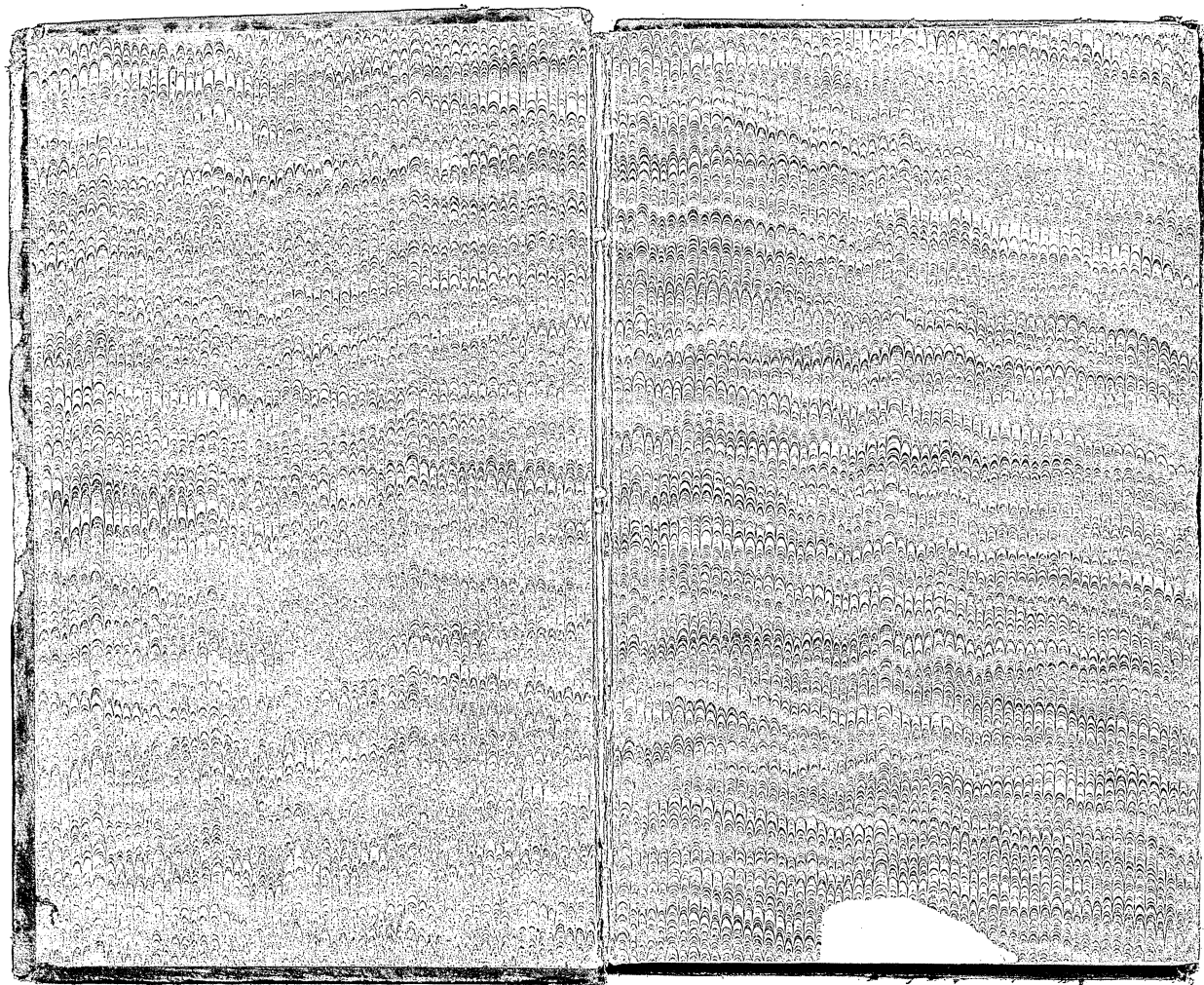
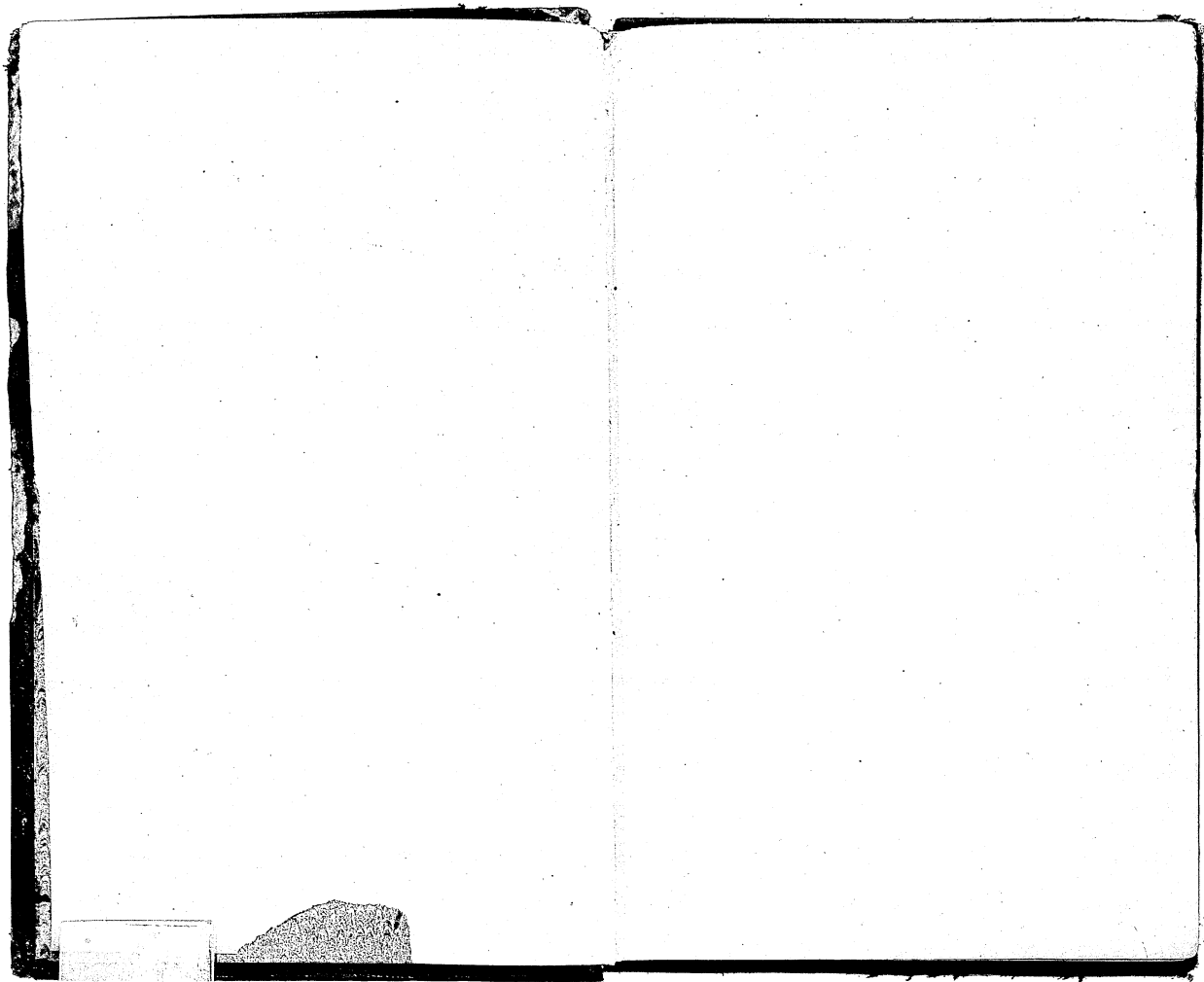


REPORT
OF THE
BENGAL CHAMBER OF COMMERCE
FROM 1st NOV 1861 TO 30th APRIL 1862





REPORT
OF
THE COMMITTEE
OF THE
BENGAL CHAMBER OF COMMERCE.

From 1st Nov. 1861 to 30th April 1862.

Calcutta:

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Proceedings of a General Meeting of the Bengal Chamber of Commerce, held on the 6th May 1862.

The Hon'ble W. S. Fitzwilliam, *President*, in the Chair.

The advertisement convening the meeting having been read, the Committee's report for the half-year ended 30th April 1862 was submitted to the meeting and adopted, a part of the paragraph relating to postal communication with Europe by way of Bombay having been amended at the instance of Mr. Bullen.

The election by the Committee of Messrs. Pereira and Co., Messrs. Wiseman, Snead and Co., and Messrs. Howard Brothers of Mirzapore (as Mofussil members) was confirmed, and Mr. H. E. Braddon, proposed by Mr. Bullen, seconded by Mr. R. B. Mackay, was admitted a member.

The President then addressed the meeting in the following words :—

GENTLEMEN,—In tendering our resignation I beg leave, on the part of my colleagues and myself, to thank you for the support you have given us during the period in which we have had the honor to represent you in Committee. On our part, I assure you that we have spared neither time nor labor in the discharge of those duties entrusted to our charge. Two of my late colleagues have left for England, the others are eligible

for re-election for the ensuing year, if they are disposed to serve. As regards myself, having now served two years on the Committee, during twelve months of which I have had the honor to be your President, I feel that I have discharged the duty which I consider is due from every member of the Chamber when called upon, and therefore beg to be excused from further service, as I have mentioned this publicly, and specially to friends who requested me to serve again on the Committee. I have no doubt of your having selected as my successor an abler but not more zealous representative than myself. Referring to the report which you have heard read, I think the Chamber have reason to congratulate themselves on the great and rapid progress which has been made, during the past year, in restoring India to a state of prosperity. At our last annual meeting the hope was expressed that we should, at the close of the present year, find the deficit in the public finances in a great measure balanced by the increase in revenue and diminution of expenditure, which we anticipated would be the result of the measures initiated by the late Mr. Wilson, and so ably carried out by his successor, Mr. Laing. But, as you all know, we have got beyond that; we have arrived at that happy position of having a surplus, which has been applied to remove a considerable portion of the burdens which pressed heavily on the trade of the country. Beyond this, there is every reason to believe that, for the future, the pros-

pect is equally good. If nothing arises to disturb the public peace, necessitate increased expenditure, or diminish the revenue during the next year, we may look for another surplus and a further diminution of our burdens; all this I think a subject for congratulation. I need but briefly refer to the recent changes in the Government, to the departure of Earl Canning, and the succession to office of Earl Elgin and Kincardine. During the last year of Earl Canning's administration, he did much to entitle him to the thanks of the Chamber, which, though not, perhaps, publicly expressed, was I believe felt by the Members generally.

As regards Earl Elgin we have good reason to anticipate, from his past great experience in Colonial Government, that the interests of commerce will always occupy a prominent place in his policy; in fact, His Lordship's reply to the Chamber's address fully warrants that opinion.

In conclusion, I cannot do better than apply the words of Lord Stanley in reference to the changes which he (even in 1859) anticipated would take place in India, by saying, that, I believe the changes now effected will impress the minds of Englishmen with the fact that now more than at any former period, they have the fullest scope for the higher destiny of their race; I believe these changes will call forth more strongly than ever those characteristic qualities of our countrymen—their practical sagacity, and administrative energy, which, through all the records of our

national existence, have always controlled fortune, and commanded success.

The Chairman having requested the meeting to proceed to the election of a Committee for the current year in the place of himself and colleagues whose term of service had expired, the votes were taken as recorded by the Secretary, and the choice of the following gentlemen was declared, viz.

Mr. J. N. Bullen, *President*.

* Mr. E. D. Kilburn, *Vice President*.

Mr. W. Maitland.

Mr. A. Walker.

Mr. D. C. Mackey.

Mr. Seth A. Apear.

Mr. I. G. Whitney.

Mr. Bullen said that he felt very grateful to the members of the Chamber for the honor they had done him in electing him a second time as their President. Nevertheless, he would not deny that so far as his own feelings were concerned, he would have been better pleased had their choice devolved on one of the many other members of the Chamber who were as competent, or more competent than he was, to fill that office. It was not that he by any means undervalued the compliment which was paid to him by that election, but that, as would be

* Mr. Kilburn having declined the Vice-Presidentship, a fresh election took place, and Mr. William Maitland was returned for that office; the vacancy occasioned by this appointment being filled up by Mr. Stewart Douglas, who stood next in order of votes to serve on the Committee.

apparent to members from the report which had just been read to them, and as he knew full well from his previous experience, the office of President of that Chamber was no sinecure, and he could not but feel that its duties would trench very seriously on the little leisure he already had. Having, however, been elected, he felt that it would be discourteous to refuse to serve, and therefore, in accepting the office, he would merely further say that, having accepted it, he should feel it his duty to give to the interests of the Chamber every attention in his power. He would, however, bespeak for himself and his colleagues in the Committee a generous support from the members of the Chamber. Difference of opinion on minor points would, of course, occur: it was not possible that unanimity should prevail on all occasions; nor, perhaps, was it desirable that it should always do so. In commercial politics, as in all other politics, a little opposition was frequently beneficial. But he ventured to hope that on all important questions the policy of the Committee would be found in accord with the views of a great majority of the members of the Chamber. And if so, he need not say how desirable it was that, in expressing those views, the Committee should feel that they had that moral support from the general body which would enable them to express those views with vigor, and would justify them in expecting that those views should meet with the attention which was their due as emanating from the

representatives of so influential a body. Fortified with that support, he thought he could promise them that, when the time came to render an account of their stewardship, the members of the Chamber would find that the influence and prestige of the Chamber had suffered no diminution in the hands of the Committee they had that day appointed. He would conclude by again thanking them for the honor they had done him.

The question having been raised as to who should fill the office of Vice-President should Mr. Kilburn decline to accept it, and whether the practice of electing the member who stood next in order of votes should be adhered to, the meeting was of opinion that the practice was objectionable and should be discontinued, and the following proposition of Mr. Bullen's was unanimously adopted, *that in the event of members who may be elected as President and Vice-President of the Chamber declining to accept those offices there shall be fresh elections for those appointments.*

On the motion of Mr. Claud Brown, seconded by Mr. H. M. Aitken, the thanks of the meeting were voted to the late President, Vice-President, and members of the Committee for their able conduct of the affairs of the Chamber during their term of office; and the meeting separated after a vote of thanks to the Chairman.

H. W. I. WOOD,
Secretary.

BENGAL CHAMBER OF COMMERCE.

REPORT OF THE COMMITTEE FOR THE HALF-YEAR
ENDED 30TH APRIL 1862.

ADDRESS TO HIS EXCELLENCY THE RIGHT
HON'BLE LORD ELGIN AND KINCARDINE.

APPENDIX A.

IN accordance with a resolution unanimously passed at a special general meeting of the Chamber held on the 20th March, the President, Vice-President, and a numerous deputation of members, presented an address of welcome and congratulation to His Excellency the Viceroy and Governor General on his arrival in the capital of British India. His Lordship, in thanking the Chamber for the address, expressed himself to the effect that though the anticipations of peace and tranquillity in India entertained by his predecessors had so often been falsified by the course of events, yet the aspect of affairs at the present time justified the hope expressed by the Chamber that opportunities greater than ever now presented themselves for promoting the development of the country's resources and adding largely to the happiness of the people. But, in order to make

the most of such opportunities, it was essential that there should be a good understanding and a disposition to co-operate heartily for the common welfare both between the Government and the public, and between the several sections of the public themselves. The assurance of the Chamber of their belief that the supposed antagonism of interests between the non-official Europeans and the natives of the soil was passing away, and their declaration that nothing which injured the well being of the people at large could benefit them, was, he considered, a hopeful sign of the realization of that co-operation for the common welfare to which he had referred.

His Lordship further invited the Chamber to communicate with him unreservedly and frankly on all questions by which they supposed their interests might be affected, or where they supposed their knowledge and experience would be useful to him, assuring them that he shared their conviction that the interests of the commercial class, which carries into regions morally stagnant and materially unimproved the vivifying influences of British energy and British capital, are coincident with those of the community at large.

RETIREMENT OF EARL CANNING.

At the special general meeting held on the 20th of March the Chamber, desiring to record their opinion of the later measures of the administration of the

Right Hon'ble Earl Canning, unanimously adopted the following resolution:—

“ That on the occasion of the relinquishment by the Right Hon'ble Earl Canning of the Governor Generalship of India, this Chamber records its gratitude to his Lordship for the closing act of his administration, viz., the bringing in a bill to provide for the sale of waste lands, and for the redemption of the land revenue, as also for the other many important measures advocated by this Chamber which have from time to time received the sanction of his Lordship's Government.”

ADDRESS TO THE HON'BLE MR. LAING.

APPENDIX B.

On the 5th of December a deputation from the Chamber of Commerce, the Trades Association, and the British Indian Association presented an address to the Honourable Mr. Laing, congratulating him upon his return to India with restored health. They expressed their great satisfaction at the efforts which the Government of India had made to restore the equilibrium of the finances, hoping that the measures thus taken would result in retrieving the credit of the country, and assured him that in carrying out the liberal policy which the Government had recently initiated they would have the support of the several associations there represented.

To this address Mr. Laing returned his sincere thanks, assuring the deputation that, considering the state of things which he found twelve months before when he landed in India, he felt now in the improvement which had taken place great confidence in the future of the country : much remained to be done, but it seemed to him that an impulse had been given and progress realized which was an earnest of further improvement ; and if his health permitted him to remain in the country his time should be devoted to completing the financial reforms which had been begun, and carrying out the policy which history would identify with the latter years of Lord Canning's administration. This promise Mr. Laing has carried out in its fullest integrity, as shown by the facts and figures submitted in his budget.

THE BUDGET FOR 1862-63.

APPENDIX C.

The financial statement, for 1862-63, made by Mr. Laing in the Legislative Council of India on the 16th instant has given very general satisfaction. At the last annual meeting of the Chamber the Committee expressed the opinion that their successors would be able at the close of the next year to report that the measures which had been adopted by Mr. Laing and his colleagues in regard to the finances of India had resulted in the equalization of income and expenditure.

This has not only been accomplished, but a surplus of £900,000 remained to be applied to the reduction of taxation. This reduction has taken place ; the 2 per cent. tax on incomes between 200 and 500 rupees a year has been remitted : the duties on imported piece goods and yarns reduced to 5 per cent. and 3½ per cent. respectively ; the duty on paper repealed ; beer and light wines (not exceeding twelve rupees per dozen) relieved to the extent of 50 per cent. on the former rates of 4 annas and 2 rupees per gallon ; and the tax on imported tobacco modified from one rupee per seer to 20 per cent. *ad valorem*.

These reductions are a source of congratulation to the Chamber, and the Committee hope that their successors will be able next year to report a removal of many of the burdens which still press upon commerce and the community at large.

For what has already been done they feel that the gratitude of the mercantile body is due to Mr. Laing and his able co-adjutors in financial reform.

REDUCTION OF THE IMPORT DUTIES.

APPENDIX D.

A resolution having been passed at a special general meeting of the Chamber that a memorial be presented to His Excellency the Governor General in Council praying for the early reduction of the import duties to the rates ruling in 1859, and that any alteration made should have effect immediately,

a memorial to that effect was sent in to Government and duly acknowledged by the Secretary of the Home Department, saying that it would receive due consideration when the estimate for the ensuing year had been completed. Subsequently, Mr. Laing having proposed in his budget that these duties should be reduced as regards piece goods* and yarns, as also upon beer, light wines, and tobacco, a bill was brought into the Legislative Council for India with that object, and passed, with effect from and after the 23rd April 1862.

COLLECTION OF CUSTOMS DUTY ON SALT.

APPENDIX E.

Importers of salt lately addressed the Chamber with a statement of the injustice and hardship to which they were subjected by the rules in force relative to the levy of duty upon imported salt. Those rules impose a duty on the quantity landed from the ship of all salt bonded less a fixed allowance on delivery for wastage of 5 per cent. It too frequently happened that the loss by wastage far exceeded this allowance, and the importers urged the justice of duty being charged upon the quantity actually delivered from the Government godowns, where the salt is under the sole charge and custody of the revenue officers. The Committee duly submitted the memorial to the Board of

* ^{es} All descriptions of manufactures of Cotton, Silk, and mixtures thereof.

Revenue, by whom it has been referred for the orders of the Government of Bengal.

DUTY ON RUM.

APPENDIX F.

The result of unequal and oppressive regulations complained of by European distillers of rum having been submitted to the Chamber, the Committee represented the matter to the Government of Bengal, recommending an equalisation of the duties levied on rum made on the European system, and on *doastah* or rum made in the native way, by lowering the former to the rate charged on the native manufacture,—the reduction of duty on rum as ships' stores to 8 annas a gallon,—and an allowance of 5 per cent. on account of leakage and evaporation in shipments to Indian ports. The correspondence, given in the appendix, will shew that whilst conceding the last point and removing the duty altogether on rum as ships' stores, the Government were unwilling to equalise the duties in the mode proposed by the Committee, but consented to remove the distinction between the two kinds of spirits, if of equal strength, by raising the duty on the native manufacture to that levied on the produce of European distilleries.

IMPORTATION OF TAR.

Importers of tar having complained of the loss

and inconvenience which they sustained from being obliged to land their tar at the Custom House wharf application was made by the Committee to the Collector of Customs to allow of its being removed direct from the ship to the place of destination, payment of duty being made upon the full invoice quantity. This request was submitted by the Collector to the Board of Revenue, who have since given their permission for the removal of tar as proposed, duty being levied upon the full quantity entered in the manifest.

PUBLICATION OF STATEMENT OF STOCKS OF IMPORTS.

It having been suggested to the Committee that it would be very desirable to ascertain the stocks of cotton goods, yarns, and metals in importers' hands on the 31st December, they addressed a circular to the Members of the Chamber, requesting to be furnished with such information, which would be treated as *strictly private and confidential, and kept exclusively under charge of the secretary; the returns to be destroyed by him after making the necessary extracts.* This request was, with two exceptions, complied with, and a valuable amount of information obtained. It has since been suggested that these returns should be made half yearly—a suggestion which the Committee have no doubt will be readily responded to by the members.

REPRESENTATION FROM MASTERS OF SHIPS AS TO DETENTION FROM WANT OF PILOTS, INSUFFICIENCY OF MOORING ACCOMMODATION, &c., &c., &c.

APPENDIX G.

On the 6th of December the Committee received a memorial from fifty-two commanders of vessels lying in this port urging them to address the Government of Bengal for the removal of the numerous impediments thrown in the way of the shipping interests by deficiency of moorings, the want of proper regulations for the loading and discharging of vessels, and the detention at the Sandheads for want of pilots. The Committee supported the views of the memorialists as put forward in that communication, and pointed out where and in what manner those obstructions and impediments to the trade of the port might to a considerable extent be removed. Their representation received the early attention of the Government of Bengal, who called upon the Master Attendant to report upon the chief subjects of complaint as early as possible. They also requested the Collector of Customs to put himself in communication with the Chamber in reference to such matters as concerned his department. The Committee have since received copies of the Master Attendant's report, containing many suggestions, which, if carried out, will go far to remove many of the grievances complained of.

FEEES TO ASSISTANT HARBOUR MASTERS.

It having been brought to the notice of the Committee that Assistant Harbour Masters were in the habit of demanding fees from masters of vessels whenever their services were required, the attention of the Government of Bengal was called to the subject, which was referred to the Officiating Master Attendant for report. That officer in reply states that the practice indicated has never received any sanction or countenance from the department; the only fee authorized to be received by Assistant Harbour Masters being a gold mohur for mooring a ship on Sunday; all others are unauthorized; that orders have been issued prohibiting such practice, and it is requested that any demand made by Assistant Harbour Masters, except for Sunday work, and not then if for a ship in distress, shall be reported to the department.

Gratuities to leadsmen, which has also been a subject of complaint, are equally prohibited with those to pilots, except in the case of an application being made for a particular pilot, when an authorised charge of twenty-five rupees is made for the leadsmen.

DESERTION OF SEAMEN.

APPENDIX H.

The Committee of the Sailors' Home having addressed the Chamber in reference to the desertion of sailors

from ships after having received the value of their advance notes from that institution, and requesting that they would memorialize the Government upon the subject, the Committee addressed the Government of Bengal calling their attention to the necessity of some enquiry into the discipline maintained in the House of Correction, as regards sailors committed for the offence of desertion or refusal of duty. The correspondence will be found in the appendix.

DELAY IN FURNISHING MARINE AND CUSTOMS BILLS AGAINST VESSELS.

APPENDIX I.

Complaint having been made to the Chamber of the delay which occurs in the furnishing of bills from the Marine and Customs departments to the consignees of vessels, reference was made to the Collector of Customs by the Committee, copy of which and his reply will be found in appendix.

CONSOLIDATED CUSTOMS BILL.

APPENDIX J.

The Government of Bengal having requested the Committee to furnish the opinion of the Chamber upon the above bill, a report drawn up by the Committee was forwarded accordingly. This bill has

since been before a Select Committee of the Legislative Council of India, who presented their report which was adopted on Wednesday, the 30th April, but as the session of the legislature terminated on that day, no further action will be taken upon the bill until November, when the Legislative Council will again assemble. In the meantime the bill as amended will be published for general information.

CONSOLIDATED STAMP ACT.

APPENDIX K.

The Government of Bengal, at the instance of the Supreme Government, having requested the opinion of the Chamber upon the Stamp Act, as amended in the last session of the Legislative Council, the Committee submitted a report with suggestions as to its further amendment. The bill has since been passed as amended in Committee by the Legislative Council of India, giving the public much more satisfaction than in its original form.

BILLS PASSED BY THE LEGISLATIVE COUNCIL OF BENGAL.

APPENDIX L.

The Committee are glad to report that the Legislative Council of Bengal have passed the bill for com-

pling masters of vessels to hoist their numbers when passing signal stations on the Hooghly, as also one providing for the periodical survey of steam ships by properly qualified engineers. Both of these bills are of great importance to the trade of the port, and are the result of the Chamber's representations referred to in our last report.

ELECTRIC TELEGRAPH.

APPENDIX M.

The Committee received on the 15th January from the Government of India a reply to their letter of the 14th of August last, regarding the efficiency of the electric telegraph for commercial purposes. The Government, though differing from the Chamber upon several points as to the unsatisfactory working of the department, especially as regards defective construction and bad organization, yet admit that there is great room for improvement, and that instances of messages delayed, wrongly delivered, and inaccurately or unintelligibly rendered, are of much more frequent occurrence than they ought to be. The establishment has however been recently re-organized and placed on a better footing as regards pay and promotion; and the Government relies upon Colonel Douglas and the higher officers of the department to use the utmost

care and vigilance in preventing mistakes, to investigate thoroughly every complaint, to visit every instance of proved neglect with suitable punishment and to endeavour to make the telegraph thoroughly efficient by promptly remedying such defects as can be corrected with the means at their disposal, and by suggesting to Government all other practicable measures required for the purpose. The Committee can only hope that the reliance of the Government upon Colonel Douglas and the higher officers of the department will be productive of a more efficient working of the electric telegraph than has hitherto been realized.

WEEKLY MARKET REPORT BY TELEGRAPH TO THE MADRAS CHAMBER OF COMMERCE.

The Chamber of Commerce at Madras having applied to be furnished by telegraph with a weekly market report, somewhat similar to that transmitted to the Bombay Chamber, and the Government of India having sanctioned its transmission free of charge—provided it be limited to 160 words and published for general information immediately on arrival at Madras—your Committee complied with the request of the Madras Chamber, who have been good enough to reciprocate this service by transmitting a weekly report for your information.

PUBLIC HOLIDAYS.

APPENDIX N.

The vexed question of public holidays has, the Committee are glad to report, been at last settled by the publication of a Government resolution fixing them at twenty-seven during the year, all of which are to be close, and for the purposes of business *non-working* days. There are, the Committee are aware, different opinions as to the number of holidays and as to the time when they should be given; the list now published, however, accords generally with the opinion of the majority of the members as recorded last year, when the sense of the Chamber was taken.

PROPOSED ANNUAL DINNER BY THE CHAMBER.

It having been suggested in Committee that the members of the Chamber should have an annual dinner, to which they could invite the representatives of the public service and other sections of the general community, thereby promoting good fellowship and a closer intimacy amongst its own members and with the public generally, a circular was sent to the members of the Chamber to that effect. The proposition received almost unanimous approval, but as it appeared to be the opinion of the majority that the cold season would be more agreeable for such an entertainment than the month of April, it has been decided

to postpone it to some convenient day in November, of which due notice will be given.

THE OFFICE OF COLLECTOR OF CUSTOMS.

APPENDIX O.

It will be in the recollection of members that the report of the Committee upon the administration of the Calcutta Custom House was accompanied by a memorandum by your President, Mr. Bullen, who dwelt at considerable length on many of the grievances and inconveniences in connection with the customs complained of by the mercantile community; and in the 9th para. of that memorandum he recorded the general opinion that in consequence of the frequent changes in the office of Collector and Deputy Collector it would be equally to the advantage of Government and of the mercantile body if in future appointments to those offices gentlemen were selected possessing peculiar qualifications for those situations, and who should agree to remain for stated periods; otherwise, that those offices should be thrown open to outsiders of proved abilities. The Committee having had an opportunity of again introducing the subject of Mr. Bullen's suggestion addressed the Government of Bengal, and with reference to the necessity of securing a longer tenure of that office than had been usual heretofore, (the average term of service for twenty-years, exclusive of Mr. Bracken's,

having been about sixteen months only) they recommended that the incumbent should not be removed to another more lucrative appointment to which he might be entitled by the rules of the service, but that he should retain his office and draw such higher emolument as he would have drawn had he been so transferred.

This suggestion received the approval of the late Lieut.-Governor, by whom it was recommended to the Supreme Government, whose sanction has since been accorded.

PURCHASE BY GOVERNMENT OF BILLS ON LONDON.

APPENDIX P.

In the month of November last the attention of the Committee was directed to the disturbing influence in the exchange market caused by the Financial Secretary to Government purchasing bills to the extent of £120,000, for remittance to England, through private agency, and they thought it necessary to address the Government of India upon the subject, pointing out the ill effect which such a proceeding must at all times necessarily have upon so sensitive a market as that for exchange, not only from the large amount which had been actually purchased, but from the apprehension that the requirements of Government

had not been satisfied, and that further and much larger operations might be entered into. They remarked that it had always been understood that all requirements for the public service should be publicly notified, publicly tendered for, and publicly furnished; and that such a departure by the Financial Department from so wholesome a rule, which prevailed in other departments of the public service, could only unsettle and embarrass the operations of the European and native trader. They respectfully submitted that all such private arrangements should for the future be prohibited; and that all such requirements should be announced with reasonable notice, the object in view communicated, the precise amount defined, and the usual conditions of public tender duly advertised.

In reply the Financial Secretary informed the Chamber that the expenditure in England of a large amount on account of the Government of India, made it evident, as shewn by the budget, that remittances from India to England may be required; that the object of the Government must be to effect these remittances on the most advantageous terms for the public interest, and with the least possible derangement of commercial transactions. At the same time the Governor General in Council believed that there was some foundation for the representation of the Committee of the Chamber that under existing circumstances the remittance of any considerable sums could not be effected by bills

from Calcutta without a greater disturbance of commercial transactions than by drafts from London on the Treasury here; instructions had therefore been given to discontinue the purchase of bills in India, and the Home Government had been requested to draw on the Indian Treasuries for the amount due now or at any future period.

The result of the Chamber's representation has been that the wants of Government have been supplied in a manner, which, while placing them in funds at once to any required extent, without the slightest appreciable influence on the London market, has not interfered with the usual course of trade in Calcutta.

POSTAL COMMUNICATION WITH EUROPE BY WAY OF BOMBAY.

APPENDIX Q.

The acting Agent of the Peninsular and Oriental Steam Navigation Company, having addressed the Chamber, requesting their opinion as to the proposition of the late Director General of Post Offices in India to make Bombay the postal terminus for all sea-borne mails from Europe, the Committee replied to the effect that in a letter which they addressed to that officer they expressed the opinion that when the railway system between Bombay and Calcutta was so far complete as to permit of the mails being sent at all seasons of the year between the two

cities, in five or six days, the mails should be preferably sent by that route rather than by way of Galle; but until that had been accomplished they deprecated any change in the present arrangement. After a lapse of eighteen months the Chamber are still of that opinion, and they therefore recommend that the contract with the Peninsular and Oriental Company should, if renewed at all, be only conditionally renewed, terminable at three months' notice from either the Government or the Company. They however thought it necessary to remark that during the last year the postal service between Bombay and Calcutta has been considerably improved, and that the *express* portions of the mails have been received here in about a day and a half less time, on an average, than that taken for the direct deliveries by the contract packets. The advantages of the overland route will be also considerably increased when the line between Benares and Calcutta is completed—about the end of this year: in fact, as such facilities of transmission are by the opening up of the several sections of railway given to the mails by that route, the competition via Galle must cease to exist.

THE LATE COLONEL BAIRD SMITH, C. B.

In their last half-yearly report the Committee dwelt upon the results of Colonel Baird Smith's mission to the upper provinces, and recorded their sense of the

deep obligations conferred by him on the trading and mercantile classes of India; and how imperfectly the gratitude of this Chamber was expressed in the address and testimonial presented to him in September last.

The Committee have again occasion to refer to that distinguished officer, but the reference is now made in heartfelt sorrow, for by his untimely and lamented death the State has lost one of its most valuable servants, and the commercial public an able and intelligent exponent and advocate of their interests. The Committee took the earliest opportunity of recording their sense of the great loss thus sustained, and the following resolution was adopted at their meeting of the 18th December:—

The Committee of the Bengal Chamber of Commerce have received the mournful intelligence of the death of Colonel Baird Smith, with feelings of profound regret, and they deplore with unfeigned sorrow the termination of a life so valuable, and a career of public usefulness thus early and prematurely brought to a close.

They desire to record their admiration of the high reputation which Colonel Baird Smith established for himself by a rare combination of varied attainments, and by the unceasing application of an intellectual and scientific mind to objects and questions of national interest and importance.

For the special service so recently rendered by him

in the cause of commercial enterprise, the memory of Colonel Baird Smith will be ever gratefully cherished by all who have at heart the welfare and advancement of this country; and the Committee, as representing the mercantile section of the community of this Presidency, mark their sense of the loss sustained by his untimely death, by paying this tribute of respect and regret.

In recording the foregoing resolution the Committee were conscious that they failed adequately to express the tribute so justly due to the memory of one of the most eminent men who ever adorned the public service of this country; and while they abstained from any allusion to his relations in private life they felt that few men have been more beloved or more regretted than Colonel Baird Smith.

