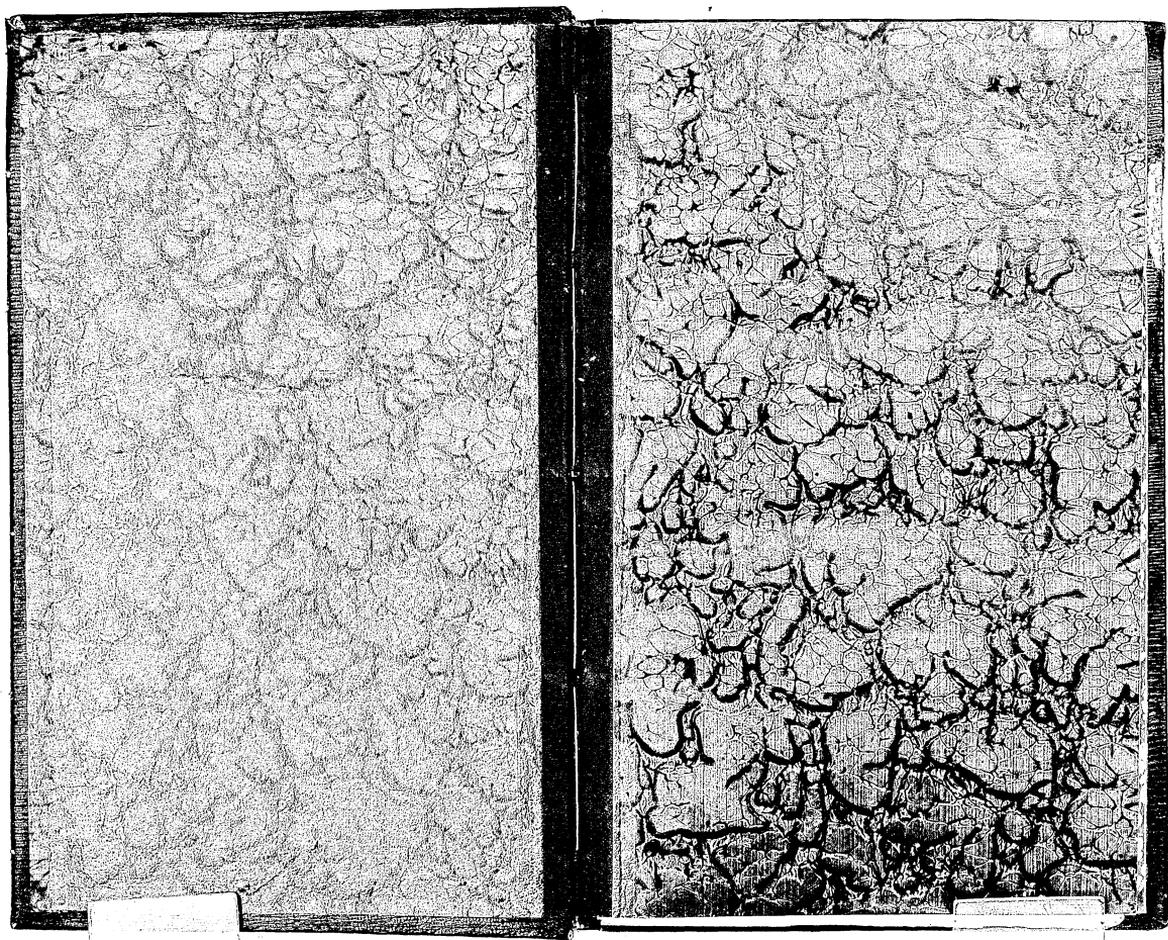
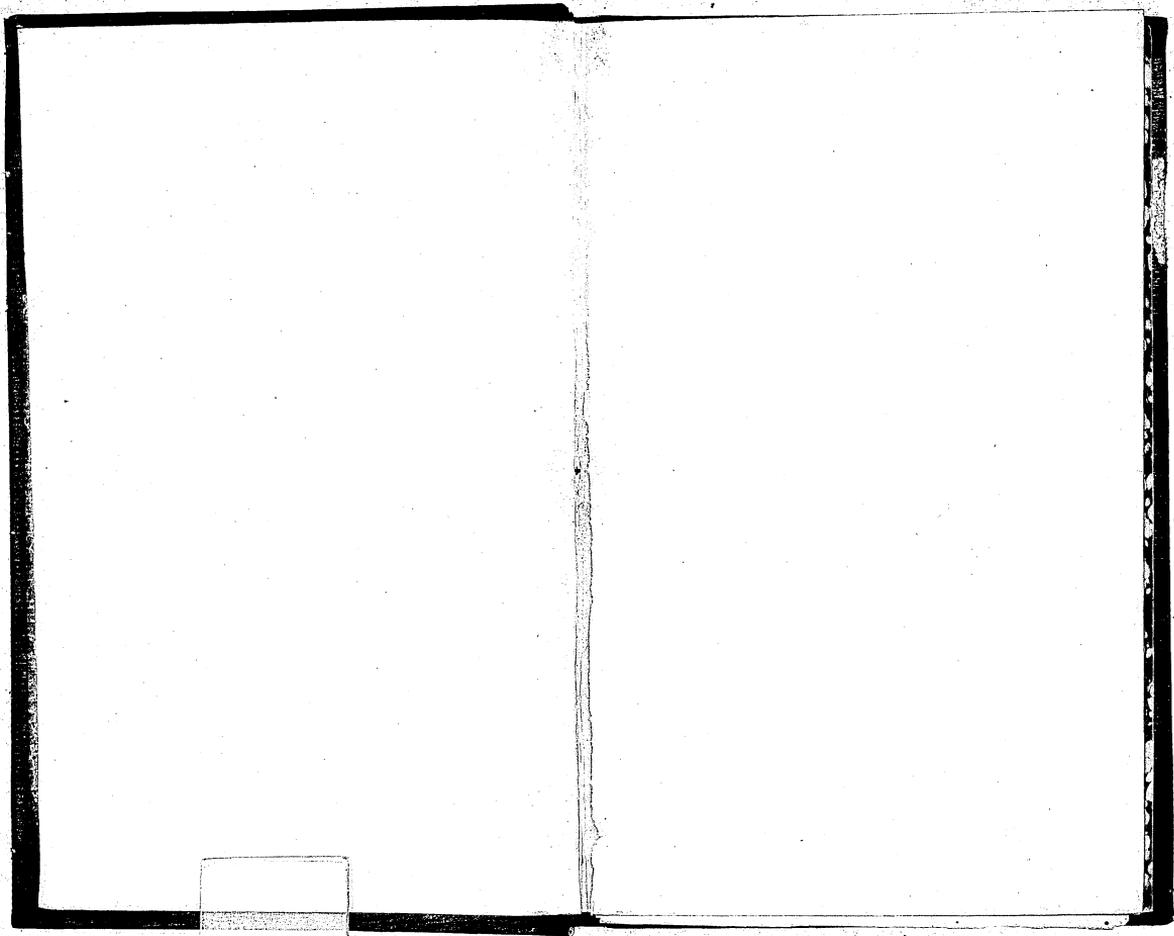


REPORT
OF THE
BENGAL CHAMBER OF COMMERCE
FROM
1ST. NOV. 1879 TO 30TH. APRIL 1880





REPORT
OF
THE COMMITTEE
OF THE
BENGAL CHAMBER OF COMMERCE.

For the half-year ended 30th April 1880.

(52)

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INDEX TO THE REPORT.

S U B J E C T S.	Page.
The Budget for 1880-81	1
Import duties on Cotton Goods	3
Registration-fees in place of duties	20
The Trades and Professions Tax Bill	34
Factory Labor Bill	42
Trade-Marks Bill	45
Telegraph Service	66
Differential rates of Postage on Overland Foreign Correspondence	74
Piratage Charges	80
Proposed Amalgamation of the Duties of Port Officer with those of the Port Commissioners	114
Railway Extension in Bengal	119
Transport and Storage of Inflammable Oils	128
Extension of Trade in Indian Tea to the Australian Colonies	165
Statistics of Indian Tea; declaration of actual weight	171
Standard samples of Indian Wheat	176
The Doorgah Poojah Holidays	180
Departure of Overland Mail Steamers from Bombay	182
Government Trade Circular	188
Stamps	196
Revision of Customs Tariff Valuations	198
The Committee	200
Funds of the Chamber	25.

INDEX TO THE APPENDIX.

SUBJECTS.	Page.
Funds of the Chamber	ii
Tonnage Schedule for the Port of Calcutta	iii
Schedule of Commission Charges	vii
Conversion of Sterling Freight into Indian Currency	x
Members of the Chamber	xi
Rules and Regulations of the Chamber	xii

Proceedings of the Half-yearly General Meeting of the Bengal Chamber of Commerce, held on Monday, the 31st May 1880.

JOHN MORISON, Esq., *Vice-President*, in the Chair:

The Chairman commenced his Address by stating that the meeting had been convened, by public advertisement as usual, for the purpose of receiving and adopting the Committee's Report for the half-year ended 30th of last month, for the election of a Committee in succession to the members whose term of office expired on that day, and for the transaction of any other business that might be submitted for the consideration of members present.

With these preliminary remarks he would advert to some of the subjects mentioned in the Report, and the first to deal with was the

Budget for 1880-81.

Up to the very day when it was read few had the slightest notion of the surprise that was in store for them, for although it was known there was a great saving in the item of loss by exchange, and that opium receipts had largely exceeded the

estimates, yet, with the greatly increased scale of army expenditure, (which was patent to any one who thought of the matter, though those paid to look after it seem to have shut their eyes to the fact) it was feared that the usual chronic deficit would have to be faced. Great, therefore, was the astonishment when the Finance Minister disclosed a state of things which the most sanguine had never ventured to anticipate, and loud were the congratulations on the prosperity of the country. H. E. the Viceroy and the Finance Minister, elated with the brilliant prospects before them, scorned the idea of India accepting eleemosynary aid from any quarter, and drew pictures of the abject condition India would be reduced to if she sold her independence for gold. But, amid all these bright anticipations and the righteous scorn at the idea that we should go a-begging, the question was often heard, "Do you believe in the Budget?" and pretty often the answer was in the negative, and I confess that I also was amongst the incredulous. I had heard it whispered, by men who should know, that it was in contemplation to extend the field of operations in Afghanistan, and it was even hinted that an advance to Herat formed part of the programme. Be that as it may, there could, however, be no doubt that there was a steady increase

going on in the number of troops at the front which meant larger supplies of all kinds of stores and war material, and, by consequence, enormously increased expenditure in the transport department. Yet, in the face of all this, the estimates for the closing three months of 1879-80 were based, not on the ascertained outgoings from the Treasuries for November and December, but upon those for the corresponding three months of 1878-79 when the conditions were entirely different. Under such circumstances I preferred to suspend judgment till the, as I thought, true state of affairs showed itself.

With astounding rapidity the revelations came, and, in less than nine weeks after the Budget was read, the public were put in possession of a State paper, the most extraordinary, I suppose, in the annals of India, where the whole Council, from the Viceroy downwards, had to put their names to a confession which meant virtually either that they did not know their business, or, as some said, that their Budget was drawn up to suit party exigencies in England at the forthcoming elections. The former view we could hardly take without accusing the Members of Council of an incapacity which their antecedents would not justify; but if we adopt the other view!! Well,

what are we to think? For my own part I firmly believe that trusting to the apparent certainty of a return to power of those who initiated the Afghan policy, it was thought a Bill of indemnity would then be easily obtained and the whole thing hushed up, and that it was only when the change of parties in England showed that concealment was no longer possible, the so-called sudden and unexpected demands on "*our Treasuries*" were found out.

The plea that warlike stores of all kinds had risen enormously in price, and that the purchase of transport materials in place of hiring them had thrown out all their calculations, is most lame and impotent. Surely the veriest tyro could have foreseen that, as the demand for supplies increased, the price was certain to advance, whilst the breakdown of the hiring system had already taken place, and the necessity of making provision for purchasing must have already made itself apparent. From the known antecedents of the late Governor of Bombay, those in charge of the public purse might have well known that if "*carte blanche*" was given to him to spend as he chose and to increase his own reputation by creating a new railway at the rate of a mile a day, the cost would be incalculable;

and yet all these things were apparently ignored, and the Government saw no reason to distrust the Military Department's estimates, or to suppose that they erred on the side of being too low.

So much for 1879-80, and it will be well if it is found that the expenditure does not greatly exceed the final provision made for it.

As regards the Budget for 1880-81, I do not know that much exception can be taken to the various items on the revenue side of the account. I think that Exchange is taken dangerously high, and, in my opinion, the average for the season will fall far short of 1-8, but so many things affect Exchange that it is impossible to say with any confidence that that rate will not be maintained. Railways also cannot easily be estimated, and I think the Finance Minister is fairly entitled to look for an increased revenue from them. Opium is, no doubt, estimated to produce an enormous sum, but the experience of the last two years tends to show that considerable confidence may be placed in the stability of the prices of the drug. It is to be noted, however, that no account is taken of the probable effects of trade in the interior of China by the strained relations of the Governments of Peking and St. Petersburg, which may at

any moment lead to serious complications. Generally the revenue, though no great exception can be taken to items in detail, is estimated at the highest probable point. On the expenditure side, on the other hand, the tendency to under-estimate is equally apparent. We find that, in 1879-80, the expenditure under the head of Army is put at £21,067,000, less expenditure on Frontier Railways £1,670,000, leaving a nett sum of £19,390,000 as the charge for the Army proper. For 1880-81 the gross estimate is £20,293,000, and, deducting the estimates for Frontier Railways £2,270,000, we get for Army purposes £18,023,000, or £1,367,000, less than for 1879-80, in spite of the fact that the operations in Afghanistan had assumed larger proportions, and that there was no prospect of an early settlement of the war. Again, if you look at the actual expenditure of the Army in India from April to December 1879 inclusive, you will find it put down at £10,372,000, and in the regular estimate for the whole year at £16,448,600, which gives £6,128,000 for the closing three months of the year, or at the rate of £2,043,000 per mensem. In addition, the Treasury Balances show a reduction of £1,300,000 during that period; and yet in the face of an expenditure of over two millions a

month for the months of January, February, March, as shown in the Budget, the Military Member of Council says, in the concluding paragraph of his minute of the 1st instant, that in providing for the war expenditure up to the month of July of the present year, based on the rate which had proved sufficient for those of the preceding year, which he had no reason to believe was being materially exceeded, he was making the utmost provision which he could, at the time, have been justified in recommending to the Council. What are we to think of such an Estimate, or of a Finance Minister who accepted it with the figures of his own Budget before him? It is, therefore, inconceivable to me upon what grounds they estimated for a smaller expenditure this year than for 1879-80.

It seems to me that we have not yet got to the bottom of this matter, and that startling revelations will yet be forthcoming. Indeed, the position of the finances is so precarious that, to my mind, nothing will bring them into an intelligible and satisfactory state but an independent investigation by thoroughly qualified experts, and the practice of rigid economy in all departments, even if it is found necessary to do away with the Public Works Department altogether.

Exchange.

In speaking of the rate at which the Finance Minister estimates that the Secretary of State will be able to sell his drafts for the year 1880-81, I expressed my opinion that 1-8 was a dangerously high one. My reasons for thinking so are these:—apart from temporary causes which affect the rate of exchange the general tendency of trade is to show a steady growth in the value of imports, without any corresponding increase in our exports. At the moment, I admit that figures point the other way, and, for that reason, we have seen the Council Bills realise, on the average, fully the estimated rate of 1-8 for the season so far as it has run; but I take a wider view, and I confess that it does not tend to reassure me. It has been abundantly proved that in the competition between local mills and Lancashire the latter have the game in their own hands, and that any hopes which might, at one time, have been entertained of local manufactures gradually, but surely, taking the place of imported goods, must be given up. I therefore do not look for any diminution in the value of imports, or the amount which India will have to pay for them. On the other hand, notwithstanding the opening up of the country by light railways and roads, and the

increased facilities for bringing produce to market, I do not see in what particular direction we can look for any great increase to our exports.

Opium, rice, cotton, indigo, and jute seem to me to have attained their highest limit; tea has decreased in total value, and seeds cannot be relied on; wheat, it was thought at one time, might become a large factor in the case, but I am afraid India cannot now compete with America in this article.

Altogether the item in the Budget of loss by exchange will, I fear, be always a serious one, and unless some strenuous effort is made to lessen the amount of the Secretary of State's drawings, it may well be that it will land the country eventually in a state of hopeless bankruptcy. I am not going to inflict on you, gentlemen, any lengthy remarks on this subject, which is pretty well threshed out already, but it seems to me a most anomalous thing that the financial prosperity of a great country like India should be at the mercy of a ring of New York speculators who may, at any time, combine to force silver up or down, as may suit their purpose.

Import Duties and Registration Fees.

In the present state of the finances it would only be a waste of time to press the subject of entire abolition on the Government. Every rupee which can be scraped together will be required to make ends meet, and we can therefore only wait the time, which seems rapidly approaching, when duties on grey goods will die out of themselves. No doubt great hardships are caused by the present partial system of exempting goods made of 30s. yarn or under, to individual interests, and the friction at the Custom House has become almost intolerable. When the Registration Fee scheme, in lieu of import duty, was first mooted, I was inclined to think that it opened a way out of the difficulty, and that if the fee was meant to cover the costs of registration and statistics only there could not be much objection to it; but I have since seen reason to suppose that the idea of the Hon'ble Mr. Hope was really to raise revenue, and that, if his scheme was adopted, it would only be an import duty under another name, and give any needy Finance Minister a ready means of raising the revenue by increasing the scale of fees.

The License Tax.

On the subject of the extension of the License Tax it is a source of constant amusement to me, to see how individual members of Government insist, in season and out of season, that the objects of this tax, in providing an insurance fund for future famines, have been faithfully carried out. Plain men of business will fail to see how the proceeds of a special tax can have been applied to a special object when they have in reality been engulfed in the chronic deficits year by year. I often wonder that our Finance Minister had not the sense or the manliness to come before the public and say:—"We cannot help ourselves; our income is so much less than our expenditure that we must either use this money for general purposes or impose fresh taxation." People might have grumbled, but they would have submitted to the inevitable. Such a course would, however, have cut from under his feet the sole ground for such special taxation, the ludicrousness of which was so well exposed at the time, and out of very shame the tax would have had to be made a general one. That, however, would not have suited their purpose and the farce of "a famine insurance fund" must needs be kept up. How delightful it is to read the speeches on this matter in the debate on the Budget last February, when it was kindly admit-

ted that the tax was not theoretically perfect or logically consistent, but that, as no more money was wanted, there was no reason to extend the tax to the official and professional classes. It never seems to have occurred to them that common justice demanded that, if no more money was wanted, the tax ought to be reduced and the official and professional classes made subject to it.

When these remarks, gentlemen, I beg to move the adoption of the half yearly report.

Mr. W. H. Cheetham seconded the motion, which was unanimously carried.

The Chairman informed the meeting that under the provision of Rule VIII. the Committee had elected as their colleagues Messrs. H. B. H. Turner and W. E. Crum, in the place of Messrs. W. Duncan and T. F. Hamilton, who had proceeded to Europe, and he now proposed that the Committee's election be confirmed.

Mr. J. W. O'Keefe seconded the proposition, which was unanimously carried.

The Chairman also proposed that the Committee's provisional election of Messrs. Williamson, Magor & Co., as members of the Chamber, be confirmed.

Mr. J. Horne seconded the proposition, which was unanimously carried.

The Chairman then drew attention to the subject of certain proposed alterations in the present form of bills of lading for sailing ships bound to ports in the United Kingdom, which had given rise to much discussion, and occupied a prominent place in the Chamber's last Report, accompanied by the opinion of Messrs. Sanderson & Co., solicitors, on the various provisions of the proposed new form of shipping document.

The Committee had very recently received a letter from a Committee, appointed at a public meeting of merchants and shipowners held in London, to superintend the preparation of a form of bill of lading such as might be generally accepted, who have sent copies of it for submission to the members of the Chamber and others interested in the question, who forwarded in August last a protest against the alterations then proposed.

The letter referred to is as follows :—

Sir,—Having been appointed by a public meeting of merchants and shipowners engaged in the Calcutta trade as a Committee to superintend the preparation of a bill of lading for sailing ships

homewards, we jointly acknowledge the receipt, in September last, through the Bengal Chamber of Commerce, by Mr. Corry, one of our number, of a protest signed by a large number of merchants in Calcutta against the introduction of the proposed new form of bill of lading, and about the same time the receipt of a very comprehensive examination of the different clauses of the document by Messrs. Sanderson & Co., Government solicitors in Calcutta, which we made it our business fully to consider, and to submit to the judgment of our best legal authorities here.

Under the advice of Messrs. Freshfields, the well-known solicitors to the Bank of England, instructed by Mr. Matthew, Q.C., the enclosed form of bill of lading has been prepared, and was yesterday submitted to a meeting at the Cannon-street Hotel, which was called as per accompanying circular.

This meeting did not approve of any definite arrangement being come to without communication with their friends in Calcutta, at the same time it was felt that as the shipowners had no representatives in Calcutta (all the shipowners being resident in this country), a full and fair discussion of the various clauses of the bill of lading could hardly be looked for.

It was therefore unanimously agreed that copies of the proposed new bill of lading should be sent to you as Secretary of the Chamber of Commerce of Bengal, and that you be requested to say if the form suggested is approved by the mercantile community or not, and should it be that it is not approved, that the Chamber of Commerce be requested to appoint some half-dozen gentlemen, members of Calcutta firms here, to meet a similar number of shipowners in London, by whose joint endeavours a form of bill of lading suitable to the growing necessities of the trade may be produced, which will be accepted both by merchants and shipowners.

It is with the view of an early and an amicable arrangement being come to on the basis suggested that we now address you, and we respectfully solicit your best efforts to promote it. It is anticipated that before the expiry of three months we shall have the pleasure of hearing from you.

We are, sir, your most obedient servants, John Corry, Chairman of meeting, S. A. Ralli, Ralli Brothers, J. Blackwood, George Duncan, by authority John Corry.

P.S.—About 120 copies of bills of lading and circulars forwarded per book-post.

Secretary to the Chamber of Commerce of Bengal, Calcutta.

The Chairman added that the Committee had at the same time received a letter from Mr. Reinhold, who had obligingly forwarded a transcript from short-hand notes of the proceedings of the meeting referred to, for the purpose of informing the Chamber fully of the discussion that took place: and that printed copies of these communications would shortly be placed in the hands of members, in anticipation of an early meeting, with the view to appointing representatives of Calcutta firms, resident in London, to meet ship-owners there, in order to arrive at a settlement of the question. He was of opinion that the amended form of bill of lading still contained many objectionable clauses, but these would no doubt be properly dealt with by the gentlemen who may be chosen to represent the interests of shippers.

The Chairman, concluded his address by inviting any remarks members present might wish to make on the Committee's Report, whereupon—

Mr. W. E. Crum said,—I would wish to make a few remarks on one or two of the many subjects brought up in the half-yearly report now before us, but I fear that my doing so may seem somewhat superfluous after

the thorough way in which they have been treated by our Chairman. Perhaps one of the most important of these is the question of the import duties, and along with that there naturally comes up for discussion the proposed Registration Fee scheme. There can be no doubt, as the Committee have pointed out in a recent letter to Government, that the changes introduced last year whereby grey goods made of yarns not finer than 30s. were exempted from duty, have produced anomalies which were not altogether foreseen, and that some manufacturers and importers have, in consequence, as Mr. Morison has said, suffered hardships and losses which are greatly to be regretted; well-known cloths, which, under certain marks, had gained a reputation in the Indian markets being unable to compete against duty free cloths made in imitation; but I do not think that on that account the measure can be condemned, and it has at least done much to allay the undesirable feeling of irritation which had been growing up in the minds of the Lancashire manufacturers, believing that they were unfairly handicapped in competing with Indian mills, whilst the people of India have benefited by the introduction of cheaper, more durable, and suitable cloths than had previously been imported. It has been suggested that failing the possibility of an early repeal of all the remaining cotton

import duties, it would be more equitable and just to reimpose an all-round duty of $2\frac{1}{2}$ per cent., but that proposal is, I think, hardly worthy of discussion. It would be an uncalled for and unwarranted interference with and new upsetting of trade after it has begun to run in new channels, and, moreover, the Government had so pledged itself to remission of these duties that it could never have listened to such a proposal. And now as to the proposed "Registration Fee scheme." I am glad that, by a very large majority, the members of this Chamber have condemned it. It is a proposal to substitute, for the remaining import duties, a fee of about 1 per cent. *ad valorem* on all articles of import and export, the primary object being to cover the cost of registering and publishing statistics of trade, the secondary being to provide revenue. I think, as our Chairman has said, that the last would probably come to be the primary object, and that in reality we would have a customs duty in everything but in name, and a most dangerous power. It might be to place in the hands of any needy Finance Minister, who, when hard pressed in his ways and means, would perhaps not find it difficult to double or triple the so-called inappreciable 1 per cent to suit his requirements.

To assert that 1 per cent. is not appreciable is to display great ignorance of the present working

of trade all over the world. As merchants, we all regret that it is so, and nothing would please us better than a return to the good old days when small percentages were hardly worth looking after, but at present it would be difficult to say how small the tax *ad valorem* must be which would not be felt, more especially in our export business. As to the substitution of Registration Fees for the present cotton duties lessening the worries and trouble of the Custom House, it seems to me that these would only be enhanced, and that every article of import or export would be subjected even to a more inquisitorial examination than is the case at present.

No one will doubt the absolute necessity for and the value of some of the statistics compiled by the Custom House, but there must surely be many simple ways in which the cost of these could be defrayed without resorting to an elaborate scheme so retrograde in principle and so inconvenient in practice.

The import duties, if left alone, must probably die a natural death, and it is best that they should be allowed to do so, but when that process is completed, it is to be hoped that the finances of the country may not require the revenue so sacrificed to be made up by some other form of taxation which will press more severely on the people of this country.

As regards the Trades and Professions Tax Bill, it is satisfactory to know that Sir John Strachey was compelled to abandon a proposal which had little to recommend it. It was in fact an Income Tax under an assumed name, and even more oppressive, inquisitorial, and objectionable than the Income Tax itself. It only contained one fair and reasonable provision, viz., that the professional and official classes should bear their share of the proposed taxation. What was our astonishment to find Sir John Strachey in continuing the license tax, quietly abandoning the idea which had given us some hopes that he was anxious to undo an injustice—no longer to exempt that portion of the community generally most able to bear taxation. His plea was, that owing to the favorable nature of his Budget any increase of taxation was unnecessary, but I very much doubt whether, even had the real position of the finances been at that time recognised, he would have carried out his intention of doing what even a very large portion of those most interested have acknowledged to be just and reasonable.

The only satisfaction we have is in knowing that justice has at last been done to the poorer class of traders, those whose incomes do not exceed Rs. 500 being now exempted; and I trust that, however this tax may be manipulated in the future, this class may always continue exempted.

Our Chairman has gone very fully into the subject of the Budget estimates of last February, and it is therefore hardly necessary to say more. It is inconceivable how such a mistake could have been possible, and, as an enquiry is to be instituted by the Home Government, we may confidently hope that such a calamity and disgrace may for ever be avoided in the future finance administration of India.

The Chairman said that the next business before the meeting was the election of office-bearers for the current year, and he would request the scrutineers—Messrs. J. N. Stuart and C. Dawson—to report the result of their examination of the voting cards, which

Mr. Stuart announced as follows :—

Mr. W. E. Crum ... *President.*

Mr. John Morison, or

Mr. H. B. H. Turner ... *Vice-President.*

(equal votes having been given for each.)

Mr. J. W. O'Keefe ... *Member.*

Mr. W. Bleack ... "

Mr. W. H. Cheetham ... "

Mr. G. G. Riso ... "

Mr. Turner hoped Mr. Morison would undertake the office of Vice-President of which he had

already had experience; he felt sure he would better fill the post: for himself he feared press of work would prevent his doing justice to the responsibilities of the position.

The Chairman said as Mr. Turner was unable to accept the Vice-Presidentship he would be happy to resume that appointment.

Mr. Crum said he felt very much gratified at the honor that had been conferred on him, and desired to thank the meeting for it: he could not but regret, however, that some more experienced member of the Chamber, like the Vice-President, had not been found to act as President, but he assured the meeting that he would do his best to fulfil the duties of the office.

Mr. G. H. Morrison stated that, before separating, he thought it the duty of the meeting to pass a vote of thanks to the President, Vice-President and Committee about to resign office this day. He considered that, to business men, it was a great advantage to have a Committee of gentlemen to watch over their interests and criticise in their favor any objectionable acts of Government, which, without their aid, would in all probability be found out too late. He therefore proposed a vote of hearty thanks of the meeting to the President, Vice-President and Committee about to vacate office.

Mr. J. Horne seconded the motion, which was carried unanimously.

The Chairman on behalf of himself and the members of the late Committee acknowledged the vote of thanks so cordially proposed and adopted.

He regretted that more members were not present at the meeting, and expressed a hope there would be a better attendance on future occasions to testify the interest taken in the Committee's labors on behalf of the Chamber.

The meeting terminated with a vote of thanks to the Chair.

H. W. I. WOOD,

Secretary.

BENGAL CHAMBER OF COMMERCE.

Report of the Committee for the half-year
ended 30th April 1880.

The Committee submit their Report on the principal subjects which have had their attention during the past half-year.

THE BUDGET FOR 1880-81.

The Annual Financial Statement was published on the 24th February 1880, and the official summary of it is here recorded.

In 1878-79 the surplus was £2,044,000 ; in 1879-80 the surplus has been £119,000, and the budget estimate for 1880-81 shows a surplus of £417,000. The foregoing figures in each case are after paying from ordinary revenue all charges for famine, the Afghan war, and the frontier railway. The war charges for 1878-79 were £676,000 ; for 1879-80, £3,216,000 ; for 1880-81, £2,000,000. Setting off the increased railway and telegraph revenues, the total nett expenditure on the war to the end of 1880-81 was five millions and three-quarters. The frontier railways are to cost for the present year-£1,670,000, and next year £2,370,000 : total nett three millions and three quarters. Expenditure on

productive works in 1878-79 were £4,381,000; 1879-80, £3,700,000; 1880-81, £2,500,000, besides the outlay on the East Indian Railway. The Council Bills for the present year amount to £15,750,000; next year they will be £16,900,000. There will be no loan in the coming year, according to present intentions, unless unforeseen events occur, but full power to borrow in case of need will be reserved. The closing balances in India for 1879-80 were £14,193,000, for 1880-81, £11,444,000. Exchange is estimated for next year at one shilling and eight pence. The extension of taxation to the official and professional classes is abandoned for the present, fresh taxation not being desirable under the existing financial circumstances. The license-tax remains unaltered, except that all incomes below rupees 500 are exempted, causing a remission of £340,000 taxation. The export duties on indigo and lac will be abolished, causing a loss of £54,000. No export duty now remains except that on rice. No present change will be made in the cotton duties, but a prolonged maintenance of the remaining duties is declared impossible. The loss of revenue next year from previous remissions of cotton duties is estimated at £250,000. Notwithstanding the reduction of the salt duties in the greater part of India, salt shows a large increase of revenue and consumption. The principal improvements in 1879-80 as compared with estimates are:—opium, £1,900,000; exchange, £4,010,000; public works savings, £661,000; land revenue, £450,000; salt, £362,000; interest, £389,000. The Army Commission recommends important measures for increasing the efficiency of the army, with an estimated annual saving of one and a quarter million. No credit is taken for this

in the Budget. Sir John Streeby stated that the plans regarding famine insurance had been completely successful, and declared that their objects had been thoroughly fulfilled. The restrictions of productive public works expenditure to two and a half millions has, however, checked the efforts of the Government of India to protect the country from famine by the construction of cheap railways and canals. The war estimates have hitherto proved accurate, and are believed to be ample for all contingencies now contemplated. A comparison between the present total net ordinary expenditure and that of twelve years back shows, apart from loss by exchange, only a trifling increase either in civil or military charges. Even including loss by exchange the total net expenditure shows no increase, owing to an improvement in railways and canals.

IMPORT DUTIES ON COTTON GOODS.

In directing attention to the accompanying correspondence on import duties on cotton manufactures, the Committee regret to think that the subject seems almost an insolvable one, when the state of the public finances is considered. Before the recent startling revelations were made known, and when the country seemed well able to afford it, the Committee hoped that the anomalies referred to in the following correspondence, would disappear with the total abolition of the import duties; but now that desirable result seems as far off as ever, and until the position of

the Government is such as to justify their renewed action the Committee can hardly press the subject further.

From Chamber to Government of India.
Calcutta, 17th January 1880.

I AM directed by the Committee of the Chamber of Commerce to invite your attention to certain features in the working of the Customs Act, as remodelled last March, with reference to the duties levied on cotton goods.

It seems to the Committee that certain anomalies have arisen under the partial abolition of those duties which call for redress. One anomaly is that manufacturers by giving two threads, or even one thread, less to the quarter inch in an ordinary piece of 8½lb. Grey Shirting can save the 5 per cent. duty, whilst manufacturers of old standard cloths, who must give one thread more, are mulcted with the 5 per cent. For instance, an ordinary 8½lb. shirting counts 16×15 to the quarter inch, and is made of 32s. and 36s. yarns, but now an 8½lb. can be made out of 30s. and 30s. yarns, or less, but counting 16×13 or even 16×14. The Committee have before them two such cloths, the resemblance between which is so marked that only an expert can tell the difference; and as they cost the same, or almost the same, price, and sell in the market at the same, or nearly the same, rate, it is seen at once how heavily the manufacturer who has to pay the duty is handicapped.

The hardship in this case is that the suffering manufacturers cannot save themselves without making such a change in their standard cloth as would jeopardize, and

probably destroy, the name and trade-marks under which they have, for many years, established a business. As cases in point may be mentioned "*Company's Mark*" and "*Eagle Chop*" 8½ to 8½lbs. shirtings, which are as well known in the piece-goods trade as rupees themselves. If the identity of these cloths were to be destroyed, which they undoubtedly would be by the use of any other than the usual yarns, their position would probably vanish with the change; a loss which no one would willingly elect; and yet if they do not so elect, they must stand aside and see others making the needful change to save the duty, whilst their well-known and reputed marks are undersold.

