 1896.

FROM

THE CHAIRMAN, CHAMBER OF COMMERCE,
MADRAS.

To

THE PRIVATE SECY. TO H. E. THE GOVERNOR,
MADRAS.

SIR,

I have the honour, on behalf of the Chamber, to request that you will place the following statement before His Excellency the Governor, in the hope that a perusal of the facts set forth will enable His Excellency to appreciate the force of its contention that, in respect of the matters referred to, the Madras Government has not accorded to the Chamber's representations that consideration to which they are entitled. The Chamber ventures to hope that His Excellency will receive a small deputation to discuss the matters in person, as it is confident that its representations will meet with sympathetic consideration, and so conduce to a better understanding between the Government and itself.

MADRAS HARBOUR IMPROVEMENTS.

The first subject to which the Chamber would direct His Excellency's attention is that of Madras Harbour Improvements. As His Excellency is aware, the Harbour Improvements Committee—appointed under G.O., dated the 9th February, 1895, No. 47, Marine—in paragraph 15 of its Report, made a strong recommendation in favour of the adoption in Madras of the procedure existing in Bombay, "by which the Harbour Trust Board would remove into its sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office." On the 14th July last the Chamber addressed Government expressing a hope that "early orders may be passed on the above recommendation, as pending such it understands that the Harbour Trust Board is unable to make arrangements for proceeding with the other improvements recommended by the Harbour Improvements Committee"—a hope, it should be mentioned, which was expressed in the Chamber's letter to Government, dated the 24th August, 1895. Some 20 months have elapsed since the above recommendation of the Harbour Improvements Committee was made, and yet nothing has been done, for the matter, as stated in G. O., No. 1670, R., dated the 27th August, 1896, "is under reference to the Hon'ble the Advocate-General." The Chamber ventures to hope that His Excellency will as far as possible expedite the disposal of this most important subject, which so vitally affects the prosperity of this port. The Chamber does not overlook the weighty questions that may have to be decided, but it trusts that something may be

done at an early date to give effect to the recommendations of the Harbour Improvements Committee so as to enable the Harbour Trust Board to arrive at a decision in connection with the other proposals of the Committee.

GODOWN RENT ON IRON.

The next subject to which the Chamber would refer is that of the present system of levying godown rent on iron stored at the Custom House. In G. O., dated the 2nd March, 1895, No. 948, Mis., the Madras Government passed orders on the representation made to it by the Chamber in 1894—in which the Chamber protested against the levy of rent for the storage of iron in the Custom House—and declined to revert to the old system of ground rents, as was suggested. The Chamber again addressed Government and protested against the former system, stating that it was unworkable and pressed heavily on the merchants; it advocated the introduction of wharfage or ground rent, and suggested that the rates should be fixed after ascertaining the annual income derived in the Port by the Harbour Trust Board from ground rents, making such enhancements in them as might be considered necessary to cover the expenses of storage and guarding. The matter was referred for report to the Collector of Sea Customs, Madras, who stated that the present rate of godown rent involved a loss to Government, and suggested that the rate should be doubled so as to cover the cost of collection and meet the rent due to the Harbour Trust Board for the land taken up. Government finally (G. O., No. 3643, dated the 4th September, 1895,) agreed with the Board of Revenue that the system of godown rent should be tried for one year, and a further report be submitted before any change was made—this report to be submitted at the end of December last. On the 8th November, 1895, the Chamber once more addressed Government, stating that it was with a view of relieving merchants of the necessity of having to submit to the inequitable porterage arrangements that it made its proposals, and trusting that, upon reconsideration of the matter, the system of ground rents, which was approved of by the trade and was found satisfactory financially to the Harbour Trust Board, would be reverted to. Government, however, in the G. O. dated the 2nd December, 1895, No. 4859, Mis., stated that it was not prepared to reopen the subject until the year's experience, previously referred to, had been gained. This period elapsed on the 16th March last, and on the 14th August the Chamber wrote to Government asking whether the system of ground rents was to be reverted to, and was informed in reply (G. O., dated the 26th August, No. 3450, Mis.,) that "it is not the intention of Government to reconsider the present system of levying godown rent on iron stored at the Customs House till the end of June, 1897." The Chamber is at a loss to understand why an experience of the present system of close upon two and a half years should be necessary before a decision either way can be arrived at; and it cannot but express its regret at the abrupt manner in which this departure from the previously expressed intention of Government was communicated to it, no reasons whatever being vouchsafed to it on a subject upon which it respectfully claims to be in the best position to form an opinion.

The Chamber does not wish to dwell at too great length upon this subject, but it feels that it cannot well leave it without quoting from a petition presented to it by 27 native iron merchants of Madras, in which the hardships inseparable from the system of godown rents are very clearly established. The merchants say:—

"We have found from actual experience that there can be nothing more unjust than the retaining of this godown rent. Government, we believe, did not

want to renew the subject till an year's experience has been gained. We hope they have seen the desirability of doing away with godown rent. We fail to see how the Government feels justified in retaining the godown rent seeing that it is a physical impossibility to weigh and deliver more than 60 to 70 tons per day *i. e.*, from 10 A. M. to 4 P.M. Even according to present arrangements it is impossible to weigh and deliver more than 100 tons a day (*i. e.*, 6 A.M. to 6 P.M). If a steamer lands, say, 1,000 tons (which is not an unusual thing during the first quarter of the year) it would take 10 working days to deliver the whole quantity, whereas Government allows only 4 days time to take delivery of the 1,000 tons, knowing that they cannot deliver same to the parties within the free rent period, however willing and prepared we may be to take delivery of goods, and if the iron is not cleared in the 4 days they charge godown rent. In the Sea Customs Act it is expressly stated that in case any delay in delivering goods is attributable to the inability of the Customs authorities, no godown rent is to be charged on such goods; yet in spite of this ruling the Collector charges godown rent on iron after the usual time of 4 days. We hope you will kindly point out the injustice of the present procedure and request the Government to put an end to this odious godown rent."

The experience of these native merchants is more or less that of those members of the Chamber engaged in the iron trade, and this unanimity of opinion, the Chamber holds, is sufficient justification for its contention that in deferring the settlement of this question the Government is inflicting upon importers pains and penalties from which they ought to be relieved at the earliest possible date.

THE SALT OUTSTORAGE SYSTEM.

The last subject which the Chamber wishes to bring before His Excellency's notice is the Outstorage system in the salt trade. On the 31st July last the Chamber wrote to Government regarding the condition of the salt trade of the Chingleput Factories situated immediately to the North and South of the Presidency town, which forms the outlet for the salt manufactured at these factories, and suggested for the consideration of Government that the Outstorage system had entirely failed in the object for which it had been established and acted most injuriously upon the interests of all concerned. The Chamber pointed out that "the chief object of the Outstorage system was to do away with the middleman. It was assumed, on the introduction of the system, that by doing away with the storage platforms at the Salt Cotaurs and by substituting storage platforms at the factories, the Madras salt merchant would be compelled to go to the factories and purchase his salt direct from the ryot or licensee, and that therefore the salt would pass through one hand less before reaching the consumer. But it soon became apparent that this object was doomed to failure. The average salt ryot is too poverty stricken to be able to work his pans without an advance at the beginning of the season, and for this advance he was obliged to go either to the capitalist or to the native money lender, to whom, in return for the accommodation, his salt was hypothecated. The salt was then brought down to Madras for sale, as before, by the capitalist on behalf of the licensee, but at an enormously increased expense," for several reasons, which the Chamber need not now specify. In para. 7 of its Order, No. 43, Rev., dated the 28th January, 1896, Government stated that the old Monopoly rate of 3 annas per maund was exceeded by the average Excise rate of 3 As. 4·8 pies; but the Chamber pointed out that the increase in price on account of the Outstorage system would have to be deducted from the Excise rate before a proper comparison could be instituted between the two rates. The Chamber also contended that

as Government, in its own interests, found it necessary, as a matter of sound policy, to bring its own salt to the Salt Cotaurs for sale, it was only fair that a similar policy should be applied in the interests of the licensees, and, finally, it stated that the result of the Outstorage system had been the exact reverse of what was intended, "for the market remains in Madras and the cost of salt to the consumer is considerably enhanced." To this letter the following reply was received (Endorsement, No. 3369, Mis., Rev.):—"The Hon'ble Mr. Chambers will be informed that his request to be allowed to store and sell the Excise salt of the Chingleput Factories at the Madras Depôt cannot be complied with as the unoccupied portion of the Depôt is required for the storage of Government salt of the current season's manufacture." With regard to this, it seems necessary to point out that the letter in question was written on behalf of the Chamber, and not of the Hon'ble Mr. Chambers, and further, that it contained no such request, but advocated that the Outstorage system should be abolished, a totally different matter. The Chamber is thus forced to the conclusion that its representations cannot have received due consideration, for otherwise so mistaken an idea as to its wishes could never have been entertained.

In conclusion, the Chamber thinks that His Excellency will see that undesirable misapprehensions have arisen which a personal explanation of the several facts might remove, and it hopes that His Excellency will accordingly be pleased to grant the favour of an interview with a small deputation of its members with that object.

Annexed will be found printed copies of the correspondence referred to.

I have the honour to be,

Sir,

Your most Obedient Servant,

Geo. C. Chambers.

Chairman.

ENCLOSURES.

MADRAS HARBOUR IMPROVEMENTS.

From the Chairman, Chamber of Commerce, Madras, to the Chief Secretary to Government, Marine Department, Ootacamund, dated 24th August, 1895 :—

In paragraph 15 of its Report, the Madras Harbour Improvements Committee, on the suggestion of the Chamber, "strongly recommended" the adoption in Madras of a system similar to that obtaining in Bombay, whereby the Harbour Trust Board would receive into its sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office.

The plans and estimates of scheme No. A 1—which was adopted by the Madras Harbour Improvements Committee—and of certain new proposals, will shortly be in the possession of the Harbour Trust Board, but no decision can be arrived at until Government has signified its acceptance or rejection of the above-mentioned proposals. In the former case the Board would have to provide the necessary Custom House accommodation, whereas in the latter case it would not have to do so.

As the question of the adoption of the new procedure was raised by the Chamber, I have the honour to request that the Government will be pleased to give a decision on this point as soon as possible, so that there may be no delay in the settlement of the question of the Harbour improvements.

From the Chairman, Chamber of Commerce, Madras, to the Chief Secretary to Government, Marine Department, Ootacamund, dated 14th July, 1896 :—

With reference to my letter of the 24th August, 1895, in which I drew the attention of Government to para. 15 of the Report of the Harbour Improvements Committee appointed under G. O., dated 9th February, 1895, No. 47 Marine—which para. contained a strong recommendation in favour of the adoption at Madras of the procedure existing at Bombay "by which the Harbour Trust Board would remove into their sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs Office," I have the honour to inform you that the Chamber has desired me to again express a hope that early orders may be passed on the above recommendation, as pending such it understands that the Harbour Trust Board is unable to make arrangements for proceeding with the other improvements recommended by the Harbour Improvements Committee.

Proceedings of the Madras Government, Marine Department.

READ the following Proceedings of the Madras Government, Revenue Department.