EAST INDIAN RAILWAY.

We learn from the Chief Engineer's report for the half-year ended 31st December last, that considerable progress has been made in the several sections of the E. I. Railway. On the 1st November a further opening of the line took place from the *Teenpahar Junction to Bhaugulpore*, a distance of 69 miles; and early in the following month an additional length of 29½ miles was opened—from *Bhaugulpore to Monghyr*: thus completing a total length opened to the public in Bengal of 350 miles. The works in progress beyond

Monghyr were being pushed on so actively that Mr. Turnbull did not anticipate much difficulty in opening the line for traffic as far as *Patna* in October next, and, that effected, in reaching *Benares* by the 1st of January 1863. On all the open lines traffic had been carried on without interruption, the works were in sound condition, and the permanent way in good and efficient working order: and in all the unfinished sections satisfactory progress had been made, and works were rapidly approaching completion. The *Soane* bridge is so far advanced that it is expected that an engine will be able to cross it in July next.

EASTERN BENGAL RAILWAY.

The works of this line have progressed with much speed and regularity since our previous report, under the general contract made by the directors with Messrs. Brassey and Co.; the Calcutta terminus and other principal station-works, and the two great iron bridges across the rivers Gohamuttee and Koomar are rapidly drawing to completion, which will enable an uninterrupted line of rails to be laid between Calcutta and the Ganges at Kooshtee by end of next month, when it is expected the first trial trip will be made with the locomotive. The general rolling stock is being erected in the Calcutta station buildings as it arrives from England; and the various works of fittings and preparation for conducting the traffic are in

active progress, which leaves little doubt of all being in readiness by October next or even earlier; only it is considered desirable that the ensuing rains should have their effect for consolidating the freshly formed embankments before opening for public traffic. In the meantime all requisite arrangements and equipments will be fully completed. Station approaches, and other feeder roads which are under construction by Government, will be advanced, so that this important line of railway may shortly realize the benefits expected by the district it traverses. The success with which the prosecution of this undertaking has been attended cannot fail to influence materially the trade of Calcutta with the Eastern districts, and the manner in which the works have been executed as well as their general design and arrangements are worthy of example in many respects.

CALCUTTA AND SOUTH EASTERN RAILWAY.

This line was opened for passenger traffic as far as *Cheppahattee* on the 2nd of January last, since which date a daily service of two trains each way has been maintained, affording great accommodation to the population of the district. The line is expected to open shortly for goods traffic about the 1st of May.

The *Piallee* bridge—the key to opening through—is rapidly approaching completion; but the progress in the past has been considerably delayed by the

scarcity of labour, and as this continues to exist it is impossible to fix with any certainty a date for opening through to *Mullah*; in as much as the filling of the old river-bed at *Piallee* is a work which will require the concentration upon it of a very large amount of labour within a limited period of time. Should the necessary labour be procurable, it is hoped that an engine will be able to run from Calcutta to *Mullah* in July.

Many Sunderbund grantees, and others interested in the new port, have availed themselves of the means of visiting the district which were indicated in the last report.

THE CIRCULAR CANALS.

We have nothing very special to record regarding the circular canals: they appear on the whole to be in good order, and a considerable increase of traffic has passed into and through them. The old canal has silted up a little, but the stop gates which are being placed at the mouth of the new cut will, when finished, enable the canal to be well flushed and kept clear.

New pukka storehouses have been built near the Balliaghatta bridge, which will replace the temporary depôts on the canal bank, and afford much convenience to those who require accommodation of this kind.

NEW MEMBERS.

Messrs. Pereira and Co. and Wiseman, Sneed and Co. have been admitted members of the Chamber, and Messrs. Howard Brothers, of Mirzapore, as mofussil members, subject to the usual confirmation.

FUNDS OF THE CHAMBER.

APPENDIX R.

A half-yearly statement of the funds of the Chamber is appended, shewing a balance in the Bank of Bengal of Rs. 3,556-2-3, exclusive of the reserve, in 4 per cent. Government paper, of Rs. 7,500.

W. S. FITZWILLIAM,

President.

CALCUTTA,

30th April, 1862. }

APPENDIX A.

ADDRESS TO HIS EXCELLENCY THE RIGHT HONORABLE LORD ELGIN AND KINCARDINE.

TO HIS EXCELLENCY THE RIGHT HON'BLE THE EARL OF ELGIN AND KINCARDINE, K. T., K. S. I. AND G. C. B.,

Viceroy and Governor General of British India.

MAY IT PLEASE YOUR EXCELLENCY,—We the President, Vice-President, and Members of the Bengal Chamber of Commerce, beg leave to congratulate Your Excellency on your safe arrival in the Capital of British India,—earnestly praying that Your Lordship may long enjoy the blessing of uninterrupted health.

In the appointment of Your Excellency to the distinguished post which you have been called to occupy we recognize the wisdom of Her Majesty and her care for the welfare of her Eastern Dominions.

My Lord, if we venture to advert to Your Lordship's career as Her Majesty's Representative in Jamaica, in Canada, and in China, we presume to do no more than briefly allude to the success with which you filled those offices of highest trust, and which inspires in us a just confidence that Your Lordship's administration of the Government of this Country will conduce to the welfare of the people committed to your charge and redound to the glory of Her Majesty's Crown.

We entertain a grateful recollection of the important and opportune aid rendered by Your Excellency in 1857, at the time Her Majesty's Rule in India was imperilled, when your Excellency, on your own responsibility, diverted for the relief of India the troops intended for the China expedition; and Your Lordship's service to the State on that memorable occasion demands the expression of our warmest thanks.

My Lord, we rejoice in the prospect of undisturbed tranquillity throughout India, in the signs of a growing contentment on the part of its people, and to find that the belief in the supposed antagonism of interests between the non-official Europeans and the natives of the soil is passing away. Nothing that injures the well-being of the people

at large can benefit us, and we ask for no privileges for ourselves which we are not prepared to advocate as well for them.

We rejoice also to think that Your Lordship enters upon the duties of your high office with the finances of the State placed upon a sound footing; and the recent declaration by the Supreme Government that the financial improvement has been demonstrated beyond controversy justifies our hope soon to see the burdens removed that an exceptional state of affairs imposed upon commerce, and which have been borne cheerfully in the assured conviction that they would not be continued a moment longer than the exigency required.

We trust that the extension of commerce may be so encouraged by the improvement of existing means of internal communication, by the introduction of railways, by works of irrigation, and other material means of progress, that capital may find its way, without obstruction, throughout the British Territory, and free scope be given to the industry and enterprise of all classes of Her Majesty's subjects.

My Lord, in a country like this the action of Government is of vital consequence to the interests of commerce, and occasions frequently arise when we feel it to be our duty to offer suggestions with regard to matters the disposal of which rests with the Government, and we bespeak for our respectful representations in such instances, Your Excellency's just and indulgent consideration.

Tendering to Your Excellency the assurance of our profound respect, and the expression of our confidence that great benefits will result from your Lordship's administration of the Government of this vast empire, we have the honor to subscribe ourselves,

Your Excellency's

Most obedient humble servants,
For the Bengal Chamber of Commerce,

W. S. FITZWILLIAM,

President.

WILLIAM GRANT,

Vice-President.

CALCUTTA,

1st April 1862.

To which His Lordship replied as follows:—
GENTLEMEN,—I sincerely thank you for this very cordial address of welcome.

Anticipations of peace and tranquillity expressed by my predecessors, at the outset of their career, have been so frequently belied by the course of events, that I feel strongly how necessary it is to be cautious in hazarding conjectures as to what the future may bring forth in this country. Nevertheless I think with you that the circumstances of the present time justify the hope that we may have now before us opportunities for promoting the development of its resources, and securing the happiness and well being of its inhabitants, greater than any which have been heretofore enjoyed.

In order however to enable us to make the most of these opportunities, it is essential that there should be a good understanding and a disposition to co-operate heartily for the common welfare both between the Government and the public, and between the several sections of the public among themselves; and I hail as one of the most hopeful of the signs of the times, your assurance that the belief in the supposed antagonism of interests between the non-official Europeans and the natives of the soil is passing away, and the manly and creditable declaration contained in your address that nothing which injures the well-being of the people at large can benefit you, and that you ask for no privileges for yourselves which you are not prepared to advocate for them.

I invite you therefore, gentlemen, to communicate with me unreservedly and frankly on all questions by which you suppose that your interests may be affected, or where you believe that your knowledge and experience may be useful to me, and to give me credit for sharing your conviction, that, rightly understood and fairly pursued, your interests—the interests, namely, of that enterprising class which carries into regions morally stagnant and materially unimproved the vivifying influences of British energy and British capital—are coincident with those of the community at large.

APPENDIX B.

THE HONORABLE SAMUEL LAING,

Member of the Council of the Governor-General of India,

§c§ §c, §c.

Sir,—The Chamber of Commerce, the Trades Association, and the British Indian Association, have to offer you their sincere congratulations upon your return to India with restored health. They have, upon a previous occasion, had the pleasure of expressing to you their high estimation of the eminent services rendered to the people of India by the financial measures which you inaugurated in the early part of this year—measures which have already afforded evidence of their value and importance, and which we hope you will be spared to carry out to their fullest extent.

We have witnessed with the greatest satisfaction the energetic efforts which the Government of India have made to restore the equilibrium of the finances. The vast reductions already carried out and those which you have encouraged us to hope for in the future afford the promise that those Customs duties which weigh so heavily on commerce, and which were only imposed at a time of great pressure upon the resources of the State, will be speedily abolished. The commercial community and the country generally have willingly borne the burden of these imposts while they felt the Government required the accruing revenue; but when they find that reductions are practicable in the Home Military expenditure of Government equal to the realised amount of duties—which are a burden not only upon the trade of the country but a heavy tax upon the consumer—they cannot but express the hope that the administrators of Indian finance will persevere in their attempts to effect the savings referred to, whilst at the same time doing justice to the gallant officers of both services who deserve so well of their country. The future is hopeful for India if such measures of reduction can thus be carried out.

The cash balances, those important tests of financial prosperity or adversity, already show a material increase over those of last year;

whilst the carrying out of the wise measures and concessions recently announced by the Governor-General in Council will certainly add largely to the revenue, strengthening the hands of the Government in carrying out their financial schemes for retrieving the credit of the country, and placing it upon a sound basis for the future; and it will afford the members of the several Associations, which we represent, unfeigned pleasure if they can, by their support in any way, assist the Government in carrying out those measures which now so eminently distinguish their policy.

And we would lastly refer to that great and almost absorbing question, the supply of cotton from India—a question which bears in a two-fold sense upon the trade of the country. But it would be out of place, Sir, in an address of congratulation to discuss in detail a subject of this importance, the more so as we are aware that it has received your fullest attention. We would only briefly remark that if those interested in the consumption of cotton in great Britain will put their own shoulder to the wheel in this time of their adversity, they will find the people of this country, both European and native, willing to help them. Much has already been done both by the Government and the merchants of India to meet this emergency, as much probably as can be done with safety until more evidence is forthcoming that the capitalists of Lancashire and elsewhere are willing to take their part in the risk and expense attending the speculation. The fact is established that cotton can be produced to almost any extent in India; but the fact is not yet established that Indian cotton will always find in Lancashire a profitable market.

Apologizing for thus trespassing so long upon your attention, we again beg to express our gratification that you have returned to us, with renewed health and strength, to carry out your important mission.

For the Bengal Chamber of Commerce,

W. S. FITZWILLIAM, *President.*

For the Calcutta Trades Association,

F. JENNINGS, *Master.*

For the British Indian Association,

RAJA KALIKRISHNA BAHADOOR,

Vice-President.

Calcutta, 5th December 1861.

Mr. Laing then said :—

GENTLEMEN,—I return you my most sincere thanks for the expressions of good will to myself personally, and to the Government of which I am a member, in the address which has just been read. As regards myself personally, you are perhaps disposed to rate too highly the value of any services I may have been able to perform, for it must not be forgotten that my arrival in India last year took place at a time when financial difficulties had reached such a crisis, that change of some sort was inevitable, and when the labours of my colleagues and predecessors had laid the foundation for many of those reforms which I was the instrument of carrying out. It coincided also with that happy period when the alarms of the mutiny, and the heats and passions consequent on its suppression, had so far subsided, as to enable His Excellency the Governor General to reduce largely the military force consistently with prudence, and to turn his undivided attention to those questions of internal policy upon which the future of India mainly depends. I confess it delights me to find that the representatives of important interests both European and native can unite in applying the term of "wise measures and concessions," to the recent policy of the Government and to the series of great measures which will make the closing year of Lord Canning's administration memorable in the annals of India. It affords the best proof that this policy has thus far been successful in what is its main object, viz. to unite and reconcile Native and European interests in the one common object of developing the intellectual, the moral, and the material improvement of this great empire. On the one hand the importance of encouraging by every means in our power the influx of European capital and enterprise, the presence of European settlers and the expansion of European commerce, is so obvious that the man must be smitten with judicial blindness who fails to perceive it; but on the other hand it is no less true that India must be governed for the Indians, in this sense, that the welfare of the 150 millions of subjects committed by Providence to our charge must be our primary and paramount object. I am firmly convinced that these two objects are not only compatible, but, if rightly understood, identical. The most efficient means of raising the condition of the mass of the native community, is by applying European capital and science freely to the construction of communications, the improvement of agriculture, and the extension of commerce. Railways and steamers are the missionaries of civilization, and material improvement carries with it, by a certain law, intellectual and moral progress. But

the condition of this improvement both for European and Native is good Government. If we surround the throne with a body of feulatory princes and Native noblemen and landed gentry, loyal, because their position is assured and their rights are respected; if by a wise and liberal policy we encourage the growth of wealth among the commercial classes, call a numerous and intelligent middle class into existence, and raise the standard of the mass of our population, the European settler and merchant will be the first to feel the benefit. His object in India is to make money, and the way to make money is to live in a contented and prosperous country and on good terms with the population among whom he resides, with the people with whom he does business. I cannot better illustrate this mutual community of interest between European and native than by the instance to which you more specifically refer in your address. You express a hope for the reduction of the heavy import duties on manufactured goods. There is no doubt that such a reduction would be most desirable for the European merchants whose import trade is limited by it. But it is perhaps even more desirable for the native community, as the export trade, which is a main source of their prosperity, is practically very much dependant on the import trade; and as cheap and good clothing is one of the main wants of the great mass of the native population. But this desirable object can only be attained by further reductions, and the possibility of such reductions depends very much on the temper of the country, the continuance of tranquillity, the subsidence of animosities of race and party, and the growth of an enlightened and influential public opinion to support the Government here in enforcing economy both in India and in England. In my position, and with such a large revenue depending on such a fluctuating article as opium, it would be wrong for me to hold out anything like a pledge at present on the subject of those import duties. Objectionable as they may be, the return of financial embarrassment would be infinitely more mischievous, and the first duty of a Chancellor of the Exchequer is to resist the temptation to gain popularity by remitting taxes until he is well assured that he has got a solid surplus. An embarrassed Government is like an embarrassed individual—paralysed for good, and driven to temporary and often disreputable expedients. I can only say therefore that I freely admit that a reduction of duties is desirable, and that no effort on my part shall be wanting to enable me to effect it consistently with financial prudence. Again as to the supply of cotton from India.

If, as I hope, the temporary stimulus given by the present rise of price is to lead to the permanent substitution of Indian for American cotton to a large extent in the market of Europe, it is evident that this result can only be attained by a permanent improvement in cotton cultivation in India. If it be true, as I have seen it stated, that an acre of land in the United States produces on the average from 200 to 300 lbs. of cotton worth 6d. a lb., whilst the average produce of an acre in India is less than 100 lbs., of a quality not worth more than 4d., this is an inequality which can only be overcome by special and temporary causes, and which, in the long run, must give the command of the market to the slave-grown cotton of America over the free-labour cotton of India. But if it be also true, as from all that I have heard I fully believe, that by using improved seed and by better cultivation the quality of Indian cotton may be made equal if not superior to that of New Orleans, and the quantity per acre may be largely increased, then the conditions of the question are totally altered, and the cotton of India may permanently supplant that of America. Well—what is required to attain this desirable result? Mainly the completion of communications and the presence in the cotton districts of a large number of European agents to make advances and introduce better seed, to prescribe and set the example of better cultivation, and in a word to do for cotton on a large scale what the coffee and tea planters, the jute, linseed, and saltpetre merchants, and, I only express my own conviction when I add, the great majority of Indigo planters, have done and are doing in other parts of India. And if they succeed in this who will reap the chief benefit? 200 lbs. of cotton at 6d. is rupees 50, whilst 100 lbs. at 4d. is only rupees 16-8, and the difference will go mainly to the native who owns, and the native who cultivates the acre. In conclusion let me say shortly that when I look at the state of things now, and at that which I found not twelve months ago when I first landed on the shores of India, I feel great confidence in the future of this interesting and magnificent country. Much doubtless remains to do, but it does seem to me that an impulse has been given and progress realized, which are an earnest of further improvement, and while my health permits me to remain among you, you may depend upon it that my best energies shall be devoted to completing the financial reforms which have been begun, and carrying out the system of policy which history will identify with the latter years of Lord Canning's administration."

APPENDIX C.

FINANCIAL STATEMENT 1862-63.

BY HONORABLE SAMUEL LAING.

In bringing forward the Budget of the Government of India for 1862-63, the first point is to state the result of that of 1861-62.

The circumstances of the last Budget were remarkable.

A chronic deficit, continued with scarcely an intermission for twenty years, had added £50,000,000 to the national debt of India. That deficit had been increased by the effects of the mutiny, until, in the three years from 1857 to 1860, it reached the enormous average of £12,000,000 a year, and all the efforts of the Government, aided by the imposition of new taxes which convulsed Indian society, had still left us in 1860-61 with an apparently hopeless deficit estimated at £6,000,000.

This state of things had caused a general and wide-spread alarm, and so affected credit that a loan was well-nigh impossible, while the steady decline of the cash balances seemed to be bringing us rapidly to the point where, without a loan, the expenses of the State could no longer be met.

Under these circumstances, the Government of India applied itself vigorously to the further reduction of expenditure,—so vigorously that, as I shall presently show, out of an expenditure of £29,000,000 open to revision, a saving of £5,000,000 was effected in a single year. Then, as often happens when a patient suffering from a lingering malady resolutely breaks off his old habits, Nature comes to the aid with its restorative powers, and, in a wonderfully short time, he passes from prostration to health. So, in our case, the famine was mercifully arrested, the growing prosperity of the country gave buoyancy to the revenue, the produce of the stamps surpassed expectation, and the aspect of affairs changed so suddenly that, after finding myself in January struggling with an apparently hopeless deficit, I was able, in April, to my own great surprise and I believe that of every one else, to produce a Budget in equilibrium.

If the feeling here was one of astonishment, in England it amounted almost to incredulity.

Indian estimates had been for years proverbially fallacious, and when I went home in June, the first thing every one said to me was, "surely, this is too good to be true." Even high official authorities thought that I had been too sanguine, and estimated my deficiency at upwards of £1,000,000.

My reply was that time would show; but knowing how carefully the estimates had been taken on the safe side, I felt confident that provided the military reductions, which had been ordered, were carried out, the result would confirm the Budget.

It has more than confirmed it, and if things had remained as they were in April there would have been a large surplus.

As it is, although we have spent £1,458,140 more than was contemplated in April, on public works and opium advances, and have given up the license tax, we have no deficit.

This result is so vitally important that I am anxious you should understand the process by which the figures are arrived at and judge for yourselves how far they can be relied upon.

We are now in April, the last month of the financial year, and we have returns of the actual receipts and expenditure nearly perfect, in all cases, for nine, and in most for ten or even eleven, months.

I will not say that these returns are absolutely perfect, for our financial machinery is new, and you cannot make men accountants, or make them understand novel forms, in a day. Reforms are being introduced by which we hope to make the machinery of financial administration as perfect in India as it is in England, but in the meantime it is greatly improved, and with returns of all the more important actual results for ten months of the year carefully checked, the margin of possible error in our revised estimates must be very narrow.

Moreover, there is one test which may be applied with unerring accuracy in ascertaining the general result of our financial situation, viz., that of the cash balances.

If a man makes all his receipts and payments through his banker, and contracts no debts or obligations, the balance in his Bank-book at the end of the year must show whether he has or has not lived within his income.

So, in our case, we have incurred no fresh debt during the present

year, our outstanding liabilities have diminished rather than increased, and therefore the state of our cash balances affords an answer of mathematical certainty to the question whether we have or have not realized an equilibrium.

But, as in taking the sun's altitude to ascertain a ship's place on the waste of waters, certain corrections are necessary, so, in finding the financial latitude of the ship of the State by the cash balances, we must be careful to distinguish between what is real and what is only apparent.

I fear these details are wearisome, but the importance of firmly establishing our actual financial position is so vital, that I must ask your forbearance.

The apparent aggregate cash balance in the different treasuries of India on the 30th April 1861 was £14,608,121.

On the 31st March 1862 it was £17,690,000, and I will assume it to continue at the same amount up to the close of the financial year on the 30th April, though it showed a large increase in April last year.

The apparent increase of balance during the year is therefore £3,082,000.

But, in the first place, we ought to deduct from the cash balance of last year a certain amount, not properly belonging to it, consisting of bullion deposited at the Mint for the purpose of coinage. It seems that at Bombay a practice has grown up of leaving large sums of bullion for a considerable time at the Mint, and using the certificates, as a sort of large bank notes. The amount of such outstanding certificates, on the 30th April 1861, was £290,000, and in the balance of the 31st March 1862 there is no such amount, the operation of the new currency Act having led to a discontinuance of the practice.

This makes the increase of true cash balance during the year equal to £4,012,000. But from this must be deducted what we owe to England on the balance of transactions of the year.

Our revenue is all received in India, but of our expenditure nearly one-fourth or about £9,000,000, takes place in England.

This is met to the extent of about £6,000,000 by expenditure on Railways, the capital for which is raised in England and retained there, and to a smaller extent by other payments made by India on account of the Imperial Government.

The balance, which, according to the most careful estimate I can

make for the current year, is £3,000,000, is due to England, and ought to be remitted, or set aside for remittance.

In addition to this remittance of £1,000,000 in bullion was received early in the financial year from England, under the apprehension that the famine might have involved us in serious difficulties. Of this £700,000 only has been returned up to the present time, so that on the entire transactions of the year we owe England £3,300,000.

This reduces the true increase of cash balance on the 31st March 1862, over the 30th April 1861, to £712,000. But I am aware of no other corrections, and am totally unable to assign any reason, other than that of *bona fide* excess of income over expenditure, why the cash balance should show any increase. This indicates a result better by £370,000 than is shown by taking the aggregate of the separate estimates of revenue and expenditure revised with the experience of ten months' returns of actual result.

In using the figures, therefore, of this revised estimate, I think you will feel that I am very near the truth, and, if any thing, rather within it.

Now what results do these figures show?

First, as regards expenditure, which is the keystone of our financial situations I invite your attention to the salient fact that out of a total of £20,000,000 of expenditure which was open to revision, we have, in one year, effected an actual saving of upwards of £5,000,000.

The interest of debt, the home expenditure, payments under treaties, and the cost and charges of collecting the revenue, are not susceptible of reduction. On the contrary, the latter charges tend necessarily to increase with the growing prosperity of the country and the increase of revenue.

Deducting these, the aggregate of military, naval, and civil expenditure of every description was £29,365,066 in 1860-61, and £24,293,787 in 1861-62, the difference being £5,071,279.

And out of this we shall have spent fully £750,000 more on useful Public Works in 1861-62, than in the preceding year.

The larger part of this great saving is in military expenditure, which has been reduced from

£20,009,307 in 1850-60;
£15,838,980 in 1860-61;
to £12,800,000 in 1861-62.

This is the fruit of the measures by which the native armed force, including military police, has been reduced in two years from 350,000 to less than 130,000 men, and the European army, in round numbers, from 90,000 to 70,000. I cannot refrain, however, from stating publicly how much the Government of India has been indebted to Colonel Balfour, and his colleagues of the Military Finance Department for the satisfactory result we have been enabled to realize.

I have pleasure also in stating my conviction that this large saving, and the further saving which I shall presently show for the ensuing year, have been attained without any sacrifice of efficiency or of the comfort of the soldier. On the contrary, I believe that what with the improvements of modern science in armaments and sanitary arrangements; the increased facilities for moving troops and supplies by roads, railways, and steamers; the concentration and secure hold of all fortresses, arsenals, and artillery, and the weeding out of elements of weakness and danger in the native army: at no moment of our previous history did our military power in India ever stand on such a sound and secure basis as it does at the present day.

The other reductions in the current year have been £426,000 in the navy and marine, and about £1,500,000 in the various branches of civil expenditure chiefly under the head of miscellaneous and contingent expenses.

If we compare the actual expenditure of 1861-62, not with the result of 1860-61, but with the Budget estimate of last April, there is an increase of £1,714,370, of which £1,458,140 is accounted for under the two heads of opium advances and public works.

We shall pay £714,000 more for opium advances than was estimated, owing to the advance of price to the cultivator and large increase of cultivation.

As regards public works, it was intended that £500,000 should be transferred to local budgets, and provided for by local taxation. This intention has not been carried out, for a very obvious reason, viz., that new constitutions having been given to the three Presidencies, it would have been manifestly improper to anticipate the action of the local Legislative Councils, in a matter which is so peculiarly their province.

I am as strongly as ever in favour of the principle of local taxation for local objects. In fact, if this great Empire is ever to have the roads, the schools, the local police, and other instruments of civiliza-

tion, which a flourishing country ought to possess, it is simply impossible that the Imperial Government can find either the money or the management. The mere repair of the roads, where anything like a sufficiency of good roads has been made, is a matter altogether beyond the reach of any central *bureau*.

It is of the first importance to break through the habit of keeping everything in dependence on Calcutta, and to teach people not to look to the Government for things which they can do far better themselves.

It is, however, in entire accordance with this policy, not to force local taxation upon them by an imperial fiat, but to leave each Government, with the aid of its own Legislative Council and of its own officers, to work out the problem in its own way, subject only to an imperial control.

In the meantime we give as much as we can afford towards public works, so as to make whatever may be raised from local sources a clear addition.

In the present year we have not only taken upon ourselves the £500,000 which was to have been provided from local taxes, but we have further assigned another £500,000 of which half will probably be spent in the course of the year, viz. £380,000 on account of the one per cent. income tax, and £120,000 as a special grant for cotton roads.

Apart from these two unforeseen causes of expenditure, viz., opium and Public Works, the net increase of actual expenditure of 1861-62 over the budget estimate will not exceed £256,130; a result which, in a total Indian expenditure of £36,168,000, will not be considered as inaccurate for a first attempt at a budget.

The revenue, on the other hand, shows an increase of £1,616,492 on the budget estimate.

Of this £870,000 arises from Land, including Sayer and Abkary; £340,000 from Stamps, and £370,000 from Customs: arising in each case from the estimates in April having been taken with too wide an allowance on the safe side.

Income tax has yielded almost exactly the estimated amount, or £1,942,990 instead of £1,948,094.

Salt shows a decrease, which can, however, be satisfactorily shown not to have resulted from any falling-off of consumption, but from a large decrease in the stock of duty-paid salt.

All the other branches of revenue show continued buoyancy.

On the whole, therefore, the result is that although we have remitted the license tax and spent £1,458,000 more than we expected on opium and Public Works, we arrive at April 1862 with as nearly as possible the same result as we promised in April 1861, viz., with a substantial equilibrium, or, as the cash balances indicate, with a surplus of £700,000.

Now for the year 1862-63. As the simplest plan, I will begin by taking the budget as it would stand with no changes of taxation and no special additions to last year's grants for Public Works and education.

The revenue of 1861-62 is £42,911,690,—that of 1862-63 is estimated at £43,796,200, showing an increase of £885,110.

The most important point in this estimate is to know how opium has been taken.

The latest price was 1,471 rupees per chest. I have assumed that, with the increased supply coming forward after 1st January next, prices may gradually fall to 1,000 rupees a chest, and that, taking the year through from 1st May 1862 to 1st May 1863, we may realize, on the average, half way between that limit and the present price, or 1,237 rupees a chest; but, to keep on the safe side, I have taken it at 1,200 rupees.

I believe this to be a fair and moderate estimate, especially as the price is no longer a speculative one, but is apparently based on the *bona fide* demand of the China market, and has been remarkably steady for some months.

The principal heads of increase in revenue, are, land £400,000; stamps, £300,000, and public works, £200,000: the two latter not so much from assumed increase of receipts of 1862-63, as from finding on closer investigation that the actual receipts of 1861-62 had been greatly under-estimated. Of the increase in land revenue, £110,000 is a mere transfer from another head, and the remainder is mainly owing to the cessation of the famine in the north-west and Punjab.

The other branches of revenue generally show buoyancy; but, wishing to keep on the safe side, I have, generally speaking, taken them at the figures indicated by the actual results of 1861-62. The general result is that the revenue of 1862-63 would be better than that of 1861-62 by £885,110, supposing no changes to be made in existing taxation.

The total Indian expenditure of 1862-63 is £35,905,521, as against £36,463,900 in 1861-62, or less by £557,788, assuming for the moment

no extra grants for public works and education beyond those of this year.

This expenditure may be readily analysed into two parts, as we did in comparing 1861-62 with 1860-61; the first consisting of charges beyond our control, as interest on debt, home charges, and cost of collection; the second of charges open to revision, like those for the army, navy, police, law and justice, and civil administration.

The former class of charges amounted to
 £11,043,173 in 1860-61;
 £12,169,522 in 1861-62;

And they will be

£12,350,500 in 1862-63;

The main causes of increase in 1862-63 are, the extension of opium cultivation; of revenue surveys; of post office and electric telegraph charges, owing to more work and better administration; of mint charges, owing to copper coinage; and of stamps, owing to increased revenue.

The second class of charges open to revision amounted to £29,865,066 in 1860-61; £24,293,787 in 1861-62; and £23,454,087 in 1862-63, or £59,700 better in 1862-63 than in 1861-62, which was itself £5,071,279 better than 1860-61.

The greater part of this improvement is owing to our military expenditure, which again shows a reduction.

The cost of the army defrayed in India stands as follows for the last four years:—

£20,909,307 in 1859-60;
 £16,838,980 in 1860-61;
 £12,800,000 in 1861-62;
 £12,200,000 in 1862-63;

The saving of £600,000 next year, as compared with 1861-62, is due partly to further reductions of the native force, and partly to the strength of the European army having come down more nearly to the established strength.

Since the commencement of the present year the Government has ordered, in addition to the large reductions of last year, the reduction of eight Madras Native regiments, eight corps of Bengal military police, and some other reductions which will have the effect of bringing the total native armed force of every description down to about 125,000.

A still larger saving results from the absorption of European supernumeraries.

During the year 1861 we have had, on the average, fully 4,000 European soldiers in India above our established strength, who cannot cost, including every thing, less than £45 per head. We have had also to provide in 1861-62 for a home military charge almost identical with that of 1860-61.

A reduction is at length effected in this charge, and I am too happy to receive it to scrutinize closely whether it might have been made earlier.

I certainly thought that although it would have been unreasonable to expect England to take back regiments without notice, it was not too much to hope that when the established strength of Europeans for India had been determined upon at home within a very narrow margin of its present amount, as long ago as the autumn of 1860 steps might have been at once taken to stop recruiting and bring the *dépôts* in England down from the excessive strength at which they had been kept for English not Indian objects, so that the finances of India, then in a very critical state, might have received more effectual aid at an earlier period.

However, "all's well that ends well." We have surmounted our crisis and at length got the European force nearly down to its established strength, and have assurances from home that recruiting is suspended for all regiments still in excess; I have no wish therefore to prolong controversy, and although perfectly ready to prove and justify every word I have said on the subject, I am ready, speaking for Indian finance, to let "bye-gones be bye-gones."

At the same time I am not sorry that public opinion in England has been directed to the subject, and that the Secretary of State can now reckon, as I believe he can, on the support of influential interests in resisting any attempts to revive the practice, so pleasing to an English Chancellor of the Exchequer and so displeasing to an Indian one, of keeping 10,000 or 15,000 additional soldiers in England at the charge of India.

The expense of the navy and marine is brought down to £472,000, or £150,000 lower than it was last year, and £576,224 lower than it stood at in 1860-61.

Other charges nearly balance each other. We save £135,000 in

police, and spend £110,000 more in the extension of law courts and the administration of justice.

Miscellaneous and contingent expenses are diminished, while salaries and superannuations are slightly increased, the cause in each case being mainly a more accurate classification.

The general result is that we are better, on our voluntary expenditure, by £839,700, and worse on our involuntary expenditure, by £281,912, making us better on our total Indian expenditure by £557,788.

On the balance of Home charges and receipts, as shown by the estimate sent by the Secretary of State, a copy of which I lay on the table, we have £43,774 less to provide than was estimated for in 1861-62.

But, on the other hand, we have £200,000 more to provide for the excess of railway guaranteed interest over net traffic receipts, a result which is not surprising with such a great extent of unfinished line in course of construction.

This concludes the comparison of 1862-63 with 1861-62.

We are, in all, £1,286,072 better than in 1861-62, and as the revised accounts of that year showed a surplus of £142,021, we have a surplus in 1862-63 of £1,428,093, irrespective of the changes now to be proposed.

In the first place, we propose to give £146,453 more than will be spent this year, to education, science, and art, bringing the grant for these objects up to £500,000.

This amount will not appear inconsiderable when it is recollected that it is more than England gave for education ten years ago, and is even now in a larger proportion to our total expenditure than the present English grant is to that of England. At the same time, it is a small sum compared with the magnitude of the field which we wish to reclaim from ignorance, and I am persuaded that no member of this Council will grudge the money for such an object. I will not touch on the mode of applying this increased grant, for any attempt to do so would lead me too far from the proper object of what is merely a financial statement.

As regards public works we propose to provide as follows:—This year, as I have shown, we have provided for £1,000,000 more than was estimated for in April, and have given from imperial revenue: 1st, an original grant of £3,680,000; 2ndly, an extra grant of £120,000; and 3rdly, £380,000 on account of the 1 per cent. income tax.

The latter goes to the local Government in aid of their local funds,

and is spent by them, subject only to our general control. They have not spent £300,000 of this money, owing to the late period at which the allotment was made, and, strictly speaking, we might postpone a second year's allotment until twelve months after the first one, and thus throw the bulk of it into 1863-64.