These are illustrations of the manner in which manufacturers and shippers suffer; but the Committee have before them many others in which merchants, as regular buyers of certain makes of shirtings, shipped under well-known trade-marks for many years, will lose the reputation earned for these marks if they venture to make the required change in the identity of such cloths to bring them in duty-free, and will thus have to begin over again with new marks.

Another anomaly is, that White and Coloured goods made of 30s. yarn or under, and Coloured Yarns of 30s. and under, are not admitted free like Grey Cloths and Grey Yarns. The intention which Government had in view, in taking its first steps towards the reduction of these duties, was no doubt to remove protection which our local mills were supposed to enjoy, and it was not thought that their production could possibly compete with anything but certain grey goods. There is no doubt, however, that the natives do largely bleach and dye goods

and yarns for themselves all over the country; and it therefore comes about that importers who devote themselves more exclusively to white and coloured goods are handicapped to the extent of the duty. There is no apparent reason why an importer should not be allowed to bleach or dye a piece of grey shirting made of 30s. yarn, or under, if he chooses to do so, because there is no duty on colour *per se*. The duty on dyed yarn, for instance, is charged only upon the grey weight and not upon the dyed weight. What practical difference therefore can there be to the customs whether 30s. yarn is dyed or not, and "pari passu" what difference can be drawn in such a case betwixt yarn and goods made of such yarn, whether grey, colored, or bleached?

The Committee submit that there are strong and weighty reasons why what appears to them a substantial grievance should be removed. It is seen how the trade in duty-free grey goods and yarns has developed, and it seems only right and fair that merchants who devote themselves to the importation of white and coloured goods should be put in a position to extend their efforts in similar lines. It can be shown that even now many important classes of goods under these denominations could be imported made of duty-free yarns, and there is no reasonable doubt that the variety could be largely extended were the duty removed.

The Committee point with satisfaction to the assurances given last March by His Excellency the Viceroy in Council, and by the Financial Member, "that every thing which interferes with the natural operations of trade, every thing which imposes artificial restrictions, or gives artificial advantages, cannot fail to be mischievous." The

anomalies just named appear to include all these disadvantages, and therefore ought to be abolished.

But here arises the important question—how is this to be done? This Chamber has always favoured the reduction or abolition of these duties so long as the exigencies of the State did not require their retention, and it is therefore now unnecessary to enter upon the principle involved in levying them. If the Government can afford to do so, it would be well to abolish them; but if not, and if they must be replaced by some other tax, direct or indirect, then let them be retained in as mild a form as possible. But in the latter case let the incidence be just and not allowed to heavily handicap any section of the trade.

It is in the recollection of the Committee that the initial efforts to deal with these duties were based on a desire to avoid protecting our local industry against Lancashire, and that the restrictions named under the first schedule confined the working of the Act to only certain articles specifically named. In March last, however, it was found that the concession previously made had not touched the real evil, and that large quantities of goods, almost identical with those which had been freed from duty, were debarred from the advantages of the remission. Thereupon the Government at once declared that "it is not reasonable that certain goods should be admitted free while large quantities of goods of almost precisely the same character in every thing but name remain liable to duty." These words apply exactly to the anomalies to which the Committee are drawing attention, with this difference, that the hardship is not caused by the competition betwixt Lancashire and our local mills, but by competition

amongst Lancashire manufacturers themselves to secure the full benefit of the Government of India's last Act. They do not, however, carry less weight on this account, and the Committee think that the Government would be fully justified in applying them in the present instance, and still further extending the limit of remission.

The Committee are well aware what the financial result of such a modification would be. They append a statement shewing how rapidly and extensively the importation of duty-free goods has increased during the last 10 months, and they estimate that of the duty on grey shirtings alone (which pay about 65 per cent. of the whole duty on grey goods) the revenue is now losing fully 55 per cent., and the duty likely to be obtained this year will probably be still further lessened: other descriptions will also shew a decrease. In fact, a point has been reached where the Government of India may with justice ask if these duties on grey goods ought to be retained at the expense of so small a portion as now remains beyond the pale of exemption.

To all appearance these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open consistent with the declarations of Government to which they have referred.

An alternative course has however been suggested, *viz.*, to maintain the duties, but to make them general and not partial. It may be demonstrated, from the figures annexed to this letter, that the relief given to Lancashire last year has not taken the direction of the Bombay or

local productions, but has rather left them alone and gone straight at the root of the article supplying the chief item of revenue, *viz.*, shirtings, an article not made in this country at all, but the chief staple of Lancashire itself. The cry for protection has thus lost all its force, and if the exigencies of the State require the maintenance of a duty at all, then no objection on principle could be against the levying of—say—2½ per cent. all round, or any other moderate per-centage. Such a course would have the merit of removing the anomalies of which the Committee complain, and would at the same time provide a revenue easy of collection and not objected to by the millions who pay it. It would, moreover, do away with the constant friction between importers and the Customs authorities under the present system of “testing” duty-free goods. Under this system numerous bales are cut open and rendered unsuitable for transmission up-country, and have in consequence to be re-sold at a heavy loss, either privately or by auction. As the authorities have declared that no other safe “test” can be found, the Committee see no cure for the evil but the entire exemption of all goods, or the taxation of all alike.

The following are the figures of some of the chief imports into Calcutta in the last ten months:—

GREY SHIRTINGS.

	Dutiable.	Per	Free.	Per	Total.
	Pieces.	cent.	Pieces.	cent.	Pieces.
March	5,35,569	97.8	12,650	2.2	5,68,219
April	11,25,048	98.3	19,720	1.7	11,44,769
May	8,70,637	88.6	1,12,187	11.4	9,83,024
June	6,59,339	75.4	2,15,086	24.6	8,74,425

GREY SHIRTINGS.—Continued.

July	...	4,44,414	64.2	2,47,355	35.8	6,91,769
August	...	3,49,657	58.2	2,51,492	41.8	6,01,149
September	...	4,58,754	50.8	4,74,260	49.2	9,34,014
October	...	2,64,354	43.8	3,38,835	56.2	6,03,189
November	...	4,70,857	45.2	5,71,011	54.8	10,41,848
December	...	2,60,109	37.9	4,26,392	62.1	10,86,501

GREY DHOOTIES.

	Dutiable.	Per	Free.	Per	Total.	
	pairs.	cent.	pairs.	cent.	pairs.	
March	...	4,09,467	100.0	0	0.0	4,09,467
April	...	5,88,124	97.9	19,221	2.1	6,07,345
May	...	5,59,030	99.8	1,239	0.2	5,60,261
June	...	4,32,409	93.5	30,162	6.5	4,62,571
July	...	5,62,269	92.2	47,488	7.8	6,09,757
August	...	5,91,886	66.7	2,96,119	33.3	8,87,905
September	...	12,40,918	70.6	5,15,769	29.4	17,56,687
October	...	6,89,542	61.8	3,94,435	38.2	10,33,977
November	...	10,99,094	80.0	2,74,976	20.0	13,74,070
December	...	7,54,260	73.8	2,67,208	26.2	10,21,468

GREY T. CLOTHS.

	Dutiable.	Per	Free.	Per	Total.	
	Pieces.	cent.	Pieces.	cent.	Pieces.	
March	...	4,859	16.2	25,180	83.8	30,039
April	...	7,776	17.0	37,836	83.0	45,612
May	...	5,614	12.7	38,416	87.3	44,030
June	...	18,882	43.3	24,717	56.7	43,599
July	...	10,804	16.3	55,466	83.7	66,270
August	...	3,903	12.0	50,545	88.0	57,448
September	...	29,757	22.5	1,02,364	77.5	1,32,121
October	...	33,333	23.6	1,04,395	76.4	1,36,728
November	...	21,078	12.5	1,47,596	87.5	1,68,674
December	...	5,477	4.9	1,07,478	95.2	1,12,955

GREY CHUDDERS & SCARVES.

	Dutiable.	Per	Free.	Per	Total.	
	Pairs.	cent.	Pairs.	cent.	Pairs.	
March	...	9,799	83.7	1,913	16.3	11,712
April	...	5	0	10,601	100.0	10,605
May
June	...	62	2.7	2,252	97.3	2,314
July	...	0	0	6,450	100.0	6,450
August	...	8	0	27,707	100.0	27,805
September	...	8	0	82,033	100.0	82,041
October	...	601	1.2	47,622	98.8	47,623
November	...	3,807	3.4	1,07,302	96.6	1,11,727
December	...	166	0.4	48,089	99.6	48,255

GREY MADAPOLLANS.

	Dutiable.	Per	Free.	Per	Total.	
	Pieces.	cent.	Pieces.	cent.	Pieces.	
March	...	72,017	100.0	0	0	72,017
April	...	1,72,607	88.6	22,000	11.4	1,94,606
May	...	1,69,371	93.9	11,036	6.1	1,80,407
June	...	1,63,700	84.4	30,306	15.6	1,94,187
July	...	113,994	84.0	21,687	16.0	1,35,681
August	...	139,670	84.8	25,024	15.2	1,64,694
September	...	1,67,073	99.2	18,106	9.8	1,85,179
October	...	1,43,735	88.2	19,253	11.8	1,62,988
November	...	2,32,303	84.4	42,973	15.6	2,75,276
December	...	1,56,943	80.4	38,325	19.6	1,95,268

OTHER GOODS.

(Except Grey Mulls and Grey Jaconets.)

	Dutiable.	Per	Free.	Per	Total.	
	Pieces.	cent.	Pieces.	cent.	Pieces.	
March	...	121	19.2	6,169	80.8	6,290
April	...	254	24.8	770	75.2	1,024
May	...	714	74.1	250	25.9	964
June	...	2	0.3	753	99.7	755

OTHER GOODS.—*Continued.*

July	...	2	1-7	114	98-3	116
August	...	978	23-9	3,100	76-1	4,078
September	...	10,573	41-2	15,110	58-6	25,683
October	...	9,969	29-4	23,923	70-6	33,892
November	...	23,286	30-9	54,085	69-1	77,371
December	...	5,127	21-8	18,373	78-2	23,500

From Government of India to Chamber,—No. 76—
Calcutta, 5th March 1880.

I am directed by the Governor-General in Council to acknowledge your letter of the 17th January on the subject of the duties levied on cotton goods, and to thank the Chamber for the information which it has laid before the Government, and for the observations which it has made.

It was not found possible to reply fully to the letter of the Chamber before the publication of the financial statement for the coming year. I am now directed to refer to paras. 71 to 89 of that statement which contain an explanation of the conclusions of the Government of India on the subject of the cotton duties, and on other questions connected with the Customs' tariff.

Paras. 71 to 89 of Financial Statement.

71. There are, my Lord, various questions connected with the customs tariff to which I must now refer.

Beginning with the import duties, there is first the duty on cotton goods, and this is a subject of which I cannot speak without some reserve, because there has been in times past, as everybody knows, no unanimity of opinion

regarding it among the members of the Government. Speaking as I now am on behalf of the Government generally, I desire to say nothing to which any of my colleagues might take exception, and although it will not be possible for me altogether to avoid the expression of my own opinions on questions of past and future policy, I hope it will be understood that I shall, in giving such opinions, be stating only what I myself think.

The Government does not at present propose to make any alteration in the duties actually levied on cotton goods. There are, however, obvious and serious defects in the existing system, and no one can say that it can long be maintained.

72. The measures taken during the last two years, whatever other results may have followed, have at least effected the particular object for which they were declared necessary. They have for the present removed all grounds for the complaint that we were levying protective duties in favour of the Indian mills in their competition with English manufacturers. Some classes of English goods may be unduly favoured in comparison with other classes of English goods; but no protection remains for the special benefit of goods produced in India.

When, last year, Your Excellency decided that it was impossible to defend the maintenance of the duty on certain classes of cotton goods, because it had a distinctly protective character, it was thought right to make a considerable sacrifice of revenue for its immediate removal. Whether the course adopted was right, as I then thought and think still, or whether it was wrong, is a question which I will not now discuss, but the Government feels

that it cannot at the present moment go further, or submit to loss of revenue beyond that which the measures of the last two years have rendered unavoidable.

73. I must say something of the effect which those measures have actually produced. Mr. Hope's Commission stated in its report last year that the remission of duty on all goods made of thirties and under "would probably soon affect a complete revolution in the piece-goods trade," and it quoted, in support of its own conclusions, a report by Mr. Pritchard, the Commissioner of Customs in Bombay, who, with reference to this remission, wrote as follows:—

"It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 66. This will pass free of duty, and, if it finds favour in the market, will take the place, to a large extent, either of the long cloths or of the shirtings now used, or of both."

The Commission also quoted the following opinion of a large mercantile firm:—

"There can be no doubt that a trade in cloth made of yarn just within the limit of exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value as well as for its comparative cheapness owing to there being no duty upon it; and if this should be the case it might do away with the importation of cloth made of yarns, varying from 32s. upwards."

74. I quote these passages, because the actual results have closely corresponded with the anticipations thus formed by the Commission, and adopted by the Govern-

ment. The chief difference has been that those results have followed more rapidly than either the Commission or the Government expected.

The immediate consequence of the exemption from duty of goods containing no yarn of a higher number than 30s. was the rapid development of the manufacture and import of a new class of goods made of 30s. and lower counts. In consequence of their superior cheapness these duty-free goods have rapidly become popular; and the experiment having thus proved successful, the tendency is now to make of the coarser yarns all cloth for which they can be used, and to substitute the coarser for the finer fabrics formerly made of yarns ranging from 30s. to 40s. This process has already reached such a point that last month the duty-free shirtings and long cloths, constituted more than 74 per cent. of those kinds of imported goods, and the dutiable qualities of some other classes of goods have almost disappeared from the market. We estimated last year that we might lose in the first year revenue to the amount of £150,000, and in subsequent years more. It is now probable that the loss in the first year, now about to close, will be nearly £230,000, and for the coming year it is estimated at £20,000 more.

75. Now, clearly the present state of things is not satisfactory. We are holding out to English manufacturers a strong inducement to supplant finer by coarser classes of goods, and it has been forcibly represented that these and other anomalies ought not to be left uncorrected. I may refer in particular to a letter addressed to us by the Bengal Chamber of Commerce. The Chamber points out that the declaration made last year by the Government, that

"it is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in everything but name remain liable to duty," is still true, with this difference that the hardship is now "not caused by the competition between Lancashire and our local mills, but by competition amongst Lancashire manufacturers themselves, to secure the full benefit of the Government of India's last act. They do not, however carry less weight on that account." The letter of the Chamber has been seen by the Council; I need not repeat the forcible illustrations which it contains of the anomalies which now exist, but I fully admit the accuracy of its statements.

The Chamber says that "to all appearance, these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open, consistent with the declarations of Government, to which they have referred."

76. If I could now put aside financial considerations, I should say that this conclusion of the Chamber is perfectly right. I may add that the alternative course which it has suggested as possible, namely, the recall of last year's exemptions, and the re-imposition of a uniform duty of 2½ per cent. on all imported cotton goods, would not only be, in my opinion, objectionable in itself, but seems impracticable, because it would be opposed to the policy laid down for our guidance by Parliament and by Her Majesty's Government. That policy was declared on the 4th April 1879, in the House of Commons, in the following Resolution:—

"That the Indian import duty on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished, and this House accepts the recent reduction in these duties as a step towards their total abolition, to which Her Majesty's Government are pledged."

I need not pursue this subject further. It is impossible to deny that the present state of things is anomalous and objectionable. The Government will give to this question in the future that constant attention which its importance demands, but it cannot, at the present moment, make the large sacrifice of revenue which its complete solution would involve, and as a provisional arrangement meanwhile, it does not seem possible to draw any line better than that drawn last year. The abolition of the remaining duties on cotton goods would cost us £615,000, in addition to the £250,000 which we have given up already.

I may remind the Council that the measures of last year were not hastily taken, and that they were in precise accordance with the specific recommendations of the Chambers of Commerce of Manchester, of Bengal, and of Bombay. I may add that although I cannot doubt that the objections to which I have referred must have been felt as strongly in Lancashire as anywhere else, the Government has not received from the English manufacturers any complaints regarding them.

77. Although, my Lord, I do not intend to discuss the propriety of the course that has been followed in regard to the removal of the duty on cotton goods, I must ask your Excellency's permission to say a few words on what is, in some respects, a personal matter. We are constantly

told that these measures have been adopted in disregard of the interests of the people of India, and in obedience to the selfish demands of the Manchester manufacturers. If, my Lord, we had indeed manipulated, in the interests of England, or of any political party in England, the taxes paid by the people of India, our conduct would have been not only shameful and odious but absolutely criminal, and I, as your Excellency's chief constitutional adviser in the financial measures of the last two years, must have borne my share of the responsibility. But for myself who have taken part in these measures, I wish to say that I hardly remember the time when I did not argue, in the interests of India, for the removal of these and all other restrictions on her commerce. I advocated the abolition of these duties before to the best of my belief. Manchester had herself discovered that she was injured by them, and long before Lord Salisbury had proved in his despatches, in a manner which seems to me unanswerable, the serious injury which they were inflicting upon this country. As I said in my first Financial Statement three years ago, I would not have accepted my present office if I had not hoped that I should have an opportunity of co-operating with your Excellency in carrying out what I may say, without exaggeration, have been the convictions of a life-time. I have had that opportunity. The cotton duties are, in my opinion, virtually dead.

78. Before leaving this subject, I think it right once more to point out that we ought not to shut our eyes to the consequences which, as it seems to me, must inevitably follow from the loss of the cotton duties. Whether those consequences ought, as I believe, to be welcomed as fraught with a great development of wealth and pros-

perity to India, or ought, as others think, to be looked on as disastrous, we cannot wisely shut our eyes to the fact that the abolition of the duty on cotton goods will involve in all probability the loss of a great part of our revenue from sea customs. In the Financial Statements for 1877-78 and 1878-79, this was clearly pointed out. In the former of these, I said that I looked forward with confidence to the almost total abolition of customs duties in India, and I used these words:—

“ I do not know how long a period may elapse before such a consummation is reached, but whether we see it or not, the time is not hopelessly distant when the ports of India will be thrown open freely to the commerce of the world.”

My Lord, the fulfilment of this vision seems to me now not far off. It was shown in the Financial Statement for 1878-79 that, putting aside the duties levied on salt and alcoholic liquors, which stand on special grounds, and on which internal excise duties corresponding with the customs duties are imposed, there would remain, apart from the cotton duties, a very small amount of import duties. Taking the estimates for the coming year, the net sum which we expect to receive from the sea customs duties, exclusive of salt, alcoholic liquors, and arms, is £1,115,000. The cotton duties will yield, say, £615,000, and, if I am right in believing that they must ultimately be altogether given up, our whole import duties would then yield only about £500,000. The truth is that cotton goods are the sole article of foreign production which the people of India now largely consume, and there is no present possibility of a large customs revenue from any-

thing else. Will it be possible, when cotton goods have been freed from duty, still to tax woollen goods and many other articles? And can it be believed that we should long maintain our customs establishments for the sake of obtaining the insignificant revenue that would remain?

79. I know only one suggestion which seems to deserve discussion, for saving a considerable portion of our customs revenue. I do not remember by whom it was first made, but I have heard of it for a good many years past. I believe that it really had its origin in a plan which at one time Mr. Gladstone thought of for England. My honorable friend, Mr. Hope, has lately given it his attention.

Starting with the assumption that our customs tariff on its present footing cannot be maintained, this suggestion is that, instead of customs duties properly so-called, we should, with certain exceptions, levy on all articles imported into India, and possibly also on those exported, a registration fee at a very low rate. In this way, it is urged, we might obtain a considerable revenue in an unobjectionable way. I give no opinion of my own, much less do I give any opinion on behalf of the Government, in favour of this scheme, and all I say of it is that it deserves to be considered. >

REGISTRATION-FEES IN PLACE OF DUTIES.

This subject has engaged the Committee's attention, and as there seemed to be considerable diversity of opinion on it members have individually been asked to express their views thereon.

The result is that a very large majority are against any change, and would prefer to let things remain as they are rather than embark on a new and untried scheme, such as that referred to by Mr. Hope. A letter embodying these views has since been written to Government, and there the matter rests for the present.

From Bengal Chamber of Commerce.

Calcutta, 8th March 1880.

Circular to Members.

DEAR SIRS,—In furnishing you with the accompanying copy of the Hon'ble Mr. Hope's speech, in the Budget debate, on the proposal to substitute a registration-fee in lieu of the present import and export duties, the Committee desire to draw attention to the great importance of the matter, and to invite an expression of your views on the subject.

In the opinion of the Committee a registration-fee on an amount not exceeding one per cent. on the value of imports would not be materially felt, provided all goods are properly classified, and the charge fixed at so much per package on bales and cases, and so much per cwt. or ton on iron and other articles sold by weight. Such a measure would do away with the constant friction and worry at the Custom House, and would, for that reason alone, be worth the light charge indicated. The Committee would oppose strongly any attempt to fix a charge on value *per se*, or the continuation of the present inquisitorial system by appraisers or other officials.

As regards exports, the Committee are of opinion that, except on those articles such as jute, indigo, &c., of which India enjoys a practical monopoly of production, no charge should be made. In the case of products which are not affected by the competition of other countries, a light registration-fee would be comparatively unobjectionable.

If the proposal is ever carried out, the agency of the Port Commissioners might be utilised in Calcutta for the collection of the fees. Such an arrangement would greatly contribute to the convenient working of the scheme so far as the public are concerned, and be less expensive to Government.

As the Committee think the subject is one on which they should have the views of members generally, they will be glad if you will communicate with them on or before the 20th instant, to enable them to address Government on the subject. Should no reply be received from you to this reference by that date, the Committee will assume that you concur with the above general expression of their views.

The Hon'ble Mr. Hope then said :—

My Lord : the Hon'ble Sir John Strachey, in his recent Financial Statement, alluded to the scheme for saving a considerable portion of our customs revenue by the substitution of registration-fees for customs duties. He gave no opinion of his own or on behalf of the Government, but he said that the scheme deserved to be considered, and he made allusion to myself, as having lately given it my attention. It will probably be expected that, in

response to this invitation, I should offer to the Council and the public some explanation on the subject.

This explanation I must preface by two very distinct provisos : I have no intention of discussing the propriety of the policy which the present Government has followed regarding the cotton duties and other items of the tariff, and I beg that nothing which I may have to say in elucidation of my subject may be taken as even indirectly raising such an issue. Moreover, I do not to-day come forward as the proposer of registration-fees ; my position is not that of an advocate, but analogous to that of an enquirer giving an account of his investigations, or a judge summing up evidence for the consideration of a jury.

The discussions consequent on the Tariff Act of 1875 naturally led me to look into the whole history and structure of the Indian Tariff, and to consider all possible changes and alternatives. The idea of registration-fees, which is, as the Hon'ble Sir John Strachey has told us, a very old one, then had its share of attention, and I again examined it in 1876, when an opinion that many of the main heads of the tariff did not yield enough to justify their retention was first emphatically urged on the Government of India. The matter, however, had no present importance until 1878, when the Notification of March 18th abolished the duties levied on certain coarse cotton goods, and under twenty-seven main heads of the tariff. In this practical declaration that a duty was indefensible if it either was at all protective, or did not yield a sum absolutely as well as relatively large, together with the important exposition of customs policy contained in the Financial Statement of that year, was clearly fore-

shadowed the end of the bulk of the import duties. At the same time the financial difficulty of dispensing with such an important item in the Indian revenues was obvious, and I, therefore, after my return from England a year ago, obtained Sir John Strachey's permission, with full official aid, for investigating the registration-fee question in a more thorough manner than I had hitherto found practicable. I may here acknowledge the valuable assistance I received from Mr. J. D. Maclean, the Collector of Customs at Calcutta, from Mr. O'Connor, the Assistant Secretary in the Department of Finance and Commerce, and also from the Head Appraiser at the Custom-house, Mr. Phipps. A few days ago, too, Mr. J. W. O'Keefe, a member of the Committee of the Bengal Chamber of Commerce, and recently my colleague on the Tariff Valuation Committee, kindly placed at my disposal some very interesting and useful calculations and suggestions drawn up by himself a couple of years since. But though I have been told that the registration-fee idea has been more than once mooted in India, I have been unable to discover on record one single line, official or demi-official, about it, and have therefore had to work it out *ab initio*, on what I suppose to be its first principles.

Registration-fees I understand to mean a charge upon all articles of import and export. (except a few otherwise dealt with on special grounds), imposed primarily with the view of covering the cost of registering and publishing statistics of trade and navigation for the benefit of the commercial public, but enhanced for revenue purposes slightly beyond the actual cost of such statistics. The excess charge is in reality, a customs duty, laid on quite

irrespective of protectiveness or other general considerations, and defended on the ground, first, that it is needed for revenue, and, secondly, that it is practically inappreciable by trade.

I will now relate my working out of the scheme on this basis. To be practically inappreciable by trade, it is evident that the form in which the fee is levied must be that which puts trade to the least possible trouble, delay, and indirect expense, and that the rate of the fee must be extremely low.

As to form, existing commercial practice might be largely followed. The denominations under which various descriptions of goods pay freight, dock dues, quay fees, landing and other charges, are the gradual outcome of long experience, and will be found a valuable, though not infallible, guide. In other words, weight, number, measurement, customary package (*i.e.*, bale, chest, case, bundle, &c.) and the like, will each be found to have its peculiar appropriateness for certain goods, which may be charged accordingly. Again, on whatever goods already pay dues to the Port Commissioners, the registration-fee might be included in their bill, so that one payment would cover everything, and the merchant would be saved all separate dealing with customs officers. In many cases the fee might be paid in stamps affixed to a bill, manifest, port clearance, or other document.

As to rate of fee, it would seem that one per cent. is the very highest which could be imposed consistently with the principle. As to whether one per cent. would be "practically inappreciable by trade" or not, I have received very conflicting opinions from mercantile men. Some contend that one per cent. is one per cent., and

hat in these hard times everything tells; others rejoice that the one per cent. duty on iron, for instance, and many even heavier private trade charges, have not the slightest effect on the market. I must hasten to explain, however, that I do not mean that any goods, excepting possibly some few for which this would be the fairest course, should be charged the fee *ad valorem*, but merely that the fees fixed per ton, package, &c., should not have a higher incidence than this on the value of the goods.

To draw up schedules of fees suitable in form and amount to the different classes of goods would evidently be a task of some difficulty, to be performed only by a Committee of experts, in which the mercantile community must be largely represented. The fees would have to be convenient round sums, and owing to this and to fluctuations in value, there might often be inequality in their incidence on different articles. But such inequality necessarily accompanies tariff valuations under the present system; the maximum being one per cent. it could here only extend to some petty decimal, and it would be redressed periodically by revision, such as tariff valuations now undergo. Whether such a Committee could produce satisfactory schedules or not has been disputed. I am not prepared to affirm that it could. But I have been assured by excellent mercantile authority that the thing is quite feasible, and would incidentally produce much greater equity in Port Commissioners' and similar charges; and I am inclined to think so.

The next point presenting itself is, what branches or classes of trade should be subjected to the fee. It has been strongly urged on me, by both official and commercial authorities, that the coasting trade should pay it

but I am totally unable to concur. The coasting trade could not be made liable without subjecting it to a vast amount of restriction from which it is now free, and reversing the policy of liberating it as much as possible which I followed in the Sea Customs Bill, now Act VIII. of 1878. I cannot see why goods moved by sea from one part of British India to another should pay a fee any more than goods so moved by land, and we surely are not going to re-establish transit duties throughout India. Moreover, goods moved from port to port would pay over and over again. As to other branches, it would be highly objectionable to levy a fee on treasure; and re-exports, which now get the benefit of drawback, should perhaps be exempt. Another exception to the registration-fee system would be in the case of articles on which it was necessary, for special reasons, to maintain the existing duties—that is to say, arms, bearing a high duty for political reasons; salt and liquors, on which we levy an excise; opium, nominally, but for the maintenance of our monopoly; and rice. The case of rice is a peculiar one, but I need not discuss it, as it has just been fully explained by the Hon'ble Sir John Strachey. In short, the fee system, if introduced at all, might fairly apply to the whole external import and export trade excepting the classes I have just mentioned.

I will now turn to the financial aspect of the measure. From the Trade and Navigation Statements for 1878-79, calculations have been made distinguishing every sub-head of the tariff, and applying to the quantities and values, fees expressed (provisionally) in the denominations used for the statements, and not exceeding one per cent. in incidence. The result thus arrived at cannot be far

different from that which fees according to schedules eventually prepared by a Committee would yield.

The total receipts in 1878-79 from import and export duties, excluding salt, were £2,273,000. Deducting £200,000 for loss by reduction of cotton duties in 1879-80, and £56,000 for indigo and lac just made free, we have customs revenue of £2,017,000, from which further heavy loss through importations of free cotton goods is anticipated. Deducting from this, again, the duties to be retained, namely, £5,000 for arms, £361,000 for liquors, and £570,300 for rice, we arrive at a balance of £1,079,000 derived solely from duties which would come under the registration-fee scheme. The fees are calculated to produce on imports £388,000, on exports £420,000, and by saving in customs establishments about £80,000, total £888,000. This shows a loss of £191,200, compared with the £1,079,000 just mentioned. But this loss would be a final loss, and the fee revenue would increase in future with the trade of the Empire, whereas, as things now are, the Financial Statement contemplates a loss of £50,000 in 1880-81 from importation of grey duty-free goods alone, and the ultimate disappearance of £613,000 more for cotton duties, if not the abolition of the whole import tariff.

Such are, roughly speaking, the aspects which a registration-fee system, supposing I rightly understand it, would present if applied to British India.

Those who approve of the system would probably support it by some considerations as the following:— Whatever may happen to customs duties in general, some customs establishment must be maintained to levy duty

on salt, liquors, and the other special items. The quantities, value, and other particulars of all the sea-borne trade, whether free or not, must always be collected and tested for statistical returns, such as the Board of Trade compiles and publishes in England, and a charge may fairly be made for this. Port Commissioners, who levy certain fees on all goods, now exist at Calcutta, Bombay, and Rangoon, and will probably soon be constituted at Karachi—four ports which engross between them 88 per cent. of the whole trade of India. It is just as easy for a clerk to levy four annas in one bill as two annas. Why not utilise all this inevitable machinery for a registration-fee system securing a large sum for revenue purposes, and at the same time getting rid of a mass of customs officials and restrictions, with all the friction they involve? Again, this system will practically, as has been said in a Calcutta newspaper, “lay for ever the phantom of protection.” Theoretically, it of course will not do so, since articles imported, which can also be produced in India, will be weighted with the fee, but the fee will be so light as to have no practical effect. Mr. Laing in 1861, and many high authorities since, have argued that an import duty was justifiable on articles similar to any produced at home if its amount was so moderate that it could not seriously affect trade, and that the establishment of a corresponding excise was not worth while. If this argument was good for anything when used, as it was, in support of a duty of five per cent. and upwards, it is infinitely stronger in support of a fee of only 1 per cent. At any rate, the system may well be accepted by all parties as an *evancion*, removing all grounds of bitterness and ill-will between India and Manchester, and as sub-

stituting an unexceptional source of revenue "expansive in proportion to the progress of the Empire," or a heterogeneous mass of duties open to, and destined to fall before, numerous economical objections.

On the other hand, the advocates of a total remission of customs duties may be expected to produce obvious objections. "One per cent. is one per cent.," they will say, a burden on trade and a protection of home industries, just as bad in principle at one per cent. as at five per cent., but not so productive, and reaching numberless articles now absolutely free. Again, the fee can never be absolutely equal and equitable unless charged *ad valorem*, which would be very vexatious. Round sums must be fixed, which will vary in real incidence according to market prices. Inequality of incidence *ad valorem* is justifiable in wharfage or Port Commissioners' charges, because packages occupy space, or cause labour in hoisting and removal, quite irrespective of their value, but to the case of a fiscal fee this does not apply. Moreover, £200,000 out of the proposed fees on imports will be derived from cotton goods, so the whole remaining import trade will be taxed for the paltry sum of £188,000! No duty, fee, or whatever else you please to call it, is worth the trouble of collecting if less than five per cent. Finally, the export portion of the scheme is especially obnoxious. Export duties, excepting where there is virtually a monopoly of the foreign market, are equally condemned by economists and politicians. Sir William Muir denounced them emphatically in 1875 with the concurrence of Lord Northbrook, and no one pretending to education or common sense can say a word in their favour. It is no use in this case to talk of the lightness of the fee. The

Indian export trade (except in rice) lives "by the skin of its teeth," and cannot bear the slightest fiscal impost. Quick and easy communication, with competition, have so cut down profits, that one per cent. often makes all the difference between gain and loss on a shipment.

To this attack, the rejoinder may be offered that we cannot regulate practical questions by the theories of doctrinaires, and *de minimis non curat lex*: that one per cent. is inappreciable in all trade not of a purely speculative and unsound character; that on exports the fee might be only a half per cent., though this concession is not really necessary, that the "inequality of incidence" objection to the fee applies equally to tariff valuations, which are used by all nations as an unobjectionable convenience; and that as we must make some charge for keeping trade statistics, the opportunity of aiding the revenue by a slight enhancement of it should not be thrown away.

I must not ignore another class of objectors, who will demur to the entire proposition that the whole cotton duties, much less the other import duties, are either "dead" or dying. They will contend that the recent reduction of cotton duty has gone entirely into the pockets of Manchester instead of benefitting the Indian consumer, that the cotton duties remitted should be re-imposed, and that even if they should eventually be removed, the other duties should be maintained on revenue grounds, as they are collected easily and without pressure. They will be for sacrificing nothing except upon compulsion, and for living on in hope of a change of policy. But regarding such objections I can only note their existence, for to do

more would be to raise the whole question of policy, from which I began by declaring my intention to abstain.