Read reminders from the Marine Department, Nos. 503/i Marine and 298E./iii, dated 18th August, 1896.

ORDER thereon, No. 1670 R. dated 24th August, 1896.

Recorded with the remark that the matter is under reference to the Honourable the Advocate-General.

(True Extract)

(Signed) LIONEL DAVIDSON,
Ag. Under-Secretary to Government.

ORDER thereon, No. 582 Marine, dated 27th August, 1896.

Communicated to the Chairman, Harbour Trust Board, and the Chairman, Chamber of Commerce, with reference to the undermentioned correspondence.

Letter from the Chairman, Harbour Trust Board, No. 1471, dated 11th July, 1896.

Letter from the Chairman, Chamber of Commerce, No.——, dated 14th July, 1896.

(True Extract)

(Signed) J. J. WILSON,
For Secretary to Government.

GODOWN RENT ON IRON.

From the Chairman, Chamber of Commerce, Madras, to the Collector of Sea Customs, Madras, dated 8th September, 1894 :—

I have the honour to draw your attention to the charge now made for storing iron on the Beach. Formerly all common iron was stored on the Beach on premises rented from the Harbour Trust Board at the rate Rs. 5 per ground (storage capacity 200 tons.) Since iron became a dutiable article, however, the storage of it has been taken charge of by the Customs authorities, who, the Chamber understands, rent storage ground from the Harbour Trust on the same terms as merchants did formerly. The only unmanufactured metals which used to go into the Custom House were such as yellow metal and copper sheets, which are

valuable and being packed in cases or bundles of specified weights are deliverable without weighment at short notice. Godown rent for these was provided for in the Schedule at 6 pies per bazaar maund of 25lbs. per mensem under the head "metals," and the Chamber is informed that it is now sought by the Customs authorities to impose a similar charge on iron stored on the Beach, equivalent to a charge of *Rs. 560 per 200 tons per mensem* against Rs. 5 previously charged by the Harbour Trust.

The Chamber understands from what lately transpired at a meeting of the Harbour Trust Board regarding delivery of iron, that the Board would still perform the duties of storing and delivering, charging the Custom House instead of consignees the existing ground rent. As this system involves no increase in establishment the Chamber fails to see why the Customs authorities should propose additional charges. From enquiries, the Chamber learns that the Customs authorities have realised that the 6 pies charge would be exorbitant and that it is in contemplation to reduce the rate to 3 pies per 25 lbs. giving 10 days free, 10 days simple rate and thereafter the penal rate. This charge appears to the Chamber as still far too heavy and one the trade cannot stand. It moreover seems an unreasonable charge, when it is borne in mind that the work is still to be performed by the old agency which was content with a charge of Rs. 5 per ground per month and that little or no additional labour will be thrown on the Customs officials by the changes required by the Tariff Act.

Under these circumstances the Chamber trusts that you will see fit to consider the advisability of causing some substantial reduction to be made in the amended rate you have proposed to the Government.

Extract from the "Fort St. George Gazette" dated 25th September, 1894.

REVENUE NOTIFICATION.

MODIFICATION OF THE RATES OF WHARFAGE OR GODOWN RENT.

Under Section 205 of Act VIII of 1878, the Board of Revenue hereby modifies the notification published on pages 842 and 843 of the *Fort St. George Gazette*, dated 11th December, 1883, under Section 199 of the Act as follows:—

(*a*) *For* the second and third clauses in the notification *substitute* as below:—

"After that period, single rates will be charged for ten days in the case of iron and for seven days in the case of other goods.

"After ten days in the case of iron and after seven days in the case of other goods, treble rates will be charged. These penalty rates may, however, be reduced at the discretion of the Customs Collector."

(*b*) *For* "Metals per bazaar maund ... ... Rs. 0 A. 0 P. 6"
Substitute—
"Iron per cwt. 0 0 6
"Other metals per bazaar maund ... ... 0 0 6"

Board of Revenue (Separate Revenue), 27th August, 1894.

(Signed.) D. D. MURDOCH,
Secretary.

CIRCULAR No. 3785 G.

Notice is hereby given that under Revenue Notification, dated 27th ultimo, published at page 1471, of the *Fort St. George Gazette*, dated 25th instant, single rates of godown rent will be charged on all iron for 10 days and thereafter treble rates. The modified rate of godown rent will be 6 pies per cwt. per month, instead of per bazaar maund of 25 lbs. as heretofore.

Sea Custom House, Madras, 29th September, 1894.

(Signed) E TURNER,
Ag. Collector of Sea Customs.

Communicated to the Chairman, Chamber of Commerce, Madras, for information with reference to his letter dated 8th September, 1894.

Sea Custom House, Madras, 2nd October, 1894.

(Signed) E. TURNER,
Ag. Collector of Sea Customs.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Fort St. George, dated 31st October, 1894:—

I have the honour to draw the attention of Government to the charge now made by the Customs authorities for storing iron on the Beach. Formerly all common iron was stored on the Beach premises rented from the Harbour Trust Board at the rate of Rs. 5 per ground (storage capacity 200 tons.) Since iron became a dutiable article, however, the storage of it has been taken charge by the Customs authorities who rent the storage ground from the Harbour Trust on the same terms as merchants did formerly. The only unmanufactured metals which used to go into the Custom House were such as yellow metal and copper sheets, which are valuable, and, being packed in cases or bundles of specified weights, are deliverable at short notice.

From the Notification of the 27th August, published in the *Fort St. George Gazette* of the 25th ultimo, modifying the rates of wharfage or godown rent, the Chamber understands that iron will be allowed 4 days free storage. For the next 10 days a charge of 6 pies per cwt. will be made, and thereafter treble rates which may, however, be reduced at the discretion of the Customs Collector. Assuming the storage capacity of a ground to be 200 tons, the charge pr ground at 6 pies per cwt. amounts to Rs. 125 per mensem, against Rs. 5 previously charged by the Harbour Trust without any limit as to time after allowing 3 days free storage.

The scale published in the *Gazette* appears to the Chamber far too heavy and one which the trade cannot stand. The unreasonableness of the charge becomes more apparent when it is borne in mind that the real work in connection with storing and delivery of iron would have still to be performed by the old Agency, the Harbour Trust Board, the Customs paying the former

ground rent of Rs. 5 per mensem, while little or no additional work will be thrown on the Customs officials by the changes required by the Tariff Act. As this system would involve no increase in establishment the Chamber fails to see the equity of the additional charge of Rs. 120 per ground, which was suggested by the Collector and has been agreed to by Government without any reference being made to the Chamber. Moreover, the Customs regulations appear quite unsuited for a bulky article like iron, a whole consignment of which it would be impossible to store and deliver in 14 days. It would require that period to land and store alone.

The Chamber, therefore, has the honour to request Government to consider the advisability of adhering to the Board's system of collecting and levying rent for iron storage.

Proceedings of the Madras Government.

READ—Again G. O., dated 7th January, 1895, No. 3, referring to the Board of Revenue for remarks letter from the Chairman, Chamber of Commerce, dated 31st October, 1894.

READ—Also Proceedings of the Board of Revenue, Separate Revenue, dated 1st February, 1895, No. 447 Mis., submitting to Government with the Board's concurrence the remarks of the Collector of Sea Customs, Madras, and the petition of the Chamber of Commerce against the levy of godown rent on iron.

ORDER thereon, dated 2nd March, 1895, No. 948, Mis.

The Government observes that the rates of rent for the storage of iron notified in the *Fort. St. George Gazette* of the 25th September last, and to which the Chamber takes exception, are considerably less than the rates levied and paid without demur prior to the general repeal of import duties in 1882. The reduced rates when worked out for the month are no doubt considerably higher than the rent paid by Government to the Harbour Trust Board, but the actual amounts realised will probably fall considerably short of this monthly calculation, as the storage grounds may not always be occupied, and further, allowance has to be made for the days of free storage. It does not, therefore, necessarily follow that the Customs Department will make a large profit out of the rates notified, as supposed by the Chamber of Commerce. The object of Government in levying godown rents is only to cover the expenses of storing and guarding, and if the amounts realised should be considerably in excess of such expenses, the Government will be prepared to reduce the rates proportionately. As, however, the Customs Department has not yet begun to collect the new rates, the Government has no information before it as to their financial results, and is not prepared to consider the question of their further reduction or of extending the periods of free storage or of single charge in the absence of such information.

* * * * * * *

(True Extract.)

(Signed) E. GIBSON,
Secretary to Government.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Ootacamund, dated 18th April, 1895:—

I have the honour to acknowledge receipt of the Proceedings of the Madras Government, dated the 2nd March, 1895, No. 948, Miscellaneous, passing orders on the representation made by the Chamber in its letter to Government of the 31st October, 1894, with reference to the levy of rent for the storage of iron in the Custom House.

I am now requested to lay before Government copy of a letter from the Traffic Manager, Harbour Trust Board, to the Secretary of the Board which deals very fully with this question, and shows that the system of levying godown rent on consignments of iron has been frequently tried and has as frequently been proved to be unworkable, having to be abandoned in favour of a wharfage or ground rent, which has fully met the requirements of the trade and apparently been satisfactory financially to the Harbour Trust Board.

The object of Government in levying godown rent on iron is stated to be simply to cover the expenses of storing and guarding. This being so, the Chamber can see no reason why the rates were fixed at such a very high figure as compared with those lately ruling, and it is of opinion that the result desired by Government would be much more satisfactorily arrived at under the old system of ground rents, which could be easily modified so as to cover the expenses alluded to. The Chamber would therefore suggest that the Government should ascertain the annual income derived by the Harbour Trust Board from ground rents in the past and determine the charge accordingly. It may be added that all native dealers in iron have addressed the respective European Firms through which they obtain their supplies protesting against the system of godown rents, which they find to be a very heavy burden.

One result of this system is that whereas formerly natives were in the habit of purchasing on c. f. & i. terms, landing and taking delivery of the iron themselves, they now seek to purchase on *ex*-godown terms, thus transferring all the risk of additional godown rent—which must, under the present unsatisfactory arrangements, be incurred—to the European Firms.

It is shown in the letter of the Traffic Manager, Harbour Trust Board, that the ability of the Board to commence delivery and the rate of delivery of the iron both depend upon numerous factors, such as the extent of the consignments, the number of consignees, the state in which the iron is landed, etc., which are beyond the control of the importer, and render it absolutely impossible for him, when selling on *ex*-godown terms, to determine with any accuracy what the charges in respect of godown rent will be. In the case of a consignment of 200 tons of iron undelivered for a month, godown rent to the amount of Rs. 241-10-8 would be incurred, representing a charge of about $1\frac{1}{8}$ per cent. on the value of the consignment, which, if unprovided for—and it has been shown that it cannot be provided for with certainty—would exceed the profit which is usually expected from this business.

16/6/93

Under all the circumstances of the case, the Chamber ventures to hope that Government will reconsider the matter, and revert to the system lately in force, such enhancement of the ground rent being effected in the manner indicated above as to secure the result desired by Government.

ENCLOSURE.