But we think it better to credit the local Governments with the £300,000 standing over from 1861-62 out of the surplus balance of that year, and credit them at once with the further £380,000 due for 1862-63. This will place the Imperial Government in advance instead of in arrear to the local Governments under the income tax Act, and give those Governments an opportunity of commencing as much useful works as they can profitably undertake by the next cold season. It will give them, with their own local funds proper, a very large sum of upwards of £1,000,000 available for 1862-63 irrespective of imperial assignments; but we trust to them not to hurry forward work so as to cause useless expense, especially as any portion of this local money remaining unspent at the end of the year will be carried forward as a balance to the credit of their local funds, and will not affect their next year's assignment.

For the imperial assignment which is spent under the direct control of our Public Works Department, we propose to give £200,000 beyond last year's assignment of £3,680,000.

We shall thus give in all £4,360,000 for Public Works from imperial revenue, and shall provide for an expenditure from all sources, imperial and local of over £5,000,000 in the year, of which not above £500,000 will be for military works.

This absorbs another £380,000 of our surplus, and with the increased grant for education, leaves a surplus of £903,880.

The question how to apply this surplus is one for the gravest consideration.

At all hazards we must keep clear of a recurrence of financial embarrassments; on the other hand, investing as we do so largely in Public Works, it is not politic to keep up objectionable taxes for the sake of retaining a further money surplus, which would only invite to extravagance.

The question is, can we, or can we not, safely apply our present surplus in relief of taxation.

To answer this it is absolutely necessary to look beyond the present year, and take a general view of Indian finance.

In any estimate of the financial prospects of India, opium necessarily demands our first consideration. We are deriving a net income of £4,000,000 a year from this source, and, if, as is sometimes asserted, this income is altogether precarious, our position is still one of great hazard.

I have thought it right, therefore, to take every means in my power of thoroughly satisfying myself on this head, before I ventured to propose any reductions of existing revenue.

The result is that I can see no reason why the revenue derived by India from opium should be considered more precarious than that derived by England from gin or tobacco.

I believe the cry of the precariousness of the opium revenue has originated very much from the strong aversion felt to it in certain quarters on moral grounds.

This is not the place to go into any lengthened argument as to the moral bearings of the question. I have heard the most contradictory opinions advanced, in perfect good faith, by respectable men who had been in China, some denouncing opium as a deliberate poisoning of the Chinese for the sake of filthy lucre, others contending that it had produced a most beneficial effect by substituting a comparatively tranquil stimulus for the wilder excitement of intoxicating drinks, which led to bloodshed and crimes of violence.

My own belief is that the truth lies between the two extremes, and that opium is neither very much better, nor very much worse, than gin.

This much seems certain in speculating on the probable continuance of a demand for opium in China: every civilized or semi-civilized race of mankind seems to affect some peculiar form of nervous stimulant, and as the natives of northern Europe take to Alcohol, so the Chinese take to opium. Possibly, in each case, the craving is for something to supply an innate want. The Englishman, the Dane, the German, and the Russian, resort to that, the specific effect of which is to raise the spirits, and produce temporary exhilaration.

The Chinese, whose greatest deficiency, as shown by the whole history, religion, and literature of the race, is in the imaginative faculties,

resorts to that which stimulates the imagination and makes his sluggish brain see visions and dream dreams.

Be this as it may, the fact is certain, that under all circumstances and in all climates, as the Englishman is a drinker of beer, so is the Chinaman a smoker of opium.

We have, therefore, at the bottom of our opium revenue, one of those great natural instincts of a large population upon which English Chancellors of the Exchequer confidently rely for half their revenue.

It is, of course, theoretically possible, in the case of gin, whiskey, rum, and tobacco, that the exhortations of the temperance advocates in the former case, and of the ladies in the latter, might, at any moment, so far prevail, as to induce the population generally to abstain from habits which are in many cases pernicious, and in many more wasteful and disagreeable.

Should they so prevail, the finances of England, and, indeed, of almost every country of the civilized world, would collapse far more suddenly and hopelessly than ours would in India by the failure of opium.

But, as I have said, an English Chancellor of the Exchequer goes on with equanimity, relying on a taxation of 400 or 500 per cent. *ad valorem* on spirits and tobacco for £20,000,000 of his revenue, and while this is the case I can see nothing in any general considerations as to opium to prevent us from doing the same.

The question is altogether a specific one of selling price and cost of production. Is there anything in the actual condition of our opium revenue to render precarious the continuance of that which has gone on steadily growing for the last ten or fifteen years?

With the short supply and excessive prices of the last two years, no doubt this was the case.

We were not in the least degree weaning the Chinese from the use of opium, but we were stimulating the production of a native article, which, although inferior in quality, was fast entering into competition with us.

But the question is not one of maintaining a price of 2,000 or even 1,500 rupees a chest for Indian opium.

Measures have already been taken which will increase the average production of Bengal opium to about 50,000 chests a year, while that of Malwa exceeds 40,000, and the question is, at what price is China likely to take this quantity off our hands?

On referring to the returns of the last ten years, I find the following results as to the supply of Indian opium exported to China each year, the average price, and the approximate amount, which China has paid to India each year for opium :—

YEAR.	No. of CHESTS.			Average price of Calcutta Sales.	Approximate sum paid for Opium by China.
	Bengal.	Malwa.	Total.		
1852-53	35,521	27,111	62,632	Rs. 1,104	£ 6,800,000
1853-54	42,403	28,473	70,876	887	6,200,000
1854-55	49,979	24,572	74,551	711	5,250,000
1855-56	49,399	25,099	74,398	834	6,225,000
1856-57	42,272	29,589	71,861	891	6,300,000
1857-58	40,128	39,797	79,925	1,285	10,240,000
1858-59	30,871	42,000	72,871	1,487	10,500,000
1859-60	25,253	44,002	69,255	1,675	11,600,000
1860-61	21,265	40,703	61,966	1,921	11,750,000
1861-62	24,063	36,000	70,063	1,609	11,200,000
Average of first five years 1852-57.	.....	.....	71,083	885.	6,120,000
Average of second five years, 1857-62.	.....	.....	70,600	1,593	11,000,000

This table shows that notwithstanding great fluctuations of price and of supply from year to year, the opium trade with China is amenable to certain general laws.

There has been a progressively increasing demand, which, being met by a stationary supply of about 70,000 chests a year, has, in ten years, nearly doubled the price, and called into existence a supplemental native supply, estimated by those acquainted with the trade at from 20,000 to 30,000 chests, selling at perhaps two-thirds of the price of Indian opium.

There is conclusive evidence, therefore, that as matters stand, China requires every year a supply of 100,000 chests of opium, and is prepared to spend from £12,000,000 to £15,000,000 on the article.

When I say China, I mean that part of the vast empire with which

we have commercial relations, for of the interior we know very little. It is probably supplied largely by native opium, as the late expedition saw an extensive poppy cultivation above Hong-Kow.

Now to maintain our existing revenue all we require is not to maintain existing prices, but that China shall, one year with another, take from us either 80,000 chests at 1,000 rupees a chest, or 100,000 chests at 800 rupees a chest. We can produce opium in Bengal, even with the present high price to the cultivator, at 400 rupees a chest, and experience has proved that with a pass duty of 400 rupees a chest, Malwa opium admits of rapid extension.

In fact, the cultivation of opium is so profitable to the ryot, and so popular, that we can get almost any quantity we like at those prices, especially in our own territories, where the profit to the cultivator is not curtailed by excessive land assessments, transit duties, profits to middlemen, and usurious interest on advances.

This year our net revenue from opium is at a low point, for we are paying a high price for double the production which we are bringing into the market.

Our gross receipts are about £6,000,000, but we are paying, not £1,000,000, which would suffice for the quantity we have to sell this year, but £2,000,000, for the crop which will only come into the market next year.

The conclusion, therefore, is irresistible, that there is no risk of our actual opium revenue diminishing, unless the demand in China should so far fall off as to be unable to spend £8,000,000 a year on Indian opium, while this year, and for the average of the last five years, they have been spending £11,000,000.

Should they continue to spend £11,000,000, our net revenue from opium must infallibly improve, and if, as some think, Indian opium, if it could be sold at about 450 dollars a chest in China, would almost supersede the native article, there is really no limit to the progressive increase of revenue from this source, I think myself, viewing the matter as dispassionately as I can, that the probabilities are rather in favor of an increase than a decrease of opium revenue for the next few years, but I am satisfied if I have established that the existing revenue is not more precarious than any other revenue depending on a widely diffused artificial taste among a vast population.

This being so, I proceed to examine what are the prospects of the

other great branches of Indian revenue, and here the result is most satisfactory.

The total revenue of India, ten years ago, was £29,210,000,—it is now £43,750,000.

The average revenue of the three years before the mutiny, or 1854-55 to 1856-57, was £31,980,000,—that of the three years, 1860-61 to 1862-63, is £43,203,000.

We have therefore an increase of £14,500,000 a year in ten years, and of £11,000,000 a year in five years.

Of this increase not quite £1,500,000 is due to opium, and about £5,000,000 to new taxes, as the income tax and enhanced duties on salt, stamps, and customs. Another £1,000,000 may be due to acquisitions of territory.

There remains, therefore, an increase of £7,000,000 in ten years, or of £4,500,000 in five years, which is due solely to the elasticity of existing revenue:—land for instance, including sayer and abkarry, and salt irrespective of enhanced duty, have each risen, upwards of £2,000,000 in the last five or six years.

It is an incontrovertible fact, therefore, that the progressive increase of ordinary Indian revenue has averaged £700,000 a year each year for the last ten years, and that the tendency of this rate is to increase rather than diminish. Nor can it be doubted that if, during this period, £5,000,000 a year had not been added by new taxation, the increase of the old taxes must have been somewhat greater.

I confess that I was hardly prepared myself for this result.

I came out here under the impression of the gloomy and almost despairing view of Indian finance which were universally prevalent a year ago, and it is only by degrees, and as the result of close enquiry, that the conviction has forced itself on my mind, that the revenue of India is really buoyant and elastic in an extraordinary degree.

I know of no other country of which it can be said that her ordinary revenue is increasing by £750,000 a year, while her expenditure has in one year been reduced by £4,000,000; and that she is maintaining an equilibrium, while expending out of revenue upwards of £4,000,000 a year on Public Works, and another £1,000,000 for interest on unfinished railways.

Nor can I see any reason, looking to the future, why, if by the blessing of Providence, peace be maintained, this prosperity should not go on

increasing. On the contrary, we are apparently commencing a period when by the opening of communications, the improvement of agriculture, the extension of commerce, and the tranquillity resulting from a strong Government directing all its energies to peaceful pursuits, India will enter on a career of material prosperity hitherto unexampled.

Without speculating, however, on any such future advance, it is enough to say that, under existing circumstances, the Government feel justified in dealing with any surplus shown by the estimates, as a *bona fide* surplus available for improvements or remissions; and that they do not think it would be good policy to maintain in addition to the large expenditure on Public Works, which is really a sinking fund admirably invested, a further cash surplus, against remote contingencies, which would only be a temptation, both here and at home, to relapse into extravagance.

There is one objection, however, to any reduction of existing taxes, which I am anxious to meet, in order to show that the Government is not acting without a full consideration of all circumstances.

It is this, that war, or some unforeseen event, may suddenly cause increased expenditure, and that it is imprudent to part with any established tax, which, in such a case, might be needed.

I quite agree that it is wrong for a Government to speculate on financial prosperity, and to leave itself bare of resources in case of difficulty.

But what are our reserves, and how should we be prepared to face a crisis if it arose?

In the first place, we have got, and if prudent shall always keep, a very large cash balance beyond our immediate wants.

Under the old system a cash balance of £10,000,000 has sufficed, and with railways, an improved currency, and arrangements with Banks, we could carry on the ordinary business of the Government with perfect ease, with a balance of £7,000,000 or £8,000,000.

Now we have actually got over £17,000,000, and, after allowing for all liabilities to the Home Government or otherwise, fully £14,000,000 of this is our own undoubted property. We could, therefore, in case of need, get over two or three little wars, or the first year of a great war, without either loans or new taxes; and I earnestly trust that no Government of India will ever leave itself without this, which is the first and best of all reserves, an available £3,000,000 or £4,000,000 in hard cash, on which it can lay its hands at any moment.

Beyond this the credit of a Government is its reserve, and if, by two or three years of tranquillity, we raise our funds to a comparatively high level, as we infallibly shall do, our money power in case of an emergency is proportionately increased.

And if driven to resort to increased taxation, it would be easy, with the experience of the income tax, to frame a measure, partly poll tax and partly license tax, to produce £1,500,000 or £2,000,000 a year. The duty on salt could also be raised, and, in case of need, the customs duties again increased, so that probably £3,000,000 or £4,000,000 a year could, at any moment, be raised by new taxation, which would be submitted to readily, as the country had learned from experience to trust the assurances of the Government that war-taxes would be repealed with the return of peace.

Moreover, at least £2,000,000 a year of our expenditure on Public Works is optional, and could be suspended in an emergency.

I trust we may never be driven to such a measure, but the reserve is not the less there if needed, and I know of no other State, not even England, which possesses such a reserve to the same extent.

I hope, therefore, I have satisfied the Council that the Government has not been unmindful of the maxim, "*si vis pacem para bellum*," and that whatever reductions we propose may be accepted with a safe conscience.

I have now established two points :—

First.—That we have a surplus for the ensuing year of £903,814, after allowing for additional grants for Public Works and education.

Secondly.—That there is nothing in the general circumstances of Indian finance which should make us hesitate to use this surplus for purposes of remission.

I have dwelt upon the second point at a length which must, I fear, have wearied the Council, but many watch these statements with interest, and it is important, both for myself personally, as I may not have another opportunity of expressing my general views respecting Indian finance, and, what is of far more consequence, it is important for the credit of the Government, to show that in proposing to remit taxes, in little more than twelve months after we were supposed to be in a state of hopeless insolvency, we are not acting on a spasmodic impulse, but on a comprehensive and deliberate review of the whole circumstances of our position.

I proceed to state, what is of more immediate interest, how the Government propose to deal with this surplus of £900,000.

Three taxes were proposed as special measures to meet the late financial crisis; the income tax, the license tax, and the enhanced customs duties on manufactured goods.

Of these the two former pressed directly on the native population and European residents of India, while the latter pressed mainly on English interests and on the operations of commerce.

The license tax, which would have affected 5,000,000 of native traders, artisans, and mechanics, representing, with their families, a population of not less than 20,000,000, has been arrested after it had become law.

Even if the produce of the two remaining imposts had been the same, so that it had been equally easy to repeal the income tax or the enhanced import duties on manufactures, the claim of commerce to the next share of remission might have been urged with some plausibility.

But, in fact, there is no such choice, for one is possible and the other impossible. The income tax produces £1,800,000, while the enhanced duty on piece goods and yarns produces less than £500,000. At the rate of importation for the last nine months, the difference between a 10 per cent. and a 5 per cent. duty on piece goods for all India is not quite £450,000 a year.

This being the case, the time has evidently arrived when the extra duty imposed to meet an emergency should be remitted, unless we are prepared to retain it as part of our regular financial system.

Some think this ought to be done, and no less an authority than His Honor the Lieutenant-Governor of Bengal has recorded an opinion that a 10 per cent. duty on imported manufactures is "one of the most legitimate sources of revenue we have."

The Government, however, are of a different opinion for two very plain and obvious reasons.

Firstly, the duty applies almost exclusively to British manufactures. Now as long as England and India remain parts of one great Empire, it is impossible to apply precisely the same rules as if they were separate and independent countries. I have opposed, as stoutly as any one, any attempt to ease English finance unduly at the expense of India; but I cannot deny that England, having founded the Indian Empire, and being ready to sustain it, and having given up all pretensions to exact a tribute, as Holland does from Java, or Spain from Cuba, and all claim on a monopoly of the Indian market and carrying trade, may, with some reason

ask India so to levy the necessary revenue as not to interfere injuriously with trade between the two countries.

In fact, so completely has England given up those claims which other countries have enforced on their dependencies, that speculative reasoners have even argued that the parent State would be better without its foreign and colonial empire.

That is an opinion which no practical Statesman will for a moment entertain; but it cannot be denied that, apart from moral and political considerations, the extension of commerce is the most direct and palpable advantage derived by England from the possession of India.

A heavy import duty, therefore, on trade between England and India, comes very near in principle to a transit duty between different parts of the same Empire, and, what is more important than any theory, it is a tax which, in practice, is not likely to be permanently maintained.

To those who argue this point on abstract grounds, and overlook the practical considerations arising from our actual position with regard to England, I would simply put two questions.—Do you believe that if Ireland found it more convenient to tax Manchester goods than to levy a poor rate, she would be allowed to do so? Or do you believe that if it were found that 25 per cent. would give India a better revenue than 10 per cent., we could raise the duty to that amount with the slightest chance of retaining it?

But, secondly, there is another argument, even more conclusive, against the permanent retention of a 10 per cent. duty.

Either the clothing of the people is a proper subject for taxation, or it is not. If it be so, on what possible principle can we impose a considerable duty on clothing which comes from abroad, and levy no duty at all on clothing produced at home?

It is the old question of the corn laws over again.

Free trade does not mean that there shall be no taxes, but that taxes shall be levied solely with a view to revenue, and not partly for revenue and partly for protection.

That every customs duty on an imported article should have a corresponding excise duty on similar articles produced at home, has therefore become an axiom, and it only admits of one exception, where the amount of import duty is so moderate, that it does not seriously affect trade, while it makes it obviously inexpedient to establish an excise machinery for the sake of levying a trifling duty.

This is the case with regard to corn in England, where a duty of 1s. a quarter, equal to 5 per cent. on the cheaper sorts of foreign grain, is retained, and it is precisely our case with regard to piece goods.

We cannot dispense with customs duties on our imports generally, and while this is the case, no reasonable man can object to our retaining an old accustomed duty of 5 per cent. on manufactured goods; but when this is raised to 10 per cent., which, in effect, may often amount to 15 or 20 per cent. on the cost price of the article at home, no one who is not prepared to abjure the principles of free-trade can deny that this is a rate which, if it is to be maintained, requires us at once to impose a countervailing excise duty on every loom in India.

The Government do not think that this would be desirable.

We do not wish to discourage manufactures in India. On the contrary, I believe, there are many manufactures in which India is calculated to excel.

With cheap raw material, cheap labor, and many classes of the native population patient, ingenious, and endowed with a fine touch and delicate organization, I see no reason why the interchange between India and Europe should be confined to agricultural produce against manufactures, and why, in course of time, manufactures, of certain descriptions where India has a natural advantage, may not enter largely into her staple exports.

But because I desire to see this, I am the more anxious not to bestow on Indian manufactures the fatal boon of a temporary and precarious protection.

Whatever step they make forward in fair competition with Manchester will be a solid and substantial advance, but they will never thrive while the progress of one year creates the panic of the next, by changes, or rumours of changes, in a protective duty of so high an amount as necessarily to form a vital element in all their calculations.

I may add this, that although the benefit to India, generally, from a reduction of this import duty is not so palpable and immediate as from the remission of a direct tax, it is not the less real.

There can be no question that the population of India are, on the whole, insufficiently clothed, and whatever may be the case under the temporary conditions of an over-stocked market, an extra duty of 5 per cent. on imported cotton clothing, does in the long run raise the price of

all cotton clothing in India to the consumer, to a level higher by one rupee in every 20, than it would have stood at otherwise.

It is certain also that the export trade, on which so much of the prosperity of India depends, depends itself very much on the import trade. The more we take from England, the more will England take from us; and a cessation of imports would soon translate itself into a reduced price to the ryot for his oil-seeds, his cotton, and his jute.

This is especially important at a time when India is hoping to secure the largest share of a trade of £20,000,000 a year in raw cotton, thrown suddenly open by the failure of the American supply.

For these reasons the Government of India has determined to reduce the import duties on piece goods and yarn to the old rates of 5 and 3½ per cent. respectively.

The question arises, when this reduction should take place.

All public interests point to its being immediate. Trade must be paralyzed to a great extent by a prospective reduction, and if for a period of several months, purchasers hold back and stocks accumulate in bond, there is every reason to apprehend a greater fall of price than could possibly be caused by an immediate reduction.

This could only be met by fixing a very distant period for the reduction, but I confess that, in the present state of things in Lancashire, I should be very unwilling to postpone, for a single day, any benefit they may get from this reduction.

The only argument I know of for delaying the reduction is that there are large stocks of duty-paid goods.

Now I must say the holders of such goods have had fair warning. I have repeatedly stated in public in the course of the last year that the Government of India did not consider the 10 per cent. duty as a permanent one, and in reducing the duty on yarn twelve months ago, we gave a practical proof of our intention to reduce the duty on piece goods at the first possible moment. The state of the cash balances has shown for months past that such a result was possible, and, since the remission of the license tax, no one could doubt that it was highly probable, or rather, almost certain.

Throughout this period we received memorials from the Chambers of Commerce of Calcutta, Bombay, and Madras, urging reduction, and either expressly deprecating delay, or making no allusion to it.

It is only at the last moment that memorials have been received from

a few highly respectable firms at Calcutta and Bombay, asking that the reduction should be postponed for a long period or, in the latter case, I may say, indefinitely, until the state of the market is changed. Other firms in Calcutta have sent a counter-memorial for immediate reduction.

It appears, therefore, that opinions here are divided, and that the opinion in favor of delay is apparently not a very clear and decided one, or it would never have left itself to be expressed as an after-thought at the last moment. Moreover, it is apparently confined to merchants who might have bonded, but who preferred paying duty, and who, therefore, probably were on the right side when the duty was raised three years ago.

And what is more material, the merchants and manufacturers, in England, who, I apprehend, would generally bear the loss if there is a fall of price consequent on the reduction, which I do not expect, have not only not asked for delay, but have pressed most earnestly in all the reports I have seen of their proceedings for an immediate reduction of the whole 10 per cent.

Under these circumstances, the Government see no sufficient reason to depart from the usual and the accustomed course in such cases, which is clearly best for the interests of the public; and I accordingly propose that the reduction of the duty shall take effect from the passing of the Act on Wednesday next.

Under ordinary circumstances I should expect a large part of the loss to be recovered from increased importation; but, with the market still over-stocked and the price of raw cotton extremely high, I do not calculate on any improvement for the ensuing year, though I have no doubt that, with the first favorable change in the trade, a large portion of the loss will be recovered.

The same arguments for reduction as in the case of piece goods, do not apply to other articles of the tariff which are not extensively produced in India as well as imported. A moderate duty, such as 10 per cent., on such articles, is not an objectionable mode of raising revenue. There are, however, a few articles in the tariff where relief is required, and may be given at a trifling cost to the revenue.

Paper is taxed 10 per cent. on its value, and yields little more than £10,000 a year. Now I am not going to enter on the large question, which for two years agitated the British Parliament, whether a tax on paper is so obnoxious as a tax on knowledge that it ought to be repealed.

ed even at the risk of creating a deficit. It is enough to say that a duty on the raw material, "paper," is indefensible, while the manufactured article, "books," are admitted free, and that practically cases have arisen where, owing to this anomaly, it has been cheaper to send manuscripts of works intended for Indian circulation, to be printed in England than to print them here. We do not propose to tax books, and therefore we place paper on the free list.

I may add that though I should not have been prepared to give up a large existing revenue from paper without a clear surplus, I have real pleasure in finding that the state of things in India enables us to give any contribution however trifling, towards cheapening the cost of an article which enters so largely into the statistics of elementary education, and of the diffusion of knowledge through the press.

I pass to a very different subject, that of beer.

The duty before 1859 was 5 per cent. *ad valorem*; it has since been 4 annas per gallon, which, I find, has averaged nearly 20 per cent. on the value of the beer imported. The importation has greatly fallen off, and though this may be attributed mainly to the excessive importation of 1859, which glutted the market, still it cannot be denied that a duty of nearly 20 per cent. is excessive, and calculated to check seriously the importation of an article which, in this climate, is to many European constitutions almost a necessary.

Accordingly I propose to reduce the duty by one-half, or to 2 annas per gallon, and here again I feel a very disinterested pleasure,—for I am no beer-drinker myself,—in being able to propose any boon, however slight, to the class who have perhaps suffered more than any other from recent taxation, that of Europeans residing in India.

The reduction at the present rate of imports will not cost above £10,000 a year.

From beer to tobacco the transition is easy and natural.

The duty on tobacco is so absurdly high that it is clear we are driving all but the superior sorts out of the market, and losing revenue. The duty of 1 rupee per seer is fully 100 per cent. on ordinary American tobacco, and its effect has been to reduce the importation in three years from 1,200,000 lbs. to about 360,000 lbs., a striking proof of the impolicy of excessive import duties. I propose to reduce the duty to 20 per cent. *ad valorem*, which I have no doubt will cause a slight gain rather than a loss to the revenue.

The duty on light wines is also so high as to be almost prohibitory as regards the cheaper descriptions. I propose to reduce it from 2 rupees to 1 rupee per gallon, in the case of light wines declared of less value than 12 rupees per dozen.

There are some other slight reforms in the tariff which do not appreciably affect revenue, and are made with a view to correct anomalies.

For instance, there is an export duty of 3 per cent. on coals and iron, the produce of India. This is as yet of no great practical importance, but it is manifestly wrong that a cargo of Raichung coal should be burdened with an export duty, if shipped to Ceylon or Java, to compete with coal from England.

There can be no reason why carriages should be imported free, while all the chief materials used in carriage making pay an import duty.

These, however, and any other minor matters can be dealt with in Committee on the Customs bill, and for the present it is enough to state that the total effect of the reductions proposed in Customs duties may be taken at £475,000 for the ensuing year.

This reduces my surplus to £428,880.

One question only now remains for consideration, viz. how to deal with the income tax.

Some action is requisite, for the Act of last year, continuing the first year's assessments, will soon expire, and it is necessary to provide before August, whether the notices and forms of return prescribed by the original Act shall or shall not be again issued.

Upon this point, there is, I believe, no second opinion among men practically acquainted with India, that they ought not to issue. It is admitted on all hands that the alarm, the vexation, the oppression, and the extortion, inseparable from calling for complicated returns of individual incomes, in a country like India are a far greater evil than the tax itself, and that, assuming such a tax to be indispensable, a rough classification at fixed rates, somewhat on the plan proposed by my Hon'ble friend Mr. Harington, would have been infinitely preferable to any attempt to ascertain individual incomes.

Accordingly, I had thought last year, when it seemed certain that both an income tax and a license tax would be required to maintain an equilibrium, that the opportunity of passing the license tax Act should be taken to mould the two together into one measure on the principle of a fixed classification.

Circumstances led, during my absence, to the license tax being passed

in the form originally proposed, and a temporary Act was passed continuing the existing assessments under the income tax for one year.

Since then financial prospects have materially improved, and we have been able to arrest the license tax on the very eve of its imposition, thus saving 5,000,000 of tax-payers from the incidence of a direct tax, and the annoyance of classification.

The situation of matters with regard to the income tax is thus materially changed. If we were now imposing it for the first time, or if it were clear that it would be permanent, I should have no hesitation in recommending that it should be commuted into a tax on the principle of Mr. Harington's bill, and probably made over to the local Governments to deal with on this principle, according to their own local circumstances and for their own local requirements.

A proposal of this sort has been made by the Government of Bombay, and it has much to recommend it.

It is most desirable to break through the system of barren uniformity and pedantic centralization which have tended in times past to reduce all India to dependance on the *bureaux* of Calcutta, and to give to local Governments the power and the responsibility of managing their own local affairs.

The great branches of the expenditure such as the army and national debt, are imperial, and while this is the case, the great branches of revenue must remain imperial also.

But there is a wide field, both of revenue and expenditure, which is properly local, which in England is met by local rates, and which, in fact, must be met locally, or not at all.

I hail, therefore, every proposal which shows signs of independence and self-reliance, and if the income tax were to be perpetual, I would much rather see it transferred into a local tax than continued as an imperial tax.

But before acting on this view, there is one paramount consideration which has to be weighed, viz., whether the income tax is to be looked upon as a permanent or a temporary measure.

Upon this point I have myself no doubt. The tax was imposed for a limited term, and at all hazards we must strive to keep faith with the people of India by not prolonging it.

It is, of course, impossible to give any absolute pledge as to what may occur three years hence. Necessity knows no law, and unforeseen events may upset all calculations. But the question is, are we to look on the implied pledge given by passing the income tax Act five years only, as a serious promise which we must strain every nerve to fulfil, or are we to

follow the example of England, and treat it as one of those common forms, which, like "lover's vows," are only made to be broken.

It is my firm conviction that the latter course would be alike wrong and impolitic.

The people of England can understand that whatever a Chancellor of the Exchequer may say to round a period, or elicit a cheer, the income tax cannot be repealed unless they are prepared either to abdicate the position of a first-rate power by disarming, or, to retrace the steps of Sir Robert Peel's legislation by imposing crushing duties on commerce and consumption.

But the people of India see no such reasons for continuing the Indian income tax, and they would simply feel that the Government having got the tax on false pretences was determined to keep it.

Now, if there is one thing more than another on which our Indian Empire is based, it is on our character for speaking truth. The idea that "the word of the British Government is as good as its bond," is the keystone of the fabric of our power in the East.

Measures which, like the famous conversion of the 4 per cents. cast even a plausible suspicion on the character of the Government for straightforward and open honesty in its financial dealings with its subjects, are, above all others, to be deprecated.

Hence, without in any way pledging the Government as to what may or may not be possible three years hence, I venture to say this—that in my judgment the main object to which the financial policy of the Government should now be directed, is to keep faith with India by getting rid of the income tax. That will be the great object of my endeavors as long as I continue responsible for Indian finance, and when I leave, it is the legacy I should wish to leave to my successor.

I will say also that although it is impossible to anticipate what the future may have in store, there is, as matters now stand, every fair and reasonable probability that we may in three years or sooner be able to dispense with the income tax. If for three years the revenue increases at the average rate of the last ten years, and if the expenditure be kept within its present bounds, the object would be easily attained.

In the meantime, although with a remaining surplus of less than half a million it is manifestly impossible for us to make any large present reduction of the income tax, there are certain measures which the Government propose, in the hope that they will afford a most material alleviation of its pressure.

In the first place, we propose to renew for the next three years the

temporary act of last year, dispensing with all further returns and enquiries, and to take the first year's assessment for the remainder of the tax, unless in cases of fraud or manifest inadequacy, or where the party assessed himself wishes to re-open the question.

We add a provision that parties who desire it may pay up once for all their remaining assessments.

The vexation and oppression incidental to calling for fresh returns, and renewing each year an inquisitorial enquiry, are thus, we hope, completely obviated.

There is, however, a still greater and more beneficial change which we propose to make. We find on enquiry that, the number of persons who may pay the lower rate of 2 per cent. on incomes between 200 and 500 rupees a year, amounts to nearly two-thirds of the whole who pay the tax, while the money they pay is not above one-fifth of its whole proceeds.

In other words, between 500,000 and 600,000 persons are taxed to produce a gross revenue of not more than £350,000.

I do not put the case for the exemption of these persons on the ground that they are poor, for I have no sympathy with the socialist legislation which would place taxation exclusively on the rich. On the contrary, I believe that poor as well as rich, and often even more than rich, are interested in the support of the state and the maintenance of social order, and that the middle and working classes are those who, in the long run, suffer most from the seductions of political demagogues and from the sickly sentimentality of injudicious philanthropists.

But in the present instance there are very different grounds on which to justify the exemption of the class in question.

The cost of collecting the income tax was last year £160,934, and of this by far the greater part is due to the numerous class of small payers. With the number of payers reduced to one-third, and existing assessment continued, nearly the whole extra establishment may be dispensed with, and I am quite within the mark in saying that we shall save at least £100,000.

Now a tax which affects 600,000 persons, to produce £350,000 gross, of which at least £100,000 is absorbed by cost of collection, is condemned by the mere statement of figures.

Nor is this all, for I much fear the large cost of collection must be taken as an index to a large amount of annoyance and oppression. The mere numbers show that two-thirds of the objections to the income tax will be got rid of by relieving two-thirds of the tax-payers.

But the numbers alone do not adequately represent the real relief,

for it is beyond all question that men of property and intelligence can defend themselves against mistakes or attempts at extortion by native officials, far better than the classes who just come within the limit of the 2 per cent. assessment.

This alone is a conclusive argument against any attempt to substitute for a total repeal of the 2 per cent. tax, a partial relief to all income-tax payers by a reduction from 4 to 3 per cent. in the rate of payment.

We could barely afford a reduction of 1 per cent. all round, by maintaining some of the most objectionable import duties, and such a reduction would not in the slightest degree diminish the cost of collection or the annoyance and oppression incidental to it.

I know that the tax presses unduly upon many who pay their full 4 per cent. on an honest account of their income, while others escape.

But those are "classes to whose intelligence and public spirit we may confidently appeal. We have endeavored to deal frankly with them for some time past in all matters of financial policy, and our reward for so doing is that, on an occasion like this, we are able to take them as it were into our confidence, and explain to them without disguise our real position.

I do not believe in "ignorant impatience of taxation" on the part of educated gentlemen, like the great majority of the official and non-official Europeans in India, when they are fairly dealt with. On the contrary, I am convinced that however strongly they may feel the natural desire of every body to escape his own peculiar burden, they will be satisfied with the assurance that the Government is sincerely desirous not to perpetuate the income tax, and with the pledge given for the future by the remissions already made.

The prosperity of India is their prosperity, and I am much mistaken in their intelligence and right feeling if they are disposed to use the dog-in-the-manger argument, that because we cannot afford to relieve them, 600,000 of our fellow-subjects of the humbler classes shall, for the sake of £250,000, which we do not want, be kept under the bondage of an unpopular tax.

At any rate, such is not the decision of one class, who will continue to pay the full income tax, viz., His Excellency the Governor-General and the Members of the Supreme Council; and we therefore propose that from August next, i. e., from the termination of the second year of the income tax, assessments on incomes under 600 rupees a year shall cease, collections for the present year being of course completed.

I estimate the cost of this great boon at £250,000, *i. e.*, I shall lose £350,000 of revenue and gain £100,000 in expenditure. This reduces my surplus to £179,814 which is as low as it is prudent to go; nor indeed, should I have ventured to go so low, but for the fact that we are already investing such a large surplus in Public Works.