My Lord, I have stated to the best of my ability the case for and against the project of registration-fees. It is fortunately not necessary for me to draw any conclusion, and I do not mean to do so, or to point at any. The subject in its principles and details needs general discussion and consideration by the public, and after that, a decision could only be formed in full view of the doom of the existing duties and of the alternatives presented. In the abstract, I presume that almost everyone would prefer no duties. I myself, when moving the consideration of the Sea Customs Bill in February 1878, expressed the following opinion:—

“The second step by which custom-house restrictions might be further and very largely relaxed is by alteration of our Customs Tariff. If it were possible in lieu of the fifty or sixty main heads of the Import Tariff, to have duties on only six or seven important, well-defined and readily distinguishable articles, the relief afforded in the matter of preventive scrutiny, check, stoppage, seizure, and the like, and informalities, would be enormous. It is, of course, no part of my duty to indicate or suggest any policy of this sort on general grounds. What I say is said merely in connection with the subject of customs procedure now before us.”

Whether the alternative to a registration-fee is to be absolute freedom, or the substitution of some other specified form of taxation, is a consideration material to the issue, and until the time has arrived, if it ever does arrive, when the Financial Member and the Executive Govern-

ment think it necessary to present the question in a complete form, no final opinion can be satisfactorily arrived at.

The following figured statement has been furnished to the Committee by the Hon'ble Mr. Hope since the publication of his speech, and is added thereto for the information of Members of the Chamber.

Total duties* 1878-9, excluding Salt—			
Imports	...	1,64,68,050	
Exports	...	62,66,400	
			2,27,34,450
Deduct—			
Duties lost, Cottons	...	20,00,000	
Indigo & Lac	...	5,61,745	
			25,61,745
Duties retained—†			
Arms	...	56,167	
Liquors	...	36,19,504	
Opium	...	—	
Rice	...	57,03,457	
			93,79,128
			1,19,40,873
Remainder duties to which fee system would apply: 1,07,09,577			

* See monthly Trade and Navigation Accounts for March 1879 pages 60 to 63.

† See Financial Statement 1880-1, page 21.

Registration-fees—

At 1% } on Imports by list	36,79,977
} „ Sundry articles	2,00,000
At 1% „ Exports ..	21,00,651
Establishment saving ..	8,00,000
	67,80,628
Difference loss ...	Rs. 40,12,940

THE TRADES AND PROFESSIONS TAX BILL.

This was a bill introduced in the Legislative Council, and intended to supersede the License Tax. The Committee entered a strong protest against the proposed legislation, believing the tax to be in reality an income-tax under an assumed name, and even more objectionable in many of its provisions. The only clauses to which the Committee could assent were those exempting the trading classes earning Rs. 500 and under, and the recognition of the principle so long contended for, that the tax should be extended to the official and professional classes. The proposed legislation was abandoned, and the License Tax extended with the alteration as regards exemption of the poorer classes. The Committee regret that the Government once more abandoned the idea of taxing the official and professional classes,—a course which cannot be too strongly condemned.

*From Chamber to Government of India.
Calcutta, 15th December 1879.*

THE Committee of the Chamber of Commerce have had under consideration a Bill lately introduced into the Council of the Governor-General for making Laws and Regulations, entitled the Trades and Professions Tax Bill, 1879, which is intended to repeal the various Acts passed early in 1878 for licensing trades and dealings throughout India, and they request permission to lay before His Excellency and the Council their views on the proposed measure.

It appears to them desirable at present rather to discuss the principles than the details of the Bill, reserving what they have to say regarding the latter for another communication.

The objections to the Bill to which the Committee desire to draw prominent attention are two-fold:—

First.—That while it is intended to take the place of the various License Acts now in force, it is by no means a parallel measure with those which it repeals; and, *second*, that no necessity whatever has been shown for such a radical alteration in the existing law as is now proposed, or for the imposition of fresh taxation in a shape peculiarly unsuited to this country.

As regards the first point, the Committee would observe that when the Bills which it is now proposed to repeal were introduced into the Council, it was distinctly stated by responsible members of the Government that their object was to provide a special fund to constitute an insurance against famine, which would relieve Govern-

ment in future of the extraordinary charges they had been called upon to bear in respect of the famines which were then fresh in the memory of the public, and which, as was pointed out, the ordinary revenues of the country were inadequate to meet. For a purpose such as was indicated the public generally acquiesced in the necessity of taxation, and although the form which this taxation took was somewhat freely discussed at the time, and the Bills, in consequence of this discussion, underwent considerable modification between the time of their introduction and their being passed into law, still the general character of the tax and the purpose to which the proceeds of it were to be applied were, steadfastly maintained.

The present Bill, however, entirely ignores the scheme of providing an insurance fund against famine, which was brought into such prominent notice by Government last year as the one justification they put forward for imposing additional burdens on the public. Indeed the new tax is now declared to be intended to form a part of the regular fiscal system of the country, and the Committee notice with regret that it is proposed to expunge from the preamble of the new Bill the important statement which appeared in that of the License Act, namely, that it was imposed with the object of effecting "a permanent increase of the revenue in order to provide means for defraying the public expenditure from time to time incurred, and to be incurred, for the relief and prevention of famine in British India."

Besides all this, the character of the tax is entirely altered. Instead of being a license-tax with a fixed maximum payment, the Bill under discussion is, to all

intents and purposes, an income-tax under another name, and its collection must be accompanied by the inquisitorial and oppressive proceedings which rendered that impost so odious, when it was previously in operation, as to lead to its deliberate and final abandonment in 1873.

The Committee of the Chamber desire to protest, in the most earnest manner, against the proposed reversal of a policy deliberately adopted after an exhaustive enquiry only six years ago. The result of, the investigation, conducted prior to the abolition of the Income Tax Act in 1873, was to show, in the clearest and most unmistakable manner, that the assessment and collection of the taxes imposed by that measure were attended by very great oppression and extortion on the part of subordinate officials; and in the face of the very strong objections to the Income Tax then recorded by the Executive Officers of Government throughout India, the Committee of the Chamber cannot but think that only a case of the most extreme urgency would justify the levy of an impost so closely resembling it as the proposed measure does.

This leads the Committee to remark upon their second objection to the Bill, namely, that so far no attempt has been made to show that any necessity exists for such a radical change in the law as this Bill seeks to effect, or for imposing any fresh taxation. The amount proposed to be surrendered in raising the limit of incomes affected by the present License Act is declared to be only £240,000, and the Committee cannot but hope that the efforts of Government in the direction of economy and the general elasticity of the revenue, as referred to hereafter, will amply suffice to meet this loss. The public have

not been made aware of the amount of savings likely to be effected by the recent reductions of expenditure ordered by Government, but they are led to believe they will be very considerable. It also appears from the accounts published in the *Gazette of India* of the 6th instant that some branches of the public revenue are likely to yield considerably more than the estimates, and the Committee would beg to call attention to the following figures taken from the latest published Government accounts.

1.—The statement of Government Cash Balances, dated the 6th instant, shows that these had increased, on 31st October last, by very nearly three crores of rupees, as compared with the balances for the corresponding period of last year.

2.—The same *Gazette* publishes the amount of the Secretary of State's drawings up to the end of last month, from which it appears that the loss by exchange upon about nine and a half millions sterling, drawn up to that date (being nearly two-thirds of the whole amount estimated to be drawn during the current financial year), has been upwards of 51 lakhs less than the Budget Estimate. Assuming that the average rate of exchange at which the Secretary of State's Bills have so far sold will be maintained until March next, the saving for the year under this head will amount to at least 76 lacs.

3.—It also appears that the Opium Revenue to date is better than the estimate by nearly 77½ lacs.

4.—It further appears by the published accounts of railway traffic from 1st January to 18th October 1879, that the nett receipts from this source are likely to exceed the Budget Estimate by probably 40 lacs.

Without founding anything on the increase which has taken place in the Cash Balances, the Committee would point to the general improvement in the financial position of nearly 2 crores of rupees, as shown by the other three items, as follows:—

Saving of loss by exchange ...	76 lacs.
Additional revenue from Opium ...	77½ "
Additional revenue from Railways ...	40 "
	<hr/>
	193½ lacs;

besides which the receipts from Salt and other branches of public revenue exhibit a satisfactory increase as far as can be ascertained from the latest published accounts.

Looking to the above figures, the Committee cannot help expressing their astonishment that, in order to make up a sum of £240,000, additional taxation, of the nature contemplated by the Bill under consideration, is sought to be passed without any attempt being made to satisfy the public that the necessity exists for such a measure. It is certainly desirable, in the interests of the Government itself, that an onerous tax of this description should not be imposed without taking the public into their confidence, and giving ample time for discussion so as to satisfy the country that the measure is really required. So far as the information now before the public goes, there is not only nothing to show that the finances require to be supplemented in the manner proposed, but a widespread impression exists that Government can now afford to dispense with the License Tax altogether.

The Committee are therefore strongly of opinion that the very fullest explanations on these points, accompanied

by a detailed statement of the present and prospective position of the public finances, are looked for by the country before any attempt is made to pass into law a measure so distasteful to all sections of the community as the proposed Bill must of necessity be.

What the country chiefly requires at present is rest after the bad harvests and general depression of trade during the last few years, and that the prospect of improvement now happily in view should not be clouded by vexatious changes in the law, which would have the effect of adding to the public burdens at a time when the people are ill able to bear them.

Having regard to what they have stated above, the Committee beg to urge, most respectfully, but strongly, the entire reconsideration of the proposed measure.

*From Chamber to Government of India.
Calcutta, 12th February 1880.*

Referring to my letter of 15th December, I am desired by the Committee of the Chamber of Commerce to say that they have hitherto delayed submitting their views on the details of the Trades and Professions Tax Bill, as they expected that the Bill as revised by the Select Committee, to whom it was referred at the meeting of the Legislative Council on 24th December last, would have been published ere this. The Committee were glad to learn from the Honorable Sir John Strachey's speech at that meeting, that Government were prepared to make important modifications in the Bill as originally published; and their object in addressing you now is to ask if time will be given, after the publication of the revised Bill, for

an expression of opinion on some points of detail connected with the Bill, as to which members of the Chamber entertain very strong objections.

The Committee desire me to briefly indicate in this communication some of the clauses of the original Bill to which objection is taken:—

Clause 5.—The publication of lists instead of serving regular notices of assessment.

Clauses 4 and 6.—The injustice of assessing any person who is only beginning business upon an amount which it is uncertain will be earned.

Clause 9.—The excessive amount of penalty for non-compliance with sections 6 and 7.

Clauses 14 to 16 and 22.—The liability of private employers to Government for the amount of tax due by their employes. This provision is strenuously objected to by all large employers of labour, and if persevered with, will, it is believed, cause the most serious public and private inconvenience in the way of acting as a direct incentive to strikes.

Clause 17.—The unfairness of requiring an employe to pay the tax twice over, if his employer (whom it is proposed to make an agent of Government for the collection of tax) happens to become insolvent.

The Committee trust that when the revised Bill is published, it may be found that many of the clauses in the original Bill, to which very strong objections are taken, may be so modified as to largely remove such objections; but it would be satisfactory, in any case, to know that ample opportunity will be given to the public to consider

and remark on the amended Bill before it is finally passed.

FACTORY LABOR BILL.

The amendments introduced into this proposed measure have had the attention of the Committee, whose letter of the 18th March last, as given below, fully expresses the general views and opinions of the Chamber. A meeting of members and others more directly interested in the matter was held to consider the Bill in its amended form, and the Committee understand the opinion was unanimous that its provisions would prove injurious to the growing industries of Jute and Cotton manufactures in Bengal.

From Chamber to Government of India.

Calcutta, 18th March 1880.

IN November 1878 the Chamber of Commerce received from the Government of Bengal a communication relative to a Bill to regulate labor in factories, which it was proposed to pass into law, and the Committee replied to it on the 22nd February following.

The information obtained by the Committee in answer to their enquiries as to the necessity for legislation on the subject satisfied them not only that it was wholly uncalled for in this Presidency, but that any attempt to make it compulsory would give rise to great dissatisfaction; further, that—not taking into account the opposition to the

measure, expressed with entire unanimity, by the owners of mills and factories and by others interested in such industries—the classes of operatives are now so numerous, especially in the immediate vicinity of Calcutta, that they would not lack advocates to publish their grievances did any exist; and that the entire absence of complaint on the part of factory operatives themselves, and of attempts on the part of others to find grievances for them, might well be considered conclusive evidence that factory labor was most popular wherever it was within reach of the laboring classes.

Agreeing with the universal judgment of the public in this respect, the Committee communicated to the Government of Bengal their grounds of opposition to the proposed Bill and to the principle of restrictive legislation as regards labor contracts.

The Bill was subsequently referred to a Select Committee of the Legislative Council of the Governor-General, whose report has been recently published, and the Bill as amended by them has been submitted to His Excellency's Council, with the recommendation that it be passed after publication in the *Gazette of India*.

While admitting that the amended Bill contains less vexatious and uncalled-for restrictions than were embodied in the original draft, the Committee of the Chamber desire to represent that even the obnoxious provisions that have been eliminated were less objectionable than the material alteration which converts the optional and permissive character of the Bill into compulsory application to the whole of British India; and the original purpose of applying the Bill only to those parts of the country to

which it might, from time to time, be extended as circumstances demanded, has been essentially varied by the substitution of a provision which at once places every factory—as interpreted by the 2nd section—under legislative regulations and restrictions, whatever may be the conditions of the factory system in different parts of the country.

Upon a careful review and re-consideration of the entire question, the Committee of the Chamber submit that there is no justification for the application of the proposed measure to Bengal; that if it is absolutely a necessity in other Provinces—a point on which they express no opinion—its compulsory extension to the whole of India ought not to be insisted upon merely on the assumption that restrictions essential in some cases may be essential in all; that no good or reasonable grounds have been shown for altering the character of the Bill; that all interference with freedom of labor contract is a mischievous impediment in the course of industrial enterprises which confer substantial advantages upon the working classes occupied in their development; and that no instances have been brought forward where the lives, health and liberty and proper treatment of the hands employed in factory service have been endangered by any abuse of the system as it prevails in this Province.

For these reasons, as well as on the grounds fully stated in their letter on the 22nd February to the Government of Bengal, the Committee of the Chamber of Commerce respectfully record their opposition to the application of the proposed Bill to the territories under the jurisdiction of His Honor the Lieutenant-Governor of Bengal.

TRADE-MARKS BILL.

THE Committee have expressed their strong opposition to this Bill as unnecessary and uncalled-for, and they hope it will not be proceeded with. As the Bill is a short one it is here re-produced, together with the Report of the Select Committee thereon.

LEGISLATIVE DEPARTMENT.

We, the undersigned Members of the Select Committee From Chief Commissioner, Ajmeer and Merwara, No. 357, dated 23rd July, 1879 [Paper No. 1].

- Secretary to Chief Commissioner, Mysore, No. G. 3789 —J.S., dated 4th August, 1879 [Paper No. 2].
- Secretary for Bihar, to Resident, Haidarabad, No. 16, dated 10th August, 1879 [Paper No. 3].
- Secretary to Government, Punjab, No. 137C, dated 25th August, 1879, and enclosures [Papers No. 4].
- Officiating Secretary to Chief Commissioner, Central Provinces, No. 3628—187, dated 25th August, 1879 [Paper No. 5].
- Acting Chief Secretary to Government, Madras, No. 2082, dated 18th August, 1879, and enclosures [Papers No. 6].
- Secretary to Chief Commissioner, Assam, No. 1625, dated 2nd September, 1879 [Paper No. 7].
- Secretary to Government, Bengal, No. 3766, dated 9th September, 1879, and enclosures [Papers No. 8].

to which the Bill to provide for the registration of Trade-marks was referred, have the honour to report that we have considered the Bill and the papers noted in the margin.

2. The most important question we have had before us is as to the mode in which trade-marks already registered in England should be dealt with. The Bill, as introduced, confers no privilege, whatever upon such trade-marks. It puts them upon the same footing as any other foreign trade-marks, and requires them to be

From Acting Under-Secretary to Government, Bombay, No. 5694, dated 20th September, 1879, and enclosures [Papers No. 9].

" Acting Chief Secretary to Government, Madras, No. 2474, dated 25th September, 1879, and enclosures [Papers No. 10].

" Officiating Secretary to Chief Commissioner, British Burma, No. 221—1381, dated 23rd September, 1879 [Paper No. 11].

" Secretary to Government, North-Western Provinces and Oudh, No. 2707, dated 20th September, 1879, and enclosures [Papers No. 12].

" Acting Under-Secretary to Government, Bombay, No. 6051, dated 8th October, 1879, and enclosures [Papers No. 13].

" Hon'ble J. Pitt-Kennedy, dated 16th January 1880 [Paper No. 14].

Extract paragraph 1, from despatch from Secretary of State for India in Council, No. 45, dated 24th December, 1879, and enclosure [Paper No. 15].

tion here, and thus much of the work would be done twice over. Several suggestions have been made with a view to avoiding or overcoming this difficulty.

3. The first we would notice (and we understand it to be one of the alternative suggestions put forward by the Calcutta Chamber of Commerce) is to the effect that the measure should be restricted to trade-marks used in connection with Indian products, all other trade-marks, including English trade-marks, being left on the same footing as they now are, that is to say, on the same footing as trade-marks were in England before the legislation of 1875-76.

This suggestion is one which we should be unwilling to adopt. We believe that the result of adopting it would be, not only that we should leave by far the larger proportion of the trade-marks now in use in this country on an unsatisfactory footing, but, further, that we should be compelled to withhold, even from the limited class of trade-marks to which we should restrict our legislation, the benefit of some of the most important provisions of the proposed measure.

4. If, for example, the Bill were restricted in its operation to trade-marks used in connection with Indian products, we could not, as it seems to us, retain the section which confers on a person registering a trade-mark, a presumptive title at once and conclusive title after five years; for to do so would be to put it in the power of, say, an Indian manufacturer of piece-goods to place upon the register as his own, trade-mark of some well-known Manchester manufacturer. The Manchester manufacturer could not protect himself against this beforehand by registering the mark in India, for the register would not be open to him; and thus when he discovered what had been done, he would be compelled to go into Court to contest the registration in the face of a presumption created by the law in favour of his adversary, or worse still, if the five years passed without his discovering the trick, might lose his right to the trade-mark altogether. And if the Bill were cut down so as to avoid this and other like results, we doubt whether it would be worth while proceeding any further with the proposed legislation.

5. Putting aside then this suggestion, which would exclude English trade-marks altogether from the operation

of the Bill, we have next to consider the suggestion that they should, if registered in England, be placed upon the register here as a matter of course, and without any previous notice or inquiry.

This we understand to be the second of the two alternative suggestions of the Calcutta Chamber of Commerce, and it is, at all events, the suggestion put forward by the Manchester Chamber in their letter to the Secretary of State, which they say that they support the Bill with the proviso that "previous registration of a trade-mark [in England] shall be accepted as proof of ownership and right of registration in India also, as in the case of other countries having trade-mark conventions with Great Britain."

6. We do not know on what the Chamber found their statement that the registration of a trade-mark in England is accepted in countries having trade-marks conventions with Great Britain, as proof of ownership and right of registration.

From an examination of the reports relative to trade-marks legislation in foreign countries presented to Parliament in 1879, it would appear that, though the laws of some European countries require a foreign owner of a trade-mark to register his mark at home before applying for registration in those countries, such previous registration is nowhere accepted as dispensing with any of the formalities or precautions prescribed by law as preliminaries to registration in other cases. The only privilege that appears to be anywhere accorded to a foreigner, who has registered his mark at home, is in Austria, where it is said that marks, which would not ordinarily be recognized

as trade-marks, are not refused registration on this account, if the applicant can show that they have been registered as trade-marks in his own country (page 4 of the reports above referred to).

7. But, however this may be, we think it clear that, under a law like the present Bill, which makes registration at first starting presumptive evidence, and after a time conclusive evidence, of title, no such privilege as we understand the Chamber to ask for can be conceded to foreign registration.

If the registration of a trade-mark in England were to give the registered owner an absolute right to have it registered here, without any previous public notice of his application, it would be no difficult matter for a manufacturer who desired to appropriate a mark which was in use in this country, but had not been registered, to get it registered in England, and then have it registered here, thereby acquiring, at once, a presumptive title to it. There being no public notice to be given of his application, his proceedings would probably pass unobserved, and if he only had the patience to refrain from using the mark for five years, he might acquire an absolute title to it as against the true owner.

8. No doubt the true owner might preclude the possibility of this by himself registering the mark as soon as he designed it, or, in the case of marks in use, when this Bill becomes law as soon as the Bill passes; but to drive him to do this would be in effect to establish a compulsory system of registration; in other words, to establish a system essentially different from that contemplated by the English legislation on the lines of which we are proceeding.

9. Having thus disposed of the suggestions which have been made to us, to be the only practicable solution of the question.

It appears to us that if we could require that every trade-mark presented for registration in this country should have enfeared on it, or incorporated with it, or superadded to it, some distinctive inscription or device prescribed by the Government, and of such a nature as to strike the eye at the first glance, there would be no reason why we should not frame our Bill so as to give to registration in England precisely the same effects as we give to registration here. The result of insisting on such a distinctive inscription or device would, in fact, be that every trade-mark registered here would be essentially a different mark from any registered in England, and so no question could ever arise between the owner of a mark entered upon the one register, and the owner of a mark entered upon the other.

10. We are quite aware that, in the case of certain articles, some degree of ingenuity would be required to ensure that the inscription or device prescribed was really of so distinctive a nature, and so striking, as to make the mark to which it was added practically a new mark, without, at the same time, obscuring its original features; but we believe that no serious difficulty would be found in any case, while in the vast majority of cases the matter would be simple enough. In the case, *e.g.*, of the ordinary marks on piece-goods, perhaps the most important class of marks with which we should have to deal, we believe that the words "Indian mark," printed diagonally across the mark, would be all that would be required.

11. It has been objected that the working of the system we propose would be liable to be interfered with by persons registering, in England, trade-marks bearing the distinctive device, or inscription prescribed by the Government here. We presume that we have nothing to fear on the score, as we suppose the Registrar in England would have power, or could easily be given power, to refuse to register a mark bearing that device or inscription, except on the application of the Indian registered owner; but if there should be any reason to apprehend that such marks might be registered in England in the name of another person, we could meet the difficulty thence arising, by providing that, in such a case, no effect should be allowed here to the English registration.

12. We have not overlooked the fact that there are trade-marks in use in British India which are the property of Frenchmen, Germans, and other foreigners, and are used by them in connection with businesses carried on by them in their own countries; but we do not think that what we propose would involve any hardship to the owners of such marks. They would be on precisely the same footing as British subjects; that is to say, they could always have their marks registered here by adding to them our distinctive inscription or device, or, if they preferred it, they could register the mark in England in its original shape, without any such addition.

13. We have amended the Bill so as to give effect to our suggestions, but, seeing that none of us here have had any experience of the working of any system of registration of trade-marks, we do not think it would be safe for the Council to take any further action regarding the Bill.

until it has been submitted in its amended form for consideration, not only to the Chambers of Commerce in this country, but also to the Manchester Chamber of Commerce, the Registrar of trade-marks in England, and such other individuals or public bodies, in England, as may be most competent to form an opinion on such a matter.

14. In concluding this portion of our report, it is, perhaps, convenient that we should state what, in our opinion, should be done in the event of the course we now propose not meeting with the approval of the persons concerned.

We think that in such an event, the only course open to the Council would be to require trade-marks registered in England to be registered afresh here after the publication of the usual notice, and according to the ordinary procedure, and the only concession which could, in our opinion, be made to the owners of such trade-marks, would be that already referred to as at present made in Austria, *viz.*, that no objection should be taken to their marks, on the ground that they were not trade-marks within the meaning of the Act.

We believe that this would be deemed an important concession, especially when it is borne in mind that the matter of determining whether a particular mark is a trade-mark, within the meaning of the Act, or not, is, at least, in the case of cotton-marks, one of such labour and difficulty that it has been found necessary to appoint a Committee of experts to deal with it in England. But important as this concession is, we are by no means sure that it would satisfy the majority of the registered owners of trade-marks in England, whose main object seems to be to get rid of the trouble and expense involved in the

issue of notices and the hearing of objections, and it is for this reason we advocate the alternative course suggested above.

15. The only change of substantial importance which we have made in the Bill, in addition to those involved in the recognition of English registration, consists in the insertion of a section (3), requiring a Deputy Registrar to be appointed at Bombay, and giving power to appoint one at any other place in British India.

This provision has been inserted with a view to meeting, as far as possible, the wishes of the Bombay Chamber of Commerce. We regret to say that we find it impossible to give effect to that Chamber's recommendation that the High Courts at Bombay and Madras, as well as the High Court at Calcutta, should be appointed as Courts to control the registration of trade-marks. As, in order to secure the objects of a law like this, there must be but one register upon which all marks registered in British India shall be brought, so likewise, there must be but one judicial authority to control the making and maintenance of that register. It would, we think, be most inconvenient to have three High Courts, all independent of one another, and with no common superior nearer than the Queen in Council, empowered to direct the Registrar to make or cancel entries in his register. Under such a state of things cases would inevitably arise in which conflicting orders would be issued by different Courts, and endless trouble and confusion would result.

16. In the form of the Bill, we have made several changes which do not seem to call for special mention here. We may, however, state that with a view to making the

Bill more complete in itself, and more intelligible to those who will have to work it if it becomes law, we have introduced into it several sections (13 to 18), containing provisions which the English Act relegates to rules. As these provisions, if not introduced into the body of the Act, would certainly be made here, as they have been in England, in exercise of the power to make rules which the Act confers, the change is of little importance.

17. The publication ordered by the Council has been made. We think, however, with reference to what we have said above in paragraph 13, that the Bill as now amended should be re-published, and that a copy of it should be sent to the Secretary of State in Council, together with a copy of this report.

The 28th February, 1880.

WHITLEY STOKES.

A. J. ARBUTHNOT.

T. C. HOPE.

E. C. MORGAN.

NO. II.

THE INDIAN TRADE-MARKS BILL, 1880.

CONTENTS :

PREAMBLE.

SECTIONS.

1. Short title.
- Local extent.
- Commencement.

Registration of Trade-marks.

2. Appointment of a registrar.
3. Deputy Registrar.

4. Application for Registration.
5. What trade-marks may be registered.
6. Trade-mark to be registered for class of goods.
7. Registration not to be granted without leave of Court in certain cases.
8. Registration when not to be granted.
9. Certificates of refusal to register.
10. Rectification of register.
11. Case of several persons claiming to be registered in respect of same mark.
12. What Court may decide in proceedings under Act. Notice to be given by order of Court.

Removal of Trade-marks from Register.

13. Removal of trade-mark after fourteen years, unless fee paid.
14. Payment of additional-fee after expiration of fourteen years.
15. Power of Governor-General in Council to restore trade-mark.
16. Trade-mark like one removed not to be registered for five years.
17. Removal of trade-mark where no business in goods.

Alteration of Trade-marks.

18. Alteration of non-essential parts of trade-mark.

Subsidiary Rules.

19. Governor-General in Council may make rules to carry out Act.

Effects of Registration and of Omission to register.

20. Title of first proprietor of a trade-mark.
21. Title of proprietor claiming by transmitted proprietorship.
22. Trade-mark to devolve only with good-will.
23. Registration equivalent to public use.
24. Registration of trade-marks.

Miscellaneous.

25. Saving of existing jurisdiction of Court. Registrar to rectify register on notice from them.
26. Certificate of Registrar to be evidence.

NO. II.

A

BILL

TO

Provide for the registration of Trade-marks.

WHEREAS it is expedient to provide for the registration of trade-marks; It is hereby enacted as follows:—

Preamble.

Short title.

Local extent.

Commencement.

1. This Act may be called "The Indian Trade-marks Act, 1880."

It extends to the whole of British India; and it shall come into force at once.

Registration of Trade-marks.

2. The Governor-General in Council shall establish at Calcutta a registry of trade-marks, and shall from time to time appoint an officer, by name or in virtue of his office, to register trade-marks and the proprietors thereof.

The officer so appointed is hereinafter called "the Registrar."

3. The Governor-General in Council shall appoint at Bombay, and may appoint at any other place in British India, an officer to be styled the Deputy Registrar. Deputy Registrar to discharge such functions of the Registrar other than that of entering marks in the register as may, from time to time, subject to the control of the Governor-General, in Council, be delegated to him by the Registrar.

4. Any person claiming to be entitled to the exclusive use of a trade-mark which has not been registered under this Act may, subject to the provisions of this Act and of the rules made hereunder, apply to the Registrar to register such mark and to register him as proprietor of such mark.

Any person to or upon whom a trade-mark registered under this Act has been transferred or has devolved may, subject as aforesaid, apply to the Registrar to register him as proprietor of such mark in the place of the person registered as proprietor at the date of the application.

5. No trade-mark shall be registered under this Act, unless it consists of one or more of the essential particulars hereinafter mentioned, together with such additional particulars as the Governor-General in Council may, from time to time, by an order in writing, prescribe in this behalf; but there may be added to any one or more of the said essential particulars any letters, words or numerals, or combination of letters, words or numerals.

The essential particulars referred to in the first clause of this section are as follows:—

(a) a name of an individual or firm printed, cast, impressed or woven in some particular and distinctive manner; or

(b) a written signature or copy of a written signature of an individual or firm; or

(c) a distinctive device, mark, heading, label or ticket: Notwithstanding anything hereinbefore contained, any special and distinctive word or words, or combination of numerals or letters used as a trade-mark before the passing of this Act may be registered as such under this Act if the additional particulars prescribed by the Governor-General in Council have been added thereto.

6. A trade-mark must be registered as belonging to particular goods or classes of goods.

Trade-mark to be registered for class of goods.

7. The Registrar shall not, without the special leave of the High Court of Judicature at Fort William to be given on motion or in such other

Registration not to be granted without leave of Court in certain cases.

manner as such Court may direct, register in respect of the same goods or classes of goods—

(a) a trade-mark identical with one which is already registered with respect to such goods or classes of goods; or

(b) a trade-mark so nearly resembling a trade-mark already registered with respect to such goods or classes of goods as to be likely to deceive.

8. The Registrar shall not register, as part of, or in combination with, a trade-mark, any scandalous or obscene designs, or any words or numbers if the exclusive use of such words or numbers would, by reason of their being calculated to deceive or otherwise, be disentitled to protection in a Court.

9. When an application by any person to register as a trade-mark a device, mark, name, word, combination of words or other matter or thing which has been in use as a trade-mark before the passing of this Act, and to which the additional particulars prescribed by the Governor-General in Council have been added, has been refused, the Registrar shall, at the request of the applicant and on payment by him of the fee prescribed by the rules made under section nineteen, grant him a certificate of such refusal, and shall also, if so required, state in such certificate his reasons for such refusal.

A certificate so granted shall be conclusive proof of such refusal.

10. If any person who is not for the time being entitled to the exclusive use of a trade-mark is registered under this Act as a proprietor of such trade-mark, or

If the Registrar refuses to register, as proprietor of a trade-mark, any person who is for the time being entitled to the exclusive use of such trade-mark, or

if any mark is registered as a trade-mark which is not authorized to be so registered,

any person aggrieved by such registration or refusal may apply by motion, or in such other manner as the said Court may direct, for an order of the said Court that the register may be rectified.

The said Court may either refuse such application, or it may, if satisfied of the justice of the case, make an order for the rectification of the register, and award damages to the party aggrieved.

11. When each of several persons claims to be registered under this Act as proprietor of the same trade-mark, the Registrar may refuse to comply with the claims of any of such persons, until their rights have been determined by the said Court.

The Registrar may himself submit, or require the claimants to submit, their rights to the said Court, by stating a case under section five hundred and twenty-seven of the Code of Civil Procedure, or in such other manner as the said Court may direct.

12. The said Court may, in any proceeding under section ten, or section eleven, decide—

(a) whether a mark is or is not such a trade-mark as is authorized to be registered under this Act ;

(b) any question as to the right of any person who is a party to such proceeding to have his name entered on the register of trade-marks, or to have the name of some other person removed from such register ; and

(c) any other question that it may be necessary or expedient to decide for the rectification of the register.

Whenever any order has been made rectifying the register, the Court shall by its order direct that due notice of such rectification be given to the Registrar.

Removal of Trade-marks from Register.

13. At a time not being less than two months nor more than three months before the expiration of fourteen years from the date of the registration of a trade-mark, the Registrar shall send a notice to the registered proprietor that the trade-mark will be removed from the register, unless the proprietor pays to the Registrar, before the expiration of such fourteen years (naming the date at which the same will expire), the prescribed fee, and if such fee be not previously paid, he shall, at the expiration of one month from the date of the giving of the first notice, send a second notice to the same effect, and if such fee be not paid before the expiration of such fourteen years, the Registrar may, after the end of three

months from the expiration of such fourteen years, remove the mark from the register, and so, from time to time at the expiration of every period of fourteen years.

14. If before the expiration of the said three-months the registered proprietor pay the said fee, together with the additional prescribed fee, the Registrar may, without removing such trade-mark from the register, accept the said fee as if it had been paid before the expiration of the said fourteen years.

15. Where after the said three months a trade-mark has been removed from the register for non-payment of the prescribed fee, the Governor-General in Council may if he is satisfied that it is just so to do, restore such trade-mark to the register on payment of the prescribed additional fee and compliance with such conditions as he may think just.

16. Where a trade-mark has been removed from the register for non-payment of the fee or otherwise, such trade-mark shall, nevertheless, for five years after the date of such removal be deemed, for the purpose of section seven, and not for any other purpose, to be a trade-mark which is already registered.

17. The said Court may, on the application of any person aggrieved, remove any trade-mark from the register after the expiration of five years from the date of the registry thereof, on the ground that the registered proprietor is not engaged in any business connected with goods of the same class as the goods with respect to which such trade-mark is registered.

Trade-mark like one removed not to be registered for five years.

Removal of trade-mark where no business in goods.

Alteration of Trade-marks.

18. The registered proprietor of any trade-mark registered under this Act may, by leave of the said Court, alter such trade-mark, so that he do not alter any one or more of the essential or additional particulars referred to in section five, and the Registrar shall, on payment of the prescribed fee and compliance with the rules made hereunder, alter the register accordingly.

Subsidiary Rules.

19. The Governor-General in Council may, from time to time make rules consistent with this Act as to—

- (a) the manner in which applications for registration of trade-marks shall be made;
- (b) the notices to be given by advertisement before the registration of trade-marks;
- (c) the classification of goods for the purposes of this Act;
- (d) the duration of first and subsequent proprietors of trade-marks;
- (e) the hearing of objections and the granting of certificates of refusal to register;
- (f) the fees to be charged for registration of trade-marks, for the continuance of a trade-mark on the register, for granting certificates of refusal to register anything as a trade-mark, and for the performance of any other duty under this Act or the rules made hereunder;

Governor-General in Council may make rules to carry out Act.