Copy of letter from the Traffic Manager, Harbour Trust Board, to the Secretary, Harbour Trust Board, dated the 15th March, 1895 :—

SIR,—I beg to acknowledge receipt of your memo. of this date forwarding letter from Messrs. Volkart Brothers complaining that their iron *ex* s. s. *Rudesheimer* will not be delivered within the few days allowed before the levy of godown rent by the Sea Customs.

This vessel has landed some 800 tons of iron and the Board's Traffic Department cannot deliver this quantity within the four days from date of landing which is, I understand, the time allowed free of rent.

The iron has to be carefully tallied, sorted and stacked by size, quality, and description before delivery can be made, and on delivery has to be again tallied and delivered by tally in the case of sheet and rod bundles, while the bulk, viz., the bar iron, has to be carefully weighed.

The tally, sorting and stacking takes a long time, especially when, as in this case, a half of the iron has been landed on the pier mixed in every way. I have not yet had sufficient time to do the sorting, and while deliveries are being made I do not see how I can do the sorting and stacking of the iron landed on the pier.

It has always been found impossible to deliver iron before godown rent becomes due. In 1882 or 1883 the Collector abandoned the attempt to levy godown rent on iron, and made over the then existing iron yard to the Emigration Department. In 1884-85 the Master Attendant, under the provisions of the Harbour Dues Act, also failed, and in lieu of godown rent, ground was rented to consignees for storage of iron on a monthly rental. This was in practice till January, 1888, when the Board endeavoured to enforce the levy of godown rent, but instead of levying from three days after landing, the Chairman gave 40 clear days from date of completion of discharge of vessel before levying godown rent. At this time iron began to be imported in large consignments, as at present in the case of the *Rudesheimer* and *Barodu's* consignments, and it was found that the 40 days were not sufficient to remove a large consignment, consequently the levy of godown rent was abandoned and ground was rented as formerly for storage of iron. This arrangement of charging ground rent, or wharfage as it is now called, gave entire satisfaction to the trade of the Port and continued up to within the last few days.

From the foregoing *résumé* it will be seen that the levy of godown rent on iron is no new matter and also that every attempt to do so has failed and been abandoned.

With reference to Messrs. Volkart Brothers' complaint, I would point out that other consignees have also to be attended to, and taking into consideration the fact that I have not been allowed time to properly sort and stack the *Rudesheimer's* iron before being called on to deliver, I have made good deliveries as under, viz. :—

On the 13th instant	...	...	...	...	tons 70—15 0 24
Do 14th do.	...	...	...	...	,, 72— 0 0 0
To-day (15th)	...	...	...	...	,, 104—13 0 14

This is fully up to the average of deliveries in past years as shown by the records of this office and is all the Traffic Department can do. The increase of deliveries from 72 tons on the 14th to 104 tons to-day, is due to the fact that I have been able to sort and stack all iron landed on the beach which is now ready for delivery. I hope to be able to deliver more than 104 tons to-morrow as iron is ready for delivery and the Customs Department are delivering both before and after hours.

On former occasions when iron has been received in large quantities I have always been allowed time to receive, sort and stack the iron before I have been called on to deliver, and even then, when everything has been ready, the deliveries have very seldom exceeded 100 tons per day, from either iron yard.

I understand that this Department is responsible for the correct reception of the iron in the first instance (in fact, I grant a receipt for every bar, bundle or sheet received) also for the correct delivery to each consignee according to invoice by size, quality, description and weight, and when it is considered that there are often from 15 to 20 consignees (the *Rudesheimer's* lot consists of 31 invoices, one of which contains no less than 35 different sizes) whose invoices comprise 10 or 15 different sorts, sizes, shapes and descriptions of iron, the care necessary in making correct deliveries will be apparent to all. It will also be apparent that work of this nature cannot be hurried. It has to be done by trained coolies who with their maistries are experts in the sorting and selection of the iron.

If it were simply a matter of bundling 300 or 400 tons of iron daily out of the yard, I could easily do so, but as I have to receive by correct tally and also deliver by correct tally as to number as well as by a perfectly accurate weight, I feel that I cannot possibly do what is required, viz., deliver consignments of iron before godown rent becomes due.

I have, &c.,
(Signed) S. HUTCHENCE,
Traffic Manager.

Proceedings of the Madras Government.

READ the following Proceedings of the Board of Revenue (Separate Revenue), dated 21st August, 1895, No. 3545, Mis., on the following :—

Letter from the Collector of Sea Customs, Madras, dated 10th July, 1895, No. 3212 G.

I have the honour to acknowledge the receipt of Board's No. 1946 Mis., dated 7th May, 1895, referring for remarks letter dated 18th April, 1895, with annexure, herewith returned, from the Chamber of Commerce, protesting against the present system of levying godown rent on consignments of iron landed from foreign ports and stored on the three plots of ground on the Beach which have been recently declared to be part of the Custom House, as it is found to be unworkable and presses heavily on the merchants. The Chamber accordingly proposes that the existing system be abandoned in favour of that previously in force, viz., wharfage or ground rent, which fully met the requirements of the trade, and further that the rates to be charged hereafter be fixed after ascertaining the annual income derived in the Port by the Harbour Trust Board from ground rent, and making such enhancements in them as may be considered necessary to cover the expenses of storage and guarding.

2. With reference thereto, I beg to offer the following remarks. This Office letter to the Board No. 368 G., dated 23rd January, 1895, deals very fully with the question of the levy of godown rent and the rate to be charged by this Department on the storage of iron and the Government in its Order marginally noted approving the collection of rents at the rates notified in the *Fort St. George Gazette* of 25th September, 1894, Part II, page 1,471 on the publication of the Notification declaring the storage spaces to be part of the Custom House, directed the Collector to submit

G. O. (Rev.) No 948 Mis., dated the 2nd March, communicated with Board's Resolution, No. 1040 Mis., dated 6th March, 1895.

a detailed report on the working of the new system at the end of two months in view to determining whether some reduction in the rates charged might not be feasible, or whether the period of free storage or single rate might not be extended.

3. Godown rent began to be collected by this Department from the 5th March, 1895, the date of issue of the Notification in the *Fort St. George Gazette*, declaring the three plots referred to to be part of the Custom House, and I now forward for the information of the Board and the Government a Statement containing the particulars required by para. 2 of Government Order (Revenue) No. 948 Mis., dated 2nd March, 1895. From this Statement it will be seen that during the four months that the godown rent system has been in operation the following amounts have been collected :—

	Rs.	A.	P.
March 1895	53	7	9
April	125	3	8
May	89	14	2
June	257	11	11
Total Rs.	526	5	6

while during the corresponding months of the two previous years (*vide* Statement of Secretary, Harbour Trust Board copy attached) the Harbour Trust Board's collections were as follows :—

	1893. Rs.	1894. Rs.
March	190	375
April	195	225
May	335	260
June	335	200
	Total Rs. 1,055	Total Rs. 1,060

showing not only an excess of Rs. 529 and Rs. 534 in each year respectively, but revealing a net loss to Government of a sum of Rs. 54 (*i. e.* Rs. 580—Rs. 526=Rs. 54) during the four months that the Harbour Trust Board has been paid ground rent at the rate of Rs. 145 (29 grounds at Rs. 5 per ground,) per mensem, while this Department endeavoured to recoup the amount by charging godown rent at the rate fixed by Notification of 29th September, 1894, above quoted.

4. It will thus be seen that the Chamber's contention that the present system of godown rent presses heavily on the merchant is not sustainable. Before the general abolition of import duties in 1882, iron merchants paid without demur godown rent at the rate of 6 pies per *bazar maund* per month, whereas they now pay rent at 6 pies *per cwt.* So long as iron was a dutiable article, godown rent was charged, and it was not until after the abolition of duties in 1882 that the Harbour Trust Board dealt with the storage of this article under their schedule of rates.

5. Government has also extended the period of single rate of godown rent in the aforesaid Notification to 10 days with regard to consignments of iron, and the difficulty pointed out by the Traffic Manager, Harbour Trust Board, and emphasised by the Chamber of Commerce of commencing to deliver iron until the consignments are landed and sorted, has entirely vanished, as godown rent is now charged not from the fifth day after a vessel commences to discharge her cargo, but from the fifth day after a consignment is landed, sorted and got ready for delivery. This concession has virtually done away with godown rent on small consignments, for, as matters stand, very little godown rent is paid by the consignees, as almost all the iron is cleared before godown rent becomes due. In cases where godown rent is paid, it is not so much owing to the tardy delivery of iron on the part of the Customs Department as to the inability on the part of consignees to clear their consignments which are, as a rule, unduly large and demand more labour than the porterage can place at their disposal to weigh and carry it out of the yards.

6. As pointed out above, the present low rate of godown rent involves a loss to Government It is a matter, therefore, for serious consideration whether, under the circumstances, the rate of 6 pies per cwt. should not be doubled so as to cover the cost of collection and meet the rent due to the Harbour Trust Board for the land taken up.

7. If it is decided to levy wharfage fees, or ground rent in lieu of godown rent, as proposed by the Chamber, I would suggest as this Department has to pay rent to the Harbour Trust Board at Rs. 5 per ground or Rs. 145 per mensem whether any iron is stored on the grounds or not, and there is a likelihood of Government losing in some months, that in order to guard against any possible loss, the ground may be let to iron merchants permanently at a fixed monthly rental of Rs. 7 or Rs. 8 whether they store iron thereon or not. If this proposal does not commend itself to the Board and Government, I would suggest as an alternative measure that the rate of ground rent as levied by the Harbour Trust Board be enhanced as proposed by the Chamber so as to cover cost of collection, &c. In this connection, I wish to state that the ground in question could only be leased from month to month, as it is impossible to say what ground will be taken up in the boat harbour improvements. I should further state that the Chairman, Harbour Trust Board, offered to two large importing firms to lease these sites at reasonable rates on which to store their iron when cleared from the Customs, and both firms, after consideration, declined to accept the offer.

8. In conclusion, I beg to report with reference to para. 1 of Government Order (Rev.) No 948, Mis., dated 2nd March, 1895, that no additional establishment is required, as it is found that the guarding and delivering of the iron can be efficiently performed by the existing staff.

Board's Reference thereon, dated 29th July, 1895.

The Collector is requested to give the tonnage of the iron dealt with in each of the months for which he gives the collection of rent in para. 3 of the letter read above.

(Signed) EDMUND MILLETT,
Assistant Secretary.

Read also the following letter from the Collector of Sea Customs, Madras, dated 17th August, 1895, No. 3813 G:—

Adverting to Board's Reference on General Register No. 7685 of 1895, dated 29th July, I have the honour to append a statement showing the tonnage of iron dealt with by the Harbour Trust and this Department and the amount of rent collected thereon during the months of March, April, May and June in the years 1893, 1894 and 1895 respectively.

	1893 (a)		1894 (a)		1895 (b)	Amount of godown rent collected.
	Tons.	Amount of ground rent collected.	Tons.	Amount of ground rent collected.	Tons. cwts. qrs. lbs.	
		Rs. A. P.		Rs. A. P.		Rs. A. P.
March	1,448	190 0 0	1,303	375 0 0	1,646- 2-2-18	53 7 9
April	4,205	195 0 0	2,016	225 0 0	1,349-17-2- 2	125 3 8
May	1,110	335 0 0	864	260 0 0	2,195-11-3- 0	89 14 2
June	1,555	335 0 0	319	200 0 0	1,229- 4-0- 2	257 .11 11

(a) Handled by the Harbour Board.
(b) Handled by the Customs Department.