The estimate of cash requirements shows that, we may expect to arrive at the 30th April 1863 with a cash balance of £17,050,673 after setting apart all we shall owe England in the transactions of the year.

I have endeavored to make this latter estimate more intelligible than it has hitherto been. It is the estimate of cash transactions of the year as distinguished from revenue and expenditure.

A man who is a trustee for others, or who is borrowing or paying off capital for improving his estates, will have cash transactions in the course of the year very different from his current income and expenditure.

So it is with us; we have receipts and disbursements on various deposit accounts for service funds, suitors' funds and otherwise, which are classed under the general head of "debt." Our receipts in 1862-63 under this head will be £11,053,360; our payments £11,799,150; the excess of £745,790 showing that we shall have diminished our outstanding liabilities to that extent principally by the payment of all remaining instalments of prize-money.

The other entries in the estimate are adjustments, between India and England, of sums paid here and received there as for Railway construction, or *vice versa*, and a final entry is made of the remittance which according to the estimate received from Home, is necessary, after these adjustments, to discharge all the remaining liabilities of India to England, on account of Home expenditure for the year 1862-63.

This amounts to £3,727,732, *viz.*, £2,200,000 for guaranteed Railway interest, and a balance of £1,527,732 in General Account.

The result leaves an estimated cash balance of £17,050,673, on the 30th April 1863, which will exist in actual rupees and be entirely our own, subject, as far as I am aware, to no extraneous claims or liabilities whatever.

It only remains now briefly to sum up the results which I have endeavored to convey to the council in this necessarily long statement.

The year 1860-61 closed a long series of deficits with one still estimated at £6,000,000, which in reality was upwards of £4,000,000.

1861-62 sees this deficit extinguished by a reduction of £5,000,000 of expenditure effected within twelve months, in a total expenditure of £29,000,000 open to revision.

Further reductions and continued buoyancy of revenue find us in 1862-63, notwithstanding the remission of the license tax, and a large increase of outlay on opium and public works, with a surplus of £1,428,693.

We apply this surplus,—

First.—In further augmenting by £534,813, the grants for Public Works and education.

Secondly.—In reducing to the normal rate exceptional import duties imposed on Manufactures.

Thirdly.—In relieving two-thirds of the payers of income tax from all further assessments.

We close the year 1861-62 with a cash balance of £17,650,000. We have every reason to believe that our estimates are on the safe side, and that we shall close the year 1862-63 with a balance of more than £17,000,000.

This is the simple state of facts laid before you without exaggeration or embellishment.

There is no doubt that it contrasts favorably with the financial statements which India has been accustomed to receive, and with those which other great Empires of the civilized world have been recently making.

Let us not be too confident in this prosperity, or relax that wise economy which has been the principal means of effecting so beneficial a change.

And, above all, let us not forget, that, while thankful to the Almighty ruler of events for giving us peace and tranquillity and this foretaste of material prosperity, we shall best merit the continuance of these blessings by using them as means for higher ends, for the diffusion of civilization, the moral and intellectual elevation of our people, and all that goes to the mighty task of building up solidly and securely the foundations of a great and enduring Empire.

It is, I trust, a happy augury, that as our late Viceroy was able to close his career in India by relieving 5,000,000 of Her Majesty's Indian subjects from the imposition of the license tax, His Excellency the present Governor-General is enabled to inaugurate his Government by relieving two-thirds of the income tax payers, and reducing duties which press on the commerce of India with the mother country.

I closed my statement last year with the expression of a confident hope that India might become the brightest jewel of the British Crown.

I close it now with a still more confident expression of the same hope, and with a feeling that the twelve-months have not elapsed without something being done towards its realization.

GENERAL ABSTRACT STATEMENT OF

For the year 1860-61 and as estimated

REVENUE AND RECEIPTS.	1860-61.	1861-62.	1862-63. Estimate.
	£	£	£
Land, Sayer, and Abkaree	21,016,742	21,153,970	21,088,000
Assessed Taxes	1,002,972	1,012,999	1,083,100
Customs	2,965,698	2,851,370	2,476,000
Salt	5,002,664	5,119,540	5,034,700
Opium	6,076,759	6,216,500	6,306,000
Stamps	1,182,781	1,352,630	1,850,000
Post Office	608,524	429,150	485,000
Electric Telegraph	53,639	67,080	70,700
Mint	288,250	282,920	257,100
Law and Justice and Police	416,833	438,440	493,000
Marine	283,705	288,920	200,000
Public Works	796,533	481,550	650,000
Tributes and Contributions	781,164	706,940	686,200
Miscellaneous	504,944	439,200	450,000
Military	1,761,752	850,000	800,000
Interest	60,314	35,670	33,500
	£12,803,284	£12,011,009	£12,971,200
Deficit excluding Railways	2,935,470	surplus	surplus
Deficit including Railways	4,076,225	surplus	surplus

FINANCIAL DEPARTMENT. }
16th April, 1862. }

THE REVENUES AND CHARGES OF INDIA.

for the year 1861-62 and 1862-63.

EXPENDITURE.	1860-61.	1861-62.	1862-63. Estimate.
	£	£	£
Allowances, Refunds, and Drawback	174,632	241,036	230,700
Land Revenue, Sayer, and Abkaree	2,209,251	2,183,886	2,566,700
Assessed Taxes	75,608	100,324	60,000
Customs	362,533	258,232	255,800
Salt	746,112	710,450	715,500
Opium	218,467	2,069,000	2,100,000
Stamps	56,399	55,329	82,000
Post Office	626,637	525,000	600,000
Electric Telegraph	153,632	110,276	162,600
Mint	201,280	118,327	170,700
Allowances and Assignments under Treaties and Engagements	1,315,067	2,352,994	1,755,100
Allowances to District & Village Officers	1,273,240	11,820	631,000
Miscellaneous	56,829	35,300	35,300
Contingencies, Special and Temporary .....	.....	5,000	8,000
	£ 7,811,069	£ 8,853,312	£ 8,983,400
Army	15,828,980	12,800,000	12,200,000
India Navy, Marine	1,048,224	622,888	475,000
Public Works	4,164,654	3,831,640	4,260,000
Salaries and expenses of Public Departments	1,080,401	1,157,500	1,202,000
Law and Justice	2,623,365	1,991,811	2,100,000
Police	2,219,292	2,187,507	2,511,100
Education, Science and Art	394,856	328,547	500,000
Political Agencies and other Foreign Services	177,850	169,767	187,200
Superannuation and Retired Allowances and Gratuities for charitable and other purposes	582,262	611,114	658,800
Miscellaneous	759,776	229,433	228,000
Civil Contingencies	1,021,905	267,712	118,100
Interest	2,324,194	2,215,169	2,367,100
Expenditure in India	£ 40,408,230	£ 36,468,339	£ 36,379,400
Net Expenditure in England (see Statement A.) for 1862-63	4,332,710	* 5,005,769	4,061,988
Total Expenditure, excluding Railways	£ 41,747,940	£ 41,469,569	£ 41,521,388
Guaranteed Interest on Railway Capital, less Net Traffic Receipts	1,000,765	1,300,000	1,500,000
Total Expenditure, including Railways	£ 45,838,704	£ 42,769,569	£ 42,791,388
Surplus excluding Railways	deficit	1,442,071	1,679,814
Surplus including Railways	deficit	142,021	179,814

E. DRUMMOND,
Officiating Secy. to the Government of India.
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APPENDIX D.

REDUCTION OF THE IMPORT DUTIES.

TO HIS EXCELLENCY THE RIGHT HONORABLE THE VICE-
ROY AND GOVERNOR GENERAL OF INDIA IN COUNCIL.

*The following Memorial of the Members of the Bengal Chamber of
Commerce assembled in Public Meeting—*

RESPECTFULLY SHEWETH,

That your memorialists are largely interested in the commerce of this country either as merchants trading on their own account or as the representatives of absent principals.

That your memorialists saw with regret the passing of a measure in March 1859 by which the import duties throughout India were in all cases doubled; but they were encouraged by the hope that so soon as the temporary financial difficulties of the State had been surmounted the duties would be reduced to the former scale.

That in the opinion of your memorialists a close and active commercial intercourse with England and other countries is the true interest of India, and that such intercourse is best promoted by freedom from restraint in trade permitting the profitable exchange of manufactures, which the soil, climate, capital and industry of those countries enable them economically to produce, for those raw staples in the production of which this country has especial advantages.

That your memorialists believe it to be unnecessary to adduce facts or figures to prove the injurious effects of these duties on the commercial prosperity of India, inasmuch as no attempt has ever been made to justify them otherwise than as a temporary expedient rendered necessary by the embarrassed position of the public finances.

That your memorialists have seen with great gratification the late marked improvement in the position, actual and prospective, of the public finances, arising both from increase in the general revenue and from judicious retrenchment, which has largely diminished expenditure with-

ent impairing the efficiency of the general administration of the Empire.

That your memorialists believe and hope that the state and future prospects of the finances are now such as will permit the import duties being reduced to the scale ruling previous to March 1859, and that such reduction may be allowed to take immediate effect.

Your memorialists therefore pray that the duties on imports may be reduced to the rates ruling before March 1859, and that such reduction may have immediate effect.

And your Memorialists, as in duty bound, shall ever pray.
For and on behalf of the Bengal Chamber of Commerce.

W. S. FITZWILLIAM,

President.

CALCUTTA,
27th March, 1862. }

APPENDIX E.

COLLECTION OF CUSTOMS' DUTY ON SALT.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 13th March 1862.

THE HON'BLE A. EDEN,

Junior Secy. to the Board of Revenue.

SIR,—The Committee of the Chamber of Commerce have received from Messrs. Gladstone, Wylie and Co., and other importers of salt, the accompanying representation of the hardship and injustice to which they are exposed in consequence of the orders issued by the Board for the levy of Customs duty on bonded salt: the representation so clearly exposes the unfairness of the practice in question, and asks for so reasonable a modification of it that the Committee will not add a word of comment on the points submitted, but simply forward the original communication, with the earnest expression of their hope that the Board will be prepared at once to comply with the request of the memorialists.

I have, &c.,

H. W. I. WOOD,

Secretary.

To

THE SECRETARY OF THE CHAMBER OF COMMERCE.

SIR,—We, the undersigned merchants as importers of salt into Calcutta, have to complain of a hardship and injustice, to which we beg to call the attention of the Committee of the Chamber of Commerce.

The Committee are aware that under orders of the Salt Board, the Customs duty on bonded salt is levied on the actual turn-out *provided the deficiency of weight between that discharged from ship-board and the delivery weight out of bond does not exceed 2½ per cent.* If the loss is greater the Government ordinarily insists on duty being paid on the

deficiency of the salt over 2½ per cent. which is the limit of wastage arbitrarily fixed by the Board.

Before discussing the question, it is necessary to describe the process which the Government adopts in allowing importers to bond their salt.

Salt is always weighed on board ship whether it is delivered to purchasers or sent into bond. The weightment is never entrusted to other than Government servants. An extra preventive officer is always put on board a salt ship, so that every possible vigilance may be maintained. When required to be bonded none but approved covered boats are allowed to carry it to the Golahs. If the Government Golahs are not available, private warehouses are allowed, if approved of after careful inspection by Government officials. The salt in the hold of the boats is *uddalied* on the surface, stamped over with a large Government wooden seal. The hatches are then closed, locked, taped and sealed by a preventive officer, who gives a challan with each boat. On arriving at the landing ghaut the seals are broken and the hatches opened under European superintendence. The salt is carried and stored under surveillance throughout. It is kept under Government watch and the doors are jointly locked by Government and the bonder. When taken out of bond on payment of duty, the delivery and weightment are again made entirely under Government superintendence, and by Government servants.

One would naturally suppose that the Government would charge duty on the quantity thus actually turned out of bond; but such is not the case, if the deficiency of weight is more than 2½ per cent. For instance if 100 maunds are weighed out of a ship and stored in bond, and the bonder sells it six months afterwards, and finds on the Government weighing it out to the purchaser that it weighs only 95 maunds the Government insists upon levying duty on 97½ maunds. In this supposed case the importer not only loses the value of his five maunds of salt, which taking a fair average costs him say at twelve annas per maund Rs. 3-12, but in addition to this he is forced to pay in the shape of duty Rs. 8-2, being at Rs. 3-4 on 2½ maunds.

The only plausible argument that we have heard urged against such palpable injustice is that the Government permits bonding to meet the convenience of importers, and that had it insisted on duty being paid on the first weightment on board it would have realized the full amount of revenue. It is therefore liberal on the part of Government to waive its

claim of duty to the extent of 2½ per cent. if such loss is actually incurred, and that for any further deficiency the Government should not suffer loss of revenue.

Remembering that the importer has nothing whatever to do with the first weighing of salt or its subsequent delivery, and that it remains entirely under the charge of Government, it appears to us very hard to make him liable for that for which he cannot rationally be held responsible, and the hardship is the greater since the duty is equal four to five times the value of the salt itself. It would be more reasonable we think that Government should be responsible to the bondholder for any loss beyond a certain fair limit. The Government is as it were the warehouse man, and the bondholder may be fairly considered the warrant holder. The former is responsible to the latter beyond a reasonable wastage. We do not desire to insist on this view of the case, but it shews in a strong light how very unreasonable and unjust it is to make the warrant holder, so to speak, pay more than four times his own loss, which must have arisen either in the natural course of events or through the fault or neglect of the warehouse man.

As to the loss of revenue it might almost as reasonably be urged that if salt boats in transit to the Gohala are lost by accident, the importer should still pay the duty. But in reality there can be no loss of revenue. If the consumptive power of the country requires it, any deficiency arising from loss of weight would soon be made up by an excess of import.

Government have decided that to provide against contingencies it is of the highest importance to have always in store a considerable portion of the year's consumption. Hence it endeavors to justify its own manufacture of salt. The same reason ought surely to induce Government to give every facility to bondholders, and to act towards them in a *liberal spirit*. This would induce private importers to have usually in their hands a stock of several months' consumption as is generally the case with most staple articles of import.

We cannot vouch for the truth of the statement, but we have been told that the principal native bondholders rarely lose much in weight when delivered out of bond. It is said that this is brought about by their bribing the Government weighmen who take care in consequence to receive on the one hand a full weight from the importing vessels, while on the other hand they give rather short than over weight on final deli-

very. It is also surmised that buyers of salt give a douceur to the weighmen to get some excess in weight. If there is any truth in these statements the abolition of the rule complained of would tend to check the corrupt practices alluded to so far as the bondholder is concerned.

We much doubt the legality of the Government proceeding in this case. The law imposes a certain rate of duty payable on imported salt, but in case of bonded salt it does not define on which weighment the duty is to be paid. The ruling of the Board seems to be an arbitrary proceeding which has not the force of law. To realise that portion of the duty against which we are complaining the Collector of Customs resorts to a practice which can scarcely be deemed fair. Suppose we had a hundred maunds in bond, of which ninety had been cleared. If we now tender duty on five maunds which we think is the probable quantity left, the Collector refuses to receive it and insists that duty must be paid on at least 7½ maunds that is within 2½ per cent. of the original quantity bonded, it being the authorized allowance for wastage. This refusal to receive duty on five maunds does not appear to us to be justified by law. If the application to clear five maunds were allowed, and it was found that no more salt was left we do not see how the Collector could realize any further duty. If duty is paid on the last ten maunds and only five are found remaining, the Collector would refund the duty on 2½ maunds only, the importer thus losing the enormous duty on the balance undelivered.

Under these circumstances we think that Government should be so-fitted to charge duty *only* on the *actual out-turn of salt* when delivered out of bond, and we trust, if the Committee of the Chamber of Commerce takes this view of the question, they will at once make a strong representation on the subject to the proper authorities. We would further suggest that with a view to the interests of shipping as well as to give every reasonable facility to importers, the first weighment on board where the salt is required to be bonded should be dispensed with unless required by the importers themselves. This would enable consignees to give their salt ships great dispatch, while the Government can lose nothing if it agrees to our representation of charging duty on the weight delivered out of bond.

In some cases the first weighment on board will still be required for

1
settlement of freight. For statistical purposes entries might be made according to manifests, less a certain allowance for drriage and wastage.

We are,

Sir,

Your obedient servants.

GLADSTONE, WYLLIE & CO.
MACKILLOP, STEWART & CO.
GILLANDERS, ARBUTHNOT & CO.
MACKINNON, MACKENZIE & CO.
BRADDON & CO.
TURNER, CADOGAN & CO.
HOARE, MILLER & CO.
W. C. STEWART & CO.
HOFFMANN & CO.
GORDON, STUART & CO.
R. G. GHOSE & CO.
MACKLEY & CO.

CALCUTTA,
11th March, 1862. }

No. 557A.

FROM

THE HON'BLE A. EDEN,

Junior Secretary to the Board of Revenue.

TO

THE SECRETARY CHAMBER OF COMMERCE,

Port William, 3rd 24th April 1862.

Careless.
H. Stainforth,
and
A. Grote. } Encls.

Sir,—I am directed by the Board of Revenue to acknowledge the receipt of your letter dated the 13th ultimo, forwarding a representation signed by several large importers of salt, alleging that they are exposed to considerable hardship on being compelled to pay customs duty on the

total quantity of salt placed in bond subject only to a deduction of $2\frac{1}{2}$ per cent. on account of wastage. These gentlemen complain that the system under which duty is taken on the quantity of salt placed in bond, instead of on the out-turn on the clearance of the salt, has not the sanction of law, and that the rate of wastage allowed has been arbitrarily fixed by the Board.

2. In reply, I am desired to point out that Act XXV. of 1856, which is the law which relates to the bonding of goods provides, that with certain exceptions of which salt is not one, the "import duty shall be settled on the quantities registered at the time of importation." Further under section 22 of that Act, even when wastage is allowed, the bondholder is liable to a penalty equal to ten times the duty for all goods found deficient beyond the allowance for wastage. In therefore making an allowance of $2\frac{1}{2}$ per cent. for wastage and taking only single duty for deficiency in excess of that rate, though it is true that the Board are not strictly acting in accordance with the law, the deviation from the law is entirely in favor of importers and not of Government.

3. In 1848 an allowance to bondholders of 4 per cent. on account of wastage was sanctioned by Government, but this rate was found to be excessive, when compared with the actual ascertained wastage in the Government Golahs, and on representation to this effect being made it was in 1851 reduced by order of Government to $2\frac{1}{2}$ per cent. Subsequently under Government order No. 1654, dated 28th January 1855, the Board were authorized in cases of peculiar hardship to extend the allowance to the old rate of 4 per cent. From this it will be seen that the allowance has been fixed by no arbitrary rule of the Board, but a careful consideration of the interest of Government and the bondholder.

4. The Chamber seem to be under some misapprehension as to the weighments on board ship. These are or should be closely watched by the importers' own servants; if they neglect to send men to watch the scales no blame on account of incorrect weighments can attach to the officers of the salt department.

5. As regards private warehouses, it will be obvious that, considering the great proportion that the duty bears to the intrinsic value of the salt, to levy the duty simply on the out-turn would be to give up the chief security which the department now possesses for the realization of the revenue from this source, and the Board are aware of no reason why salt

should in this respect be treated in a different manner to any other class of goods stored in licensed warehouses.

6. As regards salt stored in the Government Golahs, however, the Board are prepared to admit that considering that the salt is entirely under the control of the officers of Government, there is much reason in the request that the duty should be levied on the actual quantity delivered from the warehouse, and they have accordingly addressed Government on the subject. The orders of Government will be communicated to you in due course.

I have the honor to be,

Sir,

Your most obedient servant,

A. EDEN,

Junior Secretary to the Board of Revenue.

APPENDIX F.

DUTY ON RUM.

BENGAL CHAMBER OF COMMERCE,
Calcutta, 17th May, 1861.

W. S. SETON-KARR, Esq.,

Secretary to the Government of Bengal.

SIR,—The rum distillers of Bengal have forwarded to the Committee of the Chamber of Commerce the copy of a petition which they presented to the Legislative Council of India in August last, praying for relief from the unequal and oppressive regulations at present in force as affecting European distillers. I have the honor to enclose a copy of this petition. They have requested the Chamber of Commerce to represent the matter to His Honor the Lieutenant Governor, and to suggest some mode whereby the Abkaree tax might be more equitably and impartially levied as between European and native distillers, and without materially interfering with the Government revenue.

2. The Committee find that the duty on rum and doasta previous to February 1857 was as follows:—

Rum for local consumption,	Rs. 1 per gallon.
Exportation to Indian ports	Ans. 6 "
Ships stores,	" 8 "
Doasta,	" 8 "

and at these rates for the period of one official year the excess of duty derived from doasta over rum was but a trifle over 10 per cent. In 1857 the duty on rum was made uniform at the rate of 1 rupee per gallon, while doasta was allowed to remain at 8 annas per gallon. Subsequently the duty on rum was raised from rupee 1 to 3 rupees per gallon, while that on doasta was only raised 1 rupee 4 annas per gallon. The consequence is that the year's revenue returns shew a falling off of duty on rum to the extent of 40 per cent., while that on doasta has only been increased by 3½ per cent. Thus, since the additional impost of

duty, instead of there being an increase in the revenue, as might have been expected, there has actually been a decrease in the total Abkarree revenue from rum and doasta of rupees 40,000 or about 13 per cent.

3. The Committee find that while Bengal rum was allowed to be sold at a duty of 1 rupee per gallon, the revenue derived from this source for one year was nearly 1½ lakh of rupees, while the revenue derived for the same period when the duty was three rupees, amounted only to Rs. 90,000, which shews a very considerable falling off in the consumption of Bengal rum, and a serious loss of the public revenue. Though the duty on rum has since been reduced to two rupees four annas per gallon, the reduction has not been sufficient to give that impetus to the consumption of this spirit which existed when the duty was one rupee per gallon. The Committee would also bring to the notice of His Honor that when the lower rate of duty obtained large quantities were sold to ships in the river, while vessels can now bring their supplies of rum from England, and consume it in the river Hooghly without paying any duty at all. Therefore at present there is scarcely a gallon of rum sold on account of ships' stores.

4. The Committee are well aware that in consequence of the duty on rum being raised from one rupee to three rupees per gallon, the effect has been most injurious to European settlers engaged in the distillation of rum, who have invested their capital and devoted many of the best years of their lives to this pursuit, and who instead of obtaining a fair return for their capital thus invested, and a reward for their honest anxious labours, are now holding their lands and partially closed distilleries with actual loss to themselves, and a constant deterioration in the value of their properties.

5. Bengal rum as distilled from the juices of the sugarcane is an exceedingly fine and wholesome spirit, and does not possess any of the deleterious qualities to be found in native manufactured spirit, or in the low descriptions of French brandies which are chiefly manufactured from a very low kind of grain, and the Committee would suggest for the consideration of His Honor that the duties on rum and doasta for local consumption should be equalised so as to place the European and native distiller on an equal footing. The Committee think that a reduction of duty on both doasta and rum would be conducive to a large trade being done both by European and native, and at the same time considerably augment this source of revenue.

6. They would propose that the duty on rum should be fixed at one rupee four annas per imperial gallon, London proof, and the duty on doasta of the usual strength of 25 per cent. under proof at one rupee per imperial gallon for local consumption, and for shipment to Indian ports.

7. The Committee do not concur in the prayer of this petition in so far as regards the total abolition of duty for ships' stores, and they think a rate may be established which in course of time would induce vessels, instead of bringing on supplies from England or other outports as they do at present, to purchase their requirements here, and the Committee would suggest that eight annas per imperial gallon should be adopted.

8. As regards that part of the prayer of the petition in which the distillers request to be allowed in the case of their exporting to other Indian ports to pay duty only on the quantity that may be landed at such port, the Committee think that an allowance made here on shipment of 5 per cent. would be ample to provide against leakage or evaporation, and in the event of total loss of the vessel the shippers could protect themselves by a policy of insurance, but this is a question more peculiarly affecting the interest of the merchant than the distiller.

9. Therefore the points which the Committee of the Chamber would respectfully bring to the notice, and consideration of His Honor the Lieutenant Governor are the equalization of the duties on rum and doasta for local consumption, and for shipment to all Indian ports; the reduction of the duty on rum to eight annas by ships' stores, and the allowance of 5 per cent. from the duty leviable on the total quantity to be shipped to such ports on account of leakage and evaporation. The organization of the duties on this basis would, the Committee are convinced, be fair and just both to European and native distillers, and at the same time shew a surplus of revenue over that at present derivable from Bengal made spirit.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. I. WOOD,

Secretary.

From RIVERS THOMPSON, Esq., *Officiating Secretary to the Board of Revenue, to the Secretary to the Government of Bengal*,—(No. 641, dated the 9th September 1861.)

Sir,—With reference to the Under-Secretary's letter No. 246A., dated 28th May last, I am directed to observe that the Board have maturely considered the question of whether the rum duty admits of a further reduction, and they desire me now to report the conclusions to which they have come.

2. Intimately connected with this question is that of the equalization of the duty on alcoholic spirits of equal strength, the expediency of which has already been mooted in paragraph 9 of the Government letter No. 2307, dated 22nd September 1859, to the Secretary to the Government of India in the Home Department. Spirits distilled by the European method have hitherto been treated distinct from spirits distilled by the native method; yet Bengal rum and country doasta contain but one excisable element which is in both distillation processes produced from the same materials.

3. Up to 1856 the duty on the two kinds of spirit was by law the same. The conditions under which European stills were worked was that the spirit distilled was to pay the highest consolidated duty that was paid by spirit obtained from country stills. The new Abkarry law of 1856 extended to the whole of the Lower Provinces the higher rate of duty of one rupee, which had for three or four years previously been, under the Board's orders, levied on Bengal rum in Calcutta. Probably had country spirit then been taxed on quantity instead of under the daily taxed system, the duty on it might also have been raised by the Board to one rupee per imperial gallon. The consolidated Abkarry duty on it at the time was calculated to fall at the rate of about thirteen annas per imperial gallon.

4. When the Board were asked in 1859 to report on the maximum duty which the two kinds of spirit would bear, they recommended not only that the differential duty should be kept up, but that the existing difference should be increased, and the majority of the Board think they were justified in doing so, for the taxation of country spirit by quantity, which it was then first proposed to introduce, was not likely to succeed if the rate of duty was fixed too high. They hardly think the change, which has been made, would have worked so successfully as

it has done during the last year, if a higher rate had been fixed than rupee 1-4, or rupees 1-10½ per imperial gallon, London proof, or at Rs. 1-11, including distillation license fee.

5. It seems to the Board that the distinctive duties on the two kinds of spirit cannot be maintained any longer, for an European distiller, Mr. Robinson of Gooseree, has taken out a license for the distillation of "country spirits," as it is called, and has, for that purpose, assented to his distillery being placed under the regulations of a sudder distillery.

6. The anomaly of maintaining the differential duty is forcibly shewn by an appeal, which is now before the Board, from Mr. Robinson. Doasta being nothing more than rum distilled by the native method, it seemed doubtful to the Board when Mr. Robinson's application for this license was before them, whether he might not, without any new license, pass out from his distillery rum diluted to the strength of and resembling doasta. That the distillation of spirits under proof by European distillers was contemplated is shewn by Section VII., Regulation II. of 1803, now superseded by Act XXI. of 1856, Section VI. of which empowers the Board to lay down rules for "the passing of spirits" distilled in such distilleries.

7. Mr. Robinson now states that the Superintendent of Abkarry declines to let him pass from his distillery what he calls doasta. The surveyor, attached to the Superintendent's Office, has reported it to be diluted rum and not doasta, which he urges can only be produced by a native still. It seems to the Board that Mr. Robinson may, under his European distillery license, insist on passing out weak rum to any wholesale purchaser if he likes to pay the duty of rupees 2-4 per imperial gallon, London proof, but to this he apparently demurs, claiming to pay under his doasta license only the lower rate of rupee 1-4 per imperial gallon, twenty-five under proof.

8. The time has come, it appears to the Board, for getting rid of this anomaly, and for charging the duty equally on the alcohol which the two kinds of spirit respectively contain. In the letter from the Chamber of Commerce, dated 17th May last, the term "deleterious" is applied to country rum, but the Board are not prepared to admit its applicability. The pure country spirit, they observe, as distilled, has never been proved to have that character, and deleterious substances may be added after distillation as well to Bengal rum as to doasta.

9. The question has been raised as to the terms on which doasta can compete with rum. Ordinarily, the Board believe, the two classes of spirit do not come into competition; the consumers are for the most part distinct, and will, for some time after the proposed equalization of duty, continue to be so. Ultimately the European stills will doubtless supply the bulk of the consumption, as the large scale on which they work will enable them to sell their spirit cheaper than the country stills can.

10. The Board consulted the Commissioner of Nuddea and the Abkarry Superintendent of Calcutta on the subject of the proposed reduction of duty, and copies of their reports are submitted herewith, in case the Lieutenant-Governor should wish to refer to them.

11. The Superintendent of Abkarry recommends the retention of the present duty on doasta, and a reduction of eight annas per gallon in the duty on rum. The Board question some of his figures and many of his deductions.

12. The Officiating Commissioner of Nuddea recommends the equalization of duty on rum and doasta at rupees 1-12 per imperial gallon, London proof.

13. The Chamber of Commerce propose the reduction of the duty on rum from rupees 2-4 to rupee 1-4 per imperial gallon, London proof; and of the duty on doasta from rupee 1-4 to rupee 1 per imperial gallon, twenty-five under proof, which would amount to an equalization of the duty on both spirits at rupees 1-4 per imperial gallon, London proof.

14. The Board cannot support any of these propositions. They doubt whether Bengal rum is now overtaxed at rupees 2-4 per imperial gallon, London proof, seeing that imported brandies are charged customs duty at rupees 3, and they do not think the Chamber of Commerce were justified in arguing that the reduction of duty in February 1857 had proved to be inadequate.

15. Messrs. Stainforth and Grote would reduce the duty on rum from rupees 2-4 to rupees 2 per imperial gallon, merely because they do not think the duty on doasta will admit of being raised above the latter rate. To raise the duty on this spirit to the level of that which is now imposed on rum would, in their opinion, subject the revenue to the risk of loss by the substitution of illicit for licit country distillation.

16. Mr. Young, however, is opposed to equalization by a further

reduction of the duty on rum. In his notes on the consolidated customs' bill he has recorded the grounds of his opinion that duty should be levied at a uniform rate on all spirits of equal strength without reference to the place or mode of their manufacture, and irrespectively of their value, name, or flavor. He has suggested that that rate should be the rate fixed for imported spirits which can be lowered if it is now too high. In the remarks referred to he limited his recommendation for the present to spirits manufactured on the European system, because he is aware that it is not possible to extend it generally to all spirits of native manufacture for want of means to prove these in most places in India. But as it is possible to extend the system to doasta distilled in sudder distilleries, he concurs with his colleagues in the advisability of applying the principle of equalization to doasta the produce of sudder distilleries. Concurring also with his colleagues, in the opinion expressed above in paragraph 14, that Bengal rum is not over-taxed at rupees 2-4 per imperial gallon, London proof, he would retain the present rate of rupees 2-4 per imperial gallon, London proof, and would suggest, as a higher rate is found to be injurious to the trade in country-made spirits in Indian ports that that should also be the rate of customs duty payable on all imported spirits. To the principle of this last measure, Mr. Grote has given his adhesion in the report on the new Customs' Act.

17. The equalization of duty on rum and doasta would remove the distinction between the two kinds of spirits, and the same retail licenses consequently will authorize the sale of both. There would thus be an immediate loss of the fees now charged on the licenses for selling one of the two kinds of spirits. At present all doasta shops in Calcutta take out first class licenses at a monthly fee of rupees 15. The license fee for the sale of rum is rupees 17. The officiating Commissioner would fix the fee in Calcutta at rupees 32 per month, and he would have three classes of licenses at rupees 32, 16, and 8 in the mofussil.

18. The Board do not see on what principle they can raise the retail license fee to the aggregate of the fees now separately charged. If the specific character of country rum is abolished, the distinct fee chargeable for its vend must be abolished too. Apparently the Commissioner is alarmed at the prospect of at once losing the monthly fee of rupees 15, which, on the seventy-two doasta shops in Calcutta, amounts to rupees 12,960 in the year. But this falling off the Board

think would be met by a largely increased vend of the higher taxed rum under the new licenses. The fee on the combined license to sell rum and doasta may unobjectionably be raised from rupees 17 to rupees 20 in Calcutta and the suburbs, and be fixed at rupees 8 in those mofussil districts in which the sudder distillery system prevails.

19. As the Board have not been called upon to report again on that part of the letter from the Chamber of Commerce which relates to the question of ships' stores or to the rates of leakage allowance, they have confined themselves to the question regarding the further reduction of duty on rum.

No. 540(A).

FROM

R. H. LUSHINGTON, Esq.,

Secretary to the Government of Bengal.

TO

THE SECRETARY TO THE BOARD OF REVENUE.

Fort William, the 19th November 1861.

Alkarry.

SIR,—With reference to your predecessor's letter No. 641, dated 9th September last, submitting the opinion of the Board on the question regarding the further reduction of duty on rum, I am directed to observe that two very distinct questions are raised.

1st. The expediency or inexpediency of equalizing the duty on rum, made in the European way, and doasta, or rum made in the native way, proof for proof.

2nd. The expediency or inexpediency of lowering the present rate of duty on both classes of spirits supposing the equalization of duty to be resolved upon.

2. As to the first question, the Lieutenant Governor has always been of the affirmative opinion, on general grounds; and the Board, upon practical considerations, are now unanimously of opinion that the time has come when differential duties between the two classes of rum, of the same proof, can no longer be maintained. The Commissioner of the Calcutta division is of the same opinion, and he has satisfactorily disposed of the arguments of the Superintendent of Alkarry for a protective duty in favour of doasta, in order to prevent that class of spirits

being beaten out of the market by a better and more cheaply made spirit. Admitting that, under equal duties, either this result or an improvement in the manufacture of doasta will occur, all that can be said with fairness to consumers and manufacturers is that either alternative will be advantageous.

3. In this question distillers, who are ably represented by the Chamber of Commerce, are specially interested; and it appears to the Lieutenant Governor that they have a clear and incontestible right to demand equalization, unless some valid practicable objection stands in the way. The majority of the Board are of opinion that such an objection existed when the late change in the Alkarry system, and the late enhancement of the duty on doasta was first made; but they no longer insist upon it: and the Board, the Chamber of Commerce, the Commissioner, and the Lieutenant Governor are now unanimous on this question.