- (g) the removal from the register of any trade-mark ;
 (h) the form of notices under this Act, the mode of addressing and serving such notices, and the proof of such service ; and
 (i) the persons entitled to inspect the register, and generally for the purpose of carrying this Act into effect.

Such rules shall be published in the *Gazette of India*, and shall thereupon have the force of law.

Effects of Registration and of Omission to register.

20. The registration under this Act or under the law relating to trade-marks for the time being in force in the United Kingdom, of a person as first proprietor of a trade-mark shall be *prima facie* proof, and, after the expiration of five years from the date of such registration, conclusive proof of his right to the exclusive use of such trade-mark, subject to the provisions of this Act or such law as to its connexion with the goodwill of a business.

21. Every person registered under this Act or under the said law as proprietor of a trade-mark subsequent to the first person so registered shall, as respects his title to such trade-mark, stand in the same position as if his title were a continuation of the title of the first person so registered.

22. A trade-mark when registered under this Act, or under the said law, shall be transferred, and shall devolve only in connexion with the goodwill of the

Title of first proprietor of a trade-mark.

Title of proprietor claiming by transmitted proprietorship.

Trade-mark to devolve only with goodwill.

business concerned in the particular goods or classes of goods, with reference to which it has been registered, and shall be determinable with such goodwill.

23. Registration of a trade-mark, whether under this Act or under the said law, shall be deemed to be equivalent to public use of such mark.

24. From and after the first day of January, 1881, no person shall be entitled to institute any suit or other proceeding to prevent, or to recover damages for, the infringement of any trade-mark, unless such trade-mark is registered, and he is registered as proprietor thereof under this Act or under the said law ;

but nothing in this section shall apply to any device, mark, name, combination of words or letters, or other matter or thing—

(a) which has been in use as a trade-mark before the passing of this Act, to which the additional particulars referred to in section five have been added, and which the Registrar has refused to register under this Act, or

(b) which was in use before the thirteenth day of August, 1875, and in respect of which a certificate has been granted under the 39 & 40 Vic., c. 33.

Miscellaneous.

25. The provisions of this Act conferring a special jurisdiction on the High Court of Judicature at Fort William shall not, except so far as such jurisdiction

Saving of existing jurisdiction of Courts.

tion extends, affect the jurisdiction of any other Court in suits or proceedings relating to trade-marks.

If the register requires to be rectified in consequence of any proceedings in any such other Court, the Court shall give the Registrar notice of such requirement, and he shall rectify the register accordingly.

26. The certificate of a Registrar appointed under this Act or under the law relating to trade-marks for the time being in force in the United Kingdom as to any entry, matter or thing which he is authorized by this Act, or any rules made hereunder, or by the said law or the rules made thereunder, as the case may be, to make or do, shall be evidence of such entry having been made and of the contents thereof, and of such matters and things having been done or left undone.

TELEGRAPH SERVICE.

PROPER NAMES OF PERSONS AND PLACES USED ADJECTIVELY NOT ADMISSIBLE AS CODE-WORDS.

The Committee regret that they have again to complain of the unreasonable alterations in the Telegraph Rules by the late Convention in London. No good cause has been shown for the latest change, whereby proper names of persons and places are not admissible as code words, and the mercantile community have just grounds for protesting against such constant alterations. The

Committee regret the despotic manner in which these matters are dealt with, and their representations ignored.

From Director-General of Telegraphs to Chamber,—No. 2840, Calcutta, 22nd December 1879.

I HAVE the honor to inform you that the Eastern Telegraph Company, Limited, has communicated to this Department notice of a ruling of the British Post Master-General, to whom the question had been referred, that proper names of persons and places used adjectively, such as "Greek, English, British, German, French," &c., will not be admissible as code-words under the new Regulations.

I have the honor to be,
Sir,

Your most obedient Servant,
(Sd.) R. MURRAY, Colonel,
Director General of Telegraphs in India

From Chamber to Director-General of Telegraphs, Calcutta, 29th December 1879.

I have the honor to acknowledge the receipt of your letter No. 2840 of the 22nd instant, and, by direction for the Committee of the Chamber of Commerce, to request the favor of your submitting, for their information, an illustration of the mode in which the ruling of the British Post Master-General is to have effect as regards the inadmissibility as code-words, under the new regulations, of proper names of persons and places used adjectively.

From Director-General of Telegraphs to Chamber,—No. 2880T., Calcutta, the 29th December 1879.

Replying to your letter of this date respecting the ruling of the British Post Office that proper names used adjectively will not be accepted as code-words, I have the honor to acquaint you, for the information of the Committee of the Chamber, that I am now in communication with England, by telegraph, on the subject of this decision, and that I shall not fail to inform you of the result as soon as the information I have asked for is received.

From Director-General of Telegraphs to Chamber,—No. 2920T., Calcutta, the 30th December 1879.

In continuation of my No. 2880T. of yesterday, I have the honor to inform you that I regret my inability to give you any further illustration of the ruling of British Post Master-General respecting proper names in code messages than that contained in my letter of the 22nd December 1879, No. 2840T.

2. Proper names, whether used as adjectives or substantives, cannot be accepted as code-words. With this exception, no words of ten letters and less which belong to one of the admitted languages can be refused.

From Bombay Chamber.

Bombay, 1st November 1879.

I am directed to forward to you copies of the Memorial which this Chamber has addressed to His Excellency

the Viceroy on the subject of the new rules and restrictions passed by the International Telegraph Convention recently held in London, also copies of the letter addressed by this Chamber to the Director-General of the Post Office of India, with regard to the anomalies in the rates of postage chargeable in India upon letters and newspapers addressed *via* Brindisi to the United Kingdom, compared with the rates charged on letters and newspapers addressed *via* Brindisi to the Continent of Europe and America.

My Committee desire me to express their hope that these representations, which are of great importance to mercantile interests, will receive the cordial support of your Chamber.

From Chamber to Bombay Chamber,

Calcutta, 12th December 1879.

I have the pleasure to acknowledge the receipt of your letter of 1st ultimo, forwarding copies of your Chamber's Memorial to His Excellency the Viceroy on the subject of the new telegraph rules applicable to foreign messages, and of your letter to the Director-General of the Post Office as to the rates charged on letters and newspapers addressed to the United Kingdom *via* Brindisi as compared with the rates charged on covers by the same route for transmission to Europe and America.

With reference to the former subject, I am instructed to place at your disposal copies of this Chamber's letter to the Government of India, which fully endorses your representation as to the objectionable character of the re-

vised rules and the very serious inconveniences to the commercial public which will assuredly result.

Your letter to the Director-General of the Post Office had the Committee's careful attention, and they fully concurred in the views submitted by you as to the anomaly which appeared to exist in the rates of postage chargeable on covers to the United Kingdom as compared with the rates charged on covers addressed to Europe and the United States: but before they had the opportunity of taking up the subject, they were in possession of the Director-General's reply, which they think gives good reasons for the mode in which the postage is charged; and they conclude that your Chamber is also satisfied with the explanation.

To His Excellency the Right Honourable LORD LYTTON, G.O.S.I.
VICEROY AND GOVERNOR-GENERAL OF INDIA.

The Memorial of the Bombay
Chamber of Commerce.

RESPECTFULLY SHEWETH,—

That at the International Telegraph Convention, recently held in London, the following rule was adopted, which, if carried out, will be productive of very great inconvenience and expense to mercantile interests, *viz.* :—

"Proper names of persons and places in the text of code messages must be used only in their natural sense."

That practically the whole of the trade of India is now conducted through the medium of the telegraph, which has, however, only become possible by the use of elaborate codes built up during many years with much thought, labour, and expense. The use of these codes enables

merchants to condense into the smallest possible space their telegraphic correspondence, and, ever since the introduction of commercial codes, proper names have always entered largely into their composition, and, indeed, have always been regarded as more suited than any other class of words for the purpose, owing to the ease with which such words, when mutilated in transmission, can be rendered. A rule, therefore, which excludes the use of proper names as ciphers, would necessitate the compiling afresh of nearly every code now used. Many of these codes were constructed after the St. Petersburg Convention, held only three years ago. And your Excellency will be enabled to form an idea of the expense and labour of constructing these codes when we mention that in one case the construction of a code cost from £1,600 to £1,800, and that the labour of eighteen months was devoted to it. If the rule as to proper names is enforced, the greater proportion of each of the codes now used will, your Memorialists believe, be absolutely useless.

Your Memorialists are informed that the change has been adopted in consequence of a practice of manufacturing words which never had an existence, and representing them to be names of places; but this practice, they respectfully suggest, might have been stopped by limiting geographical names to such as are found in standard atlases, and classical and other names to such as are found in the best dictionaries.

That your Memorialists also desire to bring to your Excellency's notice that, in consequence of the distinction now established by the Convention between "code language" and "*langage clair*," the Telegraph officials will have the right to demand the meaning of messages when

proper names appear in them,—an inquisitorial power which your Excellency will recognize as most objectionable.

That, in addition to the new rule prohibiting the use of proper names of persons and places as ciphers, further restrictions have been imposed. According to the rules of the St. Petersburg Telegraph Convention, messages might be sent in any one of the languages used in the territories of the States which were parties to that Convention, or in Latin. But by the International Convention recently held in London telegrams in "code language" are limited to words belonging to the following languages only, *viz.*, English, French, German, Italian, Dutch, Portuguese, Spanish, and Latin. This limitation will be a great inconvenience to merchants in India, whose codes were composed largely of words in the Hindustani, or other vernacular languages of India, and will necessitate the revision of many of the codes now used in this country.

That, by the St. Petersburg International Convention, a group of five figures was counted as one word, but, by the Convention recently held in London, it is enacted that a group of three figures only shall count as one word. This restriction will also necessitate numerous alterations being made in mercantile codes, and impose very heavy additional expense in conducting telegraphic correspondence.

That, as the rules which are adopted by the International Telegraph Convention are of great public importance,—particularly to mercantile interests, from whom, your Memorialists believe, the greater part of the revenue of the Submarine Telegraph Companies is derived,—it is matter for regret that this Chamber was not consulted respecting the contemplated new rules before

the London Convention assembled; for the changes are totally disapproved, and the Chamber would have taken some pains to ascertain the feeling of the mercantile community with regard to them.

That, as the 13th Article of the Convention provides that the rules may be modified at any time by the common agreement of all the contracting States, your Memorialists earnestly hope that your Excellency will endeavour to prevent these injurious changes from taking effect, and we have the more confidence in asking your Excellency's interposition as we understand that it was the delegate of the Government of India who particularly insisted at the Conference upon the adoption of the rule as to the use of proper names.

For these reasons, your Memorialists pray that your Excellency will take the necessary steps to prevent these restrictions from being ratified, and more particularly the vexatious and unnecessary rule prohibiting the use of proper names of persons and places in the text of code messages except in their natural sense.

And your Memorialists, as in duty bound, will ever pray.

For and on behalf of the Members of the Bombay Chamber of Commerce,

M. MOWAT,
Chairman.
J. GORDON,
Secretary.

BOMBAY, 28th October 1879.

**DIFFERENTIAL RATES OF POSTAGE ON
OVERLAND FOREIGN CORRESPONDENCE.**

*From Bombay Chamber to Director-General of
the Post Office,—Bombay, 31st October 1879.*

I am directed by the Committee of the Chamber of Commerce to bring to your notice the anomaly in the rates of postage chargeable in India upon letters and newspapers addressed *via* Brindisi to the United Kingdom, compared with the rates charged on letters and newspapers addressed *via* Brindisi to the Continent of Europe and America.

The rates charged on letters addressed to the United Kingdom *via* Brindisi are 5 annas per $\frac{1}{2}$ oz., and on newspapers 2 annas per 4 oz., while the rates on letters to Germany *via* Brindisi are only 3 annas for letters and 1 anna for newspapers, although the distances to many places in Germany are very little less, and in some cases greater, than the distances to the United Kingdom. The rates of postage to Russia, including Finland, on letters addressed *via* Brindisi through Germany are 3 annas per $\frac{1}{2}$ oz. for letters, and 1 anna for newspapers, being the same as the rates to Germany, and 2 annas less for letters and 1 anna less for newspapers than the rates charged to the United Kingdom, although the distance to Russia is much greater than to the United Kingdom. Again, the rates of postage charged on letters and newspapers addressed to the United States of America *via* Brindisi, through the United Kingdom, are the same as the rates to the United Kingdom only, *viz.*, 5 annas per $\frac{1}{2}$ oz. for letters, and 2 annas for newspapers.

The same anomaly appears also in the rates of postage chargeable in the United Kingdom, in the United States of America, and in Germany, to India. The rates charged in the United Kingdom on letters addressed to India *via* Brindisi are 6d. per $\frac{1}{2}$ oz., and on newspapers 2d. per 4 oz., while the rates from the United States or Germany *via* Brindisi are 2 $\frac{1}{2}$ d. for a letter and 1d. for a newspaper.

The Committee are wholly at a loss to conceive on what principle these arrangements were entered into. The correspondence between England and India is probably greater than the correspondence between India and all other countries taken together, and this consideration alone should have entitled it to cheaper rates of postage. That correspondence, however, is, in fact, taxed for the benefit of foreigners, and the British and Indian Governments are giving the advantages of the overland postal service, which costs their respective people a heavy sum, to foreigners at considerably less rates than are charged to their own countrymen. The Committee respectfully submit that this anomaly should cease, and that the people of India and Great Britain, who pay for the postal service, should have the privileges given to other countries. If it be argued that the loss of revenue in working the overland postal service is already very heavy, then I am to point out that reduced rates of postage on letters between England and India would probably result in so great an increase of letters and newspapers being sent by the overland mail service as to lead to a considerable augmentation of the postal revenue.

The Committee direct me respectfully to ask you if you will be so good as to submit the whole subject to the

Government of India, with a view to the rates of postage between the United Kingdom and India, and India and the United Kingdom, being placed on the same footing with the rates charged from the Continent of Europe and the United States of America to India, and from India to those countries; and in the meantime they will be much obliged to you if you will kindly favour the Chamber with a copy of the proceedings of the Postal Union Convention recently held at Paris.

I have the honour to be,

Sir,

Your most obedient Servant,

J. GORDON,

Secretary.

From A. M. MONTFATH, Esq., Director-General of the Post Office of India, to the Secretary to Chamber of Commerce, Bombay—No. 7163,—dated Simla, 11th November 1879.

I have the honor to acknowledge the receipt of your letter dated the 31st October 1879, expressing the inability of the Committee of the Chamber of Commerce to understand the principle upon which the arrangements about foreign postage rates have been entered into, and requesting that the whole subject may be submitted to the Government of India, with a view to the rates of postage on correspondence passing in either direction between India and the United Kingdom being placed on the same footing as the rates charged on correspondence similarly passing between India on the one hand, and the Continent of Europe and the United States of America on the other hand.

2. I shall, in the first place, endeavour to explain to the Chamber the principle which governs the present arrangements.

3. The International Postal Convention, concluded in Paris in 1878, provided for three different scales of postage rates, *viz.* :—

(I.) The ordinary union scale of rates: applicable wherever the transit does not include sea conveyance exceeding 300 miles, *viz.* :—

	Cents.	Pence.
Letters per 15 gram- mes (about $\frac{1}{2}$ oz.) }	25	= about 2 $\frac{1}{2}$
Post-cards.....	10	= about 1
Printed articles, sam- ples, &c., per 50 grammes (nearly 2 ozs.) }	5	= { about $\frac{1}{2}$, with certain mini- mum charges which it is unnecessary here to detail.

(II.) The ordinary union scale of rates, increased by sea rates wherever the sea conveyance exceeds 300 miles. The rates so increased were limited by the Convention as follows :—

Ordinary Sea rate Total.

	cents.	cents.	cents.	Pence.
Letters as above...	25	+	25	= 50 or about 5
Post-cards.....	10	+	5	= 15 or about 1 $\frac{1}{2}$
Printed articles, } &c., as above... }	5	+	5	= 10 or about 1

(III.) Either of the two scales of rates mentioned above increased by the actual cost of any extraordinary service, such as transit by special train.

4. It is in the option of any country to forego the collection of the additional sea rates authorized under head No. II; and this option has been exercised by the following countries:—Bulgaria, Egypt, Germany, Greece, Luxembourg, Roumania, Russia, Turkey, and United States of America. Most of these countries have so little sea-borne correspondence to deal with, that it is hardly worth their while to have separate rates for it: but in the cases of Germany and the United States which have considerable sea-borne correspondence, the principle is no doubt that of making the cost of sea conveyance a charge not upon the correspondence itself, but upon the general revenues of the State.

5. It is also in the option of any country to forego the collection of the extra rates authorized to meet the expense of transit by special train: but there are very few instances of the use of special mail trains. The special train for the conveyance of the eastern mail across the Continent of Europe and a similar service across the United States of America are the only instances of importance.

6. The fact of a special train service being used at great cost to convey the eastern mails across the Continent of Europe, and the consequent levy of extra postage to meet the extra cost so incurred, is the main cause of the difference of rates to which the Chamber take exception. And I may mention that the extra postage so levied is rather below than above the actual extra cost involved in transit by special train. If India were content with the ordinary train service across Europe, there would be no necessity for levying the extra postage:

but the Government has always regarded it as a proper thing to make the large extra cost involved in the special train service a charge upon the correspondence so conveyed, the only other way of meeting it being that of defraying it from the general revenues of the country.

7. I do not think that the present would be a favourable time to raise the question of throwing an additional burden upon the State by the remission of postage revenue, the more so because the loss of revenue on the sea service which connects India with Europe is already very heavy.

8. I do not lose sight of the anticipation expressed by the Chamber to the effect that "reduced rates of postage on letters between England and India would probably result in so great an increase of letters and newspapers being sent by the overland mail service as to lead to a considerable augmentation of the postal revenue;" but I do not feel able to hold out to the Government a probable realization of the anticipation within any reasonable limit of time. The rate of postage on Brindisi letters stood at 8 annas prior to July 1876: it was then reduced to 6 annas; and in April 1879, it was still further reduced to 5 annas. But these reductions have had no material effect in stimulating correspondence, the only marked effect being the transfer of a considerable portion of the correspondence formerly sent by the cheaper Southampton route to the more expensive Brindisi route.

9. With this fact in view, it would be impossible for me to expect, or to lead the Government to expect, any such increase of correspondence as would substantially

modify the estimate of the loss which would follow the reduction of postage rates advocated by the Chamber.

10. I shall, however, submit a copy of your letter and of this reply to the Government of India.

I have, &c.,

A. M. MONTEATH,

Director-General of the Post Office, of India.

PILOTAGE CHARGES.

In December last the Committee were favored by the Government of Bengal with a copy of a Report made by a Committee appointed by Government to inquire into certain questions connected with the Provincial Marine Department. It appears that the Pilot Service were not content with their remuneration under existing rules, one of which, *viz.*, that pilots are forbidden to receive gratuities for special services rendered to the vessels they pilot, was being strictly enforced after having been for a long period entirely disregarded, and a memorial was submitted to Government by the pilots, praying for an alteration in the pilotage charges with the view of increasing their remuneration.

The Government Committee, after carefully considering the matter, proposed a scale of charges fixing a minimum draft charge for a certain

tonnage, the effect of which would have been to increase by about 12 per cent. the charge on inward-bound ships, and, while not adding in any way to the outward charges, to increase the general pilotage receipts by about 5 per cent. A statement was added to their report, showing the earnings of the pilots during the past three years. From this statement the Committee of the Chamber judged that the pilots had failed to make out a case for increased remuneration. The existing rules allowed one pilot to earn during 36 months an *average* monthly salary of Rs. 1,602-8-2, besides gratuities, and gave an average monthly salary of Rs. 1,300 to the branch-pilots and of Rs. 850 to the master-pilots of the establishment who had worked for 36 months consecutively. At the same time the Committee of the Chamber expressed the opinion that undue stress was laid by pilots on the responsibilities incurred in navigating large vessels in the river. Under these circumstances, they suggested to Government that no alteration, which involved an additional charge to the vessels trading to this port, should be made in the system of calculating pilotage fees, but that permission should be accorded to give and receive gratuities for special services rendered by pilots, and that the amount of such gratuity should be left to the decision of the parties interested.

The Committee are glad to record that the Lieutenant-Governor has accepted their conclusions, and has decided not to alter the pilotage charges.

*From Government of Bengal to Chamber,
Calcutta, the 23rd December-1879.*

I am directed to forward herewith a copy of the report*

* Received 15th October 1879. of the Committee appointed to consider certain questions connected with the Provincial Marine Department, and to request that the Lieutenant-Governor may be favored with an expression of the views of the Chamber on the proposals of the Committee contained in paragraphs 3 to 8 of the report.

2. I am to say that the Lieutenant-Governor is inclined to think that much weight should attach to the Committee's arguments in favor of a minimum draught of 16 feet; but he is aware that Calcutta is already a very expensive port to shipowners, and, before assenting to any proposal which would involve an increase of pilotage charges, he would be glad to learn the views of the Chamber on the subject.

Report of the Marine Committee on the questions referred to them in Government Resolution of the 12th May 1879.

With reference to the Resolution above referred to, we have the honor to submit the following report:—

The questions laid before the Committee in the above Resolution were duly discussed at two meetings of the

Committee, of one of which Mr. Daly and Mr. Wells were present, and had an opportunity of fully representing and explaining their views.

The following are the questions on which the Committee were directed to report:—

1st.—That, in consequence of the change in the build of vessels now visiting this port, the plan of charging pilotage according to draft is no longer a fair and equitable one.

2nd.—That, owing to the increase in the number of steamers, there is no special reason to encourage the use of steam tugs by allowing ships taking steam a reduction of one-fourth of the pilotage fees.

3rd.—That it is also unnecessary, looking to the cargoes actually carried, to reduce the fees on steamers by one-fourth.

4th.—That certain suggestions, made at p. 19 *et seq.* of the pamphlet by Mr. Wells for the reduction of port expenditure be adopted.

2. (1) *Charges for Pilotage.*—Under the present system of charging pilotage, it has been urged by the memorialists that their remuneration does not increase in proportion to the responsibility incurred in navigating large vessels in the Hooghly, and that, although the tonnage of vessels trading to Calcutta has increased largely during the last 20 years, the receipts from pilotage have remained, comparatively speaking, stationary; that while every ton added to the dimensions of a ship enhances its value no additional charge is imposed on the owner, and that, by fixing charges on draft alone,

shipowners have been induced to procure vessels of great length and beam and of as light draft as possible; and further, that such vessels are now being constructed to be ballasted with water which can be pumped out at pleasure, and the vessel lightened for the river to a draft which would be unsafe at sea.

The following figures show the actual tonnage piloted and pilotage receipts during the last eight years, and the extent to which the rate per ton tends to decrease:—

Year.	Net tonnage. Pilotage receipts. Rate per ton (annus).		
	Rs.		
1871-72	985,822	7,83,834	12.7
1872-73	978,021	7,85,338	12.8
1873-74	1,002,466	7,76,034	12.4
1874-75	1,016,706	7,60,221	12.0
1875-76	1,027,733	7,92,240	12.35
1876-77	1,352,155	9,45,694	11.2
1877-78	1,592,535	10,76,158	10.8
1878-79	1,115,392	8,63,478	12.4
Total	9,071,430	67,82,097	11.95

5. While we cannot admit that the change in the build of vessels has been made with the object of saving pilotage, it is evident that the changes referred to have very materially affected the pilotage receipts and the remuneration of the officers that pilot such vessels; and we are of opinion that the present plan of charging pilotage by draft *only* is no longer equitable, and that a system under which the charge would be levied on *tonnage and draft* would be fair both to the owners of

vessels and the pilots. The following statement has been prepared to show how the present system works:—

Names of VESSELS.	Net register tonnage.	Inward draft.	Inward Pilots' levied.	Outward draft.	Outward Pilots' levied.	REMARKS.	
						Rs. A.	Rs. A.
Ship "Lowswater"	603	12	156 4	16	302 1		
"Great Victoria"	2,386	15	215 10	Over 24	825 0		
Str. "Khedive"	2,092	19	303 12	22	669 6		
"City of Manchester"	2,046	19	350 12	23	656 4		
Ship "Northbrook"	1,820	13	177 2	21	562 8		
Str. "St. Cyril"	2,206	18	346 14	25	825 0		
Ship "Morning Light"	2,377	17	300 0	24	731 14		
Str. "Duke of Sutherland"	1,967	15	218 10	24	721 14		
"Guy Mannering"	2,115	16	258 2	24	721 14		
Ship "Celestial Empire"	4,758	14	187 7	22	609 6		

4. These cases show that a modification of the present scale of charges is called for. The *Great Victoria*, a vessel of 2,386 tons register, paid, when coming up on a draft of 15 feet, only Rs. 215-10; while the *Lowswater*, a vessel about one-fourth her size, when drawing 16 feet of water, had to pay Rs. 302. The *Great Victoria* being over 1,300 tons would fall to a branch pilot, and, for bringing her up, he would on the occasion referred to have received 60 per cent. of Rs. (215-15 per cent.) = $\frac{315 \times 60}{100} = 110 4$; while the mate pilot that piloted the *Lowswater*, a vessel of 603 tons, would have received 60 per cent. of Rs. (302-15 per cent.) = $\frac{870 \times 60}{100} = 154 2$. Of course the pilot's responsibility increase very much with draft of water, but it seems unfair to charge on draft alone when vessels

come into port very light. The responsibility of a pilot cannot in the case of these large vessels be measured entirely by the draft of water, and if the present system of charging by draft is to be continued a minimum charge for vessels above a certain tonnage should be fixed.

5. The Committee have gone fully into the question of charging in all cases according to both draft and tonnage. This at first sight appeared to be the fairest to all concerned, but it was subsequently found that, if the gross amount at present received from pilotage was adhered to, the charge to large vessels would be very much increased, and on small and medium sized vessels considerably reduced. The effect of this would have been to have increased largely the earnings of the branch pilots and to reduce those of the masters and mates. A new distribution of tonnage might have placed the masters in a position to earn as much as they do at present, but only by a very large increase to their work; and as it appears that the owners of medium-sized ships do not complain of the charges now incurred, it appeared to us better to adhere to the present to the scale now in force, but to fix a minimum draft charge for a certain tonnage, so that every pilot may get fair remuneration for the responsibility incurred in piloting a vessel up the Hooghly. Considering the length of pilotage in this river, a minimum payment of Rs. 250 for each vessel that takes a pilot does not seem an unreasonable amount to claim, and we have therefore fixed a draft of 16 feet for which the payment is Rs. 253-2 as the minimum draft to be charged for. Deducting from this amount the 15 per cent. which has to go to Government towards port dues, only Rs. 212-5 are left to be divided between the

pilot and Government. Of this, men on the 50 per cent. scale would receive Rs. 106-25, which, if this proposal is adopted, would be the smallest amount any pilot could receive for navigating a vessel up or down the Hooghly.

6. The following table shows the minimum draft that we recommend for each class of vessel:—

Vessels not exceeding 1,000 tons registered tonnage to be charged on a minimum draft of 16 feet.	
Ditto exceeding 1,000 ,, but not exceeding 1,250 tons ,,	17 ,,
Ditto ,, 1,250 ,, ,, ,, 1,500 ,, ,, ,,	18 ,,
Ditto ,, 1,500 ,, ,, ,, 1,750 ,, ,, ,,	19 ,,
Ditto ,, 1,750 ,, ,, ,, 2,000 ,, ,, ,,	20 ,,
Ditto ,, 2,000 ,, ,, ,, 2,250 ,, ,, ,,	21 ,,
Ditto ,, 2,250 ,, ,, ,, 2,500 ,, ,, ,,	22 ,,
Ditto ,, 2,500 ,, ,, ,, ,, ,, ,,	23 ,,

7. The following table shows the present scale of charges which will be applicable to ships entering or leaving the port in accordance with the above proposition according to the distance steam power is used:—

and the average emoluments have also largely increased.

12. We submit in Appendix A a statement of the total amount paid to each member of the service during the last three years. It will no doubt be objected that two of these years, 1876-77 and 1877-78, were very exceptional years, and that the amount drawn during the famine, when the influx of shipping was very great, cannot be taken in estimating what may be considered the average earnings of a pilot. We are of opinion, however, that the receipts of last year may be taken as a fair average, and the following statement shows that the average salary of pilots has increased from Rs. 4,950 in 1871-72 to Rs. 8,195 in 1875-76, and Rs. 8,155 in 1878-79. (See Appendix B.)

	Total amount col- lected as pilots' pay.		Amount on which pilots' earnings is calculated.	Number of running pilots.	Sixty per cent. of pilots' pay.		Average per running pilot.	
	Rs.	Rs.			Rs.	Rs.		
1870-71
1871-72	2,83,834	.....	56	4,7,500	4,950	.....	.....
1872-73	2,86,318	.....	55	4,51,002	4,950	.....	.....
1873-74	7,10,081	.....	78	4,65,020	5,909	.....	.....
1874-75	5,95,281	.....	61	4,56,138	7,157	.....	.....
1875-76	7,92,240	.....	58	4,75,344	8,195	.....	.....
1876-77	5,95,084	.....	55	5,65,016	10,139	.....	.....
1877-78	10,76,138	9,14,735	65	5,48,541	9,462	.....	.....
1878-79	8,69,478	7,26,037	64	4,46,574	8,155	.....	.....

13. The decrease in the number of running pilots commenced to take effect about 1873; but the Government order to reduce pilotage by 15 per cent. was not brought into force until the beginning of 1877-78, the exact date from which it took effect being the 15th March 1877.

14. According to a statement in the memorial, the average pay in 1856-57 was Rs. 2,094, and the average

number of vessels annually piloted by each 26. In 1877-78 the average number of vessels piloted had increased to 48; but the average pay of the service had also increased to Rs. 9,462. That the work can now be done by a much smaller number of pilots than formerly is simply due to the fact that nearly every vessel trading to the port, not a steamer, employs a tug; and whereas it formerly, without steam, often took a pilot eight or ten days to get a vessel up or down the river, it is now frequently done in one, and very seldom exceeds three. It is the employment of steam-power therefore that has allowed the average earnings to rise from Rs. 2,094 in 1856-57 to Rs. 9,462 in 1877-78, and we cannot therefore recommend that the reduction made to encourage the use of steam should be withdrawn simply to increase the pay of the members of the Pilot Service.

15. It is urged in the memorial that the average pay shown as received in 1856-57 was low, from the fact that there were a large number of volunteers on low pay in the service, but that the actual pay of running pilots was increased by gratuities by about Rs. 300 a month, and that a master then drew on an average Rs. 7,680 per annum. We have the very best authority for stating that gratuities up to the date of the recent orders still averaged about the same amount, and that at least from Rs. 2,500 to Rs. 3,000 per annum may be added to the figures given in paragraph 27 to arrive at the correct average emoluments of the service.

16. Pilotage was increased in 1862 by 25 per cent., and gratuities were then prohibited; but they gradually came to be paid again, and were, till recently, apparently

as regularly paid and received as they were before the order abolishing them was passed. Pilots have, no doubt, the power of benefiting a ship if they choose to exert themselves, by facilitating the transport of the vessels from sea to town, or town to sea, and thereby lessening the expenses of the owners, and owners are apparently quite ready to pay for this service. While this is the case, we would submit, for the consideration of Government, whether, taking these facts into consideration, it would not be better to recognize certain extra services for which apparently owners and captains are willing to pay and to grant a scale of extra fees for such services. We are not in a position to state definitely either what such services* are, or the amount that should be paid for them; but this could be ascertained on a reference to the Chamber of Commerce and the Port Officer. These fees would be no extra charge on the trade of the port, as their equivalent is now paid in the shape of gratuities; but by fixing such a scale the payment would be a legal act, and agents could pay and pilots receive the money without the stigma which attaches to the present system.

17. If the schedule of tonnage is altered as recommended, it will be necessary to make a change in the tonnage scale which regulates the vessels that branch, master, and mate pilots may take charge of. The average tonnage.

* Suitable grounds for fee for pilots for extra work suggested by the assistant port officers.

1. Joining a ship in Calcutta at night to make ready for a day-night start, where a day's time or tug hire is saved.
2. Going out from Saugor at night.
3. For keeping under weigh after dark within permitted limits whereby the vessel piloted saves a bar in the morning that would otherwise be lost.
4. Pilot's detention money on board ships awaiting orders should be levied at pay rates fixed by Government for the purposes of Leave Rules, 1878, Supplement II, C. I. C.

of vessels trading to the port has increased so largely that an unduly large number falls to the share of the branch pilots. The present limit for branch pilots is 1,300* tons; and of the total number of entries during 1878-79, 525 were above that tonnage, leaving only 442 for masters and mates. The branch pilots could not, however, take all the vessels which the scale assigned to them, and of the 525 which they could have claimed only 311 were piloted by branch pilots; the remainder fell to the master pilots.

18. In concluding this part of the report, we would submit, for the consideration of Government, that should it be decided to adopt either of the scales herein proposed, it should be clearly laid down that it is open to Government at any time to revise the scale should it be shown that the charge on account of pilotage is greater than is necessary to maintain the service efficiently. The receipts on the new scale will vary with the tonnage of the port, and increase as it increases. But pilots should clearly understand that it is always open to Government to revise the rate, so that the trade of the port shall not be taxed to a greater extent than is necessary to give them an adequate income.

19. It has already been decided that an average salary of—Rs. 1,000 per mensem to branch pilots,

" "	700	" "	to masters
" "	450	" "	to mates

is all that pilots can reasonably claim, and the principle to be borne in mind in fixing pilotage should be to provide a sufficient sum to pay these average salaries, maintain

* Has been altered to 1,600 since this was drafted.

the pilot vessels and controlling establishment, and provide for leave and pension allowances. The leave allowances of the establishment have been recently considerably improved by a departure from the very small allowances fixed fifty or sixty years ago. It is possible that hereafter, with a view to add in a most effective way to the means of securing and maintaining a thoroughly efficient service for the pilotage of the Hooghly, Government may see fit to make a similar improvement in the pension allowances of pilots, so as to make these more in accordance with the emoluments drawn in active service, and with the amount of pensions fixed for the uncovenanted service generally. This might be done without adding in any way to the cost of pilotage if the scale of salaries we have indicated above is adopted in dealing with the subject.