RESOLUTION—Submitted to Government with reference to its Endorsement No. 1753, Mis., dated 2nd May, 1895.

2. The Collector has dealt fully with the matter and the Board will only remark that in its opinion the complaint of the Chamber of Commerce does not appear to be well founded, and that the system of godown rent should be tried for a year and a further report be submitted before any change is made. The quantity of iron dealt with and the ground or godown rent collected thereon in the months of March to June in the last 3 years were as follows:—

	Iron dealt with.	Ground rent or godown rent collected.
	Tons.	Rs. A. P.
1893	8,318	1,055 0 0
1894	4,502	1,060 0 0
1895	6,420	526 5 6

ORDER thereon, 7th September, 1895, No. 3643.

The Government agrees with the Board of Revenue.

2. A further report showing whether Government continues to lose by existing arrangements should be submitted at the end of December next.

(True Extract)

(Signed) E. GIBSON,
Secretary to Government.

From the Chairman, Chamber of Commerce, Madras, to the Collector of Sea Customs, Madras, dated 9th October, 1895:—

I have the honour to inform you that the Government of Madras, in its reply to the Chamber's letter of the 18th April last, with reference to the mode of levying godown rent on iron stored in the Customs yard, communicated copy of your letter dated the 10th July, 1895. When the Chamber addressed the Government it was unaware of any modification of the Notification of the 27th August, published in the *Fort St. George Gazette* of the 25th September, 1894, whereby 4 days' free storage were allowed. But in para. 5 of your letter you state that "godown rent is now charged not from the 5th day after a vessel commences to discharge her cargo but from the 5th day after a consignment is *landed, sorted and got ready for delivery*."

Will you kindly inform me on what date the change was made and whether any notification was issued for the information of the public?

[The Traffic Manager, Harbour Trust Board, Madras, was also addressed to the above effect.]

From the Traffic Manager, Harbour Trust Board, Madras, to the Chairman, Chamber of Commerce, Madras, dated 9th October, 1895:—

I have the honour to acknowledge receipt of your letter of this date, regarding levy of godown rent on iron stored in the Customs yards, and, in reply to the questions contained in the last para., to enclose copy of letter from the Acting Collector of Sea Customs to the Chairman, Harbour

Trust Board, dated the 11th April, 1895, received 17th idem, and of the endorsement of the Secretary forwading the Collector's letter for my information.

2. This is the only intimation I have received that any modification of the Notification of the 27th August has been made. I am not aware whether any other notice has been given.

From the Collector of Sea Customs, Madras, to the Chairman, Harbour Trust Board, Madras, dated 11th April, 1895:—

With reference to para. 7 of your letter No. 4549, dated 21st ultimo, I have the honour to inform you that there is no rule regulating the delivery of iron, which is treated like any other cargo under the Sea Customs Act. As, however, complaints regarding delays in delivery were frequent, it was decided that godown rent should be charged only from the 5th day after any particular consignment *had been landed, sorted and got ready for delivery.*

9th October, 1895.

Copy forwarded to the Traffic Manager, Harbour Trust Board, for information.

2. Please report in future when each ship's iron has been sorted and is ready for delivery.

(Initialled) C. P.,
Secretary, H. T. Board.

From the Collector of Sea Customs, Madras, to the Chairman, Chamber of Commerce, Madras, dated 15th October, 1895:—

In reply to your letter of the 9th October, I have the honour to inform you that the order authorising the levy of godown rent on iron, stored on Customs premises, from the fifth day after a consignment had been landed, sorted, and got ready for delivery, was brought into effect from the 15th March, 1895, *i.e.*, from a date prior to that of your representation to Government, viz., 18th April, 1895.

2. No Notification in the *Gazette* was considered necessary, as the principal iron importing firms were informed specially by Circular Memo., dated 1st April, 1895, of the foregoing decision.

From the Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Fort St. George, dated 8th November, 1895:—

In the G. O. No. 3643, dated the 7th September, 1895, the Government expresses agreement with the Board of Revenue in considering that the Chamber's complaint regarding the levy of godown rent on iron, referred to in its letter of the 18th April last, is not well founded; but no reasons are assigned for the entertainment of this opinion. In view to what appears in paragraph 5 of the letter, dated the 10th July, No. 3212 G., from the Collector of Sea Customs to the Board of Revenue, as to the difficulty referred to by the Traffic Manager, Harbour Trust Board, and the Chamber, having "entirely vanished," that is, before the Chamber's letter was submitted, I beg to point out that the statement in that para., that "godown rent is now charged, not from the fifth day after a vessel commences to discharge her cargo, but from the fifth day after a consignment is landed, sorted and got ready for delivery," was the *first* intimation which the Chamber received of the extension of the time. Although intimation of the change may have been given to certain firms, in reply to enquiries, early in April, no Notification was published in the *Fort St. George Gazette*, though, in the Chamber's opinion, the matter was of such general importance as to necessitate the adoption of this customary procedure, and the Traffic Manager, Harbour Trust Board, was only informed of the change on the 17th April.

The Collector's report on the Chamber's complaint was thus rather misleading, and as showing the spirit in which his Department approaches and views questions of the nature of that under consideration, the Chamber would refer to his remarks at the end of para. 5 of his letter regarding the "unduly large" consignments of iron demanding more labour than the porterage can place at the disposal of consignees to weigh and carry out of the yards before rent becomes due. The Collector has overlooked the fact that a speedy delivery of iron depends much more on the number of parties to whom the iron is to be delivered than on the quantity. If, for instance, 2,000 tons arrived by one steamer, and were weighed out and delivered to eight consignees, it would be impossible to deliver the whole quantity in much less than 14 days, and in such a case those served last would have to pay godown rent, for no fault of their own, but owing to inadequate porterage arrangements.

It was with a view to relieving merchants of the necessity of having to submit to this inequitable arrangement that the Chamber made its proposals, and it trusts that upon a reconsideration of the matter Government will see its way to revert to the system of ground rents, which is approved of by the trade and was found satisfactory financially to the Harbour Trust Board.

Proceedings of the Madras Government, Revenue Department.

Read letter from the Chairman, Chamber of Commerce, Madras, dated 8th November, 1895.

ORDER thereon, 2nd December, 1895, No. 4859, Mis.

The Government has already decided that the further consideration of the question shall be deferred until a year's experience has been gained, and is not prepared to re-open it now.

(True Extract.)

(Signed) W. FRANCIS,
Ag. Under-Secretary to Government.

From the Vice-Chairman, Chamber of Commerce, Madras, to the Secretary to Government, Revenue Department, Ootacamund, dated 14th August, 1896:—

In the Order of the Madras Government, in the Revenue Department, dated the 2nd December, 1895, No. 4859, Mis, it was stated that the Government had decided that the further consideration of the question of the levy of godown rent for the storage of iron in the Custom House should be deferred until a year's experience had been gained. As more than sixteen months have elapsed since this system was introduced, viz. on the 15th March, 1895, I have now the honour to enquire whether it is the intention of Government to continue that system or, as suggested by the Chamber, to revert to the system of ground rents.

Proceedings of the Madras Government, Revenue Department, dated the 26th August, 1896.

Read letter from Mr. W. S. Shaw, Vice-Chairman, Chamber of Commerce, Madras, dated 14th August, 1896, regarding the question of the levy of godown rent for the storage of iron in the Custom House.

ORDER thereon, dated 26th August, 1896, No. 3450, Mis.

The Chairman, Chamber of Commerce, will be informed that it is not the intention of Government to reconsider the present system of levying godown rent on iron stored at the Custom House till the end of June, 1897.

(True Extract)

(Signed) J. J. WILSON,
for Ag. Under-Secretary to Government.

THE SALT OUTSTORAGE SYSTEM.

From the Chairman, Chamber of Commerce, to the Secretary to Government, Revenue Department, Madras, dated 31st July, 1896:—

The attention of the Chamber has been drawn to the condition of the salt trade of the Chingleput Factories situate immediately to the North and South of the Presidency Town, which forms the outlet for the salt manufactured at these factories, and it would suggest for the consideration of Government that the Outstorage system has entirely failed in the object for which it was established, and acts most injuriously upon the interests of all concerned.

The chief object of the Outstorage system was to do away with the middleman. It was assumed, on the introduction of the system, that by doing away with the storage platforms at the Salt Cotaurs and by substituting storage platforms at the factories, the Madras salt merchant would be compelled to go to the factories and purchase his salt direct from the ryot or licensee, and that therefore the salt would pass through one hand less before reaching the consumer. But it soon became apparent that this object was doomed to failure. The average salt ryot is too poverty-stricken to be able to work his pans without an advance at the beginning of the season, and for this advance he was obliged to go either to the capitalist or to the native money lender, to whom, in return for the accommodation, his salt was hypothecated. The salt was then brought down to Madras for sale, as before, by the capitalist on behalf of the licensee, but at an enormously increased expense, for the following reasons:—

(1). The salt has to be brought down in small quantities all through the year, and whether the canals are in a suitable state or not.

(2). Duty has to be paid at up-country factory weights, and therefore the merchant loses in wastage, pilfering and drying on a duty-paid article worth Rs. 2-12 instead of an ex-duty article worth 3 to 4 annas.

(3). Double transport of salt—(i) from the pans to the platform (ii) from the Madras Basin, then by carts to railway platforms, then by hand to the railway waggons.

(4). Salt removed by double transport is depreciated, as it is made heavier by constant handling. In the old days, salt was brought direct to the Salt Cotaurs in Madras, and thence loaded direct into waggons; whereas, nowadays, it is dumped down at the factory, then put into bags, brought by boat as required to the Madras Basin, placed on the Basin platform, then into carts, then removed from the carts to the railway platform, then lifted again and put into waggons.

(5). There is a loss of interest to the salt merchant.

(6). The local cess (owing to the construction of platforms at the factories) is raised as much as from 2 pies up to 18 pies per maund—the average may be safely taken as an expense of 9 pies per maund.

(7). There is delay in supplying dealers from up-country with salt, as it does not pay to keep large stocks at the Basin in boats, and the Salt Department refuses to allow the platforms at the Salt Cotaurs to be used. Thus, if the market has been dull and a sudden demand springs up, salt cannot be supplied, and prices rise until fresh stocks can be obtained from the factories.

(8). As the salt is duty paid it comes in charge of a peon in private service, and the merchants have great difficulty in preventing pilfering. Under the old system, Government petty officers were in charge of the salt until its arrival in Madras, and if there was any pilfering, the merchants did not bear the loss.

(9). If in the transit of salt from the factories to Madras the boats are sunk in the Canal or in crossing the locks and estuaries, the loss to the owner is of duty-paid salt costing Rs. 2-12 per maund. This was not a loss to the licensee under the old system, when duty was payable on removal from the Salt Cotaurs, as the cost to him at the time of loss of salt was, say, only 2 annas per maund. The Chamber would submit that it is unjust that Government should make a double profit by the misfortunes of the licensee.