4. The second question is the rate of duty when equalized. In this question, as the Lieutenant Governor conceives it, the distillers have no special interest. It is one that is to be determined on general considerations of policy, finance, and departmental arrangements. The Chamber of Commerce, though suggesting a general and very great reduction of duty, do not press the point in the concluding paragraph of their Secretary's letter, which asks for equalization (a point now to be determined on), and some other changes which have already been made even in a fuller sense than the Chamber demanded.

5. The Chamber of Commerce, however, suggested a reduction of duty from rupees 2-4 (its present rate) to rupee 1-4 a gallon. The Government of India lately consented to the reduction from rupees 3 to rupees 2-4 a gallon, when the question of the rate of duty was fully considered; and the Lieutenant Governor sees no reason to move for the disturbance of that settlement.

6. The Alkarry Superintendent and the Commissioner recommend the reduction of duty to rupee 1-12 a gallon; but the Lieutenant Governor does not see that this recommendation is solidly supported. Such a reduction would probably affect brandies and other imported spirits; and it would operate in fact, the principle of equalization being admitted, as a reduction on the duty now charged on doasta. But the financial results of the late enhancement of that duty have been entirely successful, and any reduction would seem to the Lieutenant Governor in every point of view inexpedient.

7. The Lieutenant Governor concurs with the Board's unanimous opinion that rum is not now over-taxed at rupees 2-4 a gallon; and therefore he feels precluded from going up again to the Government of India, as Mr. Stainforth and Mr. Grote propose, with a recommendation for a further reduction below the present rate, which is rupees 2-4 a gallon.

8. The Lieutenant-Governor agrees therefore entirely with Mr. Young, who recommends an increase to the duty charged on donstas (wherever the new principle of charge by quantity has been introduced) to the equivalent of rupees 2-4 a gallon, London proof.

9. The Lieutenant-Governor sees no reason to fear illicit distillation, considering the great increase of fiscal strength about to be given to the interior of our districts.

10. He agrees in the proposal in paragraph 18 of the letter now under reply.

11. I am therefore to request that the Board will at once carry out this change.

I have the honor to be,

Sir,

Your most obedient servant,

E. H. LUSHINGTON,

Secretary to the Government of Bengal.

No. 541 (A).

Copy of this, and the letter to which it is a reply, forwarded to the Secretary to the Chamber of Commerce, in continuation of Orders No. 245A., dated 27th May last.

E. H. LUSHINGTON,

Secretary to the Government of Bengal.

FORT WILLIAM,
The 19th November 1861.

APPENDIX G.

REPRESENTATION FROM MASTERS OF SHIPS AS TO DETENTION FROM WANT OF PILOTS, INSUFFICIENCY OF MOORING ACCOM- MODATION, &c., &c., &c.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 7th January, 1862.

E. H. LUSHINGTON, Esq.,

Secretary to the Govt. of Bengal.

SIR,—The Committee of the Chamber of Commerce desire me to forward for submission to the Honorable the Lieutenant Governor the accompanying copy of a letter addressed to them by the Commanders of numerous vessels frequenting this port.

This joint representation from so large a number of probably the most experienced nautical men who ever visit Calcutta at any season treats the subjects of their reference to the Chamber with so much ability and simplicity that the Committee have but little else to do than express a hope that the various points now brought to notice will receive the early attention of His Honor.

Briefly the representation embraces the following matters—

1. Detention at the Sandheads for several days from want of pilots, and attendant risk and heavy expenses.
2. The necessity of increasing the strength of the pilot establishment, or
3. Of providing efficient steam vessels in lieu of the present pilot brigs, or
4. Of increasing the number of pilots as well as supplying steamers instead of sailing vessels.
5. The removal of the upper Gasper Light after the S. W. monsoon.
6. Want of a sufficient number of moorings.

7. The system of extra charges made by Harbour Masters and Custom House officers for working on holidays.

8. The risk from fire apprehended from the clustering together between the shore and ships in moorings of native boats of all descriptions, the careless and unrestricted use of fire and lights on board of which renders their proximity to the valuable shipping a source of anxiety and danger.

9. The faulty and inefficient system of discharging ships' cargoes, the want of wharves, sheds, warehouses and other conveniences for the shipping and trade of the port.

Urged by those who are unquestionably the best judges of these matters, all these points demand the very serious consideration of Government, for they involve great risk to shipping in a difficult and dangerous navigation, the safety of life and valuable property, and heavy expenses incurred in addition to the ordinary disbursements in an expensive port.

Taking them in the reverse order in which they stand above the Committee would make the following remarks on the various matters submitted.

9. The question of improving the loading and unloading facilities of the port being under consideration by a Committee recently appointed by Government need not now be discussed: there is an evident desire that the means for giving ships quick despatch should be ameliorated as early as possible, and this subject will no doubt receive all the attention due to its great importance.

8. It is respectfully suggested by the Committee that steps be taken forthwith for maintaining an uninterrupted passage between ships in moorings and the shore, clear from native boats of every description, the risk pointed out is unquestionably one which should be guarded against without delay, and the Committee trust His Honor will be pleased to issue the necessary directions in this respect.

7. The Committee regard the system of fees and extra charges as a very vicious one, and they are of opinion that the employes of Government should be so adequately remunerated as to render their services readily available on all occasions.

6. With respect to the alleged insufficiency of moorings the Committee would observe that this is a point which has induced them to address the Government on more than one occasion: and they had hoped

that their representation would have resulted not only in supplying the immediate wants of the tonnage then frequenting this river, but in providing, in anticipation, for that expansion of shipping which a largely increasing trade would surely draw to the port. The Committee beg to bring this subject very prominently to His Honor's notice.

5. The inconveniences arising from the removal of the upper Gasper Light after September is illustrated by the instance given in the Commanders' letter: and it appears to the Committee that instead of removing what must be an unerring guide to the seaman and pilot in bringing a vessel into safe anchorage, every facility should be given, and additional lights placed if necessary. A loss resulting from the want of such a useful beacon as the upper Gasper Light would never be compensated by the economy realised by its removal. It is therefore recommended that the upper Gasper Light be permanent throughout the year, and a notice issued to that effect.

4, 3, 2, and 1. All these four items point to one great and most pressing requirement, the necessity of providing which is beyond question. The insufficiency of pilots has been long felt by the shipping; it is a notorious want, and it is impossible to resist the conclusion that very great danger, expense, and inconvenience is in consequence experienced by commanders of vessels who, on arrival at the Sandheads, are dependent upon the skill and local knowledge of others whose special duty it is to conduct them into safety. The Committee believe that the necessity for increasing the number of pilots is at present engaging the Lieut. Governor's attention, and they are confident that the representation from so many competent judges of its importance will induce His Honor to satisfy as far as possible the wants thus urgently called for. The suggestion for employing efficient steam vessels, instead of the pilot brigs now in use, has the unqualified approval of the Committee who are of opinion that the most satisfactory results will flow from the adoption of the measure.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. J. WOOD,

Secretary.

TO THE PRESIDENT AND MEMBERS OF THE
CHAMBER OF COMMERCE,

Calcutta.

GENTLEMEN,—We, the undersigned commanders of ships frequenting the port of Calcutta, beg to call your attention to the following impediments thrown in the way of the shipping interests here, thinking that they might be removed if you would kindly use your influence with the Government and mercantile community of Calcutta.

Firstly. Ships arriving at the Sandheads are very frequently ordered to anchor, and detained for pilots from one to ten days, and this sometimes with very great risk of life and property, as in the case of most of ourselves; not to mention the great inconvenience to passengers caused by the tide often bringing the ship's stern to the wind and sea, thus making it requisite to put the deadlights in; all this happening too when a wind is blowing which would carry the ships to Calcutta.

We are prepared to prove that had pilots been on the station in the early part of October several ships would have been saved from one to three hundred pounds incurred for lost anchors, and chains, steam hire, &c., not to mention time and wages;—all this too in a port whose ordinary expenses are about £500 per ship more than in most others.

To us there seem to be two ways of meeting this difficulty, either by increasing the number of the service, or their power of locomotion; we understand that the number of pilots is not greater than, if so large as, when the trade of the port was but half what it is at present; whilst the same class of vessels is employed to supply them to ships. We would suggest, that the pilot vessels should be steamers, fitted to use their sails only in all ordinary circumstances, most of their expense would be repaid to Government by their towing disabled ships; then when the station has no pilots a steamer might convey the detained fleet into comparatively safe anchorage at Saugor, or their officers might be sent in with these ships when the wind was fair, and a steamer might fetch these officers out again; for it must be remembered that the southerly wind which makes the anchorage at the Sandheads dangerous is a fair wind into Saugor roads.

Another great impediment is, there being no upper Gasper Light after September, which prevents pilots from bringing disabled ships into safe anchorage. For example a few days since a ship with a broken wind-

lass had to anchor near the lower Gasper Light, using a kedge anchor, and that with 300 soldiers on board, endangering their lives, when an upper light would have led them into safety.

We suppose that two steamers at the Sandheads would do much more service than three brigs; and having steam at their command would supply that power of expansion which the service requires, for we are told that at some seasons of the year its present state is sufficient for the demands of the port.

The expansion alluded to would be obtained by a very fast steamer of very light draft, to bring down pilots to all ships lying at Saugor without them, or to one of the pilot steamers waiting there to receive the pilots and carry them to ships at anchor at the Sandheads. If this be found not sufficient the service should also be increased.

Secondly. On arriving in Calcutta, ships are frequently exposed to much risk by having to moor in a stream running more than seven miles an hour, making it dangerous to approach them by boat; if they should be fortunate enough to escape breaking their cables and cutwaters, or collision with others that have done so, they must bury an anchor, so that great labour and expense is required to weigh it.

Expensive moorings are provided, but not a sufficient number for the trade of the port, and if ships arrive during a native holiday, the European officers of all Government appointments must have extra pay, which is charged to the ships;—we allude especially to the harbour masters and custom house officers.

Thirdly. We would call your immediate attention to the great risk of fire which threatens all ships in moorings, from the blazing wood-fires and unrestricted naked lights on board the large number of dinghies and other boats covered with mats and straw, which lie between them and the shore. A fire that should destroy the double line of ships from Baboo Ghaut to Fort Point, would be followed by some stringent rules respecting fire. Why should they not be made now? for "prevention is better than cure." In London, fires are not allowed in docks: why should boats composed of wood, mats, and straw be allowed to light naked fires to windward and under the very bows of a line of ships full of life, and worth with their cargoes upwards of a million of money. How often too are men seen smoking on the thatched roofs of boats in the same position.

Fourthly. When our ships are up this difficult river and moored, the next troubles are the impediments thrown in the way of discharging cargo.

In Madras (by a general agreement) the agent of each ship lands her cargo, which does away with the necessity of assorting it in the hold of the ship (warm work for European sailors in this climate) by which means the cargo is out quicker, cheaper, and in much better order, because the consignees of goods have not to keep empty boats waiting alongside until the goods are at hand; and the goods are not rolled over several times, before being discharged, for the purpose of finding those whose consignees have boats alongside. All drinkables, glass, red lead, &c., suffer much in this way, and most of the packages landed broken, receive their injury in this port after the ships' arrival. Here is another great source of expense to ships. In Madras the agents of the ship are allowed to detain the goods in the Custom House until the boat hire is paid: a law of this kind would be most valuable here. The Custom House might protect itself by charging a fair rate on each package left there over a certain time.

Consignees tell us that the state of the Custom House as to capacity and system is such that this plan could not be carried out here, but surely the Custom House capabilities should grow with the trade of the port; what is done elsewhere may be done here. How is work carried on in other cities having large and rapid rivers; do not large ships discharge their cargoes in a few days (we might almost say hours) in all places where the Government and mercantile community combine to give despatch to shipping?

Fifthly. Another impediment is that ships are prevented from discharging or taking in cargo on both sides unless they incur the expense of a second Custom House officer, surely the Custom House should watch its own interests (supported as it is by heavy duties) without cramping the free action of ships. Not knowing how land may be owned by Europeans in Calcutta, we do not feel able to suggest the best way for supplying the port with the usual appendages of wet docks, wharves, sheds, warehouses, railways, &c.:—all we can say is that other ports have them, and Calcutta needs them. If that part of the Calcutta side of the river which is devoted to ships, be full, surely moorings, or wharves might be constructed further north, in a part too where good

sheds and warehouses would be a great improvement on the wretched luts, and filthy open sewers which line the banks of the river. Then again parts of the other side might be converted into wet docks, &c., &c., which with a branch Custom House would give the merchants the means of storing goods ready to be sent up-country by railway.

We feel that in asking you to devise a plan by which these difficulties will be remedied, and to introduce the subject to the Government of Bengal, suggesting the improvement you think requisite, we are only seeking that safety and accommodation for our ships which the advancement of the age has made usual in all civilized parts of the globe, and trust that those enterprising members of your community who may embark their ability and capital towards the carrying out of a well formed scheme, may be amply rewarded for their well directed endeavours.

Calcutta, December 6, 1861.

	Commander,	Ship
Edward Hight,	"	"Renown."
W. Owen,	"	"Nile."
Henry Teynbee,	"	"Hotspur."
Thomas Pain,	"	"Patrician."
William Connell,	"	"City of Madras."
Wm. Bond,	"	"Nugget."
Lawrence Webster,	"	"Jalawar."
E. Coullhurst,	"	"Moorefort."
William Grierson,	"	"Asia."
James Teynbee,	"	"St. Lawrence."
Wm. J. Ferris,	"	"Holsdale."
A. Hutchison,	"	"Steamer Lancefield."
Joseph Watson,	"	"Clarence."
Robert Deas,	"	"Confluent."
John Purdy,	"	"Bickby."
Robt. Wright,	"	"Ramillies."
James Cammell,	"	"Middlessex."
Thomas Nickels,	"	"Blanche Moore."
H. P. Keen,	"	"Utopia."
W. Howard,	"	Barque "Poitiers."
James M. Outridge,	"	Ship "Champion of the Seas."

Commander,	Ship	"Athenais."
Gustavus R. Kirby,	"	"Orion."
Jno. Deal,	"	"Warrior Queen."
Wm. Henry,	"	"N. Dame de Victoires."
H. Maugere,	"	"St. Vincent de Paul."
F. Gachet,	"	"Horsn."
Isaac Bogart,	"	"Rowena."
R. Wilson,	"	"Scawfell."
Robt. Thomson,	"	"Samarang."
Samuel Parry,	"	"Mahratra."
Peter Hickman,	"	"Maria Hay."
C. H. Middleton,	"	"Geologist."
M. Clarke,	"	"Helen Douglas."
John McDougall,	"	"Mooltan."
Duncan Nicholl,	"	"Victoria Regina."
Thomas Moore,	"	Barque "Heversham."
William Pearce,	"	Ship "Talavera."
Robert Blair,	"	"Arethusa."
William Clark,	"	"West Derby."
John Sergeant,	"	"Pudsey Dawson."
K. McKenzie,	"	"Joachim."
F. Monneret,	"	"Xantho."
L. Bellard,	"	S. S. "Hydaspes."
Geo. H. Forster, R. N.	"	Ship "Rubens."
G. P. Poussier,	"	"Union."
W. Lerdy,	"	"Docide."
H. Frazer,	"	"Marie."
T. Vincent,	"	S. S. "Thunder."
D. Fowler,	"	Ship "Hushemy."
Geo. Ross,	"	"Camperdown."
Charles Hodder,	"	"Adamant."
S. B. Sheard,	"	"John Chism."
Frank Putt,	"	

No. 12.

FROM

H. BELL, Esq.,

Offg. Junior Secy. to the Govt. of Bengal,

TO

THE SECRETARY TO THE BENGAL CHAMBER
OF COMMERCE,*Fort William, the 16th January 1862.*

Sir,

I am directed to acknowledge the receipt of your letter dated the 7th instant, forwarding, for the consideration and orders of Government, a copy of a letter addressed to the Committee of the Chamber by the commanders of numerous vessels frequenting this port, on several points, and in reply to state that this important reference has had the Lieutenant-Governor's immediate attention.

2. Most of the points are such as cannot be disposed of without a report from the Master Attendant; and that officer has been called upon for an early and full report upon those points.

3. But the recommendation for keeping boats which generally have fires and naked lights on board, and are often covered with mats and straw, clear of ships at moorings, being one the expediency of the immediate adoption of which cannot be questioned, the Lieutenant-Governor has requested the officiating Master Attendant to prepare and send up for approval a port rule to that effect, which should be carried into execution immediately, unless some objection to such a measure, which the Lieutenant-Governor cannot see, exists.

4. On the question regarding the want of more moorings, the Lieutenant-Governor knows that the intention of Government has been to have as many moorings as the available space in the port will admit of; and a few years ago the whole system of moorings was remodelled, at great expense, in order that the greatest possible use of the space available might be made. The Lieutenant-Governor fears that it is rather the want of more mooring ground than of more moorings that is the cause of the deficiency. But this shall be ascertained. If more moorings can be put in within the port, there will be no difficulty in supplying

the defect. If, however, all the possible mooring places within the port are full, the necessity of extending the port limits will be considered, with reference to the actual wants of the shipping.

6. The question of facilitating the loading and unloading of vessels by wharves and suitable material appliances to be provided by private enterprise, is, as you observe, now before a Committee, whose report the Lieutenant-Governor expects soon to receive. But the commanders of vessels, in their representation to the Chamber, recommend the adoption here of a system now in force at Madras, which, in their opinion, would greatly facilitate unloading, even whilst landing wharves remain still only in prospect. Under that system, by general agreement, the agent of each ship lands her cargo, whereby not only time and labor, but the damage to goods is said to be saved. The objection to such a plan here, which has been brought to the notice of the commanders of vessels, is, that the capacity and system of the Custom House are such that the plan could not be carried out here.

6. It occurs to the Lieutenant-Governor possible that if the plan should be in itself acceptable to the Chamber of Commerce, it might in part be carried out even with things as they are, by making the proposed arrangement applicable to the lighter and more miscellaneous part of a cargo, whilst the heavy part should be landed as at present by the several consignees. On this point the Collector of Customs will be requested to report, after putting himself into communication with the Committee of the Chamber, and ascertaining their views. Probably any such plan would require a law, for the security of the commanders.

7. A report will also be called for from the Customs Department on the application that ships be allowed to discharge cargo on both sides without having to pay for a second Custom House Officer.

8. On receipt of the reports called for the Chamber will be again addressed.

I have the honor to be,

Sir,

Your most obedient servant,

H. BELL,

Offg. Junior Secretary to the Government of Bengal.

No. 72.

From

H. BELL, Esq.,

Offg. Junior Secretary to the Government of Bengal,

To

THE SECRETARY TO THE CHAMBER OF COMMERCE.

Fort William, the 27th February, 1862.

Madam.

Sir,—Referring to paragraph 3 of the letter from this office, No. 12, • No. 419, dated 10th February, 1862. dated the 16th ultimo, I am directed to transmit, for the information of the Chamber of Commerce, a copy of a report* received from the Officiating Master Attendant, relative to the danger from fire apprehended from the clustering together between the shore and ships in moorings of native boats of all descriptions, which generally have fires and lights on board.

2. The Lieutenant-Governor desires me to say, that as regards ships, dinghies, and cargo boats, it does not seem possible, from Captain Howe's report, to prohibit their remaining near the ships, without extreme inconvenience to the shipping.

3. The port rules regarding lights and fires, which were approved by Government in August 1859, will be enforced in the case of native boats as proposed.

I have the honor to be,

Sir,

Your most obedient servant,

H. BELL,

Offg. Junior Secretary to the Government of Bengal.

From CAPTAIN H. HOWE, *Officiating Master Attendant, to the Secretary to the Government of Bengal*,—(No. 449, dated the 10th February 1862.)

SIR,—I have the honor to acknowledge the receipt of letter No. 13 of the 16th ultimo, from the Officiating Junior Secretary to the Government of Bengal, forwarding a copy of a letter dated 7th January 1862,

and enclosure, from the Secretary to the Chamber of Commerce, together with a copy of the reply of the above date, and requesting me to submit a full report, upon the several points noted in the margin, at as early a date as possible.

2. With reference to the first point—the detention of vessels at the Sandheads,—regarding which I am desired to furnish a statement of the number of occasions, during the last three years, on which there was no pilot available there for the vessels of the largest class, I have the honor to report, for the information of His Honor the Lieutenant Governor, that some unavoidable delay is occurring in the preparation of the statement from the circumstance of there having been no one station book in which detentions are recorded, such being noted in the log books of the several pilot brigs, which do duty, from time to time, as the senior officer's vessel, and a search has consequently to be made through the log books of all the pilot vessels for the period noted; this will be remedied in future, and during the prosecution of the search, and the consequent delay in the submission of my report on the whole of the questions referred to me, I shall at once proceed to the consideration of the subject of the risk from fire apprehended "from the clustering together, between the shore and ships in moorings, of native boats of all descriptions, the careless and unrestricted use of fire and lights on board of which," in the opinion of the Committee of the Chamber of Commerce; renders their proximity to the valuable shipping a source of anxiety and danger; and the Committee suggest that

1. Detention of vessels at the Sandheads for several days for want of pilots, and attendant risk and heavy expenses.
2. Necessity of increasing the strength of the pilot establishment, or of providing efficient steam vessels in lieu of the present pilot brigs, or of increasing the number of pilots, as well as supplying steamers instead of sailing vessels.
3. Removal of the upper Gaspee Light after the south-west monsoon.
4. Want of a sufficient number of moorings.
5. System of extra charges made by Harbour Masters for working on holidays.
6. Risk from fire apprehended from the clustering together, between the shore and ships in moorings of native boats, which generally have fires and lights on board.

steps be taken forthwith for maintaining an uninterrupted passage, between ships in moorings and the shore, clear from native boats of every description.

3. The question of providing for the accommodation of cargo boats if they are included under the denomination of native boats, (and being manned by natives, and when full of inflammable cargo, I consider them equally if not more dangerous than the old country *dhows*, for the reason that will be subsequently stated, and that they come under the same category,) was brought to the notice of Government by the Chamber of Commerce in the month of September 1857, in their Secretary's letter noted in the margin, wherein they represented that the crews of cargo boats had struck work in consequence of having been prohibited from making fast to the mooring buoys, whilst

Letter from Secretary to the Chamber of Commerce, dated 8th September 1857, to the Secretary to the Government of Bengal.

No. 383, dated 9th September 1857, from Secretary to the Government of Bengal, to the Superintendent of Marine in charge.

No. 523, dated 10th September 1857, from Secretary to the Superintendent of Marine in charge, to the Secretary to the Government of Bengal.

No. 509, dated 11th September 1857, from Junior Secretary to the Government of Bengal, to the Secretary to the Superintendent of Marine in charge.

they alleged that they could not remain in safety at their own anchors in the rapid current; a correspondence then ensued as per margin, when it was ordered that three cargo boats should be permitted to make fast to one buoy as a temporary measure, and a further report was called for on the question of providing suitable means of securing these boats at all seasons of the year.

4. A further correspondence took place, ending with the letters marginally quoted. In the first question considered in all its apparent bearings by the undersigned, and it was pointed out that the practice then existing could not be interfered with, without causing great inconvenience to the shipping; and it was recommended that the boats be allowed, as heretofore, to make fast to the buoys and to their respective vessels, or to anchor in shore of them; this was approved of by the Lieutenant-Governor, and it was stated, in the letter last quoted, that the Chamber of Commerce, who had been consulted

No. 124, dated 8th January 1858, from Acting Superintendent of Marine, to His Honor the Lieutenant-Governor.
No. 52, dated 1st June 1859, from Junior Secretary to the Government of Bengal, to the Superintendent of Marine.

by His Honor, had expressed themselves to be unable to offer any other suggestion on the subject.

5. The other boats that make fast to the shore, or anchor between it and the shipping, are principally dinghees attached to ships, or plying for hire, budgerows, and Indigo planters' boats.

6. It may, I submit, be yielded at once that the cargo boats nor the dinghees can be sent away from alongside, or the near neighbourhood, of ships, without great inconvenience and delay to the shipping, and demurrage incurred for the boats.

7. A cargo boat is probably half discharged by dark, with three or four more alongside a ship ready to commence unloading at daylight the following morning; if these boats are sent away from alongside, or from buoys, or not permitted to remain in shore of the shipping, the question arises—where are they to go? And what is to become of them with their valuable freight, which, it must be remembered, is insured from land to land, and any loss to which in consequence of what might be called a deviation, would be disputed by the underwriters, as has happened before now.

8. The whole river frontage on this side being lined with ships, there is no place of refuge or shelter, and no space for them there; and if they were to attempt to cross over to the other shore, (where there is no safe anchorage for them, and where, from the shallowness of the water, they would have to lie aground to the great risk of being swamped when the bore came in) they would be swept down the stream, especially in the south-west monsoon, at the imminent hazard of getting athwart hawse of some vessel; or, if they escaped this danger, they would not be able to fetch their respective ships the next day until working hours were nearly over again, and the ships at a stand still all the time.

9. It must also be borne in mind that, frequently when time presses, boats are discharged at night, and the crews must necessarily have a fire on board up to a certain time to cook their meals; and it would scarcely be even justice to keep boats alongside, or in shore, of ships at night when it was convenient to do so, and to forbid their remaining close to the shore for their own convenience or safety.

10. In like manner the dinghees cannot be sent away without distressing the vessels to which they belong, or without inconveniencing passengers desirous of going afloat, or of crossing the river.

11. It may further be urged, without in the smallest degree under-

estimating the value and importance of the shipping interests, that the boats have as much right to the protection and safety afforded by the still waters in shore, as the ships, and that, in the absence of any refuge or suitable locality for these boats, it would be inflicting a great hardship to turn them out from the only place of safety existing for them.

12. If, then, it be granted now, as it was when the question was last discussed, that the boats cannot be removed, and if the crews are not permitted to cook along the banks of the river, which is forbidden by the Police, it stands of necessity that they must be allowed to cook on board where they live, and the only question remaining to be considered is, how to provide and secure against the risk from fire.

13. Judging from the experience of the past fifty years, this risk would appear to be much less than is now apprehended, since during that period, of which I have had twenty-five years' personal acquaintance with the port, I have been unable to trace any record of an accident to the shipping from fire breaking out in a cargo or other native boat, and others of longer experience than myself whom I have consulted in the matter, including the surveyors of shipping of the highest standing, have expressed themselves to the same effect.

14. Indeed the instances of fire on boardship in this port that present themselves to my recollection, exclusive of acts of incendiarism, have been owing to carelessness on the part of those concerned in the ships, or to other accidental causes altogether unconnected with native boats.

15. As, however, past immunity is no argument for the neglect or non-observance of precautionary measures, I would beg to recommend for His Honor's consideration, that the rules for regulating the use of fires and lights in vessels within the port of Calcutta, which were passed under the orders of Government on the 10th August 1859, be at once made applicable to cargo and other native boats.

16. These rules were framed in consequence of the destruction by fire of the ship *Sutlej* off Fort Point, owing to the incautious use of naked lights in the hold, a practice which, there is reason to fear, is even now not sufficiently guarded against, an instance having very recently been noticed in one of the largest ships in the port.

17. Under these rules, which are marginally exhibited for ready

1. No naked light is on any account to be used on board vessels within the limits of the port of Calcutta.

2. Lights in lanterns may be used in the holds of vessels when necessary, but they must be under the special charge of a person appointed for the purpose.

reference, no naked light is on any account to

3. Fires are permitted only in galleys, or fire places regularly constructed for the purpose, and must in every case be extinguished by 8 P. M.
4. Any infringement of these rules will, under Section IX. of Act XXII. of 1855, subject the offending party to a penalty not exceeding one hundred rupees for every offence.

are permitted only in galleys, or regularly constructed fire places, and to be extinguished by 8 P. M.

18. These rules, with the exception of No. 2, might be at once adopted, and every cargo boat, budgerow, and Indigo planters' boat, within the limits of the port be compelled to have on board a small iron cooking place or caboose, with closed top and folding doors. At present these boats, from having their fires exposed on deck to the open air, are a source of greater danger than blurs and dinghees, which cook in their holds, with water always round their fires, and this is the reason to which allusion is made in my third paragraph.

19. I consider that, for the above reasons, it would be unnecessary to compel dinghees and blurs to have cabooses on board; and should a fire break out in one of these frail boats she could be easily scuttled and sunk, but the rule, not to have lights or fires exposed, can be enforced in their case also.

20. I may add that no complaint on this score has ever been made by any commander, and although Captain Hight, whose name appears at the head of the list of commanders who have addressed the Chamber of Commerce, was in daily communication with me during his last stay in port, he never mentioned the subject, or I should have directed the Harbour Master's attention to it, as it is part of his duty, and which he exercises whenever he finds occasion, to see that any fire in boats likely to prove dangerous is at once extinguished.

21. These rules being promulgated and duly enforced, and care being taken to maintain a clear passage for boats passing up and down between the shore and the shipping, it is hoped that the objects had in view by the Chamber of Commerce may be attained.

True copy.

J. H. CASHMAN,

Offg. Register Bengal Secretariat.

be used on board vessels within the limits of the port, and fires

No. 74.

FROM

THE OFFG. JUNIOR SECRETARY TO THE
GOVERNMENT OF BENGAL.

TO

THE OFFG. MASTER ATTENDANT,

Dated Fort William, the 27th February, 1862.

Marine.

SIR,—I am directed to acknowledge the receipt of your letter No. 491, dated the 13th instant, and in reply to inform you that, on a consideration of the circumstances represented, the Lieutenant Governor sanctions the retention of the Upper Gasper Light throughout the year, as recommended by the Committee of the Chamber of Commerce, for the safe navigation of the channel, the cost of maintaining the light being chargeable to the port fund.

I have, &c.,

(Signed) H. BELL,

Offg. Junior Secy. to the Govt. of Bengal.

No. 75.

Copy forwarded to the Chamber of Commerce for information with reference to their Secretary's letter dated the 7th ultimo.

H. BELL,

Offg. Junior Secy. to the Govt. of Bengal.

FORT WILLIAM,

The 27th February 1862.

No. 111.

FROM

H. BELL, Esq.,

Offg. Junior Secy. to the Govt. of Bengal,

TO

THE OFFG. MASTER ATTENDANT.

Fort William, the 2nd April, 1862.

Marine.

SIR,—I am directed to acknowledge the receipt of your letter No.

656 dated the 25th February last, and of its enclosures, and in reply to communicate to you the Lieutenant Governor's observations on each of the four points therein reported upon.

2. The Lieutenant Governor observes with reference to the statement of detentions submitted with your report, that the records are so kept that the return is of very little value. A detention of a few hours is not distinguished from a detention of many days. The system of record must be improved in this particular so as to afford, in future, really useful information on this important head.

3. It is plain, however, as you say, that detentions are of too frequent occurrence.

4. It is not distinctly shewn that in every instance detention could not have been avoided by a daily examination of the position and progress of vessels, and of the state of the wind and weather, and by a proper use of the steamer *Celerity*. But the Lieutenant-Governor has no doubt that the Master Attendant gives, generally, much attention to this important point. It should be understood, however, that every instance of detention is a subject on which the department should consider itself always liable to be called on for a satisfactory explanation, and hereafter the records should be kept with this principle in view.

5. Mr. Branch Pilot Warden, in his letter to your address, has suggested the opening out of telegraphic communication between your Office and the Cruising Station. The Lieutenant-Governor would feel obliged if you would give your opinion of the feasibility of Mr. Warden's proposal.

6. The question of steam pilot vessels may be considered as disposed of. The advantage would be little or nothing; the risk in bad weather would be great; and the cost would be such as the shipping interest cannot be expected willingly to incur. For, of course, the pilotage fees must eventually provide for the whole expense of the pilotage.

7. It appears, however, that the number of running pilots of all classes really is too small for the full convenience of the shipping, and the Lieutenant-Governor is therefore pleased to sanction the proposals submitted in paragraphs 34 and 35 of your letter, for increasing the number.

1st.—Necessity of increasing the strength of the pilot establishment or of providing efficient steam vessels in lieu of the present pilot brig.

8. Though nothing is said in your present letter of the most legitimate and natural way by which the number of running pilots can be increased, namely, an increase in the number of licensed pilots, to which increase alone the port must look for the future supply of the pilots required for its service, the Lieutenant-Governor observes that you have reported upon this point in a separate communication, which will be separately disposed of.

9. The returns submitted by you on this point for the last three years are not what were wanted. Government does not want to know how often a ship has been unable to get one particular mooring applied for; but only how often a ship, willing to go to any mooring, has been obliged to remain in the stream, because there was no moorings anywhere vacant. If the Lieutenant-Governor understands the returns, there have been only a few instances in which there were no available moorings during the interval in question; but that there may be no mistakes, he begs that a revised statement may be submitted, shewing this class of cases only.

10. The removal of the straw boats above Chitpore, as proposed in your paragraph 46, is approved. This measure will clear the space for the laying down of moorings adapted for river steamers, and render available for this or other purposes a considerable space in the port that may be occupied more usefully and with less danger to the shipping than by straw boats.

11. But regarding the inland steamers nothing can be done till the Lieutenant-Governor receives the expected report* on the general question of charges for moorings engaged by the year. This matter seems not to be regulated on any uniform or very satisfactory principle. It would seem that if the port is obliged to go to the expense of laying down additional moorings, because those in existence are not enough for the use of the shipping: no set of moorings in an eligible situation should be let at all for less than the full regulated daily hire.

12. With reference to the orders which you have issued on this subject as reported in your paragraph 58, the Lieutenant-Governor desires me to say that not only the seeking but

* Vide Government letter No. 56, dated 15th March 1862.

4th.—System of extra charges by Harbour Masters for working on holidays.

the acceptance of unauthorized fees must be prohibited on pain of dismissal.

13. The Commissioner of Police, Calcutta, has been consulted on the question of removing the burning ghat higher up as proposed in your paragraph 44.

I have the honor to be,

Sir,

Your most obedient servant,

H. BELL,

Offg. Junior Secretary to the Government of Bengal.

No. 112.

Copy of this letter, and of the Officiating Master Attendant's letter, No. 656 of the 25th February last, with enclosures, forwarded to the Chamber of Commerce, in continuation of the endorsements from this Office, No. 75 of the 27th idem, and the previous correspondence.

H. BELL,

Offg. Junior Secretary to the Government of Bengal.

FORT WILLIAM, }
The 2nd April 1862. }

From CAPTAIN H. HOWE, *Officiating Master Attendant, to the Secretary to the Government of Bengal*,—(No. 656, dated the 25th February 1862.)