20. (4) *Reduction of Port expenditure.*—As regards the 4th question, *vis.*, the reduction of port expenditure, the Committee remark that the statements in the pamphlet refer rather to reductions which, it is alleged, have taken place than to reductions which the pilots point out as possible. Premising that their figures, as they themselves admit (paragraph 17), do not in all respects agree with those of the Government accounts, they enumerate seven heads of savings as follows:—

	Rs.
1. Reduction in number of brigs ...	1,00,000
2. Pensions ...	5,000
3. Leads men apprentices ...	12,000
4. Volunteers' home ...	6,000
5. Leave allowances ...	10,000

6. Office establishment ...	37,580
7. Steamers ...	30,000

21. Under heads Nos. 1 to 6 the argument is that these savings have taken place, and that therefore (as the Committee understand it) the money saved should be considered at the disposal of Government for increasing the pilots' share of allowances. On this the Committee have to remark that a claim of this kind can be based only upon a statement and comparison of the whole receipts and whole charges, inasmuch as there is no doubt that in accounts extending over a long series of years there have been savings under some heads and increases under others; and the real question is whether or not, on the whole account as it now stands (or as by proper administration it may be made to stand), there is a present excess of receipts.

22. In Appendix C are set forth the receipts and expenditure immediately connected with the Hooghly navigation, which appear in the Bengal accounts for the past three years. They show the following results:—

Years.	Receipts. Expenditure.	
	Rs.	Rs.
1876-77 ..	12,80,741	13,00,253
1877-78 ...	14,66,754	13,32,582
1878-79 ...	11,84,232	12,04,094

(It must be remembered that 1877-78 was altogether an exceptional year as regards receipts).

These figures may contain some items that are open to objection as not strictly chargeable to Hooghly navigation; but, on the other hand, they include no charge on account of interest on block, which might possibly be

half a lakh of rupees, nor for pensions of establishments, which would not be very much. Some not very large amounts would also have to be added for pilots' leave and pension allowances discharged by the Secretary of State.

23. The figures do not support the contention that Government has a margin in respect of Hooghly navigation which it can distribute in the form of increased allowances to pilots.

24. The questions which are raised in the pilots' representation regarding the distribution of the charges for Port Officer's establishment, and for the maintenance of the *Undaunted* and *Celerity* (or rather of one of these only, for not both are wholly charged in the Bengal accounts), are partly based upon misapprehension of the form in which the accounts are actually drawn up. No transfer or re-arrangement of these charges between pilot service and port approaches or lighting and surveying can alter the relation between the amount of receipts which Government has at its disposal for the whole service of the port and the charges which it has to meet out of them.

25. The pilots, however, suggest a reduction of expenditure in two directions, *viz.*, the Port Officer's establishment and the charge for a port steamer. On the first, the Committee made their recommendation in their first report. On the second, the Committee remark that, though a smaller vessel than the *Undaunted* might amply suffice for the pilot service, still it is no doubt necessary that Government should possess, for some of its purposes and for some even of the port purposes, a comparatively large vessel, and it is probably more econo-

mical that it should be used for the pilot service and other purposes than that an additional smaller one should be employed at the cost of laying up for a time the larger one.

We have the honor to remain,

Sir,

Your most obedient servants,

H. L. HARRISON,

J. WESTLAND,

W. L. SEARLE, *Captain*,

W. DUFF-BRUCE,

F. W. PLACE.

APPENDIX A. (Continued.)

Names.	Bank.	Rate of PAY per month.	Earnings of Pilot awarded by Admiralty in three years.	Months in the year when a special allowance was paid.	Average per month.	Remarks.
G. J. C. Smart	Licensed Master Pilot.	on 5/2 Exchange.	16,429 0 0	20	536 4 11	Dismissed, 2nd October 1878.
A. W. England	Do.	Do.	4,573 0 0	14	326 6 3	Dismissed, 23rd August 1877.
K. M. W. Jones	Do.	Do.	2,565 12 8	23	111 5 7	Dismissed, 23rd August 1877.
S. H. Jones	Licensed Branch Pilot.	Do.	543 7 3	23	236 4 0	Dismissed, 23rd August 1877.
S. H. Jones	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
A. W. Phillips	Do.	Do.	335 13 11	23	146 1 0	Dismissed, 23rd August 1877.
A. W. Phillips	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
M. Macdonnell	Do.	Do.	328 4 0	23	142 1 0	Dismissed, 23rd August 1877.
R. E. Miller	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
R. E. Miller	Do.	Do.	328 4 0	23	142 1 0	Dismissed, 23rd August 1877.
H. Langford	Do.	Do.	433 0 0	23	188 2 6	Dismissed, 23rd August 1877.
H. Langford	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
F. C. Cooper	Do.	Do.	328 4 0	23	142 1 0	Dismissed, 23rd August 1877.
F. C. Cooper	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
R. Enstone	Do.	Do.	335 0 0	23	146 1 0	Dismissed, 23rd August 1877.
R. Enstone	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
J. D. Bennett	Licensed Master Pilot.	Do.	229 0 0	23	100 0 0	Dismissed, 23rd August 1877.
J. D. Bennett	Do.	Do.	229 0 0	23	100 0 0	Dismissed, 23rd August 1877.
W. Macdonnell	Do.	Do.	1,875 12 6	23	81 5 6	Dismissed, 23rd August 1877.
A. Macdonnell	Do.	Do.	328 4 0	23	142 1 0	Dismissed, 23rd August 1877.
A. Macdonnell	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.
C. F. Wemyss	Do.	Do.	328 4 0	23	142 1 0	Dismissed, 23rd August 1877.
C. F. Wemyss	Do.	Do.	2,668 12 8	23	116 0 0	Dismissed, 23rd August 1877.

APPENDIX B.

The average emoluments of the Service as given in the following figures are taken from the actual payments of 1878-79.

Percentage paid to 60 per cent. pilots	Rs. 3,26,630
Subsistence allowance to those officers who are not licensed pilots when sick, &c.	23,057
Total payments to 60 per cent. working pilots	3,49,687
Average emoluments to 60 per cent. running officers	9,202
Percentage paid to 50 per cent. pilots	80,232
Average emoluments of 50 per cent. pilots	5,014

APPENDIX C.

	1876-77.	1877-78.	1878-79.
	Rs.	Rs.	Rs.
RECEIPTS.			
Discharge receipts	5,44,200	10,74,969	8,92,716
Registration, &c., fees	23,731	20,083	24,935
Mass money deductions	15,449	14,817	14,817
Post receipts	2,77,380	3,17,600	3,08,567
Miscellaneous	11,508	13,656	8,737
Pension fund deductions	12,72,488	14,07,423	11,76,465
	8,328	9,331	7,746
Total Receipts	12,60,741	14,06,754	11,84,032
EXPENDITURE.			
PORT OFFICERS AND ESTABLISHMENT	54,134	64,900	55,610
MAINE COURTS	5,378	5,470	3,382
SHIP-COMMANDER	14,623	17,317	18,188
PILOTS ALLOWANCES	6,15,862	6,20,481	4,79,032
	6,77,797	7,05,551	5,56,748
PILOT VESSELS—Establishments and miscel.	55,847	55,750	55,673
Inshore	25,452	24,666	20,978
Building and repairs	22,318	16,906	18,000
Victuals	Included under stores	7,222	6,000
Coal	774	770	500
Timber and stores	22,534	17,022	16,170
	1,27,336	1,23,016	1,09,174
			24,600
"UNPAIDERS" AND "CELEBRANTS"—			
"Establishments"			
"Endowments"	14,023	27,358	25,105
"Celebrants"	11,883	6,018	7,791
Buildings and repairs	25,452	25,622	20,000
Victuals	Included under stores	2,661	2,000
Coal	20,873	18,388	11,000
Timber and stores	12,400	8,672	12,224
	1,19,629	1,13,149	70,870
FARE PORT TARIFF			38,000
New light for shore	9,345	9,140	8,428
Miscellaneous	.....	.....	27,778
MIZIAN LIGHT-VESSELS	31,928	21,658	14,565
			16,000

APPENDIX C.—(Continued.)

	1876-77.	1877-78.	1878-79.
	Rs.	Rs.	Rs.
RECEIPTS.—(Continued.)			
CALCUTTA PORT APPROACHES—			
River light-vessels	1,10,894	1,43,766	88,633
" " " " " " " "	11,862	11,572	65,320
" " " " " " " "	63,414	61,632	6,478
" " " " " " " "	33,150	23,076	6,002
" " " " " " " "	11,127	13,534	17,838
" " " " " " " "	3,800	2,500	3,714
" " " " " " " "	3,082	4,408	10,558
" " " " " " " "	3,042	5,079	4,588
" " " " " " " "	969	581	1,757
" " " " " " " "	35,528	10,952	10,000
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
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" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
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" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971
" " " " " " " "	969	581	1,572
" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
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" " " " " " " "	3,500	2,500	3,500
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" " " " " " " "	3,500	2,500	3,500
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" " " " " " " "	3,500	2,500	3,500
" " " " " " " "	3,082	4,408	2,500
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" " " " " " " "	969	581	1,572
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" " " " " " " "	3,082	4,408	2,500
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" " " " " " " "	3,500	2,500	3,500
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" " " " " " " "	3,500	2,500	3,500
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" " " " " " " "	3,082	4,408	2,500
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" " " " " " " "	3,082	4,408	2,500
" " " " " " " "	3,042	5,079	1,971

*From Chamber to Government of Bengal,
Calcutta, 9th February 1880.*

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 1715, of the 23rd of December, forwarding copy of a Report by a Marine Committee on the question of charges for pilotage and other matters connected therewith.

The attention of the Chamber is drawn to paragraphs 3 to 8 of that Report, and their views thereon are invited by His Honor the Lieutenant-Governor; and I am desired to submit the following remarks in reply.

It would appear from the Report that a representation has been made by the officers of the Pilot Establishment that, under the present system of charging pilotage, their remuneration does not increase in proportion to the responsibility incurred in navigating vessels of much greater tonnage than those which formerly visited this port; that while the tonnage of vessels has increased largely during the last 20 years the receipts from pilotage have remained without any material change, and the remuneration of pilots has not kept pace with the changes that have been introduced in the build of vessels resulting in considerable advantages to their owners.

The Marine Committee are of opinion that the present plan of charging pilotage by *draft only* is no longer equitable, and that it should be displaced by a system under which the charge would be levied on *tonnage and draft combined*, which they submit would be fairer alike to owners of vessels and the Pilot Service: and they illustrate the necessity for a modification of the present scale of charges by a statement of vessels of varying

tonnage, and of their draft inward and outward, and of the pilotage levied thereon. They are also of opinion that if the present system of charging by draft, only is to be continued, a minimum charge for vessels below a certain tonnage should be fixed, or in other words, a minimum draft maintained applicable to all vessels, whatever their tonnage.

The subject submitted for the consideration of the Committee of the Chamber has had their best attention, and I am desired to place before His Honor the Lieutenant-Governor the conclusions at which they have arrived.

The Committee are constrained to dissent from the views expressed in favor of a rule fixing a minimum draft for pilotage charge, for they are of opinion that the present system is fair and equitable in practice, and should not be disturbed; they consider that a vessel's draft should be regarded as the basis on which such system should rest, for it would be manifestly unjust to establish a hard and fast line of a minimum of 16 feet, which would render it compulsory on vessels of smaller register tonnage, and drawing much less than such minimum, to pay nearly the same pilotage which would be due by much larger vessels, which, from their peculiar build, are enabled to carry relatively larger cargoes at drafts not greatly exceeding those of vessels of smaller tonnage.

Almost the entire fleet of the British India Steam Navigation Company trading with Indian ports, as well as other vessels engaged in the coasting trade of India, and all others coming in ballast or with limited cargoes, would feel the injustice of the proposed minimum.

In illustrating the necessity for the change, the Marine Committee, in the 3rd paragraph of their Report, instance the cases of the ships "Loveswater" of 603, and "Great Victoria" of 2,386 tons, and they represent that a higher grade pilot in charge of the latter on her inward draft—a vessel nearly four times the size of the former—would receive much less than a lower grade pilot in charge of the other on her outward draft.

But it appears to the Committee of the Chamber that this illustration is somewhat delusive, since the full inward and outward pilotage charges in both cases—*viz.*, Rs. 302 and Rs. 825 respectively—point to a conclusion adverse to the argument that the remuneration received by the Branch Pilot was relatively less than that received by the Mate Pilot; for the circumstance appears to have been overlooked that, as a rule, the pilot who brings a ship up the river is applied for to take her down, and consequently that while he receives only a moderate remuneration on the trip up on account of the light draft of his ship, he receives a remuneration on the trip down, in the same vessel at her loading draft, on a scale which is obviously far more to his advantage than to the Mate Pilot in the smaller ship. Probably, too, the "Great Victoria" was in ballast when she came up the river, while the "Loveswater" was most likely fully laden when she was going down; and the former in tow of a powerful tug is a far easier matter for a pilot than the latter fully laden, in getting over many of the bars in the river and in economy of time—a point of material interest to the pilot.

On the general question of pilotage charges and allowances to pilots out of them, the Committee of the Cham-

ber are of opinion that the rates now levied are sufficient to provide adequate remuneration, and that the charges should not by any means be increased. They consider the Pilot Service is extremely well paid and the scale of remuneration sufficient to attract suitable men. From the statement in Appendix A, and taking the average of all the Branch and Master Pilots who had worked for 36 months consecutively, it would appear that the average pay for that time was of the former Rs. 1,300 and of the latter Rs. 850, exclusive of the bonuses they have been accustomed to receive, and which would probably average 300 to 400 rupees a month. Comparing these earnings with the incomes of men in the same social position, either in mercantile offices, or with commanders of steamers belonging to any of the large Companies trading in the tropics, the Pilot Service of this port is not by any means underpaid; for it must be remembered that they not only receive salary from the day they first enter the service, but in a few years they earn incomes far in excess of that of any master of a vessel, who has much greater responsibilities on his shoulders, and they possess not only the advantages of obtaining furlough or other leave, but they have a liberal pension to fall back upon.

The Committee are of opinion that an immoderate stress is laid by the Pilot Service on the responsibility which they incur in navigating large vessels in the Hooghly: a great point is made of this, and it has been urged that their remuneration does not increase in proportion to the responsibility, which attaches to the charge of vessels of greater tonnage than they formerly dealt with. But in what does this responsibility consist? Although nomi-

nally liable for damages in certain events, pilots are practically free from pecuniary liability; and the efficient discharge of duty is the limit of what they are answerable for, whether their vessels are large or small. The Committee are not unmindful of the character of the navigation of the Hooghly, and that great judgment and skill and vigilance are involved in the performance of a pilot's work; but gradually acquired experience has enabled him to undertake with the greatest confidence the charge of the large and heavy drafted vessels—steam or sailing—which are now so common.

Having regard to the generally heavy expenses incurred by vessels visiting the port of Calcutta, the Committee of the Chamber strongly deprecate any changes that are not in the direction of reduction of charges already levied, and they cannot approve of any proposal which would involve an addition to the rates of pilotage which ship-owners have to bear.

The reduction of pilotage now allowed to steamers or to vessels using steam—and the instances are very rare in which sailing vessels are not towed to and from the port—should, in the judgment of the Committee, be continued, and every encouragement given so as to induce seeking ships to come to Calcutta by as low a scale of charges as possible, instead of determining them to go elsewhere by an enhancement of the present schedule as proposed by the Marine Committee in the 8th para. of their Report.

In the 16th paragraph reference is made to the subject of gratuities, and it is recommended that it would be better to recognise certain extra services and introduce

a scale of fees, and so legalise payments to pilots which they cannot at present receive, except in breach of the prohibition against such remuneration.

There can be no question, that pilots have it in their power, by a rigid observance of regulation hours for work, to put owners of vessels to a good deal of inconvenience and expense; and on the other hand, they can render special service by extra work and personal exertion, resulting in the saving of time, steam hire, and other advantages to the ship, and for such extra work and service pilots naturally look for corresponding remuneration.

It is doubtful, however, whether a scale of fees for extra services could be framed so as to meet the varying circumstances under which they might be claimed, and the danger would arise that if such a system were legalised, there would be a strong temptation to strain its application. Masters of ships and their agents can best judge how far a pilot has gone out of his way to further their interests, and to what extent such service should be remunerated. The suggestion of the Marine Committee involves the legalising of a system which is at present declared to be illegal; and if on the ground of expediency the suggestion finds favor with the Government, the Committee of the Chamber are of opinion that the permission to give and take gratuities, for services rendered under circumstances best known to the parties interested, would be, in every respect, preferable to the compulsory payment by a scale of fees,

From the Government of Bengal, to the Chamber of Commerce. Marine—No. 284, Calcutta, the 20th February 1880.

I am directed to acknowledge the receipt of your letter dated the 9th February 1880, submitting the views of the Chamber of Commerce on the proposals of the Marine Expenditure Committee regarding charges for pilotage and other matters connected therewith.

2. In reply, I am to say that the Lieutenant-Governor accepts the conclusions of the Chamber, and that he has decided not to alter the pilotage charges in the manner recommended by the Marine Committee.

PROPOSED AMALGAMATION OF THE DUTIES OF PORT OFFICER WITH THOSE OF THE PORT COMMISSIONERS.

In 1873 the Committee of the Chamber urged upon the Government of Bengal the desirability of transferring the management of the port approaches to the Port Commissioners, being of opinion that the service would be more advantageously and economically performed if the control of the port from its northern limits to the Sandheads were vested in the Commissioners, instead of being, as at present, in the hands of two distinct administrations.

It appears that the question has been the subject of some correspondence between the Govern-

ment of Bengal and the Government of India, and the result has been the appointment of a Committee (in which the Chamber is represented) to inquire how far it is practicable to establish closer relations between the Port Officer and the Port Commissioners.

It is hoped that this Committee will be able to make proposals which will remove the doubts entertained by the Government of Bengal as to the possibility of carrying out an amalgamation on terms which would be equitable to the several parties affected by the arrangements.

From Government of Bengal to Chamber,—

No. 30, Calcutta, the 15th March 1880:

WITH reference to your letter, dated the 23rd December 1873, I am directed to forward

herewith a copy of the papers noted in the margin, regarding the proposed appointment of a Committee to discuss the question of amalgamating the duties of the Port Officer, Calcutta, with those of the Port Commissioners, and to request that the Chamber will

Letter to the Government of India, Department of Finance and Commerce,—
No. 14, dated 26th January 1880.

Letter from the Government of India, Department of Finance and Commerce,—
No. 1178, dated 10th March 1880.

be pleased to nominate one of their body as a member of the proposed Committee.

From—H. J. REYNOLDS, Esq., Secy. to the Govt. of Bengal, General Dept., To—The Secy. to the Govt. of India, Department of Finance and Commerce,—No. 14, dated Calcutta, the 26th January 1880.

I AM directed to reply to your letter No. 3546, dated the 30th October 1879, in which His Excellency the Governor-General in Council desires to be furnished with the views of the Lieutenant-Governor on the suggested amalgamation of the duties of the Port Officer with those of the Port Commissioners.

2. In previous correspondence, which has passed upon this subject, Sir Ashley Eden has expressed an opinion unfavourable to the proposed transfer; and he still entertains serious doubts whether it will be possible to carry out the amalgamation on terms which will at the same time be equitable to the several parties affected by the arrangements, and will also ensure efficiency and economy in the administration of the port approaches. In particular, he would represent that the position of the Pilot Service, under any such scheme as has been suggested, would have to be very carefully considered; and while he cordially acknowledges the benefits which the Port Commissioners' management has conferred upon the port of Calcutta, he is not fully satisfied that it would be judicious to entrust new and complex responsibilities to a body of gentlemen who can necessarily devote only a small portion of their time to their public duties.

3. At the same time, the Lieutenant-Governor recognizes the advantages which would be derived from the establishment of closer relations between the Port Officer and the Port Commissioners; and if it should appear that these advantages can only be secured by an amal-

gamation of the two departments, he will be prepared to consider how far such an amalgamation may be practicable. The wishes of the Government of India will, the Lieutenant-Governor believes, be most completely met by the appointment of a Committee to discuss the question in all its financial and administrative bearings, and to report whether amalgamation would be possible, and whether the object in view could be attained by any arrangements short of the complete fusion of the Port Office with the Port Commissioners' establishment. The former proposals of the Port Commissioners, conveyed in their letter No. 1157 of the 9th August 1876, appear to Sir Ashley Eden, as they appeared to his predecessor, to be inadmissible; but the Commissioners have expressed their readiness to re-consider those suggestions, and the Committee which it is now proposed to convene would perhaps be able to formulate a scheme which the Government could accept.

4. The Lieutenant-Governor proposes to appoint the present Chairman of the Port Commissioners, Mr. C. T. Buckland, to be President of the Committee, and to ask the Port Commissioners also to nominate a member from their own body. He would also request the Chamber of Commerce to nominate a gentleman to serve on the Committee. It would be desirable that the Committee should be strengthened by the appointment of a member from the Department of Account, and by the assistance of the Superintendent of Marine. The Committee would be completed by the nomination of a representative of the Pilot Service, and of one of the Secretaries to the Government of Bengal.

5. If this method of dealing with the question is approved by His Excellency the Governor-General in Council, I am directed to request that the Government of India will be pleased to nominate an officer of the Financial Department to serve on the Committee, and will also permit the Superintendent of Marine to act as a member.

From—R. B. CHAPMAN, Esq., Secy. to the Govt. of India, Department of Finance and Commerce, To—The Secy. to the Government of Bengal, General Department (Marine)—No. 1173, dated Fort William, the 10th March 1880.

I AM directed to state that the Governor-General in Council approves of the appointment of the Committee indicated in your letter No. 14, dated the 26th January last, for discussing the suggested amalgamation of the duties of the Port Officer of Calcutta with those of the Port Commissioners. The services of the Accountant-General, Bengal, and the Superintendent of Marine, Eastern Division, are available for appointment as members of the Committee.

Copy forwarded to the Accountant-General, Bengal, for information and guidance. Copy also to the Marine Department.

*From Chamber to Government of Bengal,
Calcutta, 30th March 1880.*

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 30 of the 15th instant, and to nominate their colleague Mr. H. E. H. Turner, of Messrs. Turner, Morrison and Co., to serve as a member of the Committee appointed to

discuss the question of amalgamating the duties of the Port Officer with those of the Port Commissioners.

RAILWAY EXTENSION IN BENCAL.

DIRECT LINE FROM CALCUTTA TO BOMBAY
VIA NAGPORE.

NOTWITHSTANDING their urgent recommendation in June 1876 that any portion of railway lines east of Nagpore should be made on the broad gauge, and thus form a part of a direct through line to Bombay, the Committee regret to report that the Secretary of State has sanctioned the adoption of the metre or narrow gauge, on which 50 miles have already been constructed.

The Committee are glad to note the various railway schemes of the local Government, and think that, when carried out, they will largely benefit the internal trade of the country.

*From Chamber to Government of India,
Calcutta, 23rd December 1879.*

The Committee of the Chamber of Commerce observe in the *Pioneer* newspaper of the 28th ultimo a Notification published by the Chief Commissioner of the Central Provinces, to the effect that His Excellency the Governor-General in Council having sanctioned the con-

struction of a railway between Nagpore and Raipore at an estimated cost of Rs. 74,68,000, and the raising of that sum or any part thereof by the issue of a Provincial Debenture Loan, the Chief Commissioner has resolved to avail himself of that authority by borrowing five lacs.

The Committee notice this movement with much satisfaction, as it would appear to be the commencement of an undertaking which will eventually connect Calcutta with Bombay by a much shorter and more direct route than the present one *viâ* Jubbulpore. Large tracts of country abounding in agricultural, mineral, and other valuable resources will thereby be opened up, and the industry of the people stimulated by possessing greater facilities than they have hitherto had for the carriage of their produce to places of consumption at present beyond their reach.

Upon this important subject the Committee addressed the Government of India on the 28th June 1876, and they were informed in reply, under date the 12th October following, that the then contemplated line of railway from Nagpore to Chutteesgurh would probably be extended either through Raipore and Sumbulpore on to Calcutta, or through Raipore and Belaspore to join the East Indian Railway at or near Raneegunge.

On the 20th November the Committee again placed themselves in communication with the Government on the very material question of the gauge which should be adopted, and they expressed the opinion that the proposed line to Nagpore—running through some of the richest provinces, and connecting them in a direct line with the two large ports of Calcutta and Bombay—would become

one of the most important in India, and that the maintenance of the *standard* gauge appeared not only advisable but a matter of necessity, as its junction with the Great Indian Peninsular and Nagpore and with the East Indian, at some convenient point, so as to admit of traffic passing direct to either of the presidency terminal stations, would involve the adoption of a gauge uniform with the broad gauge of those two main lines, and that the disadvantages and inconveniences attending a break of gauge would be thereby obviated.

The Committee received no reply to that representation.

As the Committee are of opinion that the gauge of the proposed line is a matter of paramount interest and importance, and that the advantages of uniformity with the trunk lines between Bombay and Calcutta outweigh the consideration of the difference of cost of lighter lines on the metre gauge, they hope to be informed, in reply to the reference they now make, that the decision of Government is in harmony with the views to which they ventured to give expression.

*From Government of India to Chamber,
No. 059 R.C.,—Calcutta, 27th January 1880.*

I am directed to acknowledge the receipt of your letter dated the 23rd December 1879, stating that the Committee of the Chamber of Commerce have noticed with much satisfaction the sanction given by His Excellency the Governor-General in Council for the construction of a railway between Nagpore and Raipore, and expressing the hope that the line will be constructed on the broad gauge, and eventually extended to Calcutta.

2. In reply, I am to state that, in conformity with instructions received from the Secretary of State, this line is being constructed on the metre gauge. Considerable progress has already been made with the works, and it is expected that 50 miles will be opened for traffic in a few weeks; it is therefore too late now to take into consideration the question of a change of gauge.

3. I am to add that the country through which the extension of this railway to Calcutta would pass is very sparsely inhabited, and that as the line would not prove remunerative, the prospect of its construction being undertaken under recent rules as a Productive Public Work is believed to be remote.

*From Chamber to Government of India.
Calcutta, 5th February 1880.*

The Committee of the Chamber of Commerce direct me to acknowledge the receipt of your letter No. 659 of the 27th ultimo, and to thank you for the information it contains regarding the railway between Nagpore and Raipore.

They cannot, however, withhold the expression of their regret that the gauge upon which the line has been constructed is not uniform with that of the Great Indian Peninsular and East Indian railways.

In the Chamber's letter of 20th November 1876, it was strongly urged that the gauge of the Nagpore line should be uniform with the broad gauge of those two main lines of communication between Calcutta and Bombay, with the view to admit of unbroken traffic throughout, and to secure the permanent advantage of all those lines being free

from the mischievous consequences of break of gauge; and the Committee see no reason whatever to modify the views they then submitted for the consideration of Government.

From Chamber to Government of Bengal.

Calcutta, 10th March 1880.

The statement published in the Supplement to the *Calcutta Gazette* of the 18th ultimo, relative to railway extensions in Bengal, presents a very encouraging feature, in the government of this Province, and the Committee of the Chamber of Commerce desire to record their satisfaction not only with what has been accomplished but also with the prospect of further progress.

With reference to the recognized necessity for a line from Calcutta to Chutteesgurh to join the line now under construction from Nagpore to Raipore, so as to make a direct route from Calcutta to Bombay, the Committee desire to express their concurrence in the expediency of its early establishment, and to place before His Honor the Lieutenant-Governor the views already submitted by them for the consideration of the Government of India regarding this important section of railway communication between the two Presidencies.

In June 1876 the Committee were anxious to ascertain whether the Government had had under consideration the question of constructing a line from Calcutta to Nagpore *via* Midnapore, Sumbulpore, Raipore, &c., whether that part of the country had been surveyed with the view to establish railway communication; and whether the agri-

cultural and other industries of the people, and their probable requirements of the produce and manufactures available at Calcutta and other large markets for British merchandise, would yield a traffic of sufficient magnitude and value to justify the construction of the railway.

As far as the Committee's information went, it appeared that the line would shorten the distance from Calcutta to Bombay by about 300 miles, that it would supply a much-required means of access to the province of Orissa, and open up fertile agricultural and rich mineral districts, and that the extension of railway facilities would be followed with great benefit to the inhabitants of a large tract of country who have not had the opportunity of feeling and appreciating the influence of direct speedy communication with other parts of India.

The Committee were informed in reply that it was in contemplation, under provisional sanction from the Secretary of State, to proceed with the construction of a line from Nagpore to Chutteesgurh; that it would no doubt become hereafter desirable to extend the line either through Raipore and Sumbulpore to Calcutta, or through Raipore and Belaspore to join the East Indian Railway at or near Raneegunge; and that the requisite explorations and surveys would be undertaken when means were available.

In acknowledging the above letter, the Committee took the opportunity to introduce the question of gauge, and submitted that as the proposed line would run through some of the richest provinces of this country, and connect them with the two large ports of Calcutta and Bombay, it would become one of the most important in India, and

that the maintenance of the standard or broad gauge appeared not only advisable but a matter of necessity, as the junction with the Great Indian Peninsular Railway at Nagpore and with the East Indian at Raneegunge, or any other convenient point, so as to admit of traffic passing on direct either to Bombay or to Calcutta, would involve the adoption of a gauge uniform with that of those two main lines.

The Committee represented that—although a narrow or metre gauge may be suitable to subsidiary lines or to traffic in distant and isolated districts, the conveyance of which by railways of the lightest and cheapest construction would obviously be of immense improvement upon the primitive means of transport in such localities, and the absence of uniformity of gauge would be immaterial—from Calcutta to Nagpore a broad gauge line of the most durable construction would be the least costly in the long run; and while that material object would be gained, it would be accompanied by the permanent advantage of a gauge corresponding with the trunk lines to the Presidencies and the traffic on the line being unhampered by the evils attendant on break of gauge.

The Committee received no reply to this representation; but towards the end of last year they observed that a notification had been published by the Chief Commissioner of the Central Provinces, to the effect that His Excellency the Governor-General in Council having sanctioned the construction of a railway between Nagpore and Raipore at an estimated cost of Rs. 74,68,000, a provincial debenture loan would be issued, and the Chief Commissioner would avail himself of that authority by borrowing 5 lacs.

Whereupon the Committee again addressed the Government of India, and expressed their hope that on the question of gauge the decision of Government was in harmony with the views they had already communicated.

The reply has been disappointing, as it is intimated that, in conformity with instructions received from the Secretary of State, the line is being constructed on the metre gauge; that considerable progress had already been made with the works, and it was expected that 50 miles would be opened for traffic in a few weeks, and it was therefore too late now to take into consideration the question of a change of gauge.

It was added that the country through which the extension of the railway to Calcutta would pass was very sparsely inhabited, and that as the line would not prove remunerative, the prospect of its construction being undertaken, under recent rules, as a Productive Public Work was believed to be remote.

The Committee cannot but regret the decision which has been come to regarding the Chutteesgurrh section of the line now in course of construction, as they believed it to be a mistaken policy to view a line running through that district to meet a line from Calcutta merely from a local stand-point, and with reference simply to the traffic to be expected from local sources. The Committee have little doubt that eventually this line will become one of the most important in the whole of India, and when the various links in the chain are completed, it will, as a through line, receive an amount of traffic which will amply repay the extra cost of construction on the broad gauge

principle. They do not undervalue the utility of metre gauge lines as feeders to the main trunk lines of the country, and also through districts to which it is unlikely that a through traffic from places beyond will be attracted. The line under notice belongs, however, to quite a different category, as it will certainly form the main line of communication between the two most important ports in India alike for goods, passengers, and mails.

In view of these facts, the Committee of the Chamber venture to hope that they may count upon the powerful advocacy of the Bengal Government in support of the views they have stated when the time comes for His Honor the Lieutenant-Governor to submit a definite project for the construction of a line from Calcutta in the direction of Nagpore.

From Government of Bengal, to Chamber,—

No. 297 S.R., Calcutta, 30th March 1880.

I am directed to acknowledge the receipt of your letter of the 10th instant, regarding railway communication between the presidencies of Bengal and Bombay, and, in reply, to state that His Honor the Lieutenant-Governor is most anxious for direct communication with Bombay *via* Chota, Nagpore, and he hopes to depute an officer, if available, next cold season to reconnoitre the country, and report upon the best line of country for a railway to take, as this preliminary step will be necessary before any detailed survey can be ordered.

From the Chamber to Government of Bengal.

Calcutta, 5th April 1880.

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 297 of the 30th of last month.

They gladly learn that His Honor the Lieutenant-Governor is most anxious for direct communication with Bombay and Chota Nagpore, and that preliminary steps may probably be taken next cold season with the view to report upon the country for a line of railway.

The Committee trust they do not misinterpret the term "direct communication," if they assume that Sir Ashley Eden concurs in their opinion that the railway shall be constructed on the broad gauge, uniform with that of the Great Indian Peninsular from Bombay to Nagpore and of the East Indian railway, with which the contemplated new line may hereafter be brought into conjunction.

The question of gauge was specially dwelt upon by the Committee, who were anxious to obtain His Honor's advocacy of their views regarding it.

**TRANSPORT AND STORAGE OF
INFLAMMABLE OILS.**

It will be in the recollection of members that this subject was referred by the Government of Bengal to a special Committee, at which the Chamber was represented by Mr. J. N.

Stuart, and the result of their labors has been submitted in a very exhaustive report which is here published for the information of members, together with the recommendatory letter from the Government of Bengal to the Government of India, which shows how far the matter has progressed. Since the issue of the papers now placed before the Chamber, no steps towards legislative enactment appear to have been taken by Government, and meantime this branch of the import trade is mainly under restrictions by the Police and Port Commissioners, against which however no complaints have so far reached the Chamber. When the proposed enactment is published, the Committee's careful attention will be given to it, with the view to prevent any undue interference with a trade which is rapidly developing itself, and bids fair to become one of important extent.

From Govt. of Bengal to Govt. of India,—

No. 901, dated the 15th November 1879.