The extra cost of salt brought down for sale in Madras under the Outstorage system may be calculated as follows:—

Loss in measurement and therefore in value by the constant handling	—	—	·44
Loss in weight on the duty-paid article between factory and Basin	...	—	·44
Loss of interest	...	—	·12
Double transport and cart hire	...	—	·75
Enhanced Cess	...	—	·75
	Annas...		2·50

In para. 7 of its Order, No. 43, Revenue, dated the 28th January, 1896, Government states that the old Monopoly rate of 3 annas per maund is exceeded by the average Excise rate of 3 annas 4·8 pies; but it must be remembered that the increase in price on account of the Outstorage system has to be deducted from the Excise rate.

It must further be observed that as Government, in its own interests, finds it necessary, as a matter of sound policy, to bring its own salt to the Salt Cotaurs for sale, it is only fair that a similar policy should be applied in the interests of the licensees.

A consideration of the reasons and figures given above shows that the result of the Outstorage system has been exactly the reverse of what was intended, for the market remains in Madras and the cost of salt to the consumer is considerably enhanced, and the Chamber therefore trusts that the system will be changed at the earliest possible date.

Government of Madras, Revenue Department, Endorsement No. 3369, *Mis.*

The Hon'ble Mr. Chambers will be informed that his request to be allowed to store and sell the Excise salt of the Chingleput factories at the Madras Depôt cannot be complied with as the unoccupied portion of the Depôt is required for the storage of Government salt of the current season's manufacture.

(By Order.)

(Signed) J. J. WILSON,
for Ag. Under-Secretary to Government.

OOTACAMUND,
20th August, 1896.

The Chamber of Commerce,

MADRAS, 1*st March*, 1897.

FROM

G. G. ARBUTHNOT, ESQ.,

CHAIRMAN, CHAMBER OF COMMERCE,

MADRAS.

To

THE PRIVATE SECRETARY

TO H. E. THE GOVERNOR,

MADRAS.

SIR,

I have the honour to draw the attention of His Excellency the Governor to the Report on the Administration of the Department of Salt Revenue in the Madras Presidency for the year 1895-96, and to the difficulties with which the salt trade of this Presidency is hampered.

The objections to the Outstorage system were brought to the notice of His Excellency by a deputation from the Chamber on the 6th November last, but the Chamber regrets that no intimation of the revision which was then promised by His Excellency has as yet been communicated to it. Since that date sales have been commenced by Government at the Madras Salt Depôt at rates that are believed to be below what the salt actually cost Government, and against which it is extremely difficult for merchants to compete.

The salt being sold at the Madras Depôt is all sifted salt, and consequently is bulkier, weight for weight, than ordinary salt, and by selling it below cost price Government has made it impossible for merchants or licensees to sell their sifted salt at covering prices, whilst unsifted salt, by reason of its smallness in bulk as compared with sifted salt, is also rendered unsaleable at a covering price. Although Government has reverted to sifting its own salt, it has withheld permission to others to do so, except at one or two factories.

In regard to this sifting of salt, which promised to place Madras merchants on level terms with Bombay competitors, and to open a new outlet for the Madras salt trade in Calcutta, I have the honour to bring to the notice of His Excellency that with the most ordinary encouragement and assistance not a single maund of salt need be destroyed in the Chingleput Sub-division, as stated on page 28 of the Administration Report:—"The stock was excessive in the Chingleput Sub-division where large quantities must in time be destroyed owing to its having

become unsaleable." This salt, in the opinion of the Chamber, became unsaleable as a direct result of the Outstorage system, as merchants could not profitably sell it owing to the heavy cess and other charges which they had to pay. By the simple process of sifting, with which the Madras trade and the Department are quite familiar, the whole of this salt, said to be unsaleable, can be profitably made saleable and productive of revenue. The large-grained salt, by the process of sifting or "sizing," would be at once saleable in the Madras market and by its enhanced bulk be better fitted to compete with the lighter salt from Bombay, and the small-grained salt, or refuse from the sifting, which would practically form a bye product, would be at once available and suitable for the Calcutta market.

At one or two factories which have reverted to Monopoly, or have partially agreed to revert to it, the sifting of old stocks has been temporarily allowed, but other factories which have petitioned to do so, such as Cheyur, have been refused permission to sift. At other factories again, pressure, in the form of cess, is being applied, notably at Vadasamayiri, where it is reported that the cess is to be increased to As. 3 per maund, while the salt is only saleable in Madras at As. 3 6 pies to As. 4 per maund, so that after payment of the cess only 6 pies to 1 anna remains for cost of manufacture, transport, profit, etc. It would therefore seem that Government, rather than allow sifting, would prefer to see stocks of unsaleable salt gradually accumulate for destruction, in spite of all the petitions that have been made to it by the trade.

The Chamber, while aware that the Salt revenue is Imperial, is deeply interested in the development of the Salt industry of this Presidency, and it believes that the Government of India is anxious, for financial reasons connected with exchange, to encourage in every way the import of Madras and Bombay salt into Calcutta, so that mercantile interests might reasonably receive some little consideration.

Up to this time every possible hindrance has been offered by the Madras Salt Department to the development of the Excise system. If the price of salt had been steadily increasing since the introduction of Excise, the Chamber could understand Government opening fresh Monopoly factories to increase the supply, and in which it could hold reserve stocks ready to place on the market when the price rose abnormally high. But this is not the case, for in G.O., No. 599, R. D., dated the 11th November, 1896, there is a table of prices for the years 1886-87 to 1895-96, from which it appears that the price of salt has been steadily declining, and, in the words of the Order, "the price in the year under revision was only 3·8 of a pie in excess of what it was in the days of Monopoly"—that is to say, in the days when there was no cess at all and all salt was stored at the Madras Salt Depôt. And again, on page 21 of the Report we read:—"(f), Chingleput.—The retail prices reported from the selected centres in the Chingleput District were about the same as in the previous year. The variations noticed in some cases were due to the relative weight of the salt sold. It is remarkable that the prices in the Chingleput District should be on the whole the lowest in the Presidency, notwithstanding the heavy charges for transport which most of the salt has to meet before reaching the markets at Madras."

The Chamber submits that Government should look to the cess which has been greatly enhanced by the Outstorage system as being the cause of some factories reverting to Monopoly, and that it is by the constant enhancement of the cess and

by the departmental, and frequently unjust, enforcement of frequent re-thatching and re-storing of heaps that this result has been brought about, and that it is from the "slavery" of the Salt Department rather than the "hands" of the capitalist, as suggested on page 18 of the Report, that the poor Excise licensee desires to escape.

For the reasons stated above, the Chamber earnestly requests that His Excellency will again consider its letter of the 23rd October last regarding the Outstorage system, with a view to expediting its revision.

I have the honour to be,

Sir,

Your most Obedient Servant,

George G. Arbuthnot.

Chairman.

Revenue (1897) Department.

CURRENT No.

The Hon'ble Bliss C.I.E.

From P. W. Dept.

In Orders

No.

The plan referred to in the Hon'ble member's remarks dated 11th January 1897 (vide note below) has been received & is put up.

It was sent, with the connected file, to His Excellency on the 19th A.R. 9.3.97 March 1897 & was received back on the 9th instant. Reference is solicited to H.E's remarks (flagged G) on the note below.

From a communication received from P.W.D (Cy Branch) which has been sent to the Board for report, it appears that the Railway authorities wish to retain possession of the portion of the salt depot now in their occupation until April 1898.

A.R. 10.6.97

Dated 4th
Received 8th
Registered 9th
} March 1897

Enclosures / 4 (3 stone plan)

Spare copies

SUBJECT.

Returning the papers received with office note dd 29th Jany 1897 and forwarding a tracing showing the land required for the junction station at Salt Cobaurs.

(C.W. 6/97)

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No 1269 C a/c 6 March 1897.

100 18-1-97.

PUBLIC WORKS SECRETARIAT,

RAILWAY BRANCH.

Station Madras date 4th March 1897.

OFFICE NOTE.

From

The Joint Secretary to Govt:
Public Works Dept:Ry.Branch.

To

The Secretary to Government,
Revenue Department.

In returning the papers received with office Note No. 9, dated 29th January 1897, the undersigned has the honour to forward a tracing* showing the land required for the Junction Station at Salt Cotaurs. That portion hatched green is now in the possession of the Madras Railway Company and will remain so upto the end of June 1897 (vide G.O.No. 568 R., dated 27th June 1896).

The portion coloured green shows the land likely to be taken up from the Salt Department in the new Junction arrangements.

The return of the tracing is requested when done with.

F. D'Souza

Offg: Joint Secretary.

*No.1297 (Mis.)

Public Works (1897) Department.

CURRENT No. 690

Order No 545 C dated 28th Jany 1897

Office Note

From The Offg: Joint Secretary P.W.D. Railway Secn

To The Secy to Govt Revenue Deptt.

Your Office No 7 dated 18th January 1897

Without seeing the Correct alluded to I am not certain what plan the Hon'ble Mr Bliss is alluding to — I forward the papers relating to Salt-Kolārs junction. Perhaps plan (Flag E) is the one alluded to by the Hon Member

J.H.F. 23/1/97

Enclos: File of papers (in 3 covers) to be returned.

From The Revenue Department

Office Note No. 7

Dated 18th January 1897

Received 20.1.97

Enclosures 1

Spare copies

SUBJECT.

Plan of the arrangements proposed for Junction of the East Coast & M. Rys

Calling for certain the ——— referred to by the Hon'ble Mr Bliss C.I.E.

23/4/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Copy of the remarks of the Hon'ble Mr. Bliss C. D. E. on a current under disposal.

I have seen a plan of the arrangements proposed for the junction of the E.B. and M.R. Rys. at which the site of the M.S.D. was marked as required by the E.C.R. for engine Station or Something of that kind. Please call on Railway Branch for that plan and for subsequent modifications thereof upto-date.

D/4—1,000—11-9-96

REVENUE DEPARTMENT.

C No. 8419 & 9529 of 1896

From

Dated 189 .

FOR ORDERS.

The Hon. Mr. Bliss C.S.E

I have seen a plan of the arrangements proposed for the junction of the S.C. & M. Rys. on which the site of the M.S.D. was marked as required by the S.C.R. for engine station or something of that kind. Please call on Railway Branch for that plan & for subsequent modifications thereof up to date.

11/1/97

Please see the note numbered 3 on the Salt Outstorage system & in connection with the suggestion made therein that a Salt Depot might be opened to the north of Madras for the storage of Excise Salt, the Hon Mr. Bliss observed that if the East Coast Railway would take over the Madras Depot, a fresh depot alongside the Railway could easily be formed with the money for which the depot might be sold.

2. G.O. No 4591 dated 16 November 1896 is submitted for the perusal of the H. M. the P.W. Dept, Railway Branch, informed this Office that there is no likelihood of the Madras Depot being required for railway purposes.

3. The Depot belongs to Govt, and an assessment of Rs 4090-14-0 is paid annually to the municipal council. Mr. Wallock apparently referred to this, when he informed the Secretary that Govt. paid Rs 4000 per annum for the present depot.