Sir,—In continuation of my letters, marginally noted, I have now the honor to report,

Nos. 419, and 491 dated 10th and 12th February 1862.

for the information of His Honor the Lieutenant-Governor, on the four remaining points indicated in Mr. Officiating Junior Secretary Bell's letter, No. 13 of the 16th ultimo.

2. As called for in the second paragraph of the above letter, a statement is annexed,

1st.—Detention of vessels, at the Sandheads for several days showing the number of vessels detained at the Sandheads for pilots in the years 1858-59, 1859-60, 1860-61, and to the 31st December 1861.

3. Owing to the insufficiency and incompleteness of the records, I regret that it cannot now be ascertained for how many days these detentions lasted, but it is a well known fact that, in very many cases, the detention was only for a few hours, the instances having been very rare indeed in which a detention of days has occurred; and it must also be taken into account that in each year several of the detentions indicated have been caused by the pilot brigs having been driven off the station by gales of wind, or from inability to supply pilots in consequence of heavy weather.

4. It appears, however, that no less than 123 detentions have occurred during the last three and a half years, forty-six of which have happened within the last eighteen months, the average of the whole having been three a month.

5. This affords matter for serious consideration, and the measures that may appear called for in consequence will be submitted in connection with the second point to be noticed.

6. The result of previous discussions on the question of re-placing

the pilot brigs by steam vessels was unfavorable to the adoption of that measure.

7. The Officiating Under-Secretary to the Government of India, writing to the Secretary to the Government of Bengal on the subject of the construction of a steamer for the rapid transport of pilots between Town and the Sandheads, and for the conversion of the present fleet of pilot brigs into a fleet of pilot steamers, states that the Government in Council can recommend only the former of the above projects for the favorable consideration of the Hon'ble Court.

8. The Court, in their despatch No. 7 of 1857, communicate their decision on this question in the following terms:—

2nd.—Necessity of increasing the strength of the pilot establishment, or of providing efficient steam vessels in lieu of the present pilot brigs, or of increasing the number of pilots as well as supplying steamers instead of sailing vessels.

"The project for substituting steamers for the present class of pilot vessels at the usual cruising stations is not such as you can favorably recommend. The sentiments expressed in the concluding paragraph of your letter as to the disadvantage of the change which has been proposed, are in general accordance with our own, and we are not prepared to direct the re-placement of all the sailing pilot vessels by steamers, because we consider the advantages to be expected from the adoption of such a measure, would not, as you observe, justify the large outlay and cost of maintenance attendant upon it."

9. I have consulted several of the most experienced of the pilots on this matter, and called for their opinion on the three following points:—

1st.—Is the present number of pilots sufficient for the trade of the port?

2nd.—Would it be desirable to supersede the present class of sailing pilot brigs, and to have two steam vessels at the station to perform the ordinary duties?

3rd.—How often does it happen annually on an average that a disabled ship arrives at the Sandheads, which a steam pilot vessel might tow into safety?

10. With one exception, the officers consulted are of opinion that the present strength of the service is fully adequate to the ordinary demands of the port, and that it is not at all necessary to supersede the sailing vessels by steamers.

11. Mr. Branch Pilot Beannet states that, during the south-west monsoon which prevails for the greater part of the year, a sailing vessel can do the work as easily and as quickly as a steamer without the extra expense, and that, during the whole period of his service, he can only recollect four instances of ships being disabled and requiring to be towed in, and one of these was lost at a time when no hawsers would have held.

12. Mr. John Bartlett, Branch Pilot, remarks on this point that steam vessels would not so well perform the ordinary duties of pilot vessels as the pilot brigs do. They would not be so well adapted for encountering the heavy weather of the south-west monsoon, and would be more liable to become disabled than sailing vessels.

13. Mr. Bartlett can only recollect two instances of casualties from the want of steam, the *Lightfoot*, included in the four already mentioned and the *Chinsurah*.

14. Mr. Branch Pilot Warden states that there are occasions during

the year when a steamer would be of good service, but, for ordinary duties, sailing vessels are quite efficient; the occasions alluded to occur when, through strong easterly, westerly, or north-easterly winds, a pilot vessel is carried off her station and unable to get back again; in such cases a steamer would be of service when a sailing vessel is helpless, but this does not occur often, and is sometimes attended with weather when a steamer could not supply ships; he therefore sees no occasion to supersede sailing pilot vessels by steamers.

15. Mr. Warden adds that, during his servitude, he has only known of four occasions when a steam pilot vessel might have towed disabled vessels into safety.

16. Mr. Warden, however, is of opinion that there is not a sufficient number of pilots for the trade of the port, and argues this from the fact of there being a constant demand and consequent detention to vessels both at Calcutta and at the cruising station for the want of pilots.

17. Mr. Branch Pilot Ransom is of opinion that the present strength of the service is fully adequate to the ordinary demands of the port, and that there are times when the arrivals and departures of ships are such that no possible increase of pilots could meet the emergency.

18. He also draws attention to the detention of, or want of employment for, the junior officers of the pilot service; this is caused by the limit of draught of water that is fixed for acting mate pilots, beyond which they are not usually allowed to pilot vessels, but it must be observed that in cases of necessity they are always made available.

19. Mr. Ransom further remarks that, if the present number of pilots is increased, the junior pilots on the free list would not obtain a decent livelihood, and that this would put a check to the system of free pilotage.

20. The number of vessels with the draught allowed to the junior officers is certainly comparatively small; during the last twelve months, the number in and out was 422, which divided amongst sixteen officers of this grade would give each two and a half ships per month.

21. As, however, many of these vessels fall to the lot of senior officers, the above calculation does not afford a fair criterion of the earnings of the juniors—the average to each would be better represented by one and a half ships per month, and this calculation would give each junior

1 Ship inward 12 to 13 feet, Rupees 212,
60 per cent. on Rs. 212 127 0 0
2 Ship outward 14 to 15 feet, Rupees 300
Deduct 4 for steam per 12 hrs. 27 8

60 per cent. on Rupees 272 8
Total of 107 0

205 8
157 0 78 8 0
Rupees 203 8 0

to each; but this objection might in some measure be met by raising their draught from 15 feet to 16 or 17 feet; this is even now frequently done of necessity, and it has been found that a pilot who is competent to take charge of a ship drawing 15 feet may safely be trusted with one drawing a foot or two more.

23. On the question of the proposed steam fleet, Mr. Ransom speaks as decidedly as the other officers, or even more so; he states that no change could possibly be made to supersede the present class of pilot brigs, that a steamer would be useless nine months in the year, and during the other three months, circumstances requiring the aid of steam are of but rare occurrence, thus doing away with the necessity altogether.

24. Mr. Ransom quotes two cases in which during his servitude a steam pilot vessel could have been of service; in one the commander refused steam when offered to him, and in the other the steam tug refused to go to the assistances of the vessel in distress, and he observes that the necessary assistance existed without the necessity of having steam pilot vessels.

25. It must, I conceive, be admitted that these officers who from the nature of their duties at the Sandheads in command of pilot vessels are so much interested in the question, may be considered good judges of the expediency or otherwise of the measure under discussion, and I concur in opinion with them, and consider that no sufficient reasons have been shown for the proposed substitution.

26. The employment of a steamer to carry pilots up and down the river when there is a deficiency at one end of the line has been found highly advantageous; the *Celerity*, the vessel which is employed upon this service, has now become an indispensable necessity.

27. As already reported in my letter No. 399, February 6th, the system of return orders is never the cause of a want of pilots at the

officer about rupees 205-8 monthly as shewn in the margin.

22. To increase the number of officers in this grade would, of course, be to lessen still further the share that would fall

Sandheads, the officers entitled to the privilege being very few in number, and no pilot being permitted to avail himself of a return order when there is the slightest chance of his services being required at the station.

28. It was shewn in my letter No. 692 of the 20th instant, that detentions at the Sandheads were frequently caused by a number of outward bound ships being detained at Saugor in consequence of easterly winds, and that a southerly wind setting in to seaward brought a fleet of ships to the station before the wind-bound fleet could get out, and hence a detention; and it has happened of late that the resources of the pilot service have been expended in vessels between Calcutta and the Sandheads, leaving no officers to supply demands at either end of the line.

29. I may mention, as an example, that, on the 21st instant, there being no pilots in town, I made arrangements for the despatch of a steamer the following morning to bring some up from the Sandheads, but twelve arrivals being telegraphed, the steamer was countermanded at day-light, and the same forenoon, I received a telegram from the Sandheads that the station was in want of pilots, and several inward bound ships in sight.

30. As represented in the seventh paragraph of the letter above quoted, it is impossible to provide by any adaptation of the resources at our disposal, or by any increase to them that would be reasonable, against temporary detentions that are so contingent upon the winds and weather, and that are common on those grounds to all ports in the world.

31. It cannot, however, I think be disputed that the amount of shipping resorting to this port renders some increase to the pilot Establishment necessary.

32. In the margin is exhibited a statement of the inward and outward tonnage of the shipping in this port for the last fifteen years. It will be seen that the largest number of arrivals and departures was in 1855-56, when they amounted to 2106, and the pressure was extreme; in 1861-62, up to the 24th February, the number is 3227, and it is estimated that, by the 30th April, the number will amount to 1873.

33. The present strength of the pilot service according to the Roster is 145, viz., twelve branch pilots, thirty masters, thirty mates, twenty-four second mates, and forty-nine volunteers. The running list

1847-48 ... 1296.
1848-49 ... 1216.
1849-50 ... 1420.
1850-51 ... 1411.
1851-52 ... 1605.
1852-53 ... 1462.
1853-54 ... 1558.
1854-55 ... 1734.
1855-56 ... 2106.
1856-57 ... 2016.
1857-58 ... 1907.
1858-59 ... 1918.
1859-60 ... 1712.
1860-61 ... 1652.
1861-62 ... 1873.
estimated.

is composed of seven branch pilots, thirty-seven masters, twenty-five mates, and fifteen licensed pilots, making a total of eighty-four, and to enable this number to supply the requirements of the port, it is necessary very frequently to appoint officers to pilotage charge the moment they arrive off town, so that an officer landing in Calcutta at six or seven in the evening is very often sent away again at day-light the following morning, and the same practice obtains at the Sandheads, a course of duty so harassing as sooner or later to force officers on the sick list.

34. Taking, therefore, all the circumstances connected with this question into consideration, I am of opinion that it is necessary to increase the number of running officers, and I would propose to effect this by allowing ten second mates to pass for the grade of acting mate pilots, and by allowing a corresponding number on the acting mate's list to pass for the full mate's list.

35. I propose also to re-place on the list of running officers three pilots who are at present holding staff appointments, and by the adoption of these measures, should His Honor approve of them, an increase will be made to the running list of thirteen officers; an addition, which, small as it may appear, will be very effective.

36. The reports of the branch pilots from which I have quoted are annexed for reference.

37. On the subject of moorings, the alleged insufficiency of which is noted by the Committee of the Chamber of Commerce in their sixth paragraph, I beg to remark that very extensive additions have been made within the last two or three years to the moorings in this port.

38. In the year 1856-57 there were only sixty-seven sets of fixed moorings, there are now one hundred and sixty-five.

39. Every endeavor has been made to provide as many moorings as possible, and in one year alone, 1858-59, fifty-two extra sets were laid, the only reason for not laying more being that no suitable locality remained unoccupied.

40. The Superintendent of Marine, in his annual report for the year 1858-59, states that "moorings have now been laid in every eligible position within the limits of the port."

41. The moorings now extend on this side from the lower end of Garden Reach to Burra Bazar ghât.

42. From this to the burning ghât, the water is too shallow for ships,

but moorings might be laid here for the vessels of the Inland Steam Companies, which at present occupy moorings below Armenian ghât, and by this means six more ships could be accommodated.

43. No doubt the managers of these Companies would object to their vessels being removed, but the general good of the shipping must be consulted, and if other suitable accommodation can be provided for these vessels, it would seem but reasonable to regulate the occupancy of the moorings so as to secure the greatest good of the greatest number, and it is not reasonable that vessels of light draught, that can be otherwise provided for, should occupy berths suited to large ships in want of accommodation.

44. Again, if the burning ghât were removed higher up the river, moorings for eight ships could be laid in the space that would be thus gained between that point and Hantkholah ghât.

45. From this point up to Parsee ghât, the eddies are so great that it is not an eligible site for moorings, and to the north of this point (say Chitpore) ships would not go even if moorings were laid.

46. The straw boats which are at present located where it is proposed to place the steamers of the private Companies, and which from the risk of fire are a source of great danger to the shipping, might be accommodated above Chitpore where they would be out of the way of the shipping, and at the same time within an easy distance of their market.

47. If the measures proposed above are carried out, we shall have fourteen more sets of moorings, equal in all to the accommodation of 170 ships, besides which twenty-four ships can be placed between the moorings in cases of emergency.

48. Two more sets might be laid at the bottom of Garden Reach, but they would very seldom be applied for, as no ship, unless in distress, would go into them on account of the inconvenience arising from the distance.

49. Three statements are annexed, shewing the number of days during the last three years that vessels have been detained for moorings, but as will be observed, in very many instances, ships apply for special moorings, and decline to be put into any other, although others may be available; and this has contributed to swell the list.

50. It appears from the statement for 1859, that, although twelve ships remained in the stream for the number of days indicated, it was

not from the want of moorings, but because the commanders of these ships desired to be put into particular moorings which were occupied.

51. The same remark applies to the year 1860.

52. In the year 1861 the number of ships that were kept in the stream, either of necessity or from choice, was much greater, but it will be seen that there were only nine that could not have been moored in safety, had their commanders not elected to remain in the stream rather than go into moorings that were not so suitable to their convenience and requirements as those they had applied for.

53. With reference to the 6th paragraph of the letter of the Chamber of Commerce, it may be asserted that every endeavour has been made to meet the requirements of the port in the respect of moorings.

54. An attempt was made to lay moorings on the other side of the river, but it failed on account of the bore, the first one that came in after the moorings were laid, sweeping them and three ships clean away.

55. On this side ships are moored five in a tier, the outer ship being as far in the stream as the limit for safety will permit, and with the exception of the small addition recommended in my 47th paragraph and which past experience has suggested, it must, I think, be admitted that the representations of the Chamber of Commerce on this point have met with every attention that the circumstances of the port have rendered practicable.

56. With respect to the alleged system of extra charges made by

4th.—System of extra charges made by
Harbour Masters for working on holidays, I beg to report that the only extra charge that has been

sanctioned, or that the Master Attendant has any cognizance of, is a fee of rupees sixteen for working on a Sunday.

57. Under the regulations, Harbour Masters are not called upon to work on Sundays except in cases of distress, and they are allowed a fee of rupees sixteen when a commander wishes his ship to be moved contrary to this rule.

58. It appears, however, from the representation made by the commanders of ships in their letter to the Chamber of Commerce, that a practice has grown up under which fees have been given for work done on other holidays, and I have, in consequence, issued a stringent order prohibitory of any officer in the department seeking a gratuity directly, or indirectly, and I would beg to recommend that any Harbour Master re-

ceiving a gratuity other than the one authorized for working on a Sunday, on Christmas-day, New Year's day, and Good Friday, be dismissed the service.

59. Annexed is submitted copy of a letter lately addressed to the Secretary to the Chamber of Commerce, in reply to a reference made to me on the subject, together with a letter from the Harbour Master, and I beg to add that I am not aware of any complaint having ever been made to the Master Attendant against an assistant Harbour Master for demanding a fee, and in the absence of a complaint, the Master Attendant has been unable to put a stop to such an abuse, as he otherwise would have done.

APPENDIX H.

DESERTION OF SEAMEN.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 20th January 1862.

E. H. LUSHINGTON, Esq.,

Secretary to the Government of Bengal.

SIR,—I am directed by the Committee of the Chamber of Commerce to forward the accompanying copy of a communication from the Secretary to the Sailors' Home with the request that you will be so good as to submit it for the consideration of the Honorable the Lieutenant-Governor; and the Committee trust that His Honor will be able to apply such a remedy to the evil complained of as will effectually prevent its continuance or recurrence.

As far as the Committee's knowledge extends there appears to be no provision in the merchant shipping Act against the mischievous system to which seamen are in the habit of resorting; the 186th clause of the Act XVII. and XVIII. Vic cap. 104, declares that "no seaman or apprentice shall be entitled to wages for any period during which he unlawfully refuses or neglects to work when required, or during which he may be lawfully imprisoned for any offence committed by him;" and this seems to be the solitary rule which bars the sailor's claim for wages, while the Act abounds with regulations for his protection. That the sailor's rights should be carefully protected cannot for a moment be contested; indeed, the fullest protection is essential to the best interests of our mercantile marine. At the same time however, where the sailor, by wilful and premeditated wrong, inflicts a serious injury both on those who have employed him, and on those who facilitate the means of receiving his wages, it is but right that the latter should be equally protected against such wrong. There is a penalty attached, it is true, to the wilful neglect of the sailor to perform his engagement, but the penalty is so trivial that the

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sailor not only disregards the law, but absolutely breaks it for the express purpose of being brought under it, for it would appear from the representation of the Committee of the Sailors' Home, that sailors, after taking advances, refuse to return to duty without any just cause, and with the express object of being sent to jail, where their treatment is so lenient that an imprisonment of a month or six weeks is considered a mere bagatelle, and where the dishonest man finds a convenient shelter unaccompanied by that rigor of the law to which his fraud has exposed him.

In the instances given by the Committee of the Sailors' Home, not only is a heavy loss thrown upon the very institution which is maintained for the protection and comfort of the seaman, but vessels are at once deprived of several hands, who by a pre-arranged combination practise a gross fraud on their employers and leave them to obtain substitutes in the best way they can. In one case almost an entire crew got advances under false pretences and deserted their vessels by getting purposely imprisoned for acts of insubordination.

It is with the view of having this evil met as far as possible, if it cannot be altogether removed, that I am now instructed to address you, and the Committee of the Chamber trust His Honor will be able to make such legal provisions as may effectually deter seamen from that vicious course which they now adopt without the slightest hesitation or compunction.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. I. WOOD,

Secretary.

SAILORS' HOME,

December 27, 1861.

THE SECRETARY TO THE CHAMBER OF COMMERCE.

DEAR SIR,—Adverting to my letter of 27th July last on the subject of the refusal of duty by seamen, I am now desired by the Committee of the Sailors' Home, to request the favor of your bringing the matter once more before the Committee of the Chamber.

Since I last addressed you nothing has been done to check the evil, and it has continued to increase; in evidence of which I have to submit herewith a list of forty-six seamen committed to jail since 1st June last, from five vessels, after taking advances from the Sailors' Home to the extent of Rs. 1,091-8. It is believed that the whole of these men refused duty without any cause whatever, and with the express object of being sent to jail.

The Committee of the Sailors' Home are under the impression that the evil is encouraged by the very lenient treatment of prisoners in the House of Correction, and they beg to suggest that if the Chamber of Commerce were to call upon the Government of Bengal to make enquiry into this matter it would probably lead to some remedy. They think that such a request for enquiry would be made with propriety by the Chamber, looking at the great inconvenience ships are frequently put to by their crews refusing duty on the point of the vessel's sailing.

I am, dear Sir,

Your's truly,

S. H. ROBINSON,

Secy. Sailors' Home.

No. 359.

The 10th April 1862.

FROM

S. WAUCHOPE, Esq., C. B.,

Commissioner of Police, Calcutta.

TO

THE SECRETARY TO THE GOVT. OF BENGAL,

Marine Department,

Fort William.

SIR,—I have the honor to acknowledge the receipt of your letter No. 42, dated the 29th January with its enclosures, from the Committee of the Chamber of Commerce and from the Secretary to the Sailors' Home, on the subject of sailors refusing duty with a view to getting

themselves confined in the House of Correction, and thereby inflicting serious loss to those who have made them advances.

2. The Committee of the Sailors' Home, which institution appears to have suffered a loss of Rs. 1,091 in six months by making advances to sailors, who are said to have refused duty without any cause whatever, are of opinion that the evil is encouraged by the very lenient treatment of prisoners in the House of Correction.

3. If this was the case it would naturally follow that as the House of Correction has been under the same discipline and the same superintendence for many years, the number of seamen committed would be very much the same annually, and would in fact be in proportion to the ships and their crews in the port of Calcutta.

4. But from the annexed list of seamen committed to the House of Correction for refusal of duty in the last six years, during which period the House of Correction has been under my superintendence, it will be observed the number decreased from 486 in 1856 to 101 in 1860, and although it increased to 258 in 1861, I have no reason to believe that this is anything but a temporary increase, altogether unconnected with the treatment received by prisoners in the House of Correction.

5. It seems to be preposterous to suppose that, considering the improvident nature of seamen generally, before committing an offence, the punishment for which is imprisonment in the House of Correction, they should ascertain the exact nature of the sentence they will have to undergo, and the exact amount of labor to perform. Neither do I think that seamen would be deterred by the severest labor or the harshest treatment from refusing duty with the view of leaving their ships, it being an acknowledged fact that it is the disgrace and not the severity of punishment which deters from crime. But it is impossible, considering the climate, to compel Englishmen to labor in the Calcutta House of Correction with the same severity as in jails in England, and were I to attempt to introduce such labor, the medical officer would prohibit it.

6. What the motives are which influence seamen to refuse duty, it is impossible for me to give an opinion. They are probably different in each case. One certainly is the system of cashing advance notes by shipping masters and the Sailors' Home to seamen on their mere word of honor to go to sea. Although complaints have not been made to me generally by the shipping masters of Calcutta; and if the Sailors'

Home has lost by these transactions the proper course will be for the Committee of that institution to enter on them as little as possible.

7. The enclosures of your letter are herewith returned as requested.

I have the honor to be, &c.,

(Sd.) S. WAUCHOPE,

Commissioner of Police.

Statement of the number of European Seamen sentenced to imprisonment in the Calcutta House of Correction, for refusal of duty on board Ship, from 1st January 1856 to 31st December 1861.

Months.	1856.	1857.	1858.	1859.	1860.	1861.
January	26	0	14	12	2	12
February.....	31	4	2	21	1	2
March	9	66	37	16	3	25
April	20	19	18	10	1	23
May	79	13	53	12	13	23
June	63	25	8	1	3	27
July	63	39	26	38	3	17
August.....	30	43	18	3	23	43
September	97	8	13	13	19	16
October	28	15	10	10	29	18
November	14	12	17	2	2	48
December	26	64	14	2	2	4
Total.....	486	298	239	140	101	258

(Sd.) S. WAUCHOPE,

Commissioner of Police.

HOUSE OF CORRECTION, }
CALCUTTA, }
10th April, 1862. }

No. 132.

FROM

THE JUNIOR SECRETARY TO THE
GOVERNMENT OF BENGAL,

TO

THE COMMISSIONER OF POLICE, CALCUTTA,

Dated Fort William, the 22nd April 1862.

Marine.

SIR,—I am directed to acknowledge the receipt of your letter No. 359, dated the 10th instant, and in reply to state that the Lieutenant Governor has no doubt that you will see that no improper relaxation is allowed in the House of Correction in regard to sailors therein imprisoned, so that the punishment may really be what the law contemplates. If this is the case now, the Lieutenant-Governor does not see that any thing further can be done in the matter.

I have, &c.,

(Sd.) J. D. GORDON,

Junior Secy. to the Government of Bengal.

No. 133.

Forwarded for the information of the Bengal Chamber of Commerce with reference to their Secretary's letter of the 20th January last.

J. D. GORDON,

Junior Secy. to the Government of Bengal.

FORT WILLIAM, }
The 22nd April, 1862. }

APPENDIX I.

DELAY IN FURNISHING MARINE AND CUSTOM'S BILLS AGAINST VESSELS.

BENGAL CHAMBER OF COMMERCE,
Calcutta, 5th December 1861.

To

C. CHAPMAN, Esq.,

Collector of Customs.

SIR,—I am desired by the Committee of this Chamber of Commerce to bring to your notice that complaints have been made of the delay that takes place in furnishing Marine and Custom's bills against vessels: there appears no reason why they should not be sent in before ships leave, which would be a great convenience in closing their accounts and obviate the necessity for any deposit or guarantee as now required from their agents: and the Committee trust you will be good enough to adopt measures for the presentation of bills at the earliest possible date before a ship obtains her port clearance.

I have, &c.,

H. W. I. WOOD,

Secretary.

No. 71.

FROM

C. CHAPMAN, Esq.,

Collector of Customs, Calcutta,

To

THE SECRETARY TO THE BENGAL,
CHAMBER OF COMMERCE,

Dated the 6th February 1862.

SIR,—In reply to your letter dated the 5th December last, I have the honor to state that in this office there appears to be no delay in the

presentation for payment of the Marine bills. The bills when received from the Master Attendant's office have to be audited and registered: they are then at once made over for realization.

2. As to the desire that all Marine bills against a vessel should be sent in before she leaves the port, I see no difficulty in respect to the inward charges, but I apprehend that in regard to the outward bills the Master Attendant is unable to prepare them, specially that for pilotage outwards, until the vessel is put out to sea and the pilot's certificate obtained in support of the charge.

3. If there be any possibility of these bills being made out before the vessel leaves the port, and of their being sent to this office prior to the vessel's obtaining her clearance, the necessity for any deposit or guarantee for the payment of the outward charges would no doubt be obviated; and this can be arranged only by the Master Attendant.

I have the honor to be,

Sir,

Your most obedient servant,

C. CHAPMAN,

Collector of Customs.

APPENDIX J.

CONSOLIDATED CUSTOMS BILL.

No. 368 (A.)

From

J. D. GORDON, Esq.,

Junior Secy. to the Government of Bengal,

To

THE SECRETARY TO THE BENGAL CHAMBER
OF COMMERCE,

Fort William, the 2nd August, 1861.

Mrs. Rev.,
Customs.

SIR,—I am directed to forward the accompanying copy of a bill "for the consolidation and amendment of the laws relating to Customs duties," which has recently been read a second time in the Legislative Council, and to say that the Lieutenant-Governor will be glad to receive any remarks or suggestions on the bill which the Bengal Chamber of Commerce may have to offer. It is desirable, I am to say, that an early reply should be given to this communication.

I have the honor to be,

Sir,

Your most obedient servant,

J. D. GORDON,

Junior Secretary to the Government of Bengal.

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BENGAL CHAMBER OF COMMERCE,
Calcutta, 20th Nov. 1861.

E. H. LUSHINGTON, Esq.,

Secy. to the Government of Bengal.

SIR,—I am directed by the Committee of the Chamber of Commerce to forward the enclosed printed copy of their remarks on the consolidated Customs bill.

I have the honor to be, &c.,

H. W. I. WOOD,

Secretary.

Remarks by the Committee of the Chamber of Commerce
on the Consolidated Customs Bill.

Section VI. The words "landing" and "unlanding" evidently mean loading and unloading.

VII. Government not possessing any Bonded Warehouses of their own, this section does not seem applicable, nor does it seem desirable to alter the present arrangement by which goods can be bonded in private warehouses. The cost of keeping up bonding establishments falls fairly as a charge on Government, and merchants should not be subjected, as the Board of Revenue suggests, to extra expenses; the concession to bond goods is simply granted as a facility to trade, and Government indirectly benefits by all such facilities.

X. Does not provide for the transit of goods into territories not belonging to H. M.'s Government—Chandernagore for instance.

XI. Clause 5—should be left out, it only provides for the protection of British goods, but not for fraudulently using foreign labels, and might well be left to all parties interested, who will take care to protect themselves.

Clause 7—cannot stand, there are no manufacturers in this country to protect, and machinery constantly arrives in parts to replace worn pieces. The clause will be a source of constant dispute.

XVI. Instead of the arrival of a vessel within the limits of the port the *date of ship's entry at Custom House* had better be substituted.

XVIII. Add, "or manifest," after the word "*report*" in the second line: the fine for errors in manifest should be subject to appeal.

XX. This section requires alteration to suit vessels using Kedgeoce as a port of call. This does not often occur on account of the heavy expenses incurred in entering the Hooghly, but it is likely to be resorted to more frequently in the Mullah.

XXIV. The power given to Custom House officers in this section is very great, and, considering the class of men and their pay, highly objectionable: this power should be confined to a head of the preventive department.

XXV. Bullion and treasure should be exempted from this rule.

XXVII. Is perfectly useless. Goods in transit naturally fall within the laws existing at the port of their destination, and the declaration of their contents does not appear necessary provided they do not contain articles dangerous to the safety of property, and requiring warehousing under special regulations.

XXIX. The work of Custom House officers is not half as arduous as that of commanders and crew. To reduce existing hours (6 to 6 p. m.) to 8 to 5 p. m. is equivalent to imposing additional expenses on vessels, and these are already heavy enough. During the hot season the early hours are the best for working, the benefit of which the ship would have to purchase by an additional fee.

XXX. Subjects goods to forfeiture in cases where boats may have drifted away during heavy currents, which should be altered.

XXXII. Is provided for in a later Section—XXXIX.

XXXVI. Stop at "thereof," the remaining portion should be left out.

XL. Samples should invariably be returned to the right owners.

XLI. Size of vessel should regulate time allowed for landing, say fifteen days for vessels under 600 tons, and two additional days for every additional 100 tons. It will be necessary to give masters of vessels the right to land goods if consignees have failed to take delivery within a certain time, the Collector of Customs being then bound to receive them granting a receipt to the vessel. When vessels have only a few packages on board, and do not intend remaining in port beyond a fortnight or so, the law, as it now stands, operates very injuriously, the Collector of

Customs not receiving the goods, and the ship having to store them at her own expense and risk. When this happens to perishable articles it is a very great hardship, and a special clause would work to advantage by which consignees of perishable goods were bound to receive them within three days after having notice that such goods are ready for delivery.

XLII. Collector should have power to allow rebate on duty, if it can be proved to his satisfaction that the goods were landed damaged.

XLIII. Damaged goods should pay duty on nett not gross value.

XLVI. Leave out altogether.

XLVII. Provided in Section XXXIX.

LV. Provided in Section XCVIII.

LVII. The bill of entry duly certified should be deemed a complete document for bonded goods.

LVIII. "*If the occupier of any Ware-House,*" means no doubt, "*Bonded Ware-House.*"

Ditto in the following Section LIX. the word *bonded* for *ware-housed* in this and the following sections should be substituted.

LXIII. Insert after *demand*, 15th line, "in the latter case."

LXVI. } Provided for in Section VII.

LXVII. }

LXXI. Insert after *revoked*, "on giving one month's notice." The power should be only exercised if the bonder has infringed existing rules.

LXXIII. Insert after *proprietor*, "or lessee."

LXXIV. Collector should have power to extend the allowance for ullage or leakage, if it can be proved to his satisfaction that such ullage or leakage does not arise from the goods having been tampered with.

LXXV. This places a very arbitrary power in the Collector's hands.

LXXXII. *Loss of ship* not provided.

LXXXVI. Contradicts XLII. in which section it is said that no abatement should be made.

LXXXVII. The master shall forfeit a sum *not exceeding* Rs. 1,000.

LXXXVIII. The latter part of this section gives an absurd authority to Custom House officers. Goods often arrive without pass or along side of a wrong ship, and omissions or mistakes of this nature should not be threatened with confiscation of property. Preventive officers make at present use of this power as a threat toward commanders and others.

The Collector should be the only person holding discretionary power to inflict punishment in such cases, and small fines that could be brought home to the proper parties would secure more regularity than anything else, as they could be inflicted upon the really guilty parties.

XCIV. Provided for in Section LXXXVIII.

XCVI. The wording of this Section would make it impossible to ship duty-free goods after port clearance, except against payment of 5 per cent. duty. Specie and opium only being free, equality of treatment would be desirable; such cases do not willingly occur, and levying fines is fettering trade.

XCVII. The word *refund* means "refund," as refunds are now made after the ships have cleared, and as it would be impossible to make them simultaneously with the clearance of a ship in cases where numerous native shippers are concerned.

XCIX. Seems superfluous as section XCI, provides that no ship shall depart without a port clearance.

CXVI. This section, if carried out, places at once at the disposal of Government most valuable material for the statistics of the internal trade which are so much wanted. Coasting vessels should be compelled to deliver manifests outward and inwards.

CXIX. Seems incompatible with the control every Government should exercise over every description of coasting vessels: regular steamers might be allowed to clear on condition that their agents furnish a correct manifest in due course.

CXXI. The power given in this section to any Custom House officer is very objectionable, the Collector should have the power to demand from any coasting vessel the regular documents and note power to order the examination of her cargo.

CXXXIII. Provided for in Section CL.

CXXXIV. Ditto in Sections VI., XXX., XI., XXII.

CXXXV. & VI. Provided for in Sections XXVI., XCVI.

CXL. Add, "and their name shall be published in the *Government Gazette* or on a table hung up at the Custom House.

CXLVI. Add, "and dismissal from the service and prohibition to enter any other branch of public service.

CL. As respects Calcutta the pilot might be held responsible till the ship reaches port, and Custom House officers going on board at Garden Reach would enable Government to do away with the Diamond Harbour establishment.

CLI. Passengers' luggage should be passed without examination; this is now done in countries where the Custom's laws are much stricter on account of high duties. By the alteration of the former system passengers have been subject to many petty annoyances which it should be the object of Government to avoid.

CLII. The last paragraph of this section is very unjust. Merchants under it could not recover for errors, simply because the duties were paid without objection, whereas when such error emanates from the Custom House authorities the merchant is made to pay and has to make good the amount.

CLVIII. Section LXI. provides for this.

CLXIII. Gives too extensive powers, and at all events the limits should be defined within which conveyances can be stopped; but the section seems quite unnecessary.

CLXIV. Objectionable and unnecessary.

CLXX. *Uncustomed?*

CLXXXIII. Power of confiscation should rest with the Board of Revenue only; the plaintiff cannot be judge as well; this is objectionable on principle.

CLXXXI. This section does not provide for loss in weight. It would simplify the present system were duties abolished and made payable at the port of importation upon the quantity delivered.

CLXXXIII. Why should this Section not extend to vessels generally?

CLXXXIV. The proposition to levy duty on spirits consumed on board ship while in port is most objectionable, and the cost of collecting this insignificant amount will probably be more than the revenue from it: tea and coffee have in many vessels taken the place of spirits.

APPENDIX K.

CONSOLIDATED CUSTOMS ACT.

BENGAL CHAMBER OF COMMERCE,
Calcutta, 14th April, 1862.