With reference to your letter No. 904, dated the 12th August last, I am directed to
* No. 12217, dated 17th October 1879. submit the enclosed copy of the Report* by the Committee appointed for the purpose of considering the question of regulating the transport and storage of inflammable oils.

2. Sir Stewart Bayley concurs with the Committee in the necessity of any measure which the Legislature may introduce, being Imperial, and not confined to the province of Bengal. As the Committee point out, if greater restrictions are imposed upon the trade in inflammable oils in one part of India than in another, the only effect will be to drive the trade to those parts where it is least under restraint. The Lieutenant-Governor would therefore strongly recommend the introduction, into His Excellency the Governor-General's Council, at an early date, of a bill for regulating the import, custody, and transport of dangerous oils. The following are the chief recommendations of the Committee so far as they require to be incorporated in a new law.

3. The Committee recommend that "petroleum" (which, for reasons stated in paragraph XIV of their report, they propose to substitute for the term "inflammable oils") be in future tested by Professor Abel's close test, which is considered much safer and more reliable than the present test. They report that petroleum flashes when tried by the former test 27 degrees lower than by the latter test.

4. The Committee also recommend that instead of the present limit of 100°F. as the point above which no restriction should be placed upon the free import of oil, a higher limit should be fixed, *viz.*, 110°F. by the present test, corresponding to 83°F. by Professor Abel's test, and that instead of merely placing restriction, as in the present law, on the import of oil below this standard, it should be described as "dangerous petroleum," and, whenever conveyed in larger quantities than 40 gallons,

be subject to such close regulations as practically to make its ordinary use prohibitory.

5. The Committee would not, however, leave oil flashing above the new limit of 83°F. by Abel's test altogether free, but would divide it by law into two classes, called first and second class petroleum, according as it flashes above or below 103°F. by Abel's test. They would place first-class petroleum (which is considered practically safe) under no restrictions when imported in quantities not exceeding 15,000 gallons, except that facilities must be given for testing the oil by the Chemical Examiner, and that not more than 500 gallons may be stored in any unlicensed building. When vessels contain petroleum of the second-class in greater quantities than 40 gallons, the Committee would compel the oil to be landed at or below Metiabrooj as regards the port of Calcutta, and would impose upon it greater restrictions than in the case of first-class petroleum. It is proposed that all receptacles for petroleum should be marked in such a manner as to indicate clearly the character of the petroleum they contain.

6. The Committee assume that it will be left to the local Governments to make special rules for testing cargoes of petroleum, for regulating ships importing first or second-class petroleum, and for licensing warehouses for its custody. They suggest a series of rules for adoption in Calcutta.

7. The Lieutenant-Governor concurs generally in the outlines of the legislation proposed by the Committee, and described above. The recommendations, if anything, err on the side of caution; but the report is signed by

the members of the Committee nominated by the Bengal Chamber of Commerce and by the Calcutta Trades Association; and it appears from the figures furnished by Mr. J. N. Stuart, who is largely interested in the import trade, that even under these restrictions first-class kerosine can be laid down in Calcutta at Rs. 5-5-9, and second-class kerosine, with the additional restrictions proposed, at Rs. 4-10-9, per 10 gallons. At these rates there appears to be no fear of the proposed legislation injuriously affecting the import of kerosine oil, if equally applied to all parts of India.

8. I am also to draw attention to the fact that the Committee ask for six months' notice of any change in the law, to enable those engaged in the trade to stop consignments of dangerous petroleum. The Lieutenant-Governor thinks that if a bill is introduced into the Imperial Council, and forwarded to other local Governments for opinion, it might be proposed in it to bring the enactment into force from the 1st July 1880, and not six months after it is finally passed. Such a provision will be a sufficient warning to importers to order no more consignments of dangerous petroleum, and at the same time will not unnecessarily postpone the intended legislation. His Honor cannot but feel anxious to see a law passed which will furnish better security to life and property, looking to the warning with which the Committee conclude their report that oil of the quality ascertained to have been imported both into Bombay and Calcutta during the last year must, in a climate like that of India, be a constant source of danger, while the quantities in which it is introduced are so large that, if

any accident did happen, it could hardly fail to be attended with most disastrous results.

9. In conclusion, the Lieutenant-Governor desires to record his cordial acknowledgments of the really valuable and excellent report which has been drawn up by the Committee.

I have the honor to be,

SIR,

Your most obedient Servant,

H. L. HARRISON,

Offy. Secretary to the Government of Bengal.

From the Petroleum Oil Committee to the Government of Bengal, - No. 1223J., dated the 17th October 1879.

With reference to the Government resolution in the Financial Department, dated the 21st July last, appointing us a Committee for the purpose of considering the question of the importation and storage of kerosine oil, we have the honor to submit the following report.

II. The resolution commences by observing that the question of regulating the transport and storage of inflammable oils, so as to combine practical security of life and valuable property with the minimum of restrictions on an important and rapidly developing trade, has for some time past engaged the anxious consideration of the Lieutenant-Governor. The Committee have therefore, in making the proposals hereafter to be enumerated, been guided by a desire to secure the importation of oil of such a class as will not only be safe for all practical purposes,

but will require in its storage so few restrictions as to leave the trade in it as free and untrammelled as possible.

III. There can be no doubt that the subject was one that imperatively demanded the interference of Government. In January last the Government of Bombay brought to the notice of the Government of India the dangerous character of kerosine oil recently imported into that city, which flashed at so low a temperature as 83°F. Enquiries made in Calcutta through the Commissioner of Police elicited the fact that in March last a large quantity of this oil flashing at 93°F. had been stored in Howrah by a Calcutta firm, and that, about the same time, upwards of one million gallons of oil, all flashing below 100°F., and a very large proportion of it at 94°, and even at 92°F., had been imported by three other firms in this city.

IV. It is clear, too, that, notwithstanding the enquiries that were set on foot by order of Government at the early part of the present year in consequence of the facts which had come to its knowledge, no improvement in the quality of the oil imported has as yet taken place. For their own satisfaction, the Committee have thought it advisable to have several samples of the oil now procurable in the bazar tested, in order to be certain of the quality of that which was being daily and hourly sold for domestic use. The experiments were personally made by Mr. Pedler, a member of the Committee. Eleven samples of kerosine oil, purchased from different European and native firms in Calcutta, were submitted to a careful testing, with the result that nine of them flashed between 85° and 90°F.,

only two coming up to the standard, which, according to Act III. (B.C.) of 1865, would remove them from the category of the inflammable oil.

V. With oil of so low a class freely procurable, it is perhaps remarkable that so few accidents have been reported. Indeed, so far as the Committee are aware, these appear to have been confined to those reported by the Commissioner of the Presidency Division as having occurred in Moorsshedabad, and to the very serious explosion which happened in the river, in two cargo-boats conveying kerosine oil from Namuck Mehal Ghât through the port to godowns near the Chitpore Canal;—*vide* paragraphs 3 and 4 of the Government Resolution. The Committee are, however, of opinion that this remarkable immunity from reported accidents can by no means be accepted as a criterion of the safety of the oil in common use. It is believed that a very considerable number of minor accidents have occurred in private houses, which have never been brought to public notice. But whether this is so or not, there cannot be the smallest doubt that oil of the kind now commonly sold in Calcutta is of a most dangerous description, and that it is essential in the interests of the public safety that such restrictions should be placed on its importation and storage as will practically debar it from finding its way into the market at all.

VI. It has already been found necessary both in England and America, in order to secure the safety of the public, that very stringent restrictions should be imposed on the importation and sale of low class petroleum. In England by the Petroleum Act 34 and

35 Viet., Ch. 105, oil giving off an inflammable vapour at a temperature of less than 100°F., is subjected to the following restrictions. Oil of this description can only be stored or conveyed from place to place in vessels labeled "highly inflammable," and must be kept in licensed warehouses, except under the following conditions, viz.: (1) that it is kept in separate glass, earthenware, or metal vessels, each of which contains not more than a pint, and is securely stopped; (2) that the aggregate amount kept, supposing the whole contents of the vessels to be in bulk, does not exceed three gallons.

VII. Moreover, since this Act was passed, the question as to whether a flash point of 100°F. was sufficiently high, even in England, has been raised. Writing in July 1876 to Professor Abel, Mr. Under-Secretary Liddell remarks as follows:—"Assuming it to be in your opinion desirable to obtain flashing test for petroleum, whether the present 'flashing point' of 100°F., (or its equivalent under any modified method of testing which you may propose), is, in your judgment, calculated to afford adequate protection to the public, without unduly interfering with or restricting the trade; if not, what alteration in this respect should be made." It is true that in his reply Professor Abel said that there were not, in his judgment, any well-established grounds for considering that that flashing point was not calculated to afford adequate protection to the public. It appears, however, that the Metropolitan Board of Works are of opinion that the present legal flash-point is not sufficiently high to insure freedom from accident, so that there is certainly a diversity of opinion on the subject.

VIII. In America it seems that the present United States standard is 110° "fire test," equivalent to about 92° of the English Parliamentary standard. This, however, is evidently considered too low. In Boston an attempt has recently been made to raise the standard, some persons insisting that it should be made as high as 135° fire test. Professor Chaudler, President of the Board of Health in that city, asserts, according to the *Scientific American* of the 12th April last, "that standard of 135° should be adopted everywhere, in which case there would be an end of kerosine explosions, provided of course that the law be rigidly enforced." In the state of Michigan all oils are forbidden which flash at 140° or below, an extraordinarily high standard for America, and one which, as will presently appear, considerably exceeds that which the Committee propose should be adopted in this country.

IX. From what has been said above, it will be seen that by far the larger quantity of the oil imported into India during the present year is of a quality so low as not come up to a standard the sufficiency of which to secure practical safety, even in a country like England, has been called in question. The greater portion of this oil would, if it had been imported into England, have been subject to the restrictions, as regards storage and sale, mentioned in paragraph VI; while the sale of the same oil would have been absolutely prohibited in one of the most northern of the American States.

X. Further comment on this portion of the subject appears to be superfluous. If it has been found necessary in countries like England and America to subject

the trade in petroleum to the restrictions above enumerated, *à fortiori*, it should not be left practically unchecked in a country like India, the climate of which renders the use of this oil so much more dangerous than is the case in colder climates.

XI. While, however, it is absolutely necessary, in the Committee's opinion, to make the trade in petroleum the subject of special legislation, it is equally necessary that the restrictions imposed by law should, while providing adequately for the public safety, not be so stringent as to check the development of a rising and most useful trade. The Committee have endeavoured throughout their deliberations to keep the paramount importance of this constantly in view, and it is hoped that the recommendations which they now proceed to make will be found to have sufficiently attained both objects.

RECOMMENDATIONS.

1. It is recommended that any legislation which may be based on the following conclusions should be Imperial, and not confined to the Province of Bengal, and that a period of six months, say, from the 1st of January 1860, shall elapse before any change in the law shall take effect.

2. That the term "inflammable oils" used in Bengal, Act III, 1865, being open to objection, the term "petroleum" shall be substituted for it for the purposes of legislation.

3. The term "petroleum" includes the liquids commonly known by the names rock oil, petroleum, kerosine, paraffine oil, mineral oil, petroleum, gasoline, benzol, benzoline, benzine, and any inflammable liquid that is made from

petroleum, coal, schist, shale, peat, or other bituminous substance.

That nothing contained in the above definition shall refer to or include any oil used exclusively for lubricating purposes, having a flashing point of 250°F. and upwards.

4. The flashing point of petroleum means the temperature in degrees Fahrenheit at which the petroleum yields sufficient vapour to furnish a momentary flash or flame, when tested with the apparatus and in the manner described in Schedule A.

5. The test to be employed in determining the flashing point of petroleum shall be that known as Abel's close test. The apparatus to be employed shall be exactly similar in all respects to a standard apparatus, which shall be deposited with a responsible officer of Government, (either the Master of the Mint or the Surveyor-General), who shall be answerable for its safe custody. This officer should inspect and test, or should have inspected and tested, all apparatus made for use under this Act, for the purpose of ascertaining that they are in accordance with the standard apparatus and specification. Such apparatus should then bear some official stamp or mark by which they can be identified as legal apparatus.

The specification explanatory of the construction of the standard test apparatus and the directions for applying the flashing test are appended in Schedule A.

6. For the purposes of this Act, petroleum may be divided into three classes:—

- (a) First-class petroleum flashing at or above 103°F. by Abel's test, equivalent to 130°F. by the present Parliamentary test.

- (b) Second-class petroleum flashing at or above 83°F. but below 103°F. by Abel's test, equivalent to 110°F. and 130°F. by the present Parliamentary test.
- (c) Third-class petroleum flashing below 83°F. by Abel's test, equivalent to 110°F. by the present Parliamentary test.

The term "dangerous petroleum" shall mean any petroleum as defined in paragraph 3, the flashing point of which is below 83°F. by Abel's test.

7. That all tins, drums, cases, or other receptacles, containing petroleum shall be indelibly stamped or marked in such a manner as to indicate clearly the quality of the petroleum they contain. Such marks as 1st class, 2nd class, and dangerous petroleum, are recommended in preference to others.

8. That such severe restrictions should be put on the importation of "dangerous petroleum" as will entirely prevent its sale for burning in lamps; and that the following clauses be recommended for this purpose.

9. After a certain date, it shall not be lawful to land in India from any ship a quantity exceeding 40 gallons of "dangerous petroleum," without special permission previously obtained from the local Government.

10. After a certain date, it shall not be lawful to keep in any place, or to carry on any public road, a larger quantity than 40 gallons of "dangerous petroleum," without special permission from the local Government.

An application to the local Government for permission to import, store, and carry "dangerous petroleum" must

state the purpose for which such petroleum is required, and must show that petroleum of higher flashing-point would not be applicable for such purpose. On receipt of such application, the local Government may grant permission to land, store, or carry "dangerous petroleum" for the purpose indicated, subject to any restrictions and regulations that it may deem advisable.

11. Clauses VI, XII, as altered below,* and XIII, XIV, XV, of Bengal Act III. 1865, substituting in them the words "dangerous petroleum" for "inflammable oils," will supply the means for enforcing clauses 9 and 10 above.

12. That the Committee consider it desirable that each local Government should make special rules for testing cargoes of petroleum, and for regulating ships bringing first and second-class petroleum into port, and they recommend the following clauses 13, 14, 15, 16, 17, 18, 19, 20, and 21 to be embodied in the rules for the port of Calcutta.

13. The master of every ship carrying first and second-class petroleum shall inform the Pilot and Harbour Master

* VI.—Any "dangerous petroleum" placed or kept in a manner contrary to the above provisions may, together with the receptacle containing such oil, be seized by any police officer under a search warrant as hereinafter mentioned.

XII.—A Magistrate may, on information laid before him on oath or solemn affirmation, and reduced into writing, issue his warrant, authorizing a police officer to search, in the day-time, any building or place, vessel, boat or vehicle, in which he has reasonable ground to suspect that any dangerous petroleum is placed, kept, or carried, or any person suspected of carrying the same contrary to the above provisions; and that all dangerous petroleum found on such search shall, together with the vessels or receptacles in which it may be stored or carried, be immediately seized and kept pending the judgment of such Magistrate. Such warrant shall be executed and have effect within the town of Calcutta under Act IV. (B. C.) of 1866, and elsewhere under the Code of Criminal Procedure.

on board. In the event of his producing a certificate, duly verified at the port of shipment, that the oil is first-class petroleum, i.e., that its flashing-point is not below 103°F., and makes a declaration in writing that the quantity of oil carried does not exceed 15,000 gallons, the vessel may be brought into port and the oil landed without further restrictions than the Port Commissioners may think it necessary to impose. If the quantity carried exceeds 15,000 gallons, permission to enter the port shall be obtained from the Port Commissioners, who shall make such special arrangements for its landing as they think fit. Pending receipt of such permission, the ship shall not proceed above Metiabrooj.

14. The officer whom Government may appoint shall procure a sample of the oil which shall be forthwith forwarded to the Chemical Examiner, the receptacle containing it being labelled with the name of the ship and the name of the consignee, and the oil shall not be discharged without a certificate signed by the Chemical Examiner.

15. Within 24 hours of the cargo being landed, the consignee shall give notice to the Chemical Examiner of the oil having been warehoused, and of its being ready for examination.

16. On receiving such notice, the Chemical Examiner shall proceed, with as little delay as possible, to make such examination of the oil as may, be necessary, to show that it agrees with the sample which he shall previously have tested.

17. Penalties should be prescribed for giving samples not corresponding with the cargo, and for failure to give

notice to the Chemical Examiner, within the stipulated time, of a cargo having been warehoused.

18. When the total quantity of second-class petroleum in any ship does not exceed 40 gallons, it may be brought into port and landed, subject to the Port Rules now in force.

19. When the total quantity of second-class petroleum in any ship exceeds 40 gallons, it must be landed at some place or places not below Metiabrooj for the port of Calcutta, and at such places as the authorities empowered in that behalf for other ports shall determine.

20. The rules for the testing of first-class petroleum shall also apply to the testing of second-class petroleum.

21. Petroleum so landed, if not removed within a reasonable time, shall be there stored in warehouses specially constructed or adapted for this purpose.

Special arrangements should be made at such selected place, so that leaky tins, cases, drums, &c., may be repaired in safety.

22. The Committee are also of opinion that it is not advisable to allow petroleum of any description to be stored in larger quantity than 500 gallons in unlicensed premises; and the following clauses are recommended for regulating storage.

23. Any building or place in which petroleum is stored in larger quantity than 500 gallons must be licensed for the purpose by the authority empowered to give licenses by the local Government, subject to the provisions regarding "dangerous petroleum" in paragraph 10.

24. The local Governments may pass such rules as they deem necessary for the grant of licenses in accordance with paragraph 23.

25. The Committee recommend the following rules (paragraphs 26 to 41) for adoption in Calcutta under clause 24.

26. The Commissioner of Police of Calcutta should be appointed to be the officer for licensing warehouses under section—Act—within the town of Calcutta.

27. Every application for the licenses of any warehouse to be used for the storage of petroleum, shall specify the locality in which the warehouse is situated, and the description of the warehouse.

28. The licensing officer shall cause the locality to be visited, and the warehouse inspected by a competent person, and, if satisfied with the report of such person, shall grant a license subject to the following conditions:—

29. Every such warehouse shall be constructed of masonry, with terraced or iron roofs, and with tiled, paved, or earthen floors.

30. Every warehouse for the storage of petroleum must either have all doorways and openings built up to a height of not less than two feet above the level of the road or street, or the floor must be at least two feet below the surface of the road or street, in order to prevent the petroleum flowing out of the warehouse in case of fire.

31. No goods of an explosive or specially dangerous nature, as specified in Schedule B, shall be stored in such warehouse while it contains petroleum.

32. No cask or other receptacle containing petroleum shall be opened, or the petroleum drawn off, within such warehouse.

33. No cask or other receptacle containing petroleum shall be repaired while it is deposited or stored within such warehouse.

34. No lighted candle, lamp, or fire in any form, shall be permitted at any time within such warehouse.

35. The licensing officer, or any officer deputed by him, shall be allowed to enter all such warehouses for the purpose of inspection, between sunrise and sunset.

36. The owner, agent, or other person in charge of any such warehouse shall, on demand in writing made by any properly authorized officer, deliver to him a sample of any petroleum stored or kept therein for analysis or examination, and if such sample be refused, the officer may, subject to the provisions in paragraph 32, open any case or cases, and draw off or take away such sample from any case or cases, tin, drum, or other receptacle in which petroleum may be kept.

37. The licensing officer may call on the holder of the license of any such warehouse to execute any repairs that may be necessary for its safety, and if, within one week of the receipt of such notice, the said holder does not commence, and with due diligence complete, such repairs, the license may be cancelled.

38. Each license shall specify the maximum quantity of petroleum which may be stored in the warehouse to which it refers.

39. Each license, so granted, shall be in force for any time not exceeding one year. Provided that the licensing officer may, at any time on good and sufficient reason, cancel such license, and may require the licensee to remove the petroleum to some other licensed warehouse.

40. A fee of Rs. 16 shall be paid for every license granted under section—Act—for the storage of petroleum.

41. No petroleum shall be removed from one place to another before sunrise or after sunset.

XII. The Committee now proceed to notice such of the foregoing recommendations as seem to require further comment or explanation.

XIII. *Paragraph 1 of the recommendations.*—It is hardly necessary for the Committee to point out the absolute necessity of any measure which the Legislature may introduce being Imperial. To impose on Bengal alone, for example, any restriction on the trade in petroleum not enforced in the other Presidencies would be to divert the trade of the former to the latter. The Committee have proposed that at least six months' notice of any change in the law should be given to those engaged in the petroleum oil trade, in order that they may have ample time to stop consignments of oil which would be classed as "dangerous petroleum."

XIV. *Paragraphs 2 and 3.*—The Committee have suggested the substitution of the word "petroleum" for the term "inflammable oils" as used in Act III. (B.C.) of 1865, as it appears from an opinion given by the Advocate-General, in 1877, that all kerosine oil, irrespective of its

flashing-point, comes within the definition of the latter term. The Committee's object being practically to prohibit the importation of a low class oil, and to encourage and facilitate that of a higher class, the use of the term "inflammable oil" which, as it stands, is equally applicable to all oil, whether good or bad, appears open to serious objection. In selecting the term "petroleum," the Committee have followed the English Petroleum Act now in force, the definition adopted being practically the same as in that Act. It may be noticed that this definition is not intended to include such substances as turpentine, spirits of wine, spirits, wines, ether, caoutchoucine, and wood naphtha, which are all products of the vegetable kingdom.

XV. *Paragraphs 4 and 5.*—The Committee have ascertained that the method of testing the flashing point of petroleum, as described in the English Act of Parliament, has been universally condemned as yielding results not thoroughly trustworthy. It has been found that experiments made even by skillful operators will frequently differ in the results obtained. A slight and unintentional variation in the conditions of the experiment will often cause a difference in the flashing point of several degrees, whilst, in the hands of an interested or unscrupulous operator, almost any result that it is desired to obtain can be produced, without deviating from the instructions for the application of the test given in the Act.

XVI. The difficulty in obtaining reliable results by the old or "open" test has been found so great, that the Secretary of State in the Home Department in 1876 appointed Professor Abel, F.R.S., to investigate the whole subject of petroleum testing. The outcome of this

investigation has been the invention by the Professor of an improved apparatus known as the *close test*, which is so nearly automatic in its action that it is almost impossible to obtain varying results, no matter by whom the experiment is conducted. The Committee may further remark that, in order to satisfy themselves of the applicability of this mode of testing to an Indian climate, they had an apparatus constructed according to Professor Abel's specification. This has been used by two of their number, Messrs. Wood and Pedler, on several occasions, and with the most satisfactory results. It appears certain that this method of testing will be introduced into the next English Act of Parliament on the subject. It seems desirable, therefore, that the system of testing in the two countries should be uniform.

XVII. *Paragraph 6.*—It will be noticed that, in the classification here suggested, there is a difference in the flashing point of 27°F. between Professor Abel's close test, and the present Parliamentary or open test. This difference, the Committee think it right to observe, has been obtained by the result of considerably more than a thousand experiments in England, conducted by such experienced operators as Professor Abel and Mr. Redwood, the Chemist to the Petroleum Association. These results have been accepted not only on behalf of the Government but by the representatives of all the principal petroleum associations in Great Britain and America, as well as by all the principal refiners in the latter country. The Committee believe, too, that they may say that the firms interested in the trade in Calcutta are in favour of the adoption of Abel's test, and that they are also pre-

pared to accept the difference between this and the open Parliamentary test as represented by 27° F.

XVIII. Before passing on, it may be well that the Committee should, as briefly as possible, explain their reasons for recommending a three-fold classification of petroleum. As has been above stated, the object at which the Committee have aimed is the virtual exclusion from the market of an oil of so low a class as to be imminently dangerous, and at the same time to encourage, by every possible means, the importation of an oil that, for all practical purposes, may be regarded as safe. In this view, the Committee would have been glad had they seen their way to recommend that, unless under exceptional circumstances, no oil the flash point of which was below 103°F. should be imported at all. It has, however, been represented to them by those most largely interested in the trade, that to do so would be to raise considerably the cost of the oil, and thus to impose a heavy tax on the poorer consumers of it. This, at a time when most of the necessities of life are at almost famine prices, it is most desirable to avoid.

XIX. The Committee consider that, judging from past experience of the quality in common use, an oil with a flash point between 83° and 103°, must be regarded as at all events fairly safe. As the law now stands, oil is not required to have a flash point above 73° by the close test, which is equivalent to 100° by the open test; and between this and the lowest flashing point of oil for general use, which the Committee have placed in the second-class, there is a difference of ten degrees. As regards third class oil or "dangerous petroleum," the flash point of

which is below 83°, the Committee are of opinion that the restrictions imposed on its importation in paragraphs 9 and 10 are so stringent as absolutely to prohibit its use in lamps. To prevent, however, hardship from arising in special cases, a clause has been introduced into paragraph 10, which will admit of its being used for particular purposes and upon certain conditions.

XX. *Paragraph 7.*—Much importance is attached by the Committee to the suggestion here made. They consider that, in the interests of the public, it is most desirable that all receptacles holding oil should have clearly and indelibly marked upon them the description of oil they contain. Such an arrangement, while it will enable the purchaser to know what he is buying, will also, it may be hoped, act as an inducement to the trade to import only the higher class oil. One of the results of the present inquiry will probably be the discovery by the public of the extreme danger attendant on the use of such inferior oil as has of late been imported. Should this be so, the Committee can hardly doubt that no one will be content with anything but first-class oil, more particularly as he will be able to obtain it at only a slight increase on the present price. This subject the Committee will revert to in a subsequent paragraph.

XXI. *Paragraphs 13 to 21.*—For reasons above given the suggestions here made are all as much as possible in favour of first-class oil. Increased facility for the importation and storage of this quality, merely with the view of enabling it to compete on advantageous terms with oil of a lower quality, is not, however, the only object the Committee have in view. It is, they consider, a

matter of the greatest possible importance that only oil of the highest class, (with the exception of second-class oil in the quantity above mentioned, *viz.*, 40 gallons), should be allowed to enter the port, and an unlimited quantity of even first-class oil should not be allowed to do so, unless the Port Commissioners are in a position to make special arrangements for its speedy landing. Oil, however, of this class, as has been stated above, must be regarded as to all intents and purposes safe, and the Committee would therefore place no restrictions on the quantity mentioned in recommendation 13 being brought into port, except such as the Port Commissioners consider it necessary to impose.

XXII. *Paragraph 18* has been strongly objected to by the trade upon the following grounds:—*First*, that it stops exports to coast ports or by river steamers of oil below 103°F.; *second*, that it stops imports by vessels carrying small consignments of oil below 103° along with their other cargo; *third*, that it would detain vessels at Metiabrooj for their cargoes to be tested; *fourth*, that it practically prohibits masters of vessels from using kerosine oil flashing below 103°F.

XXIII. So far as the Committee can see, there is nothing whatever in this paragraph which would operate as any greater restriction on exporting to local ports, or on shipping by inland steamers, oil of this description, than the Port rules now in force. Under these rules, no ship having on board more than 40 gallons of any inflammable oil can be moved above Metiabrooj, unless a certificate, duly attested at the port of shipment is produced, stating that the oil is not inflammable. All oil in excess of the above

quantity has now to be landed between sunrise and sunset in covered cargo-boats at Neemuck Mehal Ghât. The Committee propose that this rule should still be enforced as regards second-class petroleum. So far, then, from the present recommendations occasioning, as it is stated they will, great hardships and a very marked check on the export trade, they do exactly the reverse. For, while the present Port rules will remain in force as regards second-class oil, first-class oil, up to a quantity of 15,000 gallons, can be brought into port, shipped or transhipped without any further restriction than the Port Commissioners may choose to impose, such as, for example, its being conveyed only in covered boats, &c.

XXIV. With regard to the second objection, the Committee are prepared to admit that ships would experience a certain amount of inconvenience. The objection, however, is one without much force. An inward-bound vessel has now to stop at Moyapore to discharge its gunpowder, and no complaint of any special inconvenience being caused by this arrangement has, so far as the Committee are aware, ever been made, and they cannot see why there should be any greater inconvenience caused by a ship having to discharge at Metiabrooj, such portion of her cargo as consists of second-class petroleum. In all arrangements of this kind a certain amount of inconvenience is inevitable, but it is satisfactory to know that the importers have an exceedingly simple remedy at their command.

As to the third objection, under any circumstances some arrangements must be made for testing cargoes of this

description; and any such detention will be reduced to a minimum by the adoption of the rules suggested in paragraphs 7 and 13.

XXV. As regards the fourth objection, the Committee have only to remark that they much doubt whether low-class petroleum is ever carried for use by sea-going vessels at all. But they feel no doubt whatever that, if this is done, the sooner the practice is stopped the better it will be for the safety of the vessels.

XXVI. It has already been noticed that recommendations 13 to 21 would give certain facilities for importation of first-class over second-class oil. The Committee would now desire to notice the comparative cost of the two classes of oil, and the effect which the proposed regulations would have on the value of the oil as landed in Calcutta.

For information on this subject the Committee are indebted to one of their members, Mr. J. N. Stuart, who states that, at the end of June of this year, the cost of American oil flashing at 83°F., or second-class oil, when landed in Calcutta would be Rs. 4-8-9 per case of 10 gallons. The cost of first-class oil flashing at 103°F., and landed in Calcutta, under the same regulations as second-class oil, would be Rs. 5-5-9. There will, therefore, be an advantage on the side of second-class oil of 13 annas per case of 10 gallons.

XXVII. The Committee are also informed that the restrictions proposed to be placed on second-class oil are such as may put importers to an expense of about two annas per case more than importers of first-class oil. It will therefore be seen that the difference between the cost

of the two classes when landed in Calcutta will be reduced to 11 annas per case of 10 gallons, or, say, first-class oil will cost one anna more per gallon to the importers than second-class oil. The Committee consider this an important fact, as showing that a really safe oil is practically within the reach of all classes. For allowing the importers a profit of 100 per cent., first-class petroleum would still be very considerably cheaper than any oil ordinarily used for burning in this country.

XXVIII. *Paragraph 21.*—The Committee would suggest that, at the place selected for the landing of second-class oil, there should be provided special accommodation for its storage, unless the oil is at once removed to the importer's licensed godowns. It appears highly probable that this arrangement might be a very convenient one for importers, who might make this place their main dépôt for second-class oil, from which it could afterwards be removed as required.

XXIX. If this should be the case, large quantities of petroleum might have to be stored in one building, and it is obvious that, to provide for this, the warehouses used must be constructed in such a manner as to reduce the risk of any conflagration to a minimum. It would be advisable to provide that such warehouses should be licensed, and open to inspection by competent authorities, and that either the floors should be sunk below the level of the surrounding ground, or that all doors and openings should be built up to a certain height above the ground. It has also been suggested that warehouses in which very large quantities of petroleum are to be stored should be surrounded by an earthen embankment. Either of

these plans would prevent the petroleum from flowing out in case of fire, and would therefore localize any conflagration that might happen.

XXX. Until, however, it is ascertained whether large quantities of second-class petroleum are likely to be imported, notwithstanding the restrictions imposed, the Committee are unable to make any more definite proposals with regard to the storing of oil of this quality. They have, however, no doubt that, should the necessity arise, the Port Commissioners would be prepared to provide suitable storage accommodation, charging reasonable warehouse fees.

XXXI. The Committee have considered it desirable to suggest that arrangements should be made (either by the importers themselves or otherwise) at the selected place, for the safe repair of all vessels containing petroleum. The carriage of leaky receptacles through public thoroughfares might in itself be a source of danger, even if the nuisance to the public be left out of consideration.

XXXII. *Paragraph 22.*—In this clause the Committee have felt compelled to state that it is not, in their opinion, advisable that petroleum of any kind should be stored in unlicensed warehouses in quantities larger than 500 gallons. They have had in view the fact that the majority of small dealers in the bazars do not require to keep any very large stock of petroleum, and they do not think it would be prudent that a larger volume than 500 gallons should be placed in huts or other places which are generally constructed of inflammable materials. Moreover, small dealers are not only ignorant of the

nature of the oil they deal in, but are in very many instances extremely careless in the use of fire in various forms.

XXXIII. Further, the Committee do not consider it advisable to exempt even first-class oil from Regulation 22, for they are of opinion that if any dealer finds it necessary to keep a larger stock than 500 gallons, he should be compelled to provide a safe warehouse for his goods. Again, the Committee think that to exempt first-class petroleum from all restrictions, after its landing in the country, would be to offer a premium to dishonest dealers to pass off second-class oil in cases or tins marked "first-class," and thus to evade the necessity of procuring a license and of submitting to inspection.

XXXIV. *Paragraphs 26 to 41.*—The Committee would remark, with regard to these clauses, that they are founded to some extent on the present rules, which have been in force in Calcutta for a considerable period. The stringency of the old rules has, however, been relaxed considerably as, if the recommendations of the Committee are adopted, the quality of the petroleum imported will be so much higher that the modified rules, now proposed, will be quite sufficient to provide for the safety of the public.

XXXV. Whilst on the subject of these rules, the Committee may refer to the letter from Government No. 630, dated 28th July, regarding a question raised by the Commissioner of Burdwan, as to whether Rule 3 of the rules passed under Act III. (B. C.) of 1865, is not opposed to the provisions of Section 5 of the Act. As the Committee now recommend that fresh legislation on the

subject is advisable, and that the old rules shall be replaced by those above given, it appears hardly necessary to enter into the question raised in this letter.

XXXVI. In submitting their present report, the Committee desire to observe that one of their members has proceeded to England, owing to his retirement from the Government service. Mr. Wood has, however, kindly promised to institute enquiries with regard to the present position of the petroleum question in England, and should there be any new facts with which the Committee are unacquainted, he will take an early opportunity of bringing these to their notice. In the event, therefore, of anything coming to the Committee's knowledge necessitating or rendering advisable any change in the recommendations now made, the Committee will submit a supplementary report hereafter.

XXXVII. Finally, the Committee would suggest that, if the Government accepts Abel's apparatus as the test for petroleum, it would be desirable to obtain a standard apparatus from Professor Abel, the Chemist to the War Department, Woolwich Arsenal. This apparatus should be certified by the inventor, and should be the standard referred to in paragraph 5.