11.1.97

KD.

C.1/650/97

C. 11/1/97
R. 11/1/97

FOR ORDERS.

rder

Revenue (1896) Department.

CURRENT No. 8419

From The Secretary Chamber of Commerce

No.

Dated 16th November 1896
Received 17th November 1896
Registered 20th November 1896
Enclosures /
Spare copies

SUBJECT.

Forwarding a report of the interview which the Deputation from the Chamber of Commerce had with H.R. the Governor on the 6th instant

BACK-PAPERS.

G O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

SECRETARIAT MADRAS
17 NOV 96
REVENUE DEPARTMENT

DEPUTATION TO H. E. THE GOVERNOR.

A deputation from the Chamber, comprising the Hon'ble Mr. G. L. Chambers, (Chairman) Mr. W. S. Shaw, (Vice-Chairman) Mr. R. J. Black and Mr. C. E. P. VansAgnew, waited on H. E. the Governor, at Government House, Madras, on Friday, the 6th November, to discuss the subjects referred to in the Chamber's memorandum, dated the 23rd October, which had been circulated. Mr. Gabriel Stokes, Acting Revenue Secretary to Government and Mr. H. A. Stuart, Private Secretary to H. E. the Governor, were also present.

MADRAS HARBOUR IMPROVEMENTS.

H. E. THE GOVERNOR, in opening the discussion, said:—I gather from the paper that you have been good enough to send me that there are three subjects upon which you wish to have some discussion. The first is with matters connected with the transfer to the Harbour Trust Board of the business of landing and storing imported goods, the second is the question of godown rent on iron, and the third the salt outstorage system. We had better take these subjects separately, beginning with the first, and discuss them in order. As far as the first is concerned, you advocate the adoption in Madras of the procedure existing in Bombay "by which the Harbour Trust Board remove into its sheds all cargo as landed, deliver the same upon pass orders from the Collector, warehouse goods upon warrant, and at the expiration of four months deliver to the Collector any goods not then cleared through the Sea Customs office." I may say that with the assistance of Mr. Stokes, I think I have been able to get to some sort of an understanding of the position; but possibly there may be still something to clear up, and therefore I would be much obliged if some member of the deputation would state as shortly as he can the position of the Chamber of Commerce in this matter.

The Hon'ble Mr. CHAMBERS.—We have put our position in our letter as fully as we can do. Our great object is to remove the present difficulties which exist on the part of the Harbour Trust Board. It cannot go on with the improvements until this matter is settled, because it cannot make any general plan of the improvements until this question is settled. If it is decided to erect godowns or open sheds and give them over to the different Steamer Agents, as is done in Bombay, then the plans will have to be considerably altered. If, on the contrary, it is the intention of Government to retain the present Custom House, then again the plans will have to be altered. These are the reasons why this matter should be settled at an early date. With regard to the difficulties in the working of the proposal, I see no reason to prevent its working on the same lines as is done in Bombay and Calcutta.

THE GOVERNOR.—Can you describe what is done in Bombay?

Mr. CHAMBERS.—It is practically the same as in the sentence in our letter which Your Excellency has quoted.

THE GOVERNOR.—That is, the sheds would belong to the Harbour Trust Board. Would you not include the present Custom House?

Mr. CHAMBERS.—I see no objection to that.

THE GOVERNOR.—In Bombay and Calcutta are the Customs warehouses used for this purpose?

Mr. CHAMBERS.—The present Custom House represents what in Bombay is called the Queen's Warehouse. That is the place where, after 4 months, the goods are stored.

THE GOVERNOR.—The Queen's Warehouse has not been handed over to the Harbour Trust Board?

Mr. CHAMBERS.—I think not.

THE GOVERNOR.—Am I not to understand that here you do desire to have the existing Custom House?

Mr. CHAMBERS.—That would be a great advantage, otherwise that space will be wasted. All that it is necessary to do is to declare the sheds belonging to the Trust a part of the Custom House.

THE GOVERNOR.—Then I understand. I was not quite sure from your memorandum whether you contemplated the present Customs buildings being handed over.

Mr. BLACK.—A great deal depends whether the Harbour improvements are carried out.

THE GOVERNOR.—It will take a long time to do that. Have you the accommodation available?

Mr. BLACK.—Failing that, until it is ready, we propose using the present Custom House if Government will hand it over.

THE GOVERNOR.—You are contemplating the handing over of the present Custom House? (Turning to Mr. Stokes)—Did you understand that?

Mr. STOKES.—Yes; but the deputation does not seem to understand the result of that. The first objection is, on the one hand, the Harbour Trust Board will have to be responsible for loss and damages; on the other hand, there will be a system under which it will be able to levy fees. Under the present state of the law, even if the Harbour Trust Board have no such power, it will have to be the servant of the Collector. It will have to be in the same position to the Collector as the Deputy Collector is. The consequence will be that the trade will have no power to recover damages and loss from the Harbour Trust Board. Nor, on the other hand, will the Board have the means of levying fees for porterage. It is true the Harbour Trust Board has now a lien on goods for porterage. But then the Harbour Trust Board, after the duties and fees have been paid to the Collector, will have to deliver the goods on the Collector's pass order whether it has a lien or not. I am not sure whether the deputation has grasped these points. They are the legal consequences, if I might say so, of the opinion the Advocate-General has given, viz., that the Sea Customs Collector must retain control for the purposes of realising revenue until the duty is paid and then the goods must be delivered.

THE GOVERNOR.—Therefore if anything is done by the Harbour Trust Board it must be done by it as the agent or servant of the Sea Customs Department.

Mr. BLACK.—We assume that it might be possible to adopt the same measures as are adopted in Bombay.

Mr. STOKES.—This is the same position as obtains in Bombay. At least, there is nothing inconsistent with it in the information we have at our disposal. (Mr. Stokes here read a letter from Bombay.) You see, in the procedure they adopt, there is nothing inconsistent with the view we take of the law. The Harbour Trust Board being mere by the servant of the Collector of Madras Sea Customs, if that Department is declared part of the Custom House the result will be that the fees will be levied by the Collector of Sea Customs, and those fees may be made over to the Harbour Trust Board, but the Harbour Trust Board will have to deliver the goods at once on the Collector's pass order.

Mr. CHAMBERS.—I don't see why difficulties should occur here which do not occur in Bombay.

Mr. STOKES.—It does not follow that there will be difficulties. That depends upon the Harbour Trust Board and the trade themselves. Of course the arrangement, if carried out, will be an enormous convenience. But local opinion, as far as it can be ascertained, seems clearly to presume that we must accept the opinion of our legal advisers as being correct.

Mr. BLACK.—The Harbour Trust Board holds goods on account of the Custom House now, and no difficulties are made.

Mr. STOKES.—There is no difficulty, but I cannot see the legality of the porterage system. There is no reason why the proposed system of the Harbour Trust Board receiving and storing goods should not work simply.

Mr. BLACK.—It does at present; the Harbour Trust Board is the custodian of a certain proportion of the goods landed and the plan works well.

Mr. STOKES.—We may have difficulties with the merchant. After he has cleared his goods he cannot have anything to do with the Harbour Trust Board.

Mr. BLACK.—Could not the Collector provide for collecting the porterage dues?

Mr. STOKES.—The Collector could not authorise the detention of goods after duty has been paid.

THE GOVERNOR.—May I enquire if you will be willing to accede to the arrangement that governs matters in Bombay?—I want to be sure that you understand what you are letting yourselves in for if you accept that arrangement.

Mr. CHAMBERS.—I do not see any difficulty. In Bombay matters work smoothly enough.

THE GOVERNOR.—I have here a rough note of what Government will do. I will read it and then you can tell me whether you approve of it or not:—"The Government accepts this proposal to allow the Harbour Trust Board to undertake storage of the trade of Madras in the same manner as the Bombay Trust does in Bombay. The Harbour Trust Board will be permitted to buy the necessary buildings, which will be declared part of the Custom House in view of the Collector exercising the necessary control over goods liable to duty to enable him to levy the necessary fees. The Harbour Trust Board will be subject to the control of the Collector of Sea Customs in all respects necessary for the realisation of revenue, the regulations for which will be drawn up by the Collector of Sea Customs and the Harbour Trust Board."

Mr. BLACK.—Shall we be put in possession of the Advocate-General's opinion on the legality of this proposal?

THE GOVERNOR.—I do not think there is any objection.

Mr. BLACK.—We should like to have an opportunity of seeing it before we commit ourselves to an opinion.

Mr. STOKES.—It is very desirable that the Chamber should see it.

THE GOVERNOR.—I understand that, generally speaking, the proposals which I have roughly stated meet your views?

Mr. CHAMBERS.—Certainly, Sir.

THE GOVERNOR.—I will have them communicated to you in more express terms, at the same time sending you the Advocate-General's opinion on these points.

GODOWN RENT ON IRON.

H. E. THE GOVERNOR.—The next matter to be brought to notice is the question of payments of godown rent on iron. I think I understand the situation in this matter, and I take it to be this, that Government hired from the Harbour Trust Board a certain area of land for the purpose of storing iron imported into Madras; that up to a year and a half ago, or rather up to March, 1895, rents were collected by means of ground rent. In March, 1895, the new system of rent was introduced, called godown rent. The result of the change was at first not altogether favourable to Government. From March to June, 1895, the amount collected was Rs. 526, whereas for the corresponding period of the two previous years the collections of ground rent were Rs. 1,065 and Rs. 1,060 respectively. Up to that period it would appear the ground rent system was more profitable to Government than the godown system; but during the next six months a very large increase accrued to Government under the new system—the godown rent system. Rs. 5,321 were netted during the period. In the next six months, however, the rents fell to Rs. 311. I gather that the importers had in the meanwhile discovered some way of removing their iron more rapidly than they did at first, and consequently the very heavy sum paid by them during the six months ending December, 1895, immediately fell to the comparatively small sum of Rs. 311. It appears, therefore, that the godown rent system, if carefully managed, is more advantageous to importers than the old ground rent system; and it occurs to me now to ask the deputation what it wishes done in this matter. If the godown rent system has proved cheaper, I presume it would wish the present tentative system to continue?

The Hon'ble Mr. CHAMBERS.—It is not the amount of money but the incidence on the different importers that we have to consider. The iron trade is a peculiar one; large quantities of iron are landed and the difficulty is to find out particular iron belonging to any one individual. Through no fault of his, under the present system, he may have to pay godown rent on the whole of his consignment while another man may have to pay no rent at all.

Mr. STOKES.—That is not correct, because the levy of rent counts from the time the iron is stored, sorted and ready for delivery, and not from the time when it is taken from the ship. Mr. Chambers is under a misapprehension. It is four days from the time the iron is ready sorted for delivery, and it is 10 days single rent and after that double rent.

Mr. BLACK.—I think the figures are hardly capable of comparison.

THE GOVERNOR.—What have you got to say to the figures I have just read?