E. H. LUSHINGTON, Esq.,

Secy. to the Govt. of Bengal.

SIR,—In considering the draft of bill to consolidate the law relating to stamp duties as settled by the Select Committee, the Committee of the Chamber of Commerce observe with much satisfaction that several amendments have been introduced by which many clauses of the original draft bill have been materially modified, and the objections of the Chamber have thus to a great extent been anticipated.

The Committee would however submit a few brief remarks on other sections of the draft bill which they respectfully request may be forwarded to the Hon'ble Mr. Harington for his consideration.

I have the honor to be, &c.,

H. W. I. WOOD,

Secretary.

Observations by the Committee of the Bengal Chamber of Commerce on the Draft of Stamp Duty Bill.

In regard to the 14th section of the proposed bill they would recommend the adoption to a certain extent of the practice prevailing in England: they think that a certain time should be allowed after the execution of a deed to have it stamped. In England fourteen days' time is allowed, the Committee would suggest that seven days be allowed here, and, that after seven days a penalty be affixed, and that such penalty be not left for remission to the discretion of the Collector or any other officer, but be leviable under any circumstances, and that it be one rate,—leviable whether the deed be brought in to be stamped a month or a year after its execution.

In clause 2 of section 16 the Committee would suggest the following addition after the conclusion of the first paragraph.

"And such endorsement to have the same effect thereafter, as if the said deed, instrument, or writing had been originally properly stamped."

They would instance the case of a plaintiff suing upon a bond or other document for an instalment due thereunder.

It seems to them that each time an unpaid instalment was sued for it would be competent for the court in which each action might be brought to affix a fresh penalty on each occasion, unless some such clause as that suggested be added.

In section 21 the words "in India" do not appear as they do in the marginal abstract of the section.

The following suggestions are submitted relative to the schedule.

1st clause—Agreement.

At the foot of *note* to the 1st clause—"agreement," add the "words," or be endorsed by a civil court as provided for in section 13 of the Act.

4th clause—Agreement.

This clause in the words "produces, provide or deliver any articles," seems inconsistent with the exemption which exempts agreements for the sale of any goods. The Committee fail to see the difference between a contract to produce, provide or deliver, and a contract for sale.

Again, as to this clause, its effect would seem to be to almost nullify the first clause, seeing that any such agreement, provided there be an advance of rupees fifty, need only have a one anna stamp, and all other kinds of agreement seem to be provided for by the schedule.

6th clause—may be left out altogether and introduced under the head of the 1st clause.

The 12th clause—bonds—is objected to altogether: why there should be a heavier tax on a bond than on a promissory note the Committee cannot discover. Both are securities given for money advanced, and although the bond as a special contract takes, under certain circumstances, precedence over a promissory note, or simple contract debt, yet in other respects the promissory note is really the better security inasmuch as a judgment can be more readily obtained upon it.

23rd Sec.—Conveyances—the scale of duties chargeable under this section appears much too high and ought not to be higher than the stamp on bills of exchange.

28th Sec. Copy.—Why should copies of deeds bear a far higher tax than duplicates or counterparts, the latter being as original deeds of much more value than copies.

See 36th Section.

41st Section.—Any lease of any land, &c.

The stamp should be a stamp of value equal to the joint value of the stamps for a bond and a lease for the rent.

For instance, on a lease of the nature described while the additional stamp for the conveyance would, under this schedule, be Rs. 150, it would at the rate suggested be only rupees sixty. The Committee do not see the justice of affixing a stamp for a conveyance when the document is not a conveyance.

After 61st clause the Committee suggest the insertion of "Release of claims on payment of money or settlement of account ten rupees."

64th clause.—This stamp should be omitted altogether; as an initiatory document, forming the basis of a series of papers which are subject to duty, a shipping order should be exempt.

As all interest in joint stock shares is transferred under bond bearing a stamp in reference to the value of the stock, the Committee do not consider the mere scrip should be stamped.

APPENDIX L.

BILLS PASSED BY THE LEGISLATIVE COUNCIL OF BENGAL.

GOVERNMENT OF BENGAL,

Legislative Department.

The following Act of the Lieutenant-Governor of Bengal in Council received the assent of His Excellency the Governor-General on the 14th April 1862, and is hereby promulgated for general information:—

Act No. I. of 1862.

An Act to enforce the hoisting of Signals of the names of Vessels passing Signal Stations established on the River Hooghly and the branches thereof.

Whereas it is expedient that the names of inward and outward bound vessels to and from the port of Calcutta should be made known at the several signal stations

established within the limits of the river Hooghly or within the limits of any channel which may be made subject to the provisions of Act XXII. of 1855 (*for the regulation of ports and port-dues*); it is enacted as follows:—

I. The master of every inward or outward bound vessel, on arriving within signal distance of any signal station established within the limits of the river Hooghly or within the limits of any channel which may be made subject to the provisions of Act XXII. of 1855, shall, on the requisition of the pilot who may be in charge of the vessel, signify the name of the vessel by hoisting the number by which she is known, or by adopting such other means to this end as may be practicable and usual, and shall keep the signal flying until it be answered from the signal station.

II. Any master of a vessel arriving as aforesaid, who shall refuse or neglect to conform to the above rule, shall be liable on conviction, for each instance of refusal or neglect, to a fine not exceeding one

thousand rupees.

III. Every pilot in charge of a vessel shall require the number of

Pilot shall require the master to hoist signal. And if master refuses to do so, pilot may bring the vessel to anchor.

the vessel of which he is in charge to be duly signalled as provided under Section I. of this Act. When, on a requisition from the pilot to that effect, the master of a vessel, not employed in the service of Government, shall refuse to hoist the number of a vessel, or to adopt such other means of making her name known as may be practicable and usual, the pilot in charge of such vessel may, on arrival at the first place of safe anchorage, anchor the vessel in question and refuse to proceed on his course until the requisition shall have been complied with.

IV. Any pilot in charge of a vessel, who may be proved guilty of neglect to obey or of connivance with the master of such vessel in disobeying the provisions of this Act, shall be liable to a penalty not exceeding five hundred rupees for each instance of neglect or connivance, and in addition shall be liable to dismissal from his appointment.

V. This Act shall be taken and read as part of Act XXII. of 1855, and the penalties provided by this Act shall be recoverable under Section LV. of that Act.

A. G. MACPHERSON,
Secretary to Government of Bengal,
Legislative Department.

The following Act of the Lieutenant-Governor of Bengal in Council received the assent of His Excellency the Governor General on the 1st May 1862, and is hereby promulgated for general information :—

Act No. V. of 1862.

An Act to provide for the Periodical Survey of Steam Vessels in the Port of Calcutta.

Whereas it is desirable to provide for the survey, by competent surveyors, of steam vessels in the port of Calcutta, with a view to the due security of the lives of passengers and of property shipped on board such steam vessels; it is enacted as follows :—

Preamble.

I. Every steam vessel plying on the river Hooghly or on any of the

Certain steam vessels liable to be surveyed twice a year.

rivers or waters of Bengal, and every British steam vessel plying between Calcutta and any Indian port or ports shall be liable to be surveyed twice in every year, in the manner hereinafter prescribed.

II. It shall be lawful for the Lieutenant-Governor of Bengal to Government to appoint a fit and proper person, or fit and one or more surveyors. proper persons, to be a surveyor or surveyors for the purposes of this Act.

III. It shall be lawful for the said surveyors in the execution of their duties to go on board any steam vessel, liable to be surveyed under this Act, as soon as reasonably may be after the arrival of such steam vessel in the port of Calcutta, and not so as unnecessarily to hinder the loading or unloading of such steam vessel, or to detain or delay her from proceeding on any voyage or service, and to inspect such steam vessel or any part thereof, and any of the machinery, equipments, or articles on board thereof; and the owner, master, and officers serving on board of such vessel shall be bound to afford to the surveyors all reasonable facility for such inspection or survey, and to afford them all such information respecting such vessel and her machinery and equipments, or any part thereof respectively, as may be reasonably required by the surveyors; and any person who shall refuse access to the surveyors, or shall otherwise hinder them in the performance of their duty, or shall refuse or neglect to give any information which may reasonably be required of them, and which they have it in their power to give, shall be liable for each offence to a penalty of five hundred rupees, or to one month's imprisonment.

Penalty for hindering them in making the survey or withholding required information.

IV. When any survey is made under this Act, the Surveyors making such survey shall forthwith, if satisfied that they can with propriety do so, and on payment by the owner or master of the fees hereinafter mentioned, give to the owner or master of the steam vessel surveyed a certificate and declaration signed by them and framped as nearly as the circumstances of each case will admit in the form set forth in schedule A hereto annexed.

Surveyors to grant certificate and declaration when they can with propriety do so.

such survey shall forthwith, if satisfied that they can with propriety do so, and on payment by the owner or master of the fees

hereinafter mentioned, give to the owner or master of the steam vessel surveyed a certificate and declaration signed by them and framped as nearly as the circumstances of each case will admit in the form set forth in schedule A hereto annexed.

V. No officer of Customs shall grant a clearance, nor shall any pilot

be assigned, to any steam vessel liable to be surveyed under this Act, which shall not have been duly furnished with a certificate and declaration under the provisions of this Act applicable to the voyage on which she is about to proceed or the service on which she is about to be employed; and if any steam vessel, liable to be surveyed under this Act, shall leave or attempt to leave the port of Calcutta without such certificate and declaration applicable to the voyage on which she is about to proceed or the service on which she is about to be employed, the owner or master of such steam vessel shall be liable to a fine not exceeding one thousand rupees for each offence; and if there be any officer of Customs or any pilot on board of such steam vessel, he may detain her until she is duly furnished with such certificate and declaration.

VI. If the Commander or any other officer of a tug steamer or of

any other steam vessel, liable to be surveyed under this Act, is a licensed pilot, and shall leave or attempt to leave the port of Calcutta in such tug steamer or steam vessel without such tug steamer or steam vessel being duly furnished with a certificate and declaration under the provisions of this Act, applicable to the voyage on which she is about to proceed or the service on which she is about to be employed, such commander or other officer shall be liable to have his license as a pilot taken away from him entirely or suspended for any period by the Lieutenant-Governor of Bengal as the Lieutenant-Governor may see fit to order.

VII. It shall be lawful for the Lieutenant-Governor of Bengal to

give special directions to the surveyors under this Act for the survey by them of any British steamer lying in the port of Calcutta and plying between Calcutta and any port or ports whatever, and the provisions of this Act shall apply (so far as the same are in any way applicable) to every vessel so specially directed to be surveyed, and the owner, master, and officers thereof.

VIII. The Lieutenant-Governor of Bengal is hereby empowered to

frame rules as to the manner in which the surveys shall be made, and the times and places of such surveys, and the duties of the surveyors.

Government may make rules as to mode and time of conducting survey.

Provided that such rules shall not be inconsistent with the provisions of this Act.

IX. Any surveyor demanding or receiving directly or indirectly from

the owner, master, or officer, of any ship surveyors fees, &c., for making a survey.

Act, any fee or remuneration otherwise than as provided by this Act, shall be liable to dismissal, in addition to any other penalty to which he may by law be liable.

X. For every survey made under this Act the owner or master of the

steam vessel surveyed shall pay to the surveyors making the same a fee calculated on the tonnage of the vessel according to the rates in schedule B. hereto annexed.

XI. Each certificate and declaration granted by surveyors under this

Act shall be hung up, and remain at all times suspended, in some conspicuous part of the vessel for which the same is granted, where

the same may be easily read; and in default of compliance with this provision, every owner or master shall be liable to a penalty not exceeding one hundred rupees for each offence, such fine to be leviable by distraint or sale of personal property.

XII. No certificate or declaration shall be held to be in force for the

purposes of this Act after the expiration of six calendar months from the date thereof. Provided that, if any steam vessel is absent from the port of Calcutta when her certificate and declaration expire, no penalty shall be incurred for the want of a certificate and declaration, until she first begins to ply or is about to ply after her next subsequent return to the port of Calcutta. And

the Lieutenant Governor of Bengal, or any officer appointed by him for that purpose, may require any certificate and declaration which has expired or has been revoked or cancelled to be delivered up as may be directed; and any owner or master or other person who, without reasonable cause, neglects or refuses to comply with such requirement shall incur a penalty not exceeding one hundred rupees for each offence.

Provide in case of vessels absent from port when certificate expires.

Certificate to be in force only six months; and to be delivered up when expired or revoked.

XIII. The Lieutenant Governor of Bengal, or any officer appointed or authorized by him for that purpose, may revoke and cancel any certificate and declaration granted under this Act in any case in which he has reason to believe—

(1.) That the certificate and declaration of the sufficiency and good condition of the hull, equipments, and machinery of any steam vessel, or either of them, have been fraudulently or erroneously given or made: or

(2.) That such certificate and declaration have otherwise been issued upon false or erroneous information: or

(3.) That since the giving and making of such certificate and declaration the hull, equipments, or machinery of such ship have sustained any injury or are otherwise insufficient.

And in every such case the Lieutenant Governor of Bengal or such officer as last aforesaid may, if he thinks fit, require the owner or master to have such steam vessel again surveyed as herein provided.

XIV. If any steam vessel shall be surveyed under the provisions of this Act, and if the surveyors shall decline to give any certificate or declaration, or shall give a certificate or declaration with which the owner or master of the steam vessel shall be

dissatisfied, the Lieutenant-Governor of Bengal may, on the application of such owner or master, appoint two other competent surveyors to survey the said steam vessel. The surveyors so appointed shall forthwith survey the said steam vessel, and shall either decline to give any certificate and declaration or shall give such certificate and declaration as under the circumstances may seem to them proper. Every survey made under this section shall be made subject to all the provisions and rules both as to the payment of fees and otherwise which are applicable to surveys made in ordinary cases under this Act. If the surveyors appointed under this section unanimously refuse to give any certificate and declaration, or agree as to the terms of their certificate and declaration, such refusal or such certificate and declaration shall be final and conclusive; but if they do not agree, the refusal originally made or the certificate and declaration originally granted by the surveyors who surveyed the said steam vessel in the first instance, shall remain and be of full force and effect.

XV. Any case arising out of this Act may be tried by any officer having the full powers of a magistrate, within whose jurisdiction the offence may have been committed, or by any Police Magistrate of the Town of Calcutta. The provisions of section LV. of Act XXII. of 1855 (*for the regulation of ports and port-dues*) are hereby extended to all penalties imposed under this Act, and all fees due under section X. of this Act shall be recoverable in like manner as penalties are recoverable.

XVI. The word "surveyors," as used in this Act, shall be taken to include any surveyor acting alone when authorized so to do by the Lieutenant-Governor of Bengal under the provisions of this Act.

SCHEDULE A.

Form of Surveyors' Certificate and Declaration.

Name of Steam Vessel.	Tonnage.	When and where built and material.	Tower.	Description of engines and age.	Description of boilers and age.	Ground tackle.	Condition of hull.	General equipment.	Name of Master and number of Officers and deck-servants, and of engineers and firemen.	When and where last repaired, repaired, or cleaned.	Largest and most recent repairs which the vessel has undergone.	Time, if less than six months, for which the hull, boilers, engine, or other parts of the apparatus will be sufficient.	REMARKS.

We, the undersigned, declare that we have examined the above-named Steamer, and to the best of our judgment she and her engines, as shown in the above statement, are fully sufficient for the service on which it is intended to employ the said steamer, that is to say for (as the case may be.)

SCHEDULE B.

Rates of fees to be charged—(referred to in Section X.)

			Rs.	As.	P.
For steamers of less than 200 tons			20	0	0
" " 200 tons and up to 350...			25	0	0
" " 350 " " 700...			30	0	0
" " 700 " " 1,000...			40	0	0
" " 1,000 " " 1,500...			50	0	0
" " 1,500 " and upwards ...			60	0	0

A. G. MACPHERSON,

*Secy. to the Govt. of Bengal,**Legislative Department.*

APPENDIX M.

ELECTRIC TELEGRAPH.

No. 360.

FROM

W. GREY, ESQUIRE,

Secretary to the Govt. of India,

TO

H. W. I. WOOD, ESQUIRE,

*Secretary to Bengal Chamber of Commerce,**Dated Fort William, the 13th January, 1862.*

HOME DEPT.

Elec. Tel.

SIR,—I am directed to acknowledge the receipt of your letter dated the 14th of August last, replying to my communication No. 1168, dated the 12th of June.

2. The Chamber was requested in my letter of June to favor the Government with their general opinion as to the efficiency of the electric telegraph for commercial purposes, and to furnish a statement of the total number of messages sent or received during a given period by any firm or establishment connected with the Chamber, shewing what proportion of them were delivered with reasonable punctuality and correctness, and in what proportion any delay or error occurred so material as to detract from the commercial value of this means of communication. It was intimated also that the Government would be glad to receive any suggestions the Chamber might have to offer for the improvement of the telegraph.

3. The Chamber, it is presumed, has been unable to furnish the statement of messages which the Government asked for, as no such statement accompanied your letter, or has been received since.

4. The Committee of the Chamber, in reply to the request for their general opinion as to the efficiency of the telegraph department, state that they consider the department deficient in despatch and accuracy, though they add they can only speak practically as regards the latter. In support of their view on that point, extracts from the opinions of several leading merchants of Calcutta are submitted with your letter.

5. The Committee observe that they believe the unsatisfactory working of the department to be owing to "defective construction and bad organization," and they express an opinion that if the construction had been entrusted to persons conversant with the European system, and not to mere theorists, "the chief defects now evident would have been avoided." The defects of construction here alluded to are not specified in your letter. It is urged, however, and perhaps this is meant as an instance of defective construction, that neither correctness nor despatch can be expected when the means of transmission are limited to a single wire.

6. With regard to the organization of the department, the Committee comment on "the mistaken policy on the part of the Authorities who, for economical reasons, have thought proper to employ on low salaries as signallers and copyists persons chiefly natives and Eurasians, whose want of education and proper training renders them unfit for the appointments which they hold." The Committee add that they have also been informed that the Inspectors are not sufficiently numerous to keep up an efficient supervision of the lines.

7. Lastly the Committee state their opinion that "telegraphic communication in India would be worked more satisfactorily and profitably to the Government and the public, if it were entrusted to private enterprise, for which capital could readily be found in England."

8. Your letter and its enclosure, as well as the replies received from the Madras and Bombay Chambers of Commerce to a similar communication addressed to them by Government on the same date as that abovementioned to the Bengal Chamber of Commerce, have been communicated to the Director General of telegraphs, and that officer has furnished a report on the subject, a copy of which and of the replies received from the Chambers of Commerce at Madras and Bombay I am directed to transmit for the information of the Chamber, and at the same time to communicate the conclusions of the Governor General in Council on the several points discussed in the correspondence.

9. It has for some time been in contemplation to put up a second wire on the line between Calcutta and Bombay, but the Governor General in Council is quite prepared to sanction the construction of an independent telegraph on that line (which of all others presents the most likely prospect of a remunerative business) by a private Company if any persons are willing to undertake it. Six months, it is presumed, is sufficient time to allow for the formation of such a Company, and if within that time measures are seriously taken for effecting the object in view by private enterprise, the Government will abstain from putting up a second wire, and will promise not to compete with any private line in that direction by reducing below the present rates,—or below the rates adopted by the Company if they should be lower than the present rates,—the charge made on messages between Calcutta and Bombay, or between any two places at which offices connected with the private line may be established.

10. It must be understood, however, that the license to be granted for the erection of a private line of telegraph between Calcutta and Bombay would include a condition enabling the Government, whenever necessary, to claim priority of transmission for all public messages at the same rate of payment as that charged to the public generally. Subject to this condition, there would be no objection made by the Government to the construction of private lines of telegraph in any direction from one part of India to another.

11. The Governor General in Council is not prepared to make over to any private Company or individual any Government line of telegraph already existing or projected, because he thinks it of the greatest importance that at least one medium of telegraphic communication between all the most important places in India should be in the hands of the Government, and entirely under the control of its own officers. His Excellency in Council thinks too, advertising to the suggestion made by Colonel Douglas in the 11th paragraph of his letter, that it would be inconvenient to make over either the Hooghly or the Muttah river lines to a private Company, as these lines are chiefly occupied with messages relating to the business of the port. Should it be thought, however, that, exclusive of this business, there is sufficient correspondence to occupy a second line, there will of course be no objection to the construction of such a line by a private Company.

12. With regard to the employment of a different class of signallers on the Government lines, and especially with regard to the substitution of European for Eurasian and native agency, I am directed to call the attention of the Chamber to the remarks made by the Director General in paragraphs 3 to 6 of his letter, and to observe that, while it is impossible without reckless extravagance, and an entire disregard for the fair claims of all classes to public employment for which they are qualified to substitute Europeans for Eurasians and natives as signallers in all parts of the country, it is also certain that, for the mere business of signalling, natives of India are as apt as any other class, and that under proper supervision they perform the duty as well as Europeans. For the higher situations in the department, it has been and will continue to be the object of the Government to avail itself of European agency as far as possible, and the Director General will be authorized to employ trained European signallers in the principal offices, where the extent and nature of the business require the presence of men of higher education, and possessing other qualities in which, generally speaking, the natives of India are found to be deficient. Natives are largely employed as signallers in the railway telegraphs, and it is certain that no private Company could hope to make a line of electric telegraph in India profitable, as a commercial enterprise, if it were to employ European signallers exclusively, or even to any great extent.

13. The training of signallers in India, so as to secure a constant supply of qualified persons, is an object which has engaged the careful attention both of Colonel Douglas and his predecessor, and it is one of which the importance, I am instructed to state, will not at any time be lost sight of. It may be confidently expected that as the supply of qualified native probationers becomes fully equal to the great and increasing demand for their services, a result which the present rates of pay and prospects of promotion seem likely soon to accomplish, instances of inaccuracy and want of despatch, so far as they are attributable to defective agency, though impossible under any circumstances entirely to prevent, will be reduced to a minimum.

14. The Chamber will observe from the 3rd paragraph of Colonel Douglas's report that the absence of insulation of the wires is referred to as one of the difficulties to be contended with in India in the correct transmission of messages. The question of insulation, I am directed to

state, will be brought to a practical test as soon as the new insulators, now expected from England, arrive.

15. The Governor General in Council is desirous that it should be brought prominently to the notice of the Chamber that it is almost exclusively in the case of unreported messages that any cause of complaint arises, and that where repetition is resorted to mistakes do not occur. His Excellency in Council has now resolved, in accordance

* The errors which chiefly occur are in the numerals, such as sixteen, twenty, thirteen, thirty, owing to the sound and first three or four letters being similar. To obviate this, it is recommended that in all financial or money messages the sum be given in two forms, halving or doubling the amount, thus, "Pay to my order rupees 500 or half 1,000." When this is done, an error is of very rare occurrence.

with the suggestion made by the Madras Chamber of Commerce, to allow refunds on unreported messages on the same conditions as those on which refunds are given in the case of repeated messages, with the further proviso that no refund will be given for any error in an unreported message arising from wrong figures being given, unless the precaution advised in the 10th No. of the telegraph rules shall have been adopted.

16. With reference to the suggestion contained in the 9th paragraph of the Director General's letter, that the repetition charge should be reduced from 100 per cent. to 50 per cent. extra, I am to observe that this reduction has been already carried out, repetition being now charged for at half price only, or 50 per cent. extra. The Governor General in Council sees no sufficient reason for reducing the night charge, which is also suggested by Colonel Douglas in paragraph 9 of his report, this charge being made on a wholly different principle from that on which the repetition charge rests.

17. In modification of the proposal made by the Madras Chamber of Commerce, the date and hour of despatch from the Telegraph Office will in future be inserted on every message, free of expense to the sender, without any alteration in the present mode of charging for the address. The senders may still continue to date their messages if they please, but the sender's date, if inserted, will be charged for as at present.

18. On the whole, the Governor General in Council thinks it must be admitted by the Chamber that, considering the disadvantages under which the Indian Telegraph labors, especially the difficulty of obtaining a sufficient and constant supply of properly trained and qualified signallers, and the system of non-insulation which has been bequeathed to it

under a belief that insulation in India was practically unattainable, its general efficiency, as the Madras Chamber of Commerce observes, is favourable. Out of 240,451 messages conveyed in 1860-61 only one hundred and thirty-nine (189) were complained of as erroneous, a proportion which is '0575 per cent. or little more than $\frac{1}{2}$ per thousand; while of the commercial messages delivered in Bombay during April and May last 92 per cent. were received with reasonable punctuality and correctness, $5\frac{1}{2}$ per cent. with important errors or delays, and only 2½ per cent. so delayed or mutilated as to be useless. And the statement furnished from Madras of commercial messages received at and despatched from that place during August last is, it will be seen, even more favourable. The Governor General in Council by no means concludes that 139 represents the real number of messages in which mistakes occurred in 1860-61; but seeing that the rules of the department allow of refunds for repeated messages delivered in an unintelligible state, and for all messages in case of non-delivery or unjustifiable delay, it can hardly be denied that the proportion of complaints to the number of messages despatched does afford some criterion of the general efficiency of the department. The statements regarding the commercial messages delivered in Bombay during April and May, and those received at and despatched from Madras during August, I am to observe, are derived from the returns which the Bombay and Madras Chambers of Commerce have been good enough to furnish in compliance with the request contained in my circular letter of the 12th of June last, and the testimony which they afford therefore to the fair efficiency of the department cannot be doubted.

19. It is, however, freely and fully admitted by His Excellency in Council that there is great room for improvement, and that instances of messages delayed, mis-delivered, and inaccurately or unintelligibly rendered, are of much more frequent occurrence than they ought to be. The establishment has been recently re-organized and placed on a better footing as regards pay and promotion,* and the Government relies

upon Colonel Douglas and the higher officers of the department to use the utmost care and vigilance in preventing mistakes, to investigate thoroughly every complaint, to visit every instance of proved neglect with suitable punishment, and to endeavour

* Financial Resolution, dated 10th December 1861.

unremittingly to make the telegraph thoroughly efficient by promptly remedying such defects as can be corrected with the means at their disposal, and by suggesting to Government all other practicable measures required for the purpose.

I have the honor to be,

Sir,

Your most obedient servant,

W. GREY.

Secy. to the Govt. of India.

From Lieutenant-Colonel C. DOUGLAS, *Officiating Director General of Telegraphs in India*, to W. GREY, Esq., *Secretary to the Government of India*,—No. 2044, dated the 9th November 1861.

Replying to your No. 1800 of the 28th September last, forwarding copies of communications from the Chambers of Commerce at Calcutta, Madras, and Bombay, and requesting my opinion on the propositions contained in them for the general improvement of the department, and whether I consider there is any line which could, as an experimental measure, be conveniently entrusted to a private Company.

2. In the letter from the Calcutta Chamber there is no definite proposition made. The allusion to the indifferent working, which the Chamber anticipate will continue so long as a single wire is the only means of communication, points to the desirability of employing a greater number. I have already alluded to the advantages to be derived from a second line to Bombay in my No. 1526 of 12th September 1861, and the earliest opportunity will be taken, on the arrival of the new insulators, which it is understood are on their way from England, to report upon their efficiency or otherwise for insulating a double set of wires on the same supports in view to the sanction of Government being obtained to the employment of an additional wire on the Bombay line.

3. The Calcutta Chamber attribute the "gross errors which so frequently occur in the messages" to the employment of natives and Eurasians. From the evidence of the complaint office I do not consider that gross errors are frequent when compared with the number of messages transmitted, which during the past official year were 240,451 exclusive of those on departmental service. The complaints regarding

errors only, during the same period, were 139, and this, although any obstacles that may have been supposed by the public to exist to redress such matters may fairly be considered to have been removed since the establishment of the general complaint office in 1860, and which was in efficient operation during the entire period alluded to by the Chamber. In justice to the signallers I must remark that, in consequence of the absence of insulation, and the difficulties resulting from the great distances between contiguous offices, communication is sometimes only possible with signallers skilled to recognize a word from two or three of its letters, and in this way correspondence has frequently to be carried on during the rains. Of course this is only possible with the best signallers.

4. Among the complaints in the extract from the opinions of the leading merchants of Calcutta, brought prominently forward as examples, I notice that four refer to the changing of figures, and are as follows :—

Thirtieth	for	Thirteenth.
Hundreds	for	Thousands.
Five	for	Four.
One Thousand	for	Two thousand.

The liability of the telegraph to mistakes of this nature is pointed out in clause XVI. of the rules of the department, and the means suggested to lessen the risk of errors in this particular are laid down for the guidance of senders of messages, and where the recommendations there given have been acted upon, I have never known a single instance of error. The European public, although well aware that repetition is desirable for the correct transmission of numbers, persistently neglect the inexpensive insurance obtained by this method, or by giving the doubles or the halves, and I can only ascribe this to some such reason as that lately given to me by the manager of a local Bank in conversation with reference to an error in numbers which had caused loss and inconvenience. It was to this effect: that so few errors occurred in their unrepented messages that they did not think it worth their while to pay for repetition. The only remedy for this state of things is for the department, in justice to itself, to do what its customers decline doing, and to make it a rule that in all cases of proper names, numbers or words used in the abstract and without connection, and where no aid is consequently afforded by the context to the detection of error, that

repetition of such words be given by the department without charge. Some such rule is indispensable if the department is to be held responsible for the refund of all messages in which errors are made. The Chamber allude with reference to errors to the "mistaken policy" of employing natives and Eurasians. Without importing lads from England, Natives and Eurasians must be employed. The mass of our signallers are Eurasians, the sons of persons in humble circumstances, and doubtless many errors may be attributed to the limited education of these classes from which alone, as a rule, the signalling branch of the department has hitherto been recruited. Assuming that there is no intention of importing lads from England, I believe that a larger introduction of native signallers would be an advantage. The recent experience of the Barrackpore training school has shown that the natives, who have presented themselves for admittance into the department, possess, as a rule, a better knowledge of English than the class of Eurasians who usually seek employment in the telegraph; although the pay of the former on the scale lately introduced is only half that of the latter class, it has been found sufficient to obtain for the Barrackpore school all the native probationers that were required.

4. I consider the chief cause of error to be the youth of the mass of the signalling portion of the department, a consequence of the rapid extension of the lines, and perhaps to carelessness resulting from dissatisfaction on the part of those employed, and consequent frequent resignations. I attribute this feeling to the late short handed condition of the department which led to excessive work, and also to the knowledge of the signallers that, under such circumstances, their services could not be dispensed with. This knowledge led to insubordination and its natural result—dismissal. Another cause of error is doubtless that to which I have before alluded, viz. the defective education of the classes from which the signalling ranks are filled.

5. The number of lads that have been trained during the past season, by increasing the strength of the offices, has rendered it possible to dismiss insubordinate signallers, and as every signaller now dismissed is debarr'd by departmental orders from re-entering the department, there is now more hesitation in leaving than was formerly the case.

6. Something may, however, be attributed to the method of receiving messages by sound. Under circumstances otherwise similar, I am inclined to the opinion that receiving by sound admits of at least equal

accuracy to that of receiving by sight, but in the former, if a signaller mistakes a word or hesitates as to its meaning while thinking what word should be put down, several others immediately following, as well as the word on which the doubt arose, will escape his attention, and will be put down inaccurately rather than let the course of the message be interrupted, and this is especially the case when a junior and comparatively unskilled signaller is receiving from an impatient and smart senior. In receiving by sound it also frequently happens that the signaller, after receiving the first three or four letters, assumes the idea present in his mind as to what the word will be as correct, and neglects to notice any change in its termination. This is particularly the case with words ending in the plural number, and with such words as "battery," "repeated," "currency," which are liable to be changed into "battalion," "repeated," and "currently," and to any others with similar terminations. There was this great disadvantage in receiving by sight from the original Morse instrument, viz. that the signs were not colored as in ordinary writing, but were merely embossed impressions on plain white paper which were at no time very legible, and were frequently almost illegible either from the light being bad, or from its not falling in the required direction, or from the difficulties which the adjustment of the apparatus necessary for the production of clear indentations offered to signallers: nevertheless, even under these disadvantages the system of reading from the embossed tape does appear to have secured greater accuracy than receiving by ear, a result ascribable to the circumstance that under the former plan the receiver need not have the capacity of receiving as smartly as the transmitter that of sending, as the message, on being written down, could be read at leisure. The re-introduction of the system of reading by eye would, I consider, with the present instruments, be impracticable, as I feel convinced that the loud click of the apparatus would have the same effect on the signaller accustomed to receive by ear who attempted to copy from the tape, as that of a person speaking in the hearing of another writing. The introduction, however, of the new French instruments, the click of the armature of which is nearly inaudible, and by which the message is written down on paper in a black pigment, will, I have reason to hope, lead to greater accuracy than hitherto, and this the more so as our establishment is so very largely composed of recently admitted and half-trained lads with whom correct receiving by ear is still a matter of difficulty. It must not, however,

be supposed that by any system not purely and entirely mechanical error can be entirely avoided. At each station at which the message has of necessity to be repeated, whether it be received by eye or ear, it must be written down in ordinary characters on paper, and errors arise both in this writing down and in the reading of what is written by the signaller who has the duty of sending it on. A double line would materially contribute to reduce this class of error by permitting the exclusive use of one line for through messages only, thereby diminishing the number of repeating stations, and reducing the proportion of error from the causes just referred to.

7. The Madras Chamber make two propositions:—

1st.—"That the date and hour of despatch of a telegraphic message be included, if required, free of expense to the sender."

2nd.—"That in the case of messages delivered in an unintelligible shape, a refund be allowed even though the repeating charge may not have been paid."

8. The first proposition is already in force with regard to service messages, and I have for some time had a proposal in view to extend the arrangement to private messages by charging for every word in the address instead of only for certain words as at present, and giving the date free in every instance.

9. Regarding to the second proposal, I consider that the present repetition charge is heavy, and that both it and the night charge might be reduced, the former to 50 per cent., and the latter to 25 per cent. upon the ordinary message instead of 100 per cent. as they both are at present. If the Government desire, I will offer no objection to the proposal to give refunds for errors on unreported messages being experimentally introduced, limiting the refund to that portion of the message rendered unintelligible, and to cases in which it is clear that the portion has been rendered worthless by the error. This principle of partial refund on repetition messages has lately been introduced in consequence of its having been found that persons have not scrupled to claim refund for the whole value of a message in which a single word only had been erroneously transmitted. If the concession in the charge for repetition and night charge above suggested be approved, I think that the proposal to give refunds on other than repeated messages might, for the present, be held in abeyance.