XXXVIII. On a subject in which so many difficult questions arise, and in which so many various interests are involved, the Committee can hardly hope that their report will be found to be complete and exhaustive. They trust, however, that the information and suggestions embodied in it will enable Government to deal adequately with a question that is every year becoming more and

more important. That speedy legislation is not only advisable but urgently needed is, the Committee think sufficiently proved by the quality of the oil ascertained to have been imported both into Bombay and Calcutta during the last year. Oil of this kind must, in a climate like that of India, be a constant source of danger, while the quantities in which it is introduced are so large that if any accident did happen it could hardly fail to be attended with most disastrous results.

We have the honor to be,

SIR,

Your most obedient Servants,

F. B. PEACOCK,	} <i>President.</i>
J. D. MACLEAN,	
W. M. SOUTTAR,	} <i>Members.</i>
A. PEDLER,	
J. LAMBERT,	
J. N. STUART,	
W. D. BRUCE,	
C. J. BROOKES,	
R. C. STERNDALE,	

APPENDIX.

SCHEDULE A.

Directions for applying the Flashing Test.

1. The test apparatus should be placed for use in a position where it is not exposed to currents of air or draughts.
2. The heating vessel or water-bath is filled by pouring water into the funnel until it begins to flow out at

the spout of the vessel. The temperature of the water at the commencement of the test is to be 130° Fahrenheit, and this is attained in the first instance either by mixing hot and cold water in the bath, or in a vessel from which the bath is filled, until the thermometer, which is provided for testing the temperature of the water, gives the proper indication; or by heating the water with the spirit lamp (which is attached to the stand of the apparatus) until the required temperature is indicated.

If the water has been heated too highly, it is easily reduced to 130° by pouring in cold water, little by little (to replace a portion of the warm water), until the thermometer gives the proper reading.

When a test has been completed, this water-bath is again raised to 130° by placing the lamp underneath, and the result is readily obtained while the petroleum cup is being emptied, cooled, and re-filled with a fresh sample to be tested. The lamp is then turned on its swivel from under the apparatus, and the next test is proceeded with.

3. The test-lamp is prepared for use by fitting it with a piece of flat plaited candle wick,* and filling it with colza or rape oil up to the lower edge of the opening of the spout or wick tube. The lamp is trimmed so that when lighted it gives a flame of about 0.15 of an inch diameter, and this size of flame is readily maintained by simple manipulation from time to time with a small wire trimmer.

* The description of wick known as Field's night light candle wick has been found most suitable.

When gas is available it may be conveniently used in place of the little oil-lamp, and for this purpose a test-flame arrangement for use with gas has been devised, which may be substituted for the lamp.

4. The bath having been raised to the proper temperature, the oil to be tested is introduced into the petroleum cup, being poured in slowly until the level of the liquid just reaches the point of the gauge which is fixed in the cup. In warm weather the temperature of the room, in which the samples to be tested have been kept, should be observed in the first instance, and if it exceeds 65° the sample to be tested should be cooled down (to about 60°) by immersing the cup containing the oil in cold water, or by any other convenient method. The lid of the cup, with the slide closed, is then put on, and the cup is placed into the bath or heating vessel. The thermometer in the lid of the cup has been adjusted so as to have its bulb just immersed in the liquid, and its position is not under any circumstances to be altered. When the cup has been placed in the proper position, the scale of the thermometer faces the operator.

5. The test-lamp is then placed in position upon the lid of the cup, the lead line or pendulum,* which has been fixed in a convenient position in front of the operator, is set in motion, and the rise of the thermometer in the petroleum cup is watched. When the temperature has reached about 66° the operation of testing is to be commenced, the test-flame being applied

* This pendulum is two (2) feet in length.

once for every rise of one degree, in the following manner:—

The slide is slowly drawn open while the pendulum performs three oscillations, and is closed during the fourth oscillation.

NOTE.—If it is desired to employ the test apparatus to determine the flashing points of oils of very low volatility, the mode of proceeding is to be modified as follows:—

The air chamber which surrounds the cup is filled with cold water to a depth of $1\frac{1}{2}$ inches, and the heating vessel or water-bath is filled as usual, but also with cold water. The lamp is then placed under the apparatus, and kept there during the entire operation. If a very heavy oil is being dealt with, the operation may be commenced with water previously heated to 120° , instead of with cold water.

Specification explanatory of the Test Apparatus.

The following is a description of the details of the apparatus:—

The oil cup consists of a cylindrical vessel 2" diameter, $2\frac{1}{16}$ " height (internal), with outward projecting rim $\frac{1}{16}$ " wide, $\frac{3}{8}$ " from the top and $1\frac{1}{2}$ " from the bottom of the cup. It is made of gun-metal or brass (17 B. W. G.), tinned inside. A bracket, consisting of a short stout piece of wire, bent upwards, and terminating in a point, is fixed to the inside of the cup to serve as a gauge. The distance of the point from the bottom of the cup is $1\frac{1}{2}$ ". The cup is provided with a close-fitting overlapping cover made of brass (22 B. W. G.), which carries the thermometer and test-lamp. The latter is

suspended from two supports above the slide by means of trunnions, upon which it may be made to oscillate. The socket which is to hold the thermometer is fixed at such an angle, and its length is so adjusted, that the bulb of the thermometer, when inserted to its full depth, shall be $1\frac{1}{4}$ " below the centre of the lid.

The cover is provided with three square holes, one in the centre $\frac{5}{16}$ " by $\frac{1}{10}$ ", and two smaller ones $\frac{3}{16}$ " by $\frac{1}{16}$ " close to the sides and opposite each other. These three holes may be closed and uncovered by means of a slide moving in grooves, and having perforations corresponding to those on the lid.

In moving the slide so as to uncover the holes, the oscillating lamp is caught by a pin, fixed in the slide, and tilted in such a way as to bring the end of the spout just below the surface of the lid. Upon the slide being pushed back so as to cover the holes, the lamp returns to its original position.

The upper edge of the orifice of the spout should be in a line with the top of the slide, and $\frac{5}{16}$ " distant from the further side of the central hole. The diameter of the mouth of the lamp is $1\frac{1}{16}$ ".

The bath or heating vessel consists of two flat-bottomed copper cylinders (24 B. W. G.), and inner one of 3" diameter and $2\frac{1}{2}$ " height, and an outer one of $5\frac{1}{4}$ " diameter and $5\frac{3}{4}$ " height; they are soldered to a circular copper plate (20 B. W. G.), perforated in a centre, which forms the top of the bath, in such a manner as to inclose the space between the two cylinders, but leaving access to the inner cylinder. The top of the bath projects both

outwards and inwards about $\frac{3}{8}$ ", that is, its diameter is about $\frac{3}{8}$ " greater than that of the body of the bath, while the diameter of the circular opening in the centre is about the same amount less than that of the inner copper cylinder. To the inner projection of the top is fastened, by 6 small screws, a flat ring of ebonite, the screws being sunk below the surface of the ebonite to avoid metallic contact between the bath and the oil cup. A split socket similar to that on the cover of the oil cup, but set at right angle, allows a thermometer to be inserted into the space between the two cylinders. The bath is further provided with a funnel, an overflow pipe, and two loop handles.

The bath rests upon a cast iron tripod stand, to the ring of which is attached a copper cylinder or jacket (24 B. W. G.), flanged at the top, and of such dimensions that the bath, while firmly resting on the iron ring, just touches with its projecting top the inward-turned flange. The diameter of this outer jacket is $6\frac{1}{2}$ ". One of the three legs of the stand serves as support for the spirit lamp, attached to it by means of a small swing bracket. The distance of the wick-holder from the bottom of the bath is 1".

Two thermometers are provided with the apparatus,—the one for ascertaining the temperature, the other for determining the flashing point. The thermometer for ascertaining the temperature of the water-bath has a long bulb and air space at the top: Its range is from about 90° to 100° Fahrenheit. The scale (in degrees of Fahrenheit) is marked on an ivory back fastened to the tube in the usual way, it is fitted with a metal collar

fitting the socket, and the part of the tube below the scale should have a length of about 3½" measured from the lower end of the scale to the end of the bulb. The thermometer for ascertaining the temperature of the oil is fitted with collar and ivory scale in a similar manner to the one described. It has a round bulb, an air space at the top, and ranges from about 55° F. to 150° F.; it measures from end of ivory back to bulb 2½".

SCHEDULE B.

Substances which may not be stored in warehouses, which are licensed to contain petroleum in quantities exceeding 500 gallons.

Any oil or other liquid, whether of mineral, vegetable, or other nature, which flashes at a temperature lower than 88° F.

Gunpowder, blasting powder, or any of their substitutes, such as white gunpowder, German gunpowder, pyroone, Schultz's wood gunpowder, &c., or any substances, manufactured from them.

Gun cotton and allied substances, and all materials manufactured from them.

Nitro-glycerine, Dynamite, Litho-fracture, or any material containing these substances.

Blasting fuses, detonators, cartridges, ammunition of all kinds, percussion caps, and all fulminating substances in general.

Lucifer matches, or matches of any kind.

Fireworks, signal lights, Holmes' signal lights, fog signals, &c., and all materials used in the preparation of such substances.

Concentrated acids, such as nitric, sulphuric, or hydrochloric acid.

Jute, cotton, or any other substance of a fibrous or other nature packed or stored in such a manner that spontaneous heating may take place.

Any other substances, which the local Government may, from time to time, decide to be of an explosive or specially dangerous nature.

EXTENSION OF TRADE IN INDIAN TEA TO THE AUSTRALIAN COLONIES.

ON this subject the Committee addressed a circular to members in January last, suggesting that the firms interested in the tea trade, and especially the tea-agency firms, should combine to form an Association for the special purpose of making a systematic attempt to introduce Indian teas into the Australian markets; and it is satisfactory to record that the energetic action of the Committee appointed to give effect to the views of those who are interested in the endeavour to extend the trade to the colonies has thus far been attended with much encouragement and promise of success.

*From Government of India to Chamber,
Calcutta, the 5th January 1880.*

I have been desired to draw your attention to paragraph 90 of the *Review** of the trade of British India with other countries for 1878-79, on the subject of India opening up a trade in tea with Australia, and to enquire whether the Chamber of Commerce would be pleased to make any suggestion or recommendation on the matter to Government.

Yours faithfully,
(Sd.) C. BERNARD.

Extract from the Review.

90. Indian tea continues, on the whole, to prosper, although from time to time complaints are made of unremunerative prices. The quantity shipped increases yearly, and so does that which is consumed in the country.

The quality, too, is improving. During 1878-79, although prices in the London market at times ruled low, exchange and freights were both greatly in favour of exporters, and taken altogether the year was a good one. The comparative exports of the last five years are shown below.—

	1874-75	1875-76	1876-77	1877-78	1878-79
	21,137,087	24,361,309	27,784,124	33,459,073	34,432,573
	1,93,74,292	2,16,64,168	2,60,74,251	3,01,43,713	3,13,84,233

It is to be regretted that persons interested in Indian tea depend exclusively upon the London market, against the fluctuations of which they have no remedy. I have before strongly urged that attempts should be made to win the Australian markets from the Chinese who have exclusive possession of it now. The opening of these new markets to the Indian tea trade signifies a possible outlet for at least fifteen million pounds of our tea, this being rather less than the quantity now annually taken from China,—a quantity which has a tendency to increase regularly with the increase in the population of the colony. The most feasible way of doing this is for a number of those interested to combine for the joint payment of the expenses of a trustworthy and thoroughly qualified agent to work the business until Indian teas become easily accessible to the Australian consumer, and the taste for them established. The expenditure incurred would soon be repaid. It is doubtful whether the Sydney exhibition, which seems to have been a badly managed concern where our products have been grossly neglected, will prove to have been of any use in this direction. But the Melbourne exhibition to be held next year promises to be more important, and advantage should be taken of the opportunity to send an agent to Australia, in anticipation, to open up business with tea dealers and to start a complete agency for the supply, wholesale and retail, of Indian teas, which ought to be exhibited and largely advertised during the progress of the exhibition. Something similar might be done for the American market, which also is held by the Chinese, and where a large and increasing consumption may be looked for.

*From Chamber to Government of India
Calcutta, 19th February 1880.*

With reference to your letter of 5th of last month, on the subject of opening up a trade in tea with Australia, the accompanying printed papers will advise you of the result of the movement initiated by the Committee of the Chamber of Commerce by their circular letter to members, dated the 29th ultimo, copy of which I also forward for your information.

*From Government of India to Chamber, No. 132,
Calcutta, the 27th February 1880.*

I am directed to acknowledge your letter of the 19th instant and enclosures, and, in reply, to say that the Government of India have been in direct correspondence with the Secretary to the Committee appointed by the Syndicate for the extension of the trade in Indian tea with Australia.

2. A copy of the correspondence is enclosed for information.

Calcutta, 14th February 1880.

We are instructed on behalf of the merchants, agents, and brokers interested in the extension of the trade in Indian tea, to thank you for your communication of 5th January on this subject addressed to the Secretary of the Chamber of Commerce.

On receipt of your letter above referred to, a meeting of those interested was called by the Secretary of the Chamber, and it was resolved that a Syndicate be formed for the promotion of the object in view.

A Committee appointed for the collection of subscriptions and the arrangement of details was instructed to place themselves in communication with Government with the view of ascertaining to what extent Government assistance might be relied on.

In accordance with these instructions, we have to inform you that it is proposed to send a professional expert in tea to the Melbourne Exhibition to be held in October next, who will be provided with an extensive assortment of samples, and instructed to display them in the most attractive manner. He will also be provided with numerous samples for distribution, arrange for a daily afternoon tea to visitors to the Exhibition, and generally to stimulate, as far as possible, an enquiry and demand for Indian Tea in the Colony. Consignments of tea will be sent for disposal among the trade at cheap rates, without reference to cost, the Syndicate being prepared to accept a considerable loss as long as the object in view is attained, viz., the extension of the consumption of Indian tea by making it more generally known among the general body of consumers. At the same time he will collect information and statistics, having reference to tea, and send up samples for the guidance of those interested in the extension of the trade.

5. The service of the representative appointed can also be made available for assisting in the management of the Indian exhibits generally, and for the collection of such further information as the Government of India may desire with reference to the prospects of developing trade in other Indian products.

6. The Committee are of opinion that about Rupees 15,000 will be subscribed by the Syndicate towards the expenses of a representative, the purchase of teas and further expenses necessary for the effective carrying out of the programme sketched above, and they respectfully solicit the aid of the Government to the extent of at least Rupees 10,000, making a total of Rupees 25,000, which amount they think will be sufficient to meet all requirements.

We have the honor to be,
Sir,

Your obedient Servants,

(Sd.) WILLIAM MORAN & Co.,
" BEGG, DUNLOP & Co.,
" MACKNIGHT, ANDERSON & Co.,
" JARDINE, SKINNER & Co.,
" WILLIAMSON, MAGOR & Co.,

Members of the Committee appointed by the Syndicate for the extension of the Trade in Indian Tea with Australia.

R. B. MAGOR,
Secretary to the Committee.

*From Government of India, to R. B. Magor, Esq.,
—No. 99, Calcutta, 19th February 1880.*

I am directed to acknowledge the receipt of letter, dated the 14th current, reporting that you and certain other gentlemen have been deputed by the Chamber of Commerce and by other merchants of Calcutta to raise funds and prepare a scheme for deputing a mercantile representative to the Melbourne Exhibition.

2. The Governor-General in Council is glad that the merchants of Calcutta have been able to arrange for adequately representing the commercial interests of India at the Melbourne Exhibition, and he trusts that the co-operation of your representative will materially aid the other Indian Commissioners in paving the way for an important trade to Australia in Indian products, and manufactures. On learning from you the name of your representative, I shall, under instructions from His Excellency the Viceroy in Council, inform the Governor of Victoria that he is appointed one of the Indian Commissioners to the Exhibition. Mr. E. Buck, the President of the Bengal Committee, and himself one of the Commissioners to the Exhibition, will be informed of the arrangements made at the suggestion of the Chamber of Commerce.

3. It is understood that the representative of the Calcutta merchants will, in his capacity as Indian Commissioner, render general aid to Mr. Buck and the other Commissioners, in the manner described by your fifth paragraph. The Governor-General in Council is prepared to grant Rs. 6,000 from the Exhibition allotment towards the cost of sending the commercial representative to the Melbourne Exhibition.

STATISTICS OF INDIAN TEA: DECLARATION OF ACTUAL WEIGHT.

A MATERIAL discrepancy in the quantities of tea shipped from this port and the actual receipts in London having been brought to the Committee's

notice, they placed themselves in communication with all the tea brokers in Calcutta, and with the Collector of Customs, with the view to secure correct statistics: the former promptly expressed their readiness to state in their sale catalogues the actual weight of each lot, so as to enable shippers to give accurate figures in their shipping bills, and the Collector is prepared to co-operate in the matter by requiring exporters to declare that the weight stated by them is correct.

The Committee trust that by these means the statistics of a large and increasing trade will, for the future, be free from error.

From Chamber to Collector of Customs.

Calcutta, 22nd March 1830.

The Committee of the Chamber of Commerce have had under consideration the following statement in Messrs. Wm., Jas., and Hy. Thompson's Indian Tea Circular of the 5th of last month:—

"We have frequently been asked to account for the discrepancy between the Calcutta figures of shipments and the London returns of imports. For several years the latter have exceeded the former by 6 to 8 per cent.; and it has been assumed that the London figures are not accurate. A careful comparison, however, of weights entered in the ships' manifests with actual invoice

weights here, leads us to think the weights are underestimated in Calcutta. The warehouse returns from which the monthly statements are compiled are made in "chests, half-chests, and boxes," which are reckoned at an average of 92lbs. per chest and 42lbs. for half-chests and boxes. The average weight of chests appears to be reckoned in Calcutta at about 85lbs., and this difference accounts for the discrepancy.

"If this explanation be correct, it follows that the total export last season was about 37 million lbs., instead of 34½ millions, and that this season it will be 39 millions instead of 36 to 37, as estimated.

"The Board of Trade Returns make the total imports last year 39,236,000, compared with 38,484,000 by warehouse returns, and 36,433,000 by the total cargoes, which more than confirms our opinion."

On making enquiry, the Committee find that it is a common practice with some buyers of tea in this market to give an average weight per chest in their export challans, which is in most cases under the actual weight. They say that they do not receive the actual weights from the brokers at the time of purchase, and that much time would be lost in obtaining the necessary particulars if they are obliged to give accurate figures in their export bills of entry.

The need for such accuracy is, however, none the less apparent in the interests of both buyers and sellers of tea, to whom it is of the utmost importance to have accurate and reliable statistics of the trade; and it has been suggested to the Committee that if the selling brokers would

print an additional column in their sale catalogues, giving the nett weight in lbs. of each lot, and also state these particulars in their contracts, the buyers would have no excuse for passing inaccurate bills of entry through the Custom House.

This suggestion has been submitted to brokers, who have expressed their willingness to adopt it; and the Committee trust you will assist the movement by requiring shippers of tea to declare that the weights entered in their passes are correct.

By these means the Committee believe the material discrepancies to which attention has been called would cease.

*From Collector of Customs to Chamber,—
No. 1017, dated the 24th March 1880.*

I have the honor to acknowledge receipt of your letter of the 22nd instant, and, in reply, to inform you that I shall be glad to co-operate with the Committee of the Chamber in obtaining correct statistics of the exports of tea or other produce. I understand, however, that tea is not always exported under the identical marks and numbers which represent it in the broker's sale catalogues, so that even if I were supplied regularly with copies of those catalogues, I should not be able to check the quantities given in the various shipping bills, unless exporters were required to declare particulars of the sale lot numbers in their shipping bills, which they would probably object to do on the score of trouble or for other reasons.

2. I shall be prepared to address the Board on the subject of the alteration in the shipping-bill declaration as far as regards extending such declaration to weight or quantity, should your Committee think that correctness will be by this means secured. But I would point out that, unless I can apply some test as regards the weights declared, probably more could be effected by the Chamber in pressing upon all its members the advisability of accurate declarations than by any means that could be adopted here, short of actual weighments, which would of course interfere considerably with the despatch of business, and cannot therefore be adopted.

*From Chamber to Collector of Customs.
Calcutta, 5th April 1880.*

I am directed to acknowledge the receipt of your letter No. 1017 of the 24th of last month, and to thank you for your prompt reply.

The Committee of the Chamber being of opinion that it is extremely desirable to obtain accurate statistics of the exports of tea, and as the Tea Brokers have expressed their readiness to respond to the Committee's suggestion by stating in their printed catalogues the actual weight in each lot put up for sale, they gladly accept your proposal to address the Board of Revenue with the view to shipping bills being required to contain a true declaration of the quantity passed for shipment. The Committee believe that an official requisition that actual weights be declared will go far to secure the accuracy which is essential to trustworthy statistics of the important tea industry of this province.

*From Collector of Customs to Chamber,—
No. 1586, the 11th May 1880.*

I have the honor to invite your attention to a notification which appears in to-day's *Exchange Gazette* regarding a declaration of weight which shippers of tea will, from the first proximo, be required to make in their Shipping Bills.

As this notification has been published at the request of your Committee, I shall be obliged if they will, in the interests of the public, take measures to impress upon all members of the Chamber the importance of correct declarations.

STANDARD SAMPLES OF INDIAN WHEAT.

THE following communication from the London Corn Trade Association having been circulated among members, the Committee hope that shippers of wheat will not lose sight of the representation which has been made for their guidance.

*From the London Corn Trade Association.
London, 2nd January 1880.*

Sir,—I am instructed by the Executive Committee of this Association to call your attention to the fact that some difficulty has been experienced this season in making up Standard Samples of No. 2 Calcutta Club Wheat, in consequence of hard Bengal Wheats having been substituted for the well-known soft White Wheats shipped in former years.

The districts in which these soft White Wheats are grown are well known, also the difference in value between these and hard Bengal Wheat.

In order to save disappointment in a season which to all appearances promises to be prolific and to lead to large exports from your port to this country, I am instructed to inform you, for the guidance of shippers, that from next season all shipments will be excluded from the standards to be established by this Association which are not of the distinct character warranted in the contract, and also to call your attention to Rule 10 in the contract issued by this Association, of which I beg to enclose a copy.

RULES.

1. PROVISIONAL INVOICE, with ship's name, marks, number of bags, and date of Bill of Lading, shall be handed by the original seller to his buyer within ten days after arrival of the documents in London, but in no case later than 40 days for shipments by steamer and 60 days for shipments by sailing vessel, from date of bill of lading and by the subsequent sellers in due course, unless arrival of Mail Steamer be delayed by unforeseen circumstances. If documents are tendered within the time stipulated, but after arrival of the steamer to which the tender refers, landing charges incurred shall be borne by seller. No more than two appropriations shall be made on each 100 tons of wheat. A tender to the buying broker to be deemed a tender within the terms of this contract; all buyers not employing a London broker to name in their contracts a domicile in London, where tenders may be made. The name of the original seller shall be inscribed on each invoice.
2. BILL OF LADING to be considered proof of dates of shipment in the absence of evidence to the contrary. Each shipment to be considered a separate contract.
3. NOTICE TO RETIRE DOCUMENTS shall be given by the said buyer to the original seller, and also to his seller, before 12 o'clock on the day of payment.

4. **REJECTIONS AND DIFFERENCES IN WEIGHTS** shall be settled at the cost, freight, and insurance market value, of the quality guaranteed, on the day on which delivery order for rejections, and, or, dock warrant is tendered, or if not a market day, the following market day. The claim for settlement to be made within seven days of the receipt of the Dock Company's final return.

5. **MARKS.**—Any deviation of marks from B/L or invoice not to be objected to, so long as quality comes within terms of contract, and the bags bear the *bona fide* mark of the shippers. Any expenses incurred in landing and assorting deviating marks to be borne by original seller.

6. **SEA DAMAGED.**—Receiver shall and first seller may give orders to the dock Company in whose Dock vessels discharges to sort by outward appearance. Water-stained bags not caked or crusted shall be stabled, and if the wheat be uninjured by sea-water the same shall be received by buyer.

7. **SAMPLES** to be drawn by the Dock Company in whose dock the ships discharges, from two or more sound bags in every hundred, as they rise from the ship. Should either seller or buyer require more than two bags sampled in every hundred, the extra expense to be borne by the party giving such orders. The sealed dock sample to be taken as correct and final in the case of arbitration.

8. **WEIGHTS.**—Docks to weigh in all cases for average. If after 30 days of final discharge no other Dock Certificate be produced, the average weights shall be final.

9. **IN DEFAULT** of fulfilment of contract, either party, at his discretion, shall, after giving notice, have the right of re-sale or re-purchase, as the case may be, and the defaulter shall make good the loss, if any, by such re-purchase or re-sale, on demand.

10. **QUALITY.**—Should it be decided by arbitration that the wheat shipped is of a distinctly different description to that guaranteed in this contract, seller shall, if required, receive the wheat back at the cost, freight, and insurance market value of the day on which the award is made, of the quality guaranteed, or should the buyer keep the wheat, the seller shall pay such an allowance for inferiority or difference in quality as may be awarded by arbitration in London, but it shall be in the discretion of the arbitrators to give in either case

damages, if any, not exceeding 2/ per quarter over and above the difference in value, according to the special circumstances of the case.

11. **NOTICE OF ARBITRATION** to be given as soon as the Dock Sample is to hand, but not later than 21 days thereafter.

12. **SETTLEMENTS.**—After the documents have passed, first seller and last buyer may settle all claims together, in which case the intermediate provisional invoices shall become final.

13. **THE POLICIES** are to be for the benefit of sellers, and are to be returned to them on final settlement, except in case of total loss. Should there be a general average, then after settlement of same.

14. **ANY COMMISSION ON FREIGHT** as per Charter-Party or return premium on policies of insurance to be for the benefit of sellers, but any discount for payment of freight in cash to be for benefit of buyers.

15. **ARBITRATION CLAUSE.**—All disputes arising out of this contract shall be referred to two arbitrators, one to be chosen by each party in difference, the said arbitrators having power to call in a third, in case they shall deem it necessary. In the event, however, of one of the parties appointing an arbitrator and the other refusing, or, for seven days after notice in writing of the appointment, neglecting to do so, such notice to be delivered personally or left at the usual place of business of such other party, or in case the arbitrators appointed by the parties shall not within seven days after their appointment agree to an award or point a third arbitrator, or after the appointment of such third arbitrator; in case of the death, refusal to act, or incapacity of any one or more of such three arbitrators, then, upon application of either of the disputing parties, the questions in dispute shall stand referred to two arbitrators to be appointed by the Executive Committee of the London Corn Trade Association at the meeting convened by notice, and at which not less than three members shall be present. In case the two arbitrators appointed aforesaid shall not within fourteen days after their appointment agree to an award or choose a third arbitrator, then the said Executive Committee, at a meeting constituted as heretofore provided, shall appoint a third arbitrator, and shall, in the case of the death, refusal to act, or incapacity of any such three arbitrators from time to time substitute a new arbitrator or arbitrators in the place of the arbitrat or arbitrators so dying, refusing, or incapacitated.

The arbitrators appointed shall in all cases be principals and engaged in the corn trade as merchants, factors, or brokers, being members of the London Corn Exchange, or Baltic, and no person having any interest in the matter in dispute shall be competent to act as arbitrator.

The award of any two arbitrators in writing, signed by them, shall be conclusive and binding upon all disputing parties both with respect to the matter in dispute and all expenses of the reference and award.

No member of the Committee having any interest in the matter in dispute shall vote on the question of the appointment of arbitrators.

THE DOORCA POOJAH HOLIDAYS.

In their last Report the Committee recorded the views of the Government of India on this subject and the orders passed by the Governor-General in Council, namely, that the public holidays on the occasion of the Doorga Pooja shall hereafter be limited to the four days required for strictly religious purposes, the public offices being closed on those days only,—business being resumed on Monday if the fourth religious day fell on a Friday. The Committee regret to learn that His Excellency the Governor-General has since found reason to alter the conclusion at first formed, and has cancelled the decision then arrived at, the result being that the holidays continue as heretofore.

From Government of India to Government of Bengal,—No. 452, Fort William, the 28th January 1880.

In my letter No. 3045, dated 4th October 1879, I communicated to you the decision of the Governor-General in Council that effect should be given to the recommendations by the majority of the Committee convened last year, by the Government of Bengal, to consider the question of the annual holidays to be allowed in public offices on the occasion of the Doorga Poojah, as follows:—

(1) that only the four days required for strictly religious purposes should be close holidays in the public offices;

(2) that if the fourth religious day fell on a Friday, the public offices should not re-open until the following Monday;

(3) that the Public Debt Office, the Treasury, the Currency Office, the Money Order Office, the Stamp Office, and all the Pay Offices should be closed on these four days only; but that in other public offices the heads of departments should have discretion to give leave to their subordinates for the whole or any part of the twelve days, provided the current work of their offices is carried on.

2. Since his return to the Presidency, His Excellency the Governor-General has found reason to doubt whether the Government of India allowed sufficient weight to the inconvenience which will be entailed by the enforcement of this decision upon the Hindu community of Calcutta and some other parts of Bengal, and to the strength of the popular attachment to these annual holidays.

3. On the other hand, His Excellency is disposed to think that he may have under-rated the extent to which the complaints of the mercantile community may be obviated, or at least, mitigated, by careful arrangements in the several public offices to meet their requirements.

4. Accordingly the Governor-General in Council has determined to cancel the decision recorded in my letter of the 4th October, and to adopt the conclusion advocated in the 22nd paragraph of Mr. Cockerell's letter No. 3800, dated 19th September, namely, that the observance of the Doorga Poojah holidays in the public offices in Calcutta shall continue as heretofore.

5. But His Excellency in Council relies upon the Government of Bengal to take precautions, in respect to the public offices subordinate to it, to reduce to a minimum the inconvenience and loss which the mercantile community must, in consequence of this determination, continue to bear, and which he trusts that they will not object to bear, and which he trusts that they will not object to bear out of consideration for the interests and wishes of their numerous Hindu fellow-citizens.

6. The Governor-General in Council will enquire what arrangements to meet the convenience of the mercantile community are possible in the offices subordinate to the Government of India.

**DEPARTURE OF OVERLAND MAIL STEAMERS
FROM BOMBAY.**

This subject has engaged the attention of the Committee for some time past. In order to meet the Bombay objection to a Saturday forenoon

closing, it was proposed that the train service should be accelerated by 2 to 3 hours, thereby admitting of the mails reaching Bombay in time to ensure an early departure of the mail steamer on Saturday morning. To this it has been objected, however, that the entire railway mail service throughout India would be disorganized; but it has been suggested by the Director-General of the Post Office that the same object might be attained by an earlier departure by two hours of the train from Calcutta. This, it is calculated, would have the additional advantage of allowing the mails to reach London 15½ hours earlier than under the present arrangement. The Committee having taken the views of members of the Chamber conclude that there would be less objection to the early closing proposed than to any other change in the departure of the mails which could be made to meet the wishes of the mercantile communities of Bombay and England.

From Chamber to Government of India.

Calcutta, 19th February 1880.

The Committee of the Chamber of Commerce desire me to submit the following representation for the consideration of the Viceroy and Governor-General in Council, and to request you will do them the favor of taking an early opportunity to place the matter before His Excellency.

In the accompanying copy of the Chamber's Report, at pages 120 to 123, will be found a correspondence between the Director-General of the Post Office of India and the Committee of the Chamber, relative to the departure from Bombay of the Peninsular and Oriental Company's steamers carrying the homeward overland mails under the new contract.

It will be seen that the arrangements finally arrived at were that, instead of varying dates of departure from Bombay according to the season as previously in force, the mails were to be despatched weekly on a fixed day, throughout the year, in the same manner as the outward mail from London is regulated, and, according to the Director-General's telegram of 21st August to the British Post Office, Friday evening was the time appointed.

The resolution to despatch the mails on a fixed day throughout the year was regarded by the Committee of the Chamber as a public convenience, but a Friday evening departure of the steamer was considered a most unsuitable arrangement for the commercial community, as it involved the closing of mails in Calcutta on Tuesday, a very early day in the week, and the compulsory observance of which during the monsoon months had been felt a great inconvenience by merchants and bankers. The Committee submitted that if steamers were to leave Bombay on Saturday at noon instead of Friday evening, the detention would admit of the mails closing in Calcutta on Wednesday, so as to reach Bombay in sufficient time to admit of the steamers getting away by 12 o'clock, and that the arrangements under the mail contract would not be materially disturbed: and that while Calcutta

would gain a day, Bombay would not only have Friday for mail-day—so anxiously desired by the community of that city—but be able also to post any supplementary correspondence up to the time of the steamer's departure the following morning.

The Director-General replied to this reference on the 30th September, and remarked that the proposal to start the steamers about noon on Saturday would be objected to in Bombay on the ground of a Saturday forenoon closing being a graver inconvenience than a Tuesday evening closing in Calcutta; but on the 20th of the following month the Chamber was informed, by telegraph, that the mail departure from Bombay had been fixed for Saturday.

The Committee consequently understood that their application had been complied with both as to the day and hour of departure from Bombay, but they subsequently learned that the steamers would not leave till Saturday evening, and that the Bombay Chamber had protested against the detention: whereupon the Committee telegraphed to the Director-General, on the 27th November their request that he would adhere to the original arrangement for a Saturday noon departure.

It appears, however, that the Saturday evening departure is still maintained; and the Bombay community have addressed the Government of India, urging that the mails be closed, and the steamers despatched, on Friday evening, which would make Tuesday the mail-day in Calcutta instead of Wednesday.

The Committee cannot but express their extreme regret that in a matter which so largely affects the convenience

of the banking and commercial interests of Calcutta the Bombay public should press for an arrangement which altogether ignores that convenience, and they respectfully represent that the grounds upon which objections are raised at Bombay to a Saturday departure, *viz.*, the interference with the usual half-holiday and the convenience of the Volunteer movement, are not in themselves of such consequence that they should be held to outweigh the far more important considerations which demand that the matter at issue be determined, as already applied for by this Chamber.