Mr. BLACK.—I notice that in 1893, Rs. 195 were collected on 4,205 tons, whereas in 1894, Rs. 200 were collected on 319 tons. I don't think it quite represents the actual iron passed through the ground for the time specified. Some firms were in the habit of paying ground rent whether they had iron or not. I don't think the figures represent the charge for iron itself.

Mr. STOKES.—I will tell you where the difference arises. If a man leaves a small consignment for a long time he will have to pay a larger sum than if he removed a large consignment in a short time.

Mr. BLACK.—You must add to the godown rents what the merchant has to pay outside the harbour.

Mr. STOKES.—By the ground rent system iron was left lying until it was removed. Now, under the godown rent system, there were several removals outside the Customs. The iron was taken from the landing place to its own godowns and kept there till it was sold. This acted as an additional tax on consignees.

Mr. BLACK.—Which has to be added to the figures quoted to make them correct.

THE GOVERNOR.—That is a point of view we were not aware of.

Mr. STOKES.—I did think of it after I saw Your Excellency, and Mr. Chambers put me in mind of it by describing the Bombay system.

Mr. CHAMBERS.—With regard to the point on which Mr. Stokes said I was wrong, I think I am right. Mr. Stokes says "after the consignment has been landed, sorted and is ready for delivery," that is, after it has been reported as such to the Collector. That is a totally different question. It is only then that the dispute commences between the merchants as to whom the iron belongs. It has to be sorted half a dozen times afterwards.

Mr. STOKES.—There is nothing about that in the papers, and if it is so, it is the fault of the merchants. I know that iron is delivered anyhow into the boats and there is great difficulty in sorting it. But it is sorted according to the manifests, and Government is not to blame.

Mr. CHAMBERS.—But you see how heavily the question bears on the individual.

Mr. BLACK.—And it will always be so as long as there is a difficulty in sorting the shipments correctly.

Mr. STOKES.—I suppose there is really no pressure for space in regard to this matter—the iron lying on the Beach for a considerable length of time is no inconvenience to anybody?

Mr. CHAMBERS.—No, I don't think so.

THE GOVERNOR (to Mr. STOKES).—Can you tell me why Government initiated this change of system?

Mr. STOKES.—The system was in force before, but when iron was free no necessity for it existed; now iron has become dutiable we are obliged to revise the system. It is the old system as far as I can understand from the papers.

THE GOVERNOR.—It is not yet clear why we made the change from the ground rent system to the godown rent system.

Mr. STOKES.—The old system stopped when the duties were taken off.

THE GOVERNOR.—Do I understand the Chamber deliberately to wish that the ground rent system should be reverted to?

Mr. CHAMBERS.—Yes, Sir. Another point that I would bring to your Excellency's notice is that since this system has been introduced, I am told—I am not able to give figures in support of the statement—that a great disturbance has taken place in the iron trade up-country. Iron that used to be imported from Madras is now imported from Bombay. This, at least, is what the native merchants say.

THE GOVERNOR.—One does not see why this should be so.

Mr. CHAMBERS.—Except on the ground that any interference with the trade in the Custom House causes more disturbance outside.

THE GOVERNOR.—Whatever system is adopted, it does not seem to me to make much difference to Government.

Mr. STOKES.—It does not matter at all. The only advantage I can see in the godown rent system is that it clears the Beach quickly.

THE GOVERNOR.—Does that signify?

Mr. STOKES.—As far as I can see it does not matter.

Mr. BLACK.—I presume the Harbour Trust Board will put a limit on the time and space occupied.

THE GOVERNOR.—Am I to understand that after hearing the information and statistics I have been able to give the deputation with regard to the amounts realised by Government under the godown rent system, the Chamber is still anxious that the old system should be reverted to?

Mr. CHAMBERS.—Yes, Sir.

THE GOVERNOR.—Then the subject will receive our favourable consideration.

THE SALT OUTSTORAGE SYSTEM.

H. E. THE GOVERNOR.—Now we come to the third subject which the deputation wishes to discuss, namely, the salt outstorage system. With regard to that you say:—"It seems necessary to point out that the letter in question was written on behalf of the Chamber, and not of the Hon'ble Mr. Chambers, and further that it contained no such request, but advocated that the outstorage system should be abolished, a totally different matter." I would ask in reference to that remark whether, if the outstorage system were abolished, would it not become necessary for Excise salt to be stored in the Government depôts?

The Hon'ble Mr. CHAMBERS.—Not in this particular depôt.

THE GOVERNOR.—But I understand there is no other depôt.

Mr. STOKES.—There is no other depôt, and it is quite certain that in the existing salt depôt we have no room for Excise salt as well as Government salt.

THE GOVERNOR.—Then the two questions are connected. It seems clear that the proposal that the outstorage system should be abolished is the same as that salt should be stored in the Government depôt.

Mr. CHAMBERS.—That will be one part of the abolition of the outstorage system. It matters little where the salt is stored so long as it is stored in Madras—so long as it is near the East Coast Railway that runs between Ennore and Madras.

THE GOVERNOR.—It is not clear what is your request under this head. I understood it was that the outstorage system should be abolished; but putting all the facts together it would appear that the abolition of the outstorage system means that the salt must be stored in the Government depôt.

Mr. VANS AGNEW.—That is one consequence. Outstorage means the whole system; Excise is only a part of it.

Mr. STOKES.—Difficulties such as this did not arise under the old system because the manufacture was limited and the present depôt was large enough. But its storage capacity has become unequal to the strain on it mainly because Government has taken over large stocks of salt from the Excise licensees.

Mr. SHAW.—When the outstorage system was introduced, I think the idea was that the merchant would go to the pans to buy salt. This has not proved to be the case. Madras is the market for salt, and salt has to be brought here. The duty is paid at the pans.

Mr. STOKES.—That would involve a good deal more than the question of storage. It would involve arrangements for bringing Excise salt from the pans to the storage place under a guard.

Mr. SHAW.—Could not that be done as in the case of spirits, *i.e.*, moved under bond, Government allowing a certain amount of wastage and charging duty on any wastage in excess of amount allowed.

Mr. STOKES.—I don't see why that should not be done; but as I have said, the change you advocate will involve a good deal more than the abolition of the outstorage system.

Mr. CHAMBERS.—There is no necessity, in my view, for such large stocks of Government salt down here. The great object in storing Government salt is to prevent an undue rise in the prices—

Mr. STOKES.—I think Government is justified in looking to its own interests in a matter involving such large consequences both to the revenue and otherwise. I think Government is justified in using its own salt depôts for the storage of its own salt.

Mr. CHAMBERS.—We want to have this matter thoroughly looked into. We shall then be quite satisfied, even if we are proved to be wrong.

THE GOVERNOR.—You want to have the question considered whether salt should not be stored at the depôts before it has paid duty?

Mr. CHAMBERS.—Yes, Sir.

THE GOVERNOR.—And over and above that you want to have the space to store it in Madras?

Mr. BLACK.—We must have that.

Mr. VANSAGNEW.—Government would have to provide a bonded warehouse.

THE GOVERNOR.—That is what it comes to. We shall have to provide depôts, as our own depôt is not large enough. The two points you wish us to consider are, first, whether we can allow the salt to be brought to the depôt before it pays the Excise, and second, whether, we can provide storage accommodation for it in Madras, or near Madras.

Mr. CHAMBERS.—Practically these are the points.

Mr. STOKES.—The pans, the deputation is referring to, are those in the immediate neighbourhood of Madras.

THE GOVERNOR.—I understand that the deputation makes special reference to the pans in the neighbourhood of Madras?

Mr. STOKES.—It refers to the two Circles of Ennore and Covelong, near Madras.

THE GOVERNOR.—I can say in reply to your representations on the salt outstorage system that we will have it revised, but I cannot promise any result as coming on that revision as at present advised. I think that brings us to the end of the business, and I may say that I have had great pleasure in meeting a deputation from the Chamber of Commerce in this way, and I think the result of our having met and discussed these matters is, on the whole, fairly satisfactory. There have been before me three matters—three requests. On the first of these, I think Government will be able to meet you almost completely. On the second, I am able to promise a favourable consideration of the question. On the third, I have promised a consideration without any qualification in the way of favourable. I think, therefore, that there is a large proportion of success attending the result of your interview with me. I can assure you that at a future time when any difficulties of this kind arise, if you think matters will be cleared up by a personal interview, it will give me great pleasure to meet you.

Mr. CHAMBERS.—Your Excellency—On behalf of the Chamber I have to thank you heartily for the time and consideration you have given to our affairs, and also for the promise that you have now made that on a future occasion, should necessity arise, you will be kind enough to accord the deputation an interview. We do not feel that in questions of this sort we are always right, but if we can get matters looked into in the light of our representations we shall be quite satisfied.

The deputation then left.

D/7 500—14-5-95.

Revenue Department.

No. 212.

OFFICIAL MEMORANDUM.

dp
10/12

The Board of Revenue is requested to report to whom the site of the Madras Salt depot belongs, and if it belongs to the Municipality what rent is paid for the occupation thereof by the Salt dept.

KD
4/12/96

11/12/96.

Fort St George
10th Decr 1896

The
Bd of Revn (Sep. Revenue 11-12

Note

The information is not available in the d. + M. dept.

1896
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8419

Revenue (189) Department.

25 DEC 96
GOVERNMENT

CURRENT No. 9579

GOVERNMENT OF MADRAS
18 MAR 97
REVENUE DEPARTMENT

From The Secretary to the Commissioner of Salt, Abkari and Separate Revenue

Order

No. 5209 Mis

Dated 19th December 1896.

Received 25-12-96

Registered 25-12-96

Enclosures

Spare copies

SUBJECT

Reporting that the site of the Tuticorin Salt Depôt belongs to Government.

1897

4th 4.1.97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

1,000
19-4-95

REVENUE BOARD OFFICE MADRAS

Proceedings of the Board of Revenue

(Separate Revenue),

Dated 19th December 1896.

No. 5-209 Mis.

Read Memorandum from Government No 212, dated 10th Decembr 1896

Resolution

With reference to the Memorandum read above, the Board begs to report that the site of the Madras Salt Depôt belongs to Government. An assessment of Rs 4090-4-8 on the Depôt premises is paid annually to the Municipality by the Salt and Abkari Department.

(True Extract)

Ld Lwamkannu
V3-12

for Assistant Secretary

To

The Secretary to Government Revenue Department

There was something some months ago in the Rly dept. about the E.C.R. wanting dept at ... station & something of that kind - Please see what it was - If the E.C.R. will take over the Dept it will have to pay for it with the money so obtained we could easily, I imagine, form a fresh dept alongside the Rly

21/11/96

Please see G.O

4591
16-11-96

KG
27/11/96

25/11/96

7.54
30.11.96

No. 3. Salt out-storage system.

His Excellency having referred to the representations of the Chamber in their letter, pointed out that the abolition of the out storage system meant the storage of salt in Madras, that such storage was possible only at the depot and that as the depot would be full of Government salt owing to the reversion lately to monopoly, there did not appear any practical use in considering the question of the abolition of the system and he invited the remarks of the deputation. The deputation urged the abolition of the system on the grounds set out in their letter, but, mainly,

1st, because loss and wastage in transit was on duty paid salt;

2nd because the salt owing to much handling increased greatly in weight

3rd Mr. Vans Agnew of Arbuthnot's said that it was possible that Madras might supply all Calcutta, but owing to the difficulties of getting salt out of the depot it was not possible to detain steamers long enough to load them and so Calcutta was supplied from Aden (this was what he said).