10. The proposal of the Bombay Chamber has reference to the late

rauds in that Presidency. As the recent cases are the first which are known to have occurred since the establishment of the telegraph in 1855, it does not appear to me desirable to appoint "a secret Committee, under the guidance of an experienced officer trained in England," in view of bringing the real authors of these frauds to justice, more especially as they appear to be well-known, and a want of evidence alone prevented their being brought to trial at the time of Pictall and Allen's conviction.

11. With reference to the concluding paragraph of your letter, the Bengal Chamber are of opinion that "telegraphic communication in India would be worked more satisfactorily and profitably to the Government and the public if it was entrusted to private enterprise." In no part of the world, with the exception of England and America, are the lines of telegraph in private hands: and I do not consider that a mixed ownership of the system of lines on the continent of India would be at all satisfactory either to the proprietors or the public. There are already several lines of telegraph in private hands, I allude to those of the several railway Companies which have power to transmit private messages in all cases where the Government have no co-ordinate lines. Should however other private Companies desire to undertake telegraph management, there is no line which could be so conveniently made over to them as that connecting Calcutta with Rangoon and the local lines in that province. These lines connecting three very important places of commerce, Calcutta, Akyah, and Rangoon, with the advantages of possible extension to the port of Moulmein appear to hold out every prospect of being remunerative, and the fact of the telegraph lines in Pegu being very largely used in official correspondence, owing to the tardiness of postal communication, offers additional prospect of profit. Should the Government decide on such a transfer, I think it as well to mention that the offices are being weeded of unfit signallers, and provided with the best instruments, and I have little doubt but that by the end of the year both establishments, instruments, and lines will be in good order, and the business of the lines ready for immediate transfer to a private Company. I may add that a line on which I have been requested by the Bengal Government to report, viz. an extension of the Calcutta and South-Eastern railway telegraph from the port of the Muttah to the mouth of that river, might also, if decided on, be advantageously transferred to a private Company.

Of the lines and offices in India generally some (I may instance those hence to Bombay) are much more than self-supporting. There are others, however, which can expect no business except that derived from the Government. These are lines established for political objects only, such as that from Lahore to Peshawar. The value of the political services rendered by these lines may be considered by the Government as an equivalent for their cost, but no returns they are likely to yield at any early date would offer any encouragement to a private Company to be connected with them.

I assume that the reasons which might incline the Government to make over a portion of the lines to a private Company are that such an arrangement would secure a more honest and economical administration than it is in the power of the Government to command. I do not believe there are any grounds for expecting either result. The English telegraphs are not free from the imputation of dishonest trafficking with the news committed to them for transmission, and the history of English railways and other Joint Stock Associations, both in England and other countries, I think, proves that while business if within the compass of a single individual is as a rule much more economically conducted than it ever could be by Government, there is no reason for believing that where the extent of the business requires the resources of a Company for its management, its administration would, in any respect, be more efficient or more economical than if under the management of the Government.

From H. BROOKE, ESQUIRE, Secretary Bombay Chamber of Commerce, to W. GREY, ESQUIRE, Secretary to the Government of India, No. 151, dated Bombay, the 5th August, 1861.

By direction of the Committee of the Chamber of Commerce, I have the honor to acknowledge receipt of your letter No. 1176, dated 12th June, 1861, requesting a statement of the total number of messages sent or received by the Members of the Chamber through the electric telegraph during a given period, and desiring suggestions for the improvement of the establishment.

The Committee have circulated your letter to the Members, and

have received returns from twenty-five firms giving the following results:—

	Messages.
Received with reasonable punctuality and correctness...	274
With important errors or delays.....	16
Unintelligible or so delayed as to be rendered useless....	8

Total received between 1st April and 31st May ... 298

Since the above period the delays have been very considerable on most of the lines, but more particularly on that between Bombay and Calcutta, where messages have not unfrequently taken six to eight days in transmission, and in several instances nine or ten days.

It appears to the Committee that where the contents of the messages are of no value to others than the addressee, and where the construction of the message is simple and grammatical, there is but little ground for complaint; but it would seem that where the temptations to divulge the contents of important messages were considerable, and had been systematically brought to bear on the employés, their integrity was found to give way.

The Committee feel it difficult to suggest to Government a remedy for this state of things; but as complaints of similar delinquencies are not frequent in England, they would venture to suggest that the establishment of a secret Committee under the guidance of an experienced officer trained in England would probably have the effect of bringing to justice the real authors of these frauds. At the same time the Committee believe that an increased rate of salaries to the lower officials, with the prospect of rewards for exemplary conduct, would raise the general character of the establishment and greatly promote its efficiency.

A copy of the return by the Members is herewith forwarded for your information.

Number of Telegrams received by Indian Telegraphs during the two months from 1st April to 31st May by the following Firms:—
HOW DELIVERED.

Names of the Firms.	With reasonable punctuality and correctness.	With important errors or delays.	Unintelligible or so delayed as to be rendered useless.
Messrs. Ritchie Stewart & Co....	27	3	1
" William Nicol & Co....	20	None.	None.
" Robert Strong & Co....	11	"	"
" Wallace & Co.....	11	2	"
" W. & A. Graham & Co....	16	None.	3 Useless from delay, 1 Unintelligible, None.
" A. H. Huchke & Co....	10	1	"
" Lyon Brothers & Co....	6	1	"
" Finlay Scott & Co....	15	None.	"
" Lawrence & Co.....	11	"	"
" Leggat & Co.....	4	"	"
" Killick Nixon & Co....	2	"	"
" S. Barstall & Co....	6	1	1
" W. J. Morgan & Co....	5	None.	1
" Stearns Hobart & Co....	11	8	1
" Watson Bogle & Co....	164	16	8
" Alex. C. Brice & Co....	18	Since 15th May have been unusually great, probably caused by the monsoon.	May the delays have been unusually great, probably caused by the monsoon.
" Gray & Co.....	6	None.	None.
" Cardwell Parsons & Co....	4	"	"
" G. S. King & Co.	We receive but few messages, and so far as we ground for complaint.	and so far as we ground for complaint.	and so far as we ground for complaint.
" Volkart Brothers	33	Names several times misspelt.	None as far as we remember, but recently the delays have been great.
" Macindoe Rogers & Co....	5	None.	None.
" Campbell Mitchell & Co....	9	"	"
" Robinson & Co.....	35	All pretty correct.	"
P. & O. S. N. Company.....	A great number—no record kept.	None.	None.
Commercial Bank of India ...	Of the period enquired about we would not complain, but since the 30th April the delays have been very frequent; one message from Calcutta of the other they took nine days to come across.	we would not complain, but since the 30th April the delays have been very frequent; one message from Calcutta of the other they took nine days to come across.	we would not complain, but since the 30th April the delays have been very frequent; one message from Calcutta of the other they took nine days to come across.
Chartered Bank of India, Australia and China.....	Many—especially from Calcutta.	Three or four within last week.	Three or four within last week.
Agra and United Service Bank	No return.	None.	None.

From W. R. ARBUTHNOT, Esq., Chairman of the Madras Chamber of Commerce, to W. GREY, Esq., Secretary to the Government of India, dated Madras, the 7th August, 1861.

I have the honor, on behalf of the Madras Chamber of Commerce, to acknowledge the receipt of your letter of the 12th June, in which you apply to the Chamber for its opinion as to the general efficiency of the electric telegraph for commercial purposes, and you request that it will furnish a statement of the total number of messages sent or received during a given period, say from a week to a month previous to the date of your letter, by any firms or establishments connected with the Chamber, showing what proportion of them was delivered with reasonable punctuality and correctness, and in what proportion any delay or error occurred so material as to detract from the commercial value of this means of communication. You further state, by desire of His Excellency the Governor General in Council, that if the Chamber have any suggestions to offer for the improvement of the telegraph department, the Government will be glad to receive them.

I regret that I have been unable to procure the statistics for which you apply, the mercantile firms at this place not having anticipated the enquiry that has been instituted, and having kept therefore no separate record of the messages received and despatched by them. In the hope, however, that the information may still be useful, I have requested the members of the Chamber to record day by day their experience of the working of the department for the current month of August, which I hope to do myself the honor of forwarding to you early in September.

The opinion of the Madras Chamber upon the general efficiency of the electric telegraph for commercial purposes is on the whole favorable.

Messages are occasionally delivered in language more or less mutilated, and for the deciphering of which the context would of itself be insufficient without a pre-acquaintance on the part of the recipient with the subject matter. Errors, too, arising from evident inattention of the signallers, but which might be productive of serious consequences, such as the substitution of the word "hundred" for "thousand," "four" for "five," and *vice versa*, sometimes occur. Still, however, I have pleasure in repeating that, upon the whole, as far as I have been able to ascertain the views of the Madras Chamber, the department has given satisfaction, and in this Presidency we have had no complaints of the messages being tampered with. Of the irregularities that do occur I may confidently

state that a large preponderance would be found in the messages transmitted from Calcutta and Bombay, while the southern and south-western lines have been comparatively free from them. I have also grounds for believing that the messages sent from hence to Calcutta would be considerably more numerous than they are, were it not for a want of confidence which, to a certain extent, prevails in regard to the prompt receipt of the reply telegrams.

The frequent interruption of the north coast and Calcutta line has been felt to be one very serious drawback to its satisfactory working. On a late occasion the interruption extended over a period of a week, if not ten days, and this of necessity occasioned very great inconvenience.

Whatever may have been the causes, in times past, of such long continued interruptions, it is hoped that a remedy, prompt and effectual, may be applied.

Believing that the expediency of telegraph stations being opened at every important commercial port along the coast has been fully recognized, the Chamber would take this occasion to bring to the notice of the Government that Cuddalore, the chief station of one of the most important Collectories in this presidency, and through which the telegraph wires are already carried, is still deprived of the advantages referred to.

There are two other practical suggestions with which I will conclude. They are as follows:—

1stly.—That the date and hour of despatch of a telegraphic message be included, if required, free of expense to the sender.

2ndly.—That in the case of messages delivered in an unintelligible shape, a refund be allowed, even though the repeating charge may not have been paid. The public at present has no redress unless the higher charge has been levied, and the tendency of this arrangement is to make the signallers careless in the case of ordinary messages.

From W. R. ARBUTHNOT, Esq., Chairman, Chamber of Commerce, to W. GREY, Esq., Secretary to the Government of India, dated Madras, the 7th October, 1861.

With reference to my letter of the 7th August, I have now the honor to annex a return of telegraphic messages received and despatched during the month of August, as furnished to me by three establishments—two of them houses of business, the third a Joint Stock Bank.

Return of Telegraphic Messages.

Messages received in August	133
Of that number one message from Akra came to hand in an unintelligible shape and with figures altered and mutilated. Another from Rangoon was also scarcely intelligible, and two more contained trifling errors.	
Messages despatched	139
The fate of these messages is thus reported—	
Never delivered	2
Of which 1 was addressed to Kamptee and another to Tuticorin.	
Serious and unexplained delay	1
The above was a message despatched 30th August to Kamptee, but not delivered till 6th September.	
Unremarked upon and therefore presumed to have been duly delivered	
	136

No. 440.

FROM

W. GREY, Esquire,

Secy. to the Government of India.

TO

H. W. I. WOOD, Esquire,

*Secy. to the Bengal Chamber of Commerce.**Dated Fort William, the 23rd January, 1862.*HOME DEPT.
Elect. Tel.

Sir,—In continuation of my letter dated the 15th instant on the subject of the working of the telegraph, and with reference more particularly to the question of insulation referred to in the 14th and 18th paragraphs of the letter, I am directed to forward for the information of the Chamber of Commerce the accompanying extract of a communication from Colonel Douglas dated the 3rd ultimo.

I have the honor, to be,

Sir,

Your most obedient servant,

W. GREY,

Secy. to the Govt. of India.

Extract from a letter from LIEUT. COL. C. DOUGLAS, Officiating Director General of Telegraphs in India, dated 3rd December 1861.

I would wish to say a word here on the subject of imperfect communication and its causes. If imperfect communication is meant that owing either to the absence of insulation, or defective insulation, or to unfavourable weather, or in the case of lines well insulated to deposits of moisture on the insulating surfaces resulting from an excessively damp state of the atmosphere, a loss of the electric current occurs, and it is found impossible to send to the distant station a current of strength sufficient to effect the receiving instruments there with that certainty necessary for uninterrupted correspondence. In such cases, some of the dots and bars composing our letters, as it were, drop out and the word of which they form a part is rendered unintelligible, or it may occur that from the same cause a letter becomes split up into two—producing similar confusion.

From the above it will be seen that imperfect communication is not limited to uninsulated lines; it may occur, under certain circumstances of weather, with those lines that are provided with even the best known means of insulation. In densely populated countries where the distances between telegraph offices are short, this difficulty is overcome by employing large battery power, but over the enormous spans of the lines in India it is practically and theoretically demonstrable that no amount of battery power would be sufficient, under the circumstances I have mentioned, to force a current sufficiently strong for effectively working any instruments hitherto practically employed for telegraph purpose.

The following extracts from "Prescott's Theory and Practice of the Electric Telegraph," published in America in 1860, will illustrate the facts I have just stated.

Extract No. 1.—"Upon a long telegraphic circuit there is a constant tendency for the current upon the line to pass off into the earth; this passage of the current into the earth we call 'Escape.' There are no lines in the world, probably, certainly none in the United States, whose insulation is so perfect as not to be more or less affected by this escape. It is much greater during wet weather; but all lines are more or less affected at all times."

Extract No. 2.—"During very wet weather, however, unless the line be very well insulated, a great portion of the current escapes; and

" it sometimes happens that a battery of fifty cups of Grove can scarcely affect the armature of a sensitive electro-magnet at a distance of even one hundred miles, the remainder of the current escaping, a little at each pole, during this entire length of line.

Extract No. 3.—" It does not matter how perfect our apparatus is in other respects; if the insulation is defective, it is a constant source of annoyance, and causes, oftentimes, great loss of business. Much can be done by increasing the power of the batteries, and by distributing them along the line; still the disagreeable fact ought not to be withheld, that in rainy or foggy weather not one of our telegraph lines in this country is reliable, or, if they work at all, it is only from one short station to another and that with much difficulty. But this is also the case in England, France, Germany; in a word, in every country where the electric telegraph has been introduced."

Extract No. 4.—Our principal lines work very well during dry weather, or, when in fact scarcely any insulation, beyond the dry poles, is needed; but let a shower even come up, and all the wires are seriously affected by escape.

" It is not an unfrequent occurrence, during the rainy season, for all communication between the important cities of New York and Boston by the wires to be suspended, notwithstanding there are no less than eight direct lines extending between the two places."

The above extracts will, I doubt not, be considered as authorising the expectation that imperfect communication during severe rainy weather is a sufficient explanation of the bad working of our uninsulated Indian lines, which has been so frequently a cause of complaint during the past rainy season.

True Extract.

A. M. MONTIATH,
Under Secy. to the Govt. of India.

APPENDIX N.

PUBLIC HOLIDAYS.

No. 64.

Notification.—His Excellency the Governor General in Council has resolved that, in supersession of all former orders in respect to public holidays in Calcutta, the following days, and no others, shall be observed as close holidays in all the public offices, except the Courts of Law and the offices of the Department of Public Works, for which special arrangements exist.

New Year's Day	1
Sri Panchmi (February)	2
Good Friday and the day after	2
Chait Sankranti (April)	1
The Queen's Birthday (May)	1
Dusshera (May)	1
Jummo Ostomee (August)	1
Molalayah (September or October)	1
Doorgah and Luckhee Poojah (Sept. or Oct.) ..	12
Jaggolathree (November)	2
Christmas Day and two days before or after ..	3

Total number of close holidays in the year..... 27

E. DRUMMOND,
Offg. Secy. to the Govt. of India.

APPENDIX O.

THE OFFICE OF COLLECTOR OF CUSTOMS.

BENGAL CHAMBER OF COMMERCE.

Calcutta, 31st December 1861.

E. H. LUSHINGTON, Esq.,

Secretary to the Government of Bengal.

SIR,—The Committee of the Chamber of Commerce have received from the Calcutta Trades Association copy of a communication addressed by them to the Government of Bengal with reference to the appointment of Mr. Hamilton Hume as Officiating Assistant Collector of Customs, to which they take exception, as they do not consider Mr. Hume possesses the qualifications necessary for that office, his unfitness being aggravated by serious pecuniary embarrassments.

Not having the information upon which the Trades Association base their protest the Committee are unable to enter into a question with which they are but imperfectly acquainted; at the same time they are of opinion that the Association would not have advanced their objections without good grounds for doing so.

But it appears to the Committee that the representation now before them suggests the consideration of a much larger question than that which is immediately connected with the appointment against which the Association have ventured to protest, and they avail themselves of this as a fitting opportunity for referring to it.

The late President of this Chamber in his minute on Custom House administration, dated the 1st January 1861, recorded an opinion on the frequent changes that had taken place during the last five or six years in the office of Collector, and that if qualified officers could not be found within the covenanted service who would be prepared to join the Customs department on condition of promotion only within that department, it would be expedient to invite qualified parties out of the service to

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conduct this important branch of the public business. It was admitted by His Honor the Lieutenant Governor that the frequency of these appointments was an evil, unavoidable however to a certain extent in this country equally in private as in public offices; but the objections to the system of constant changes in the head of the Customs establishment were scarcely met; and the following statement goes far to support the supposition that these changes cannot have occurred without inconvenience both to the public and the department itself.

Statement showing the term of service of Collectors and Officiating Collectors of Customs at Calcutta for twenty years from December 1841 to December 1861.

J. I. Harvey.....	12th December '41 to 9th March '43.....	say	15 months.
E. Currie.....	10th March '43 to 20th December '44.....	.....	21 "
J. I. Harvey	4th January '45 to 10th August '46.....	.....	8 "
W. Bracken.....	20th August '46 to 18th June '47.....	.....	8 years.
S. Downing	10th June '47 to 6th January '48.....	.....	7 months
W. Bracken.....	6th January '48 to 28th March '49.....	.....	23 year.
A. R. Young.....	20th March '49 to 18th January '51.....	.....	21 months
G. D. Wilkins.....	10th January '51 to 7th August '52.....	.....	7 "
J. H. Young.....	10th August '52 to 31st May '53.....	.....	21 "
C. Chapman.....	10th Sept. '53 to 31st December '54.....	.....	27 "

So that irrespective of Mr. Bracken's first uninterrupted service of eight years, and his subsequent resumption of office for fifteen months previous to his retirement, there have been in the remaining ten years and nine months no less than eight appointments, re-appointments, and officiating appointments, incumbencies averaging a service of only sixteen months—an average which could be materially reduced if short acting appointments in consequence of short leave of absence were taken into account. Now, making every allowance for the inconveniences incidental to European service in this country, the foregoing statement exhibits instances of very brief employment which the Committee of the Chamber apprehend are seldom to be met with in any other establishment in Calcutta, public or private; and with every respect for the general abilities of the gentlemen who have been so employed, the Committee are of opinion that such frequent changes cannot contribute to that administrative efficiency which so responsible an office manifestly requires in those to whom the charge of it is committed. They submit that it should be the care of the Government to secure such efficiency by *permanency of service*, from which alone can the experience essential for its proper

performance be derived. Mr. Bracken's is a happy and forcible illustration of the great advantage to be thus gained both by the department over which he presided for so many years with great ability, and those who had business to transact with him; and to his long connection with the Customs Department both as Collector and Deputy Collector, he himself attributed the popular appreciation of his successful administration.

The Committee are aware that by the regulations which guide promotion in the covenanted service of Government officers are, as a rule, entitled by length of service to higher appointments with larger salaries, and it is but right that higher emolument should accompany promotion by seniority, due regard being had to qualification for such advancement; but this practice of the service involves an arrangement which appears to detract from its general propriety inasmuch as the pecuniary advantage gained by length of service can be secured only by transferring an officer to an appointment the duties of which may be totally foreign to those hitherto performed by him; and this system must of necessity more or less affect an officer's utility, for efficient in an appointment to which his undivided attention has been given, he is removed to some other situation carrying a higher salary, to which his standing in the service entitles him, but which he cannot draw unless he is transferred to the post which yields the better pay.

Inconvenience is inseparable from such a practice, and it can only be obviated by modifying it to the extent of permitting the permanent retention of an office accompanied by whatever salary the incumbent may be entitled to by the rules of the service.

The Committee respectfully submit this suggestion for the Lieutenant Governor's consideration, because they are of opinion that the efficiency of the head of the Customs Department would be largely promoted by his continuing in it during the whole of his service; and they take leave to refer His Honor to the notification of the Supreme Government of 26th March 1858, which introduced into the Financial Department the principle and practice which are now advocated with respect to the Customs establishment.

It is also submitted that the admission of a larger number of European assistants would be attended with advantage; and by the judicious selection of young men of respectability and good education, and who would be properly trained to the special business of the Custom House, the

Collector would always have a well qualified staff of assistants capable of conducting the duties of his office without having recourse to the plan of employing persons to perform them who have not the least practical acquaintance with the work set before them.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. I. WOOD,

Secretary.

No. 21(A).

FROM

H. BELL, Esq.,

Offg. Junior Secy. to the Govt. of Bengal,

TO

THE SECRETARY TO THE BENGAL CHAMBER

OF COMMERCE,

Fort William, the 15th January, 1862.

Mrs. Rev.,
Customs.

SIR,—I am directed to acknowledge the receipt of your letter dated the 31st ultimo, and in reply to forward, for the information of the Chamber of Commerce, a copy of a letter No. 201, dated the 12th idem, to the address of the Secretary to the Calcutta Trades Association, which will explain the circumstances under which Mr. H. Hume was appointed to fill a temporary vacancy in the Office of Assistant Collector of Customs.

2. With reference to the suggestion that the salary of the Collector of Customs should be regulated on a new system, framed for the purpose of securing a longer tenure of that particular office than has been usual heretofore, so far as that object can be secured by regulation, I am desired to say that the suggestion appears to be an excellent one, and the

Lieutenant-Governor will recommend its adoption to the Government of India, in the Financial Department, without whose sanction no changes of salary can be made by the Bengal Government.

I have the honor, to be,

Sir,

Your most obedient servant,

H. BELL,

Offg. Junior Secretary to the Government of Bengal.

No. 201.

FROM

J. D. GORDON, Esquire,

Junior Secy. to the Govt. of Bengal.

TO

THE SECRETARY CALCUTTA TRADES

ASSOCIATION.

Dated Darjeeling, 12th December 1861.

SIR,—The Lieutenant Governor has had under consideration your letter of the 29th November last, wherein you submit a protest, on behalf of the Calcutta Trades Association, against the appointment of Mr. Hamilton Hume, as Assistant Collector of Customs.

2. In reply I am instructed to state that the office in which Mr. Hume has been appointed to officiate temporarily, being the lowest of its class in the establishment of the Custom House, and subordinate to the Deputy Collector as well as to the Collector of Customs, must in its nature often be filled by a gentleman who has his official experience to acquire.

3. In this case the office had remained vacant for some time, but on the return of the busy season it was represented that the continuance of the vacancy was found to be inconvenient. The Collector of Customs could name no one for the post. Endeavours were made to procure the

services of some gentleman in commercial employment, but as the appointment was only temporary, and would terminate in about four months, these endeavours were unsuccessful.

4. The Lieutenant Governor was not aware of the circumstances mentioned in the 5th paragraph of your letter, when Mr. Hamilton Hume was appointed. The Board of Revenue will be desired to make such enquiries as they may think desirable, and to report, after ascertaining the particulars, whether the case is one which renders the re-consideration of the officiating appointment that has been made advisable.

I have the honor to be, &c.,

(Sd.) J. D. GORDON,

Junior Secy. to the Govt. of Bengal.

(True Copy.)

J. H. CASHMAN,

Offg. Register Bengal Secretariat.

BENGAL CHAMBER OF COMMERCE.

Calcutta, 23rd April 1862.

E. H. LUSHINGTON, Esq.,

Secretary to the Government of Bengal.

SIR,—With reference to the second paragraph of your letter No. 21 of the 15th January relative to the expediency of securing a longer tenure of the office of Collector of Customs than has hitherto been held, a suggestion which has met the approval of the Lieut.-Governor of Bengal, the Committee of the Chamber of Commerce will be glad to learn whether His Honor's recommendation of its adoption has received the sanction of the Government of India.

I have, &c.,

H. W. I. WOOD,

Secretary.

From

H. BELL, Esq.,

Under-Secretary to the Govt. of Bengal.

To

THE SECRETARY TO THE CHAMBER
OF COMMERCE.

Fort William, the 25th April, 1862.

Mrs. Rev.,
Customs.

SIR,—I am directed to acknowledge the receipt of your letter, dated 23rd instant, and in reply to state that the Government of India has sanctioned the recommendation of the late Lieutenant-Governor to regulate the salary of the Collector of Customs so as to secure a longer tenure of that particular office than has heretofore been practicable.

I have the honor to be,

Sir,

Your most obedient servant,

H. BELL,

Under-Secretary to the Government of Bengal.

APPENDIX P.

PURCHASE BY GOVERNMENT OF BILLS ON
LONDON.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 15th November 1861.

C. HUGH LUSHINGTON, Esq.,

Secretary to the Government of India.

Financial Department.

SIR,—I am desired by the Committee of the Chamber of Commerce to request you will have the goodness to submit this communication for the consideration of His Excellency the Governor General in Council.

It has frequently been their duty to discuss the financial operations of Government, and to express their own opinions and the views of the public at large upon the results of those measures; it is satisfactory to them to reflect that the representations of the Chamber of Commerce have not always been ineffectual: and they venture to address the Governor General in Council on this occasion in the hope that what they now advance will meet with his Lordship's concurrence and sanction.

The Committee have always understood it to be the practice of Government, whether in the Marine, Military, Commissariat, or any other Department of the State, that all requirements for the public service should be publicly notified, publicly tendered for, and publicly furnished: and there can be no question as to the propriety of such a practice. It therefore follows that any departure from so wholesome a rule is inexpedient and improper, unless justified upon the clearest grounds of necessity and advantage to the public service.

In the absence of any information which would enable the Chamber of Commerce at once to pronounce the recent purchase by the Financial Secretary of Bills on London, to the extent of some £120,000, a justifiable exception to that rule, they cannot but regard it as an irregularity.

the commission of which they much regret, and cannot too strongly deprecate.

The grounds on which they base their objection to that proceeding are sufficient, they submit, to warrant the expression of their hope that His Lordship in Council will be pleased to prohibit a repetition of it.

The course of exchange, sensitive at all times, has been deranged by a transaction of unusual magnitude, and its injurious consequences have been felt not alone in the transactions of the past week, but the apprehension that the requirements of Government have not yet been satisfied, and that further purchases will be made by the Financial Secretary has unsettled the exchange market, and rendered uncertain a most material element in the operations of both the European and native merchant.

The Committee respectfully submit that all the financial measures of Government should be made known to the public without reserve; that secret and private arrangements of the nature referred to should be strictly prohibited; and all dealings of every description conducted so as to satisfy public enquiry. To the commercial community especially it is a matter of importance that these requirements should be announced with reasonable notice, the object in view communicated, the precise amount defined, and the usual conditions of public tenders duly advertised.

The foregoing observations are made on the assumption that the appearance of the Financial Secretary in the local market as a purchaser of commercial bills is not inconsistent with the declaration of Government that it shall not occupy the position of a private capitalist nor interfere with private enterprise; but it is submitted that the act in question is at variance with His Excellency's Resolution of 20th February last, for a large amount of capital has been invested in a species of remittance the regulated value of which is an essential guide to private enterprise, which must of necessity be directly affected, if a disturbing element, as in the case under consideration, is suddenly and unexpectedly introduced into the ordinary channel of commercial operations; and it is the opinion of the Committee of the Chamber of Commerce that Government has, by the Financial Secretary's recent purchase, been placed in the position which it declares it should not occupy.

With this expression of their views on a subject which has largely engaged public attention, the Committee of the Chamber of Commerce

leave the matter in the hands of His Excellency in Council, in the firm belief that His Lordship will give it all due consideration.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. I. WOOD,

Secretary.

No. 14182.

FROM

THE SECRETARY TO THE GOVT. OF INDIA,

Financial Department.

TO

THE SECRETARY TO THE BENGAL

CHAMBER OF COMMERCE.

SIR,—I am directed to acknowledge the receipt of your letter dated the 15th ultimo, communicating the remarks of the Committee of the Chamber of Commerce, on the subject of the recent purchase by this Government of bills on London to the extent of £120,000.

2. In reply I am desired to observe that the expenditure in England of a large amount on account of the Government of India makes it evident, as shewn by the published budget, that remittances from India to England may be required.

3. The object of the Government must be to effect these remittances on the most advantageous terms for the public interest, and with the least possible derangement of commercial transactions; and they must be guided in these objects by the circumstances at the time, and decline to give any pledges as to the mode of remittance to be adopted in future.

4. At the same time His Excellency the Governor General in Council believes there may be some foundation in the representation of the Committee of the Chamber that, under existing circumstances, the remittance of any considerable sums could not be effected by bills from Calcutta without a greater disturbance of commercial transactions than by drafts from London on the treasury here. His Excellency in Council has accordingly given instructions to discontinue the purchase of bills in India, and has requested the Home Government to draw by monthly

instalments, spread over a considerable period, for such sums as may be necessary to replace the £1,000,000, which was sent from England in specie to meet the possible exigencies of the famine, and any further remittance that may be required.

I have the honor to be,

Sir,

Your most obedient servant,

C. HUGH LUSHINGTON,

Secy. to the Government of India.

COUNCIL CHAMBER,
The 11th December, 1861.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 13th December 1861.

C. HUGH LUSHINGTON, Esq.,

Secy. to the Government of India,

Financial Department.

SIR,—The Committee of the Chamber of Commerce desire me to acknowledge the receipt of your letter of the 11th instant, and to state that they learn with much satisfaction that His Excellency the Governor General in Council has directed the discontinuance of purchase of bills in India, and that the Home Government has been requested to draw on the Indian Treasury with the view to replace funds remitted to this country and for other financial purposes.

With reference however to the remark that Government decline to give any pledge as to the mode of remittance to be adopted in future I am instructed to observe that the Committee are not aware that their suggestions involved any pledge on the part of Government other than that of fullest publicity as regards their financial operations in this market.

I have the honor to be,

Sir,

Your most obedient servant,

H. W. I. WOOD,

Secretary.

APPENDIX Q.

POSTAL COMMUNICATION WITH EUROPE VIA BOMBAY.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY,

Marine Department,

Calcutta, March 18th, 1862.

H. W. I. WOOD, Esq.,

Secy. to the Bengal Chamber of Commerce.

DEAR SIR,—Being desirous of collecting, for the information of the managing directors of this Company, the general view entertained here of Mr. Riddell's scheme to make Bombay the postal terminus for all sea-borne Indian mails, the proposed period for carrying which into execution is now fast approaching, I shall feel much obliged by your giving me a short summary of the view in which the adoption of the scheme is in question at the period named by Mr. Riddell (November next) is regarded by the Chamber generally, and whether in their opinion, looking at the unfinished state of the railway works between Calcutta and the above port, the time has yet come for its operating to the advantage of the public on this side of India.

I shall further deem it a favor, if you let me have your reply in time to be forwarded by the mail of the 22nd instant.

I am,

Dear Sir,

Your's faithfully,

THOS. H. TRONSON,

Acting Superintendent.

BENGAL CHAMBER OF COMMERCE,

Calcutta, 14th April, 1862.

CAPT. T. H. TRONSON,

*Acting Superintendent of the Peninsular
and Oriental Steam Navigation Company.*

SIR,—In compliance with your request to be furnished with the views of the Chamber of Commerce regarding the adoption of the scheme submitted by the late Director General of the Post Office in India for making Bombay the postal terminus for all sea-borne Indian mails, I have now the pleasure to inform you that I duly circulated your letter to the members of the Chamber accompanied by Mr. Riddell's proposition and the opinion expressed by the Chamber in their letter of 16th November 1860, and to communicate the result of that reference.

In considering the question which that scheme involved the Committee of the Chamber in their reply to the Director General, copy of which is forwarded for your information, expressed their opinion that when the railways in course of construction were so far advanced as to admit of the mails being conveyed at all seasons of the year in five to six days between Bombay and Calcutta the mails should preferably be sent by that route instead of by the sea-route via Galle, but that until such advancement had been attained they strongly deprecated any change in the present system. The Committee therefore recommended the renewal of the contract with the Peninsular and Oriental Company for a limited period subject to such modifications as the advanced state of railway communication and efficiency of postal arrangements in this country would admit of.

In the views then submitted by the Chamber the members have again expressed their general concurrence, and after a lapse of 18 months they are still of opinion that the adoption of Mr. Riddell's proposal at the period named by him would be premature, and that the contract with the Peninsular and Oriental Company should be conditionally renewed, terminable on three months' notice from either the H. M.'s Government or the Company.

It should be borne in mind however that during the last year the postal service between Bombay and Calcutta has been considerably improved

and that the express portions of the mails have been received here in about a day and a half less time, on an average, than that taken for the direct deliveries by the contract packets; and this advantage by the Overland route will be increased by the beginning of next year when the entire line between Benares and Calcutta is expected to be open to public traffic. As each section of railway communication is completed—thus facilitating the transmission of mails between Bombay and Calcutta—the objections now held to the abandonment of the Galle route must gradually give way; and the completion of such communication will place the best exertions of the Peninsular and Oriental Company at so great a disadvantage that the public will of necessity advocate that route which brings them into so much earlier communication with Europe.

I am, &c.,

H. W. I. WOOD,

Secretary.

APPENDIX R.

Statement of the Funds of the Broyal Chamber of Commerce from 1st Nov. 1861 to 30th April 1862.

To Office Rent	900 0 0	
" Establishment	4,319 0 0	
" Charges General	2,122 6 0	
By Balance of 1st April 1861 —		
Cash in Bank of Bengal	2,058 2 2	
Government Paper	7,500 0 0	
" Subscriptions	7,995 0 0	
" Abolition Pet	128 0 0	
Interest for 3 months on 4% per for Rs. 7,500, less 1% commission	114 0 0	
28000 Rs. of Indian Currency from 1st November 1861 to 30th April 1862	1,435 6 6	
Report...	14,391 8 0	

By Balance of 1st April 1861 —

Cash in Bank of Bengal

Government Paper

" Subscriptions

" Abolition Pet

Interest for 3 months on 4% per for