At the same time the Committee are strongly of opinion that their original proposal for a Saturday-noon departure is the only one which, if strictly carried out, will effectually meet the objections of the Bombay community, avoid the undue detention of Calcutta letters at that port, and preserve to Calcutta Wednesday as the mail-day, which has been found to be the most suitable day in the week for the purpose. The proposal to close the mails in Bombay strictly at noon, but to detain the steamer till evening, would not meet the objections raised, as letters would continue to be posted on board the steamer up to the hour of her departure. The only way to secure the half-holiday to Bombay is to start the steamer *punctually at noon on Saturday*, and no objections of any weight have, in the judgment of the Committee, been brought forward against this arrangement.

The convenience of passengers arriving in Bombay with the mails ought not to be considered in this instance any more than in the case of those arriving at Brindisi with the outward mails from London. If ample time

is given to them to go on board from the railway with their luggage, that is all they can reasonably expect. Those who have business to do in Bombay can easily time their arrival there so as to get their business done before the steamer starts.

The other objection, that starting the steamer at noon from Bombay would not accelerate the arrival of the mails in London, has more weight, but the Committee are of opinion that this assertion has yet to be proved. It may be possible to accelerate the train service across India so as to save two or three hours on the journey, and enable the steamer to leave Bombay at 10 o'clock on Saturday morning, thus giving a start of nine hours in advance of the present arrangement. By further saving of time in steaming between Bombay and Suez three hours might be gained, and the Committee are unable to see why such a saving might not, with proper arrangements as to a train service through Egypt and across the Continent, be maintained throughout the rest of the route.

At all events, the Committee deprecate in the strongest manner any change in the mail-day fixed for Calcutta, and they see no reason why, while adhering to present arrangements as regards this city, the just requirements of the Bombay community may not also be met in the way indicated above.

Although not strictly connected with the object of this letter, the Committee cannot help calling attention to the undue detention in Bombay of the outward Calcutta mails for eighteen hours on the arrival of the last steamer. It is surely practicable to avoid such a serious loss of time in future, by re-arranging the present system as to the

period of starting express trains, and accelerating the speed of the regular mail train in cases where it is an object to make up for the late arrival of the steamer in Bombay. The Committee trust Government will press this matter on the attention of the postal and railway authorities.

GOVERNMENT TRADE-CIRCULAR.

MEMBERS will notice from the following correspondence that the Government of India contemplate the preparation of a trade-circular, or a monthly return of average prices of all principal articles of import and export; and that in the opinion of the Committee there would be insuperable difficulties in the way of compiling such an elaborate statement as the Government desire to publish, and that it would tend rather to mislead than to be of any practical value.

*From Collector of Customs to the Chamber,—
No. 145, dated the 13th January 1880.*

I have the honor to enclose for the information of the Chamber three copies of a Resolution by the Governor-General in Council, and to invite attention particularly to the 4th para.

2. I shall be obliged by your obtaining for me an expression of the Chamber's opinion as to the articles and various descriptions of each kind which it is desirable to show in the Price Current ordered by the Government,

and the denomination or "terms of quantity" for each, which would be found most convenient to the mercantile community in checking the correctness of the values recorded.

I have the honor to be,
Sir,
Your most obedient Servant,
(Sd.) J. D. MACLEAN,
Collector of Customs.

*RESOLUTION—By the Government of India, in the
Department of Finance and Commerce, (Customs)—
No. 91C, dated the 19th November 1879.*

In paragraph 4 of the Resolution in the Department of Finance and Commerce, No. 1972, dated the 30th July 1879, instructions were given for the preparation in Calcutta, Bombay, Madras, Rangoon, and Karachi of a monthly return of average prices of all principal articles of import and export.

2. It seems from the statements prepared under these instructions at Calcutta, Bombay, and Rangoon (from which places only have statements as yet reached the Government of India) that some misapprehension exists in regard to the principle on which they should be prepared. If the monthly returns are to be of practical value, the principle stated in paragraph 8, clause (c); of the Tariff Commission's Report, that "the formal scrutiny of the statement by the mercantile community should be secured," must be carried into effect. For this purpose the statement should be so framed in every way that any merchant would be able to detect errors or misquotations.

tions in respect of the articles in which he deals, and bring them to the notice of the local Collector of Customs or the Chamber of Commerce. In other words, the list should quote articles in the denominations in which they are locally sold and give the local-market prices. If twist, for instance, is quoted in pounds where the local custom is to quote it in bundles, and if the price be the strict "real value" as defined in the Customs' Act, Section 30, no merchant will take the trouble to convert the quotations into the terms of those current in the local market, and nobody will subscribe for the list. Whether circulated free of charge or published in the *Government Gazette*, it will be generally useless to merchants, and the monthly check which the Calcutta Chamber of Commerce has promised to apply to these returns will become more difficult of application.

3. The list should in fact be a local "trade-circular," speaking the language of the local trade, and capable of immediate comparison with the trade-circulars issued by private firms or by the Chamber of Commerce. It should be prepared in the appraising branch of the Custom House under the responsibility of the head appraiser, and go supervised in paragraph 8, clause (a), of the Tariff Commission's Report of the 11th March 1879, "on admitted values of goods and on original enquiries in various quarters," the former being used to check the latter. It should contain every separate item specified in the tariff schedule in which there is any local trade, and it may include as many subordinate denominations as may be necessary to arrive at a fair average in any instance, or for convenience of local testing. In the case of cotton goods, besides other sub-divisions, the qualities

which under present orders are admitted free should be shown separately from those which are dutiable.

4. The Governor-General in Council desires that the Collectors of Customs should be instructed without delay to prepare the monthly returns in accordance with these remarks. The returns should be prepared in communication with the mercantile community, whose suggestions should be freely invited as to the articles which should be shown in the lists and the terms of quantity in which prices should be stated.

5. Besides these monthly returns, the Government of India also contemplated the preparation, by the Customs' Collectors of Calcutta, Bombay, Madras, Rangoon, and Karachi of an annual return giving the average prices for the calendar year of all articles of import and export, the return to be compiled from the monthly returns of prices.

6. It is requested that this return may be compiled in the form shown below:—

Hindustani name of goods.	TARIFF.		MARKET PRICES.					Tariff Value proposed by Collector of Sea Customs.	Suggestions by Local Chamber, &c. if any.	Remarks.
	Per Cent.	Value.	1878.	1879.	Average for the three years.	Reduced average.				
1	2	3	4	5	6	7	8	9	10	

It should include comparative figures for three years, and contain any remarks that may seem required on the

state of trade or its fluctuations in any particular article. The market prices (columns 4, 5, and 6) and the average (column 7) should be stated in the terms of quantity used in the local market, and should correspond in regard to denomination and the basis of value with the monthly returns, the table being framed on the same principle.

7. The "reduced" average prices and tariff value in columns 8 and 9 of this return should be given for the denominations used in the tariff schedule, the values being the real values required by the Customs' Act for the assessment of duty, not the market prices entered in the previous columns. The return for the current year should be forwarded to the Collector of Customs at Calcutta before the close of January next for incorporation into a general return for India. The figures for 1877 and 1878, which are to be shown in the return for 1879, may be taken from the returns which were furnished for the use of the Tariff Commission in February last.

Ordered: that a copy of the foregoing Resolution be forwarded to the Governments of Madras, Bombay, and Bengal, and to the Chief Commissioner of British Burmah, for information and guidance, in continuation of Resolution No. 1972, dated the 30th July last.

No. 2560—225C.

Copy forwarded to the Secretary to the Board of Revenue in the Miscellaneous Revenue Department, for information and guidance, with reference to his No. 970B.

of the 11th September-1879, and previous correspondence.

By order of the Lieutenant-Governor of Bengal,

C. W. BOLTON,

Under-Secy. to the Government of Bengal.

Calcutta;

REVENUE DEPT.—*Mis. Revenue,*

The 3rd December 1879.

From Chamber to Collector of Customs.

Calcutta, 28th February 1880.

With reference to your communication of the 13th ultimo, No. 145, I am directed by the Committee of the Chamber of Commerce to express their regret at the delay in replying thereto.

Whilst always willing to assist the Government in the collection of statistics, or in any other manner, the Committee, after mature consideration, do not think it possible that such a "trade-circular" as Government proposes could be drawn up, which would be of the slightest use in checking values. The tendency among merchants, of late years, has been to get special marks and numbers of their own, in all descriptions of cloth, and any mere general quotation would be no guide as to the relative value of cloth coming under the same denomination, when it bears these special marks, &c.

For instance, the staple item in Grey Goods, *viz.*, Shirtings of 8½ lb. weight, varies in price from Rs. 4-8 to Rs. 6 at the present moment, whilst two cloths of nearly equal intrinsic value will vary 2 to 4 annas per piece

according as the marks are more or less known and approved. Grey Jaconets do not show so great a variety, as the yarns of which they are made are more limited in range than shirting yarns; but here a favorite mark will command half an anna more than another equally good, though not so well known. In Grey Dhooties there is still greater variation in kinds and qualities, and no quotation of a reliable nature can be given by one merchant of another's goods: The qualities are too numerous to detail.

The same remarks apply, but with still greater force, to all white and dyed goods. For instance, to take white shirtings; a quotation would mean nothing to any merchant in the trade unless he had a sample of the cloth before him, nor could a quotation for a T. Red Cambric convey any information unless the dyer's name was given and the number of tickets in the piece, these last being used in greater or less number according to the quality of the cloth.

In Mule Twist the same variations occur, and unless the spinner's name were given no fair quotation could be made.

It is true that the Chamber of Commerce issues a fortnightly circular quoting for all kinds of goods, but it will be noted that for each description lowest and highest prices are given, so that a specific article might be anywhere between the rates given.

Under these circumstances the Committee think that any "trade-circular" got up in the Custom House, where the appraisers can only arrive at intrinsic values, and

know nothing of the market prices of, each mark, would only be misleading, and would therefore be of little use.

From Collector of Customs to Chamber,—

No. 829, Calcutta, 9th March 1880.

I have the honor to acknowledge the receipt of your letter, dated 28th ultimo, giving expression to the views of the Committee of the Chamber regarding the new price current proposed by the Government of India, and to inform you that I have communicated the opinions therein expressed to the Board of Revenue for transmission to the Government.

2. In connection with this subject, I request your Committee to impress upon all members of the Chamber the importance, in both their own and in the Government interests, of always declaring correct real values for tariff-rated goods.

3. The real value should be, as prescribed in Section 30, Act VIII, 1878,—the wholesale market price at which the goods could be sold on the day of entry less duty and trade discount. I would suggest that the declarations should always be made by, or under the direction of, a member of the firm, or responsible European assistants, and not left to sivcars or others ignorant of the market values; and I shall be obliged if you will invite the attention of your Committee to the subject of this letter as early as possible.

STAMPS.

PROPOSED INTRODUCTION OF COUNTERFOIL STAMPED
FORMS FOR INSTRUMENTS LIABLE TO ONE-ANNA
STAMP-DUTY, &c.

*From Government of Bengal to Chamber,—
No. 9, dated Calcutta, 23rd January 1880.*

I am desired by the Lieutenant-Governor to forward the enclosed copy of a letter from the Government of India, in the Department of Finance and Commerce No. 1933, dated the 29th July last, enquiring what measures should be adopted to give effect to the proposal for introducing the use of counterfoil stamped forms, or for stamping forms supplied by private parties; and to request that His Honor may be favored with the opinion of the Chamber of Commerce on the subject.

*From Government of India to Government of
Bengal,—No. 1933, dated Simla, the 29th July
1879.*

It is desirable, in the interests of the stamp revenue, to promote the use of counterfoil stamped forms for such documents as—

Promissory Notes payable on demand.

Brokers' Notes.

Delivery Orders.

Shipping Orders.

Proxies.

Receipts.

Cheques and other documents on which the stamp is one anna.

2nd.—I am accordingly directed to invite the Government of Bengal to consider how this experiment can most conveniently be made.

3rd.—It seems to the Government of India that the Government should undertake either to stamp any forms printed for the purpose by any respectable firm, or to supply counterfoil stamped skeleton forms of any device that may be desired, and that, if a considerable supply (say, not less than 500) be taken, no charge should be made for printing and stamping.

4th.—Some kind of impressed stamps should be used, not labels of any kind. But if the supply be confined to firms of respectability, the risk of any fraud would probably be imperceptible.

5th.—I am to request that the Government of Bengal will report the measures which it proposes to take to give effect to the suggestions contained in this letter.

*From Chamber to Government of Bengal.
Calcutta, 31st January 1880.*

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 9 of the 23rd instant, forwarding copy of letter from the Government of India relative to forms for documents on which one-anna stamps may be impressed; and to inform you, in reply, that as all banks and almost every house of business prefer to use their own forms of documents, it would be a far more convenient arrangement that those documents should be presented for impression of stamps as circumstances required, than the plan suggested of

supplying counterfoil stamped skeleton forms, issued by Government.

REVISION OF CUSTOMS TARIFF VALUATIONS.

THE Committee having been invited by the Government of India to nominate a representative of the Chamber to act as a member of a Committee appointed to revise and settle the tariff valuations for the current official year, they proposed Mr. O'Keefe, of Messrs. Kettlewell, Bullen & Co., by whom that duty has been discharged.

*From Government of India to Chamber,—
No. 15C, Calcutta, 15th January, 1880.*

I am directed to transmit copy of a Resolution No. 14C (Customs) of this day's date, appointing a Committee to revise the tariff valuations, and to state that His Excellency the Governor-General in Council will be glad if the Chamber of Commerce will consent to nominate a representative to act as a member of the Committee.

Government of India, Department of Finance and Commerce,—No. 14C., Calcutta, the 16th January 1880.

Read Resolution by the Government of India, No. 1972 (Customs), dated the 30th July 1879.

In paragraph 4 of the Resolution cited, it was decided to appoint a Committee yearly to revise the tariff valua-

tions. The Governor-General in Council is accordingly pleased to appoint, for the purpose of settling the valuations to be adopted for the next official year, a Committee of three members, *viz.*, the Honorable T. C. Hopo, C.S.I., a member of the Legislative Council of the Governor-General, Mr. J. D. Maclean, Collector of Customs at Calcutta, and a representative who, it is hoped, will be nominated by the Bengal Chamber of Commerce.

2. The Committee will be good enough to assemble without delay, and to submit its recommendations to the Government of India as early as possible, in accordance with the instructions contained in paragraph 4 of the Resolution cited in the preamble.

Ordered: that a copy of this Resolution be sent to the Secretary to the Bengal Chamber of Commerce for information.

*From Chamber to Government of India,
Calcutta, 19th January 1880.*

The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter No. 15 of the 16th instant, and to nominate Mr. James William O'Keefe, of Messrs. Kettlewell, Bullen and Co., to act as a member of the Committee appointed to revise the tariff valuations.

THE COMMITTEE.

UNDER the provisions of Rule VIII., the Committee have appointed as their colleagues Mr. H. B. H. Turner and Mr. W. E. Crum in the room of Mr. W. Duncan and Mr. T. F. Hamilton, who have proceeded to Europe; and the confirmation of their election is now requested.

FUNDS OF THE CHAMBER.

THE balance at credit of the Chamber on the 30th April 1880 amounted to Rs. 3,793-11-5, exclusive of Rs. 15,000 in 4 per cent. Government Securities.

JOHN MORISON,
Vice-President.

APPENDIX.

ARTICLES.	Cwt. per Ton Nett.	Cubic feet per Ton.
Coral, rough	20	50
Coir, loose and unscrewed	12	50
Copra, or Coconut Kernel	14	50
Coriander Seed	12	50
Cotton	50	50
Cowries	20	50
Cumin Seed	8	50
" Black	8	50
Cutch, in bags	18	50
Dates, wet	20	50
" dry	16	50
Dholl	20	50
Elephants' Teeth in bulk	20	50
Furniture	12	50
Garlic and Onions	16	50
Ginger	16	50
Gram	20	50
Gums, in cases	50	50
Gunny Bags and Gunny Cloth	50	50
Gunjah	50	50
Hemp	50	50
Hides, Buffalo, of Cow, currod	14	50
Hoofs, Horn Shavings and Tips	20	50
Horns, Cow, Buffalo, or Deer	20	50
India Rubber, in bags	16	50
" cases	50	50
Indigo	50	50
Iron	20	50
Jute	50	50
Jute Cuttings	50	50
Lac Dye	50	50
Lard	50	50
Linsced	20	50
Mace	50	50
Machinery	20	50
Metals	20	50
Mathio Seed	18	50
Mirabolans	16	50
Molasses	20	50
Mother of Pearl, in bags	20	50
" chests	20	50
Mustard or Rape Seed	50	50
Niger Seed	20	50
Nutmegs, in cases or casks	20	50
	50	50

ARTICLES.	Cwt. per Ton Nett.	Cubic feet per Ton.
Nix Vomica	16	50
Ons	16	50
Oil, in cases	50	50
" casks	4 hds.	50
Opium	per chest.	50
Paddy	16	50
Palmitine, in bags	16	50
Pena	20	50
Pepper, Long	12	50
" Black	14	50
Planks and Deals	50	50
Poppy Seed	20	50
Putchuck	10	50
Rags	50	50
Raw Silk, in bales	10	50
Rattans for dunnage	20	50
Red Wood, ditto	20	50
Rhesa	50	50
Rice	20	50
Rope, in coils	16	50
" Lines and Twines' in bundles	16	50
Rum, in casks	2 punches or 4 hds.	50
Safflower	50	50
Sago, in cases	50	50
Sal-moniac, in bags	20	50
" boxes	20 gross.	50
Saltpetre	20	50
Salt	20	50
Squaw Wood for dunnage	20	50
Scaling Wax, in cases	50	50
Seed-lac, in cases	50	50
" bags	50	50
Senna	50	50
Shells, rough, in bags	20	50
Shiel-lac, in cases	50	50
" bags	16	50
Silk Chussum	50	50
" Waste	50	50
Silk Piece-Goods	50	50
Skins	14	50
Soap, country, in cases	50	50
" bags	15	50
" bar	20	50
Slick Lac, in cases	50	50
" bags	16	50

ARTICLES.	Cwt. per		Cubic feet per Ton.
	Ton Nett.		
Sugar	20	.....
Tallow, in cases or casks	20	.....
Tale	20	.....
Tamarinds, in cases or casks.	20	.....
Yapoca	50	.....
Tea	50	.....
Teel Seed	20	.....
Timber, round	40	.....
" squared	50	.....
Tinical	20	.....
Tobacco, in bales	16	.....
Tortoise Shells, in chests	16	.....
Turneric	20	.....
Wheat	20	.....
Wool	50	.....

1. Goods in Casks or Cases to be calculated gross weight when paying freight by weight; and where freight is made payable on measurement, the measurement be taken on the Custom House wharf, or other shipping wharf within a radius of 5 miles from the Custom House, except in the case of Cotton, the measurement of which shall be taken at the Screw-house.

2. Measurement to be taken at largest part of the bale,—inside the lashing on one side, and outside on the other.

3. Jute, Jute-cuttings, Hemp, Cotton, Safflower, and other articles similarly packed, are screwed in bales varying from 500 to 400 lbs.

4. The term "dead weight" shall be understood to mean the following articles:—Sugar, Saltpetre, Rice, Wheat, Gram, Dbell, Peas, Linseed, Rapeseed and all Metals.

H. W. I. WOOD,
Secretary.

SCHEDULE OF COMMISSION CHARGES

Revised and adopted by a Special General Meeting of the Bengal Chamber of Commerce, held on the 18th June 1861,—with effect from 1st January 1862.

1. On the sale, purchase, or shipment of Bullion, Gold Dust or Coin ... 1 per cent.
2. On the purchase (when in funds) or sale of Indigo, Raw Silk, Silk Piece-Goods, Opium, Pearls, Precious Stones, or Jewellery ... 2½ "
3. On purchasing ditto when funds are provided by the Agent ... 5 "
4. On the sale or purchase of all other goods—the commission in all cases to be charged upon the gross amount of sales, and in regard to purchases upon both cost and charges ... 5 "
5. On returns for Consignments made in produce ... 2½ "
6. On returns of Consignments if in Bills, Bullion, or Treasure ... 1 "
7. On accepting Bills against Consignments ... 1 "
8. On the sale or purchase of Ships, Factories, Houses, Lauds, and all property of a like description ... 2½ "
9. On goods and treasure consigned, and all other property of any description referred to Agency for sale, whether advanced upon or otherwise, which shall afterwards be withdrawn; and on goods consigned for conditional delivery to others and so delivered, on invoice amount at 2s. per rupee. half com.
10. On making advances or procuring loans of money for commercial purposes, when the aggregate commission does not exceed 5 per cent. ... 2½ per cent.
11. On ordering or receiving and delivering goods, or superintending the fulfilment of contracts, or on the shipment of goods, where no other commission is derived ... 2½ "

12. On guaranteeing Bills, Bonds, or other engagements, and on becoming security for administration of Estates, or to Government for the disbursement of public money $2\frac{1}{2}$ per cent.
13. On *debetores*, or guaranteeing the due realization of sales $2\frac{1}{2}$ "
14. On the management of Estates for Executors or Administrators $2\frac{1}{2}$ "
15. On chartering ships or engaging tonnage for constituents for vessels to proceed to outports for loading $2\frac{1}{2}$ "
16. On advertising as the Agents for Owners or Commanders of ships for Cabin passengers, on the amount of passage money, whether the same shall pass through the Agent's hands or not . . . $2\frac{1}{2}$ "
17. On procuring freight for a ship by a shipping order or charter, or on procuring employment for a ship on monthly hire, or acting as Agents for owners, Captain, or charterers of a vessel, upon the gross amount of freight, brokerage inclusive . . . 5 "
18. On engaging Asiatic Emigrants for a ship to the Mauritius, the West Indies, or elsewhere, upon the gross amount of earnings 5 "
19. On engaging troops for a ship to Great-Britain or elsewhere, on the gross amount of passage money for rank and file $2\frac{1}{2}$ "
20. On realising inward freight, inward troops, Emigrant, or Cabin passage money $2\frac{1}{2}$ "
21. On landing and re-shipping goods from any vessel in distress, or on landing and selling by auction damaged goods from any such vessel, and acting as Agent for the Master on behalf of all concerned, on the declared value of all such goods as may be re-shipped, and on the nett proceeds of all such goods as may be publicly sold 5 "
- If Opium, Indigo, Raw Silk, or Silk Piece-Goods . . . $2\frac{1}{2}$ "
- If Treasure, Precious Stones, or Jewellery 1 "

22. On effecting Insurances, whether on lives or property $2\frac{1}{2}$ per cent.
23. On settling Insurance claims, losses, and averages of all classes, and on procuring returns of premium $2\frac{1}{2}$ "
24. On drawing, purchasing, selling, or negotiating Bills of Exchange 1 "
25. On debts or other claims when a process at law or arbitration is incurred in claiming them . . . $2\frac{1}{2}$ "
- Or if recovered by such means 5 "
26. On Bills of Exchange returned dishonored . . . 1 "
27. On collecting House Rent $2\frac{1}{2}$ "
28. On ship's Disbursements $2\frac{1}{2}$ "
29. On realising Botomy Bonds, or negotiating any *Moan on respondentia* $2\frac{1}{2}$ "
30. On granting Letters of Credit 1 "
31. On sale or purchase of Government Securities and Bank or other Joint Stock Shares, and on every exchange or transfer not by purchase from one class to another $\frac{1}{2}$ "
32. On delivering up Government Securities and Bank or other Joint Stock Shares, on the market value. $\frac{1}{2}$ "
33. On all amounts debited and credited within the year (less the balance brought forward) upon which no commission amounting to 5 per cent. has been charged $\frac{1}{2}$ "
- $\frac{1}{2}$ Brokerage when paid is to be separately charged.

Jl. W. I. WOOD,
Secretary.

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**CONVERSION OF STERLING FREIGHT
INTO INDIAN CURRENCY.**

The following Resolutions were adopted at a General Meeting of the Chamber, held on the 31st May 1876.

"1. That the Resolution adopted at a Special General Meeting of the Chamber of Commerce, held on the 18th June 1861 is hereby superseded; that the conversion into Indian Currency of Sterling Freight payable in Calcutta on goods from Great Britain or any port or place where the freight is expressed in sterling money shall be made payable by an approved Bank Bill on demand, of at the rate for Bank Bills on London payable on demand, unless otherwise stipulated; that the rate ruling at the close of a mail shall be the rate applicable for such purpose during the week next ensuing; and that this Resolution shall have effect from the 1st January 1877."

2. That the words *current rate of Exchange* shall be held to mean the rate current for Bank Bills on London payable on demand, unless otherwise stipulated.

3. That the rate for Bank Bills on London payable on demand shall be taken for reducing sterling into Indian money in all cases of commission payable in Calcutta on effecting charters for, or at, the ports of Akyab, Bassein, Rangoon, and Moulmein, for rice or timber; as well as in all cases of difference of freight payable at the said ports on re-charter or relet of tonnage, unless otherwise stipulated.

Forms of Bill of Lading and Boat Note as adopted at a General Meeting of the Chamber of Commerce on the 17th January 1880.

Shipped

in good order and well conditioned,

by _____
is and upon the good Ship or Vessel called the _____
whereof is Master for this present Voyage _____
and now lying in the Port of Calcutta and bound for _____

being marked and numbered as in the margin, and to be delivered, in the like good order and well conditioned, at the aforesaid Port of _____

(The Act of God, the Queen's Enemies, fire, and all and every other dangers and accidents of the Seas, Rivers, and Navigation of whatever nature and kind soever excepted)

unto _____
or to _____ Assigns, Freight for the said Goods
being payable as customary _____

with Average accustomed. **In Witness** whereof, the Master or Agents of the said Ship hath affirmed to _____ Bills of Lading, all of this tenor and date, one of which being accomplished, the others to stand void.

Dated in CALCUTTA, this _____ day of _____ 18

Weight and Contents unknown.

No.
Calcutta, 18.....

To
 THE COMMANDING OFFICER OF THE
 Ship.....

SIR,

Please receive on board the undernoted Goods
 from Messrs.....

and grant a clean receipt for the same.

N. B.—This cargo is only shipped on the special
 understanding that the Chief Officer will sign for
 all counter or quality marks and numbers, and the
 Bales or Packages are not to be taken on board
 except on these terms, and also when a Sircar is
 in attendance to check the tally.

In case of any dispute, the Shippers request
 prompt information in writing from one of the
 Officers of the ship.

Marks and Numbers.	Number of packages.	Description of Goods.	

No.
Calcutta, 18.....

Received on board the ship.....
 in good order and condition the undermen-
 tioned Goods from Messrs.....

N. B.—The Chief Officer is requested not to take
 in any package unless he is prepared to sign for all
 the qualifying marks and numbers.
 All packages in bad order must be returned.

Marks and Numbers.	Number of packages.	Description of goods.	

Arrived alongside.....

Discharged.....

Returned.....

Remarks.....

(Signature).....

Chief Officer.

Ship.....

Moorings.....

MEMBERS OF THE CHAMBER OF COMMERCE.

Aikman, J., Esq., <i>Acting Agent, Chartered Bank of India, Australia, and China.</i>	Kelly and Co.
Agelasto, A. and Co.	Ker, Dods and Co.
Apar and Co.	King, Hamilton and Co.
Anderson, Wright and Co.	Longman, T., Esq., <i>Manager, Delhi & London Bank, Limited.</i>
Acerboni, F. and Co.	Morris, E., Esq., <i>Agent, Hong-Kong and Shanghai Banking Corporation.</i>
Barlow and Co.	Mackilloan, J., and Co.
Baig, Dunlop and Co.	Mackinnon, Mackenzie and Co.
Bara and Co.	Mackenzie, Leall and Co.
Barry and Co.	Mackie and Co.
Balmer, Lawrie and Co.	Macknight, Anderson and Co.
Bulloch, Wellsted and Co. (<i>Messrs.</i>)	McIntosh, A. R., and Co.
Catlish, Nephews and Co.	Moran, W., and Co.
Carritt and Co.	Oldenroyer and Hadenfeldt
Cochrane, S., Esq., <i>Manager, Agra Bank.</i>	Payn, T., Esq., <i>Manager, Comptoir d'Escompte de Paris.</i>
Campbell, J., Esq., <i>Manager, National Bank of India.</i>	Petrovichino Brothers.
Crooke, Toms and Co.	Prasvickissen Law and Co.
John Brothers and Pucha.	Prentage, E., Esq., <i>Agent, Eastern Bengal Railway Company.</i>
Duncan Brothers and Co.	Piggott, Chapman and Co.
Dwarkanath Dutt and Co.	Ralli Brothers.
Duffin, J., Esq.	Reinhold and Co.
Ede and Hobson.	Robert and Charriol.
Ernsthausen and Oesterley.	Rentiers and Co.
Ewing and Co.	Schroder, Smitt and Co.
Billott, John and Co.	Schoen, Kilburn and Co.
Esra, E. D. J., Esq.	Sassoon, David, and Co.
Finlay, Muir and Co.	Sires, Finlayson and Co.
Gibson and Co.	Steel, Octavius, and Co.
Graham and Co.	Thomas, J., and Co.
Grindley and Co.	Turner, Morrison and Co.
Gubboy, Elms S., Esq.	Tamayo and Co.
Hargre, G., Esq., <i>Agent, Oriental Bank Corporation.</i>	Tambal, Paul and Son.
Henderson, George and Co.	Tilman, Hirschhorn and Co.
Helgus, F. W. and Co.	Wilkinson, Captain C. J., <i>Superintendent, P. & O. Company.</i>
Herbert, G. H., Esq., <i>Agent, Chartered Mercantile Bank of India, London and China.</i>	Wilson, H. F., Esq. (<i>Messrs.</i>)
Hoove, Miller and Co.	Whitney, Brothers and Co.
Huber and Co.	Williamson, Brothers and Co.
Jardine, Skinner and Co.	Williamson, Major and Co.
Ketticwell, Bullen and Co.	Wiseman, Mitchell, Reid and Co.
	Yule, Andrew and Co.

Honorary Member :

J. A. Crawford, Esq., C. S., late Collector of Customs.

RULES AND REGULATIONS

OF THE

BENGAL CHAMBER OF COMMERCE.

First.... That the Society shall be styled "The Bengal Chamber of Commerce."

Second.... That the object and duty of the Bengal Chamber of Commerce shall be to watch over and protect the general commercial interests of the Presidency of Bengal, and specially those of the port of Calcutta; to employ all means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; and, with that view, to communicate with Government, public authorities, associations, and individuals; to receive references from, and to arbitrate between, parties willing to abide by the judgment and decision of the Chamber; and to form a code of practice to simplify and facilitate transaction of business.

Third.... That merchants, bankers, ship-owners, and brokers shall alone be admissible as members of the Chamber.

Fourth.... That candidates for admission as members of the Chamber shall be proposed and seconded by two members, and may

be elected by the Committee provisionally, such election being subject to confirmation at the next ensuing General Meeting.

Fifth..... That the subscription of firms and banks shall be 16 rupees per mensem, of individual members 10 rupees per mensem, and of mofussil members 32 rupees per annum.

Sixth..... That any member of the Chamber whose subscription shall be three months in arrears shall cease to be a member, and his name shall be removed by the Committee from the list of members after one month's notice of such default.

Seventh... That the business and funds of the Chamber shall be managed by a Committee of not less than five nor more than seven members, including the President and Vice-President, to be elected annually at a General Meeting of the Chamber in the month of May; the President, or, in his absence, the Vice-President, being ex-officio Chairman of the Committee, and in the absence of the President and Vice-President, the Committee to elect its own Chairman. Three to form a quorum.

Eighth... Annual elections of President, Vice-President, and members of the Com-

mittee shall be determined by a majority of votes of members, such votes being given in voting cards to be issued by the Secretary, numbered and bearing his signature; and no voting card shall be received for such purpose unless so authenticated. All vacancies created by the absence of the President, or Vice-President, from the Presidency for three months, or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes to be taken as above and declared by the Committee. All vacancies created as above by the absence, departure, or death of any of the members of the Committee shall be forthwith filled up by selection by the Committee, subject to approval at first ordinary general meeting thereafter.

§37 *It is specially requested that before a member is returned to serve on the Committee, his nominator shall have ascertained his willingness to accept office in the event of his election by voting cards.*

Ninth..... That parties holding powers of procuration shall, in the absence of their principals, be eligible to serve as members of the Committee.

Tenth..... Two members of a firm or representatives of a bank shall not serve on the Committee at the same time.

Eleventh. That the Committee shall meet for the purpose of transacting such business as may come within the province of the Chamber at such times as may suit their convenience, and that the record of their proceedings be open to the inspection of members, subject to such regulations as the Committee may deem expedient.

Twelfth. That all proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

Thirteenth. That a half-yearly report of the proceedings of the Committee be prepared, printed, and circulated for information of members three days previous to the General Meeting at which such report and proceedings of the Committee shall be submitted for approval.

Fourteenth. That the Secretary shall be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.

Fifteenth. That General Meetings of the Chamber shall be held at such times as the Com-

mittee may consider convenient for the despatch of business.

Sixteenth. That any number of members present shall be held to constitute a General Meeting, called in conformity with the Rules of the Chamber for the despatch of ordinary business.

Seventeenth. That on the requisition of any five members of the Chamber, the President, or, in his absence, the Vice-President, or Chairman of Committee, shall call a Special General Meeting, to be held within 15 days subsequent to receipt of such requisition.

Eighteenth. That every subscribing firm or bank shall be entitled to one vote only, and that the Chairman of Committee and Chairman of General Meetings and Special General Meetings shall have a casting vote in cases of equality of votes.

Nineteenth. That parties holding powers of procuration shall, in the absence of their principals, be entitled to vote.

Twentieth. That voting by proxy shall be allowed; provided proxies are in favour of members of the Chamber.

Twenty-first. That the Chamber reserves to itself the right of expelling any of its members;

such expulsion to be decided by the votes of three-fourths of members present in person or by proxy at any Special General Meeting of the Chamber convened for the consideration of such expulsion.

Twenty-second. That strangers visiting the Presidency may be admitted by the Committee as honorary members for a period not exceeding two months.

Twenty-third. That no change in the rules and regulations of the Chamber shall be made, except by the votes of a majority of the members of the Chamber present in person or by proxy at a Special General Meeting to be held after previous notice of three months.

CALCUTTA

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