The deputation went on to suggest that if the depot could not provide for the storage of Government and Excise salt, another depot should be opened to which the latter should be brought under bond. They suggested that a new depot might be opened to the north of Madras and brought into connection with the Ennore Railway.

His Excellency told the deputation that their representations on this matter would receive consideration.

It will be remembered that the suggestion of the deputation is much the same as that thrown out by the Honourable Mr. Bliss when this matter was being discussed in Council. I have spoken to Mr. Willock on the subject. He thought a depot might be established at Ennore where all salt might be received. He thought Madras a bad place for storage and he pointed out that as Government paid 4,000 Rupees per annum for the present depot, the capital which this represented, about 80,000 Rs, might be advantageously employed in making a depot at some other place to which a private canal could be made.

The opening of the Ennore line has made it possible to place the depot almost anywhere to the North of Madras between the line and the canal. There are many open spaces in that direction which would be suitable.

11/11/96.

The representations about this matter of out-storage are now in the hands of the Hon. Mr. Bliss. I understand that there is now a probability of the S.C.R.Y. wishing to acquire the Alandur salt depôt or a part of it, for railway purposes. And I believe that Mr. Bliss contemplates the acquisition from the proceeds of the sale of the present depôt, ~~Exception~~ of a fresh site of ample size for all ~~part~~ portable salt depôt purposes, somewhere on the Saidapet line. When this additional accommodation is provided, I gather that Mr. Bliss would not object to the abolition of out-storage.

This solution seems to me a satisfactory one, and the carrying out of it may, I consider, be left with Mr. Bliss.

A.S.H
5.6.97

What I asked for in my note of 11/4/97 (see also para 4 of this office note of 5.6.97 herewith) that some showing the W.S.D. as

Re: D.O. letter from the Private Secretary to H.E.

In D.O. No 33 by dy 20.8.96 the Chamber of Commerce was informed with reference to their memorial of the 31st July last that its request to be allowed to store and sell the excise salt of the Chingleput factories at the Madras depôt could not be complied with as the unoccupied portion of the depôt was required for the storage of govt salt.

2. In their memorial of the 23rd October last (the earlier of the two memorials now forwarded by the Private Secretary) the Chamber pointed out that its request, in its memorial of the 31st July 1896, was not that it should be allowed to store and sell its salt at the Madras depôt but that the out-storage system should be abolished. It was pointed out to a deputation of the Chamber which waited on His Excellency on the

the 6th November last that the abolition of the outstorage system meant the storage of salt in Madras, that such storage was possible only at the depôt and that as the depôt would be full of Govt salt owing to the remission lately to monopoly there did not appear to be any practical use in considering the question of the abolition of the outstorage system. The deputation then suggested that if the depôt could not provide for the storage of both Govt and Excise salt another depôt should be opened to which the latter should be brought under bond. His Excellency told the deputation that their representations would receive consideration.

3. Mr Willock who was consulted on the subject was of opinion that Madras was a bad place for storage and that a depôt might

vide minutes of deputation in C. No 0419 flagged A and the Secretary's note flagged B.

required by the E.C.R. as an engine station or something of that kind with subsequent modifications down to date. I don't think the map shown before is that which I saw before, & no subsequent modifications are shown. Yet there must have been subsequent modifications, because (1) this plan having been signed by Mr Mop must be more than a year old and (2) from D.O. 4591/16.11.96 it appears that the R.E. has given up the idea of taking up a part of the W.S.D. — In connection, however, with the scheme for forming another country depôt at Jolarpet I learn a few days ago that it was intended to bring the E.C.R. into the Cantonment station right across the M.S.D. — Please procure the latest plan in existence and show the final intention of the Rly Dept — whether we know exactly what is to become of the W.S.D. I don't see how we can enter into the question of a new storage depôt alongside the line eastwards to Guindy, for (so far as I can see) the possibility of constructing the new depôt depends on the disposal of the old one for a good price. A new depôt will certainly cost a very large sum — where is it to come from unless we can sell the old depôt to the Railway?

7/8/97

Mr R.E. Dept:

11/8/97.

vide the Secretary's note flagged B.

vide the note of the A.M. flagged B

Mr R.E. Dept: 12/8/97

vide the note of the A.M. flagged C

might be established at Guindy where all salt (Excise and monopoly) might be received.

4. The Hon'ble Mr Bliss, to whom the papers were circulated wished to know whether the depôt was required by the East Coast Railway. The A.M. also expressed the opinion that if the E.C.R. should take over the depôt it should pay for it and that with the money so obtained a fresh depôt alongside the Railway could be easily formed. It was pointed out to the A.M. that there was no likelihood of the Madras depôt being required for railway purposes. The A.M. then called for a plan (which he had seen before) of the arrangements proposed for the junction of the E.C. and Madras Railways. The plan has been obtained and the file is herewith put up. The papers will be circulated to the Hon'ble Bliss when

where returned.

5. The memorial of the Chamber dated the 1st instant is a reminder to its previous memorial. The Chamber in this connection points out

(1) that since their previous memorial sales of Govt salt have been commenced at rates which it believes is below what it actually cost Govt and that in consequence excise merchants are unable to compete.

On this point attention is invited to page 4 of G.O. No 503 of 20.9.96 from which it will be seen that the cost price of Govt salt has been calculated at 4 annas 8·47 pies per maund. The sale price was fixed at 5 annas per maund. In para 7 of its Prop in G.O. No 712 of 10.12.96 the Board observed "5 annas per maund is a sufficiently high rate to give holders of good excise salt a fair chance of disposing

flagged

flagged E

"disposing of it at a moderate profit and as high a rate as can be charged if stocks are to be cleared off rapidly. The owners of bad salt will of course be unable to compete but this is what has been anticipated and counted on all along."

(2) that although Govt sifts its salt, it has allowed the concession only in respect of the old stocks of the licensees of one or two factories which have reverted to the monopoly system.

It is observed that sifting of the old stocks of salt has been allowed in all the seven factories of the Vayalur, Ennore and Conjeeveram circles. This was allowed as a special case to enable the licensees to get rid of their stocks before the Govt began the sale of its salt at the Madras depot. The sifting of Govt salt was sanctioned as the salt purchased from the

the licencies who have remitted
& the monopoly system was
reported to be otherwise
insaleable. It will be
a question for future con-
= sideration whether govt will
sift its salt manufactured
under the monopoly system
from the season of 1896.
(3) that if sifting were
allowed generally the destruction
of a large quantity of salt
which would otherwise be
unsuitable would be prevented.

The govt did not allow
sifting in other factories than
those mentioned above in
view of the danger to the
revenue which it entails.
(4) that the high rate of
cess brought about by the
outstorage system was the
main cause of some of the
factories reverting to monopoly.

As pointed out in para 2
of G.O. No 213 of 15.1.97 the
rates of cess are calculated
on fixed principles so as
to ~~—~~ save govt from
actual

Hoyle F.

actual loss in connection
with the works executed at
factories which were originally
monopoly but which were
subsequently brought under
the excise system.

(5) that it is not understood
why govt should open monopoly
factories when the price of
salt is not unduly high.

In this connection it
may it is thought be observed
that the price of salt steadily
declined only since 1884 when
the govt adopted measures
for the accumulation of
reserve stocks of govt salt.

AK
12/3/97

19/3/97.

To Private Secretary for inform:
& return of the papers.

19/3/97.

D/4 1,000—8-4-97.

REVENUE DEPARTMENT.

No.

Office note

From the Joint Secretary, P.W.D. Rly Branch

Dated 22nd July 1897.

FOR ORDERS.

Hon'ble Sir Henry Bliss K.C.I.E.

Please see the H.M.'s remarks flagged G. In the circumstances called for by the P.W.D in the note, orders are solicited as to the whether the plan should be called for.

The Depot forms the best route by which the E.C.R.y can get into Madras. It is thought that if the Depot could join up the R.y it would cost the cost of making a new one at a convenient site. If such an arrangement could be come to on this basis it would solve the problem of the abolition of the Outstorage system. It is not be well to make an effort to bring about such an arrangement

22/7/97.

from the R.y (in other words, they) bear the cost of the new depot needed in consequence of the E.C.R. of the existing one, or a suppression taking to render the remainder incapable of thereafter doing

I do not follow this

H.S

26/7/97

I agree with Mr Thomas

H.S

27/7/97

C 24/7/97
H 26/7/97

C H 24/7/97

FOR ORDERS.

O

Sen. Mrs Gen C.S.I

Shd Sec'y to the Govt?

5/8/97

3/8/97

A.G.H
5.8.97

Read the following papers

1. Letter from the chairman, chamber of Commerce, Madras dy 23.10.96 stating that Govt. has not accorded sufficient consideration to the representations regarding the salt outstorage system &c.
2. C. No 84/9 of 96
3 O.M. No 212 dy 10th Dec/96 to the Bd of Revenue.
4 " 9529 "
4. Office note No 7 dy 18.1.97 to P.W.D
5. C. No 690 of 97
6. Office note No 9 dy 29.1.97 to P.W.D
7. C. No 2091 of 97
8. Letter from the chamber of Commerce dy 1.3.97 stating that the objections to the salt outstorage system were brought to the notice of H.E. by a deputation from the chamber on the 6th November last and pointing out that no intimation of the remission which was then promised has yet been communicated to it.
9. ~~Office Note No 1044 dy 25th June/97 to P.W.D and Rep. dy 11.6.97 to Office note dy 12.6.97 from P.W.D thereto~~
10. Office note dy 22.7.97 from P.W.D.

G.O. Misc No. 4072 d/ 5th Aug. 97

The representations of the chamber of Commerce contained in

in the letters read above refer to the following matters:—

(i) Entrusting the Harbour Trust Board with the custody and storage of goods landed as is the case in Bombay;

(ii) abolition of the godowns rent system for the storage of iron and substituting therefor the ground rent system was finally disposed of in G.O. No. 3227 of 28.6.97.

(iii) the abolition of the salt outstorage system in the factories of the Chingleput Dt.

2. The first question is under reference to the Govt. of India, while that of abolishing the godowns rent system for the storage of iron and of substituting therefor the ground rent system was finally disposed of in G.O. No. 3227 of 28.6.97.

4. In regard to the third question, it is observed that the whole of the Madras Salt depôt is required for the storage of Govt. salt and it seems most unlikely that any portion of it will ever become available for the storage of excise salt. Possibly a portion of the depôt or the whole of it may be required in connection with the access of the East Coast Railway to the immediate neighbourhood of the Madras railway Central Station, in which case it will become necessary to construct a new salt depôt. Should this be the case, the question of providing storage space in the new depôt for the salt manufactured in the excise factories of the Chingleput district will be taken into consideration.

11/7/97.

Dir. 2.
3077/97 the Chamber of Commerce,
copy to the Board of Revenue (Sep. Rev.)

Acs. 10-8-97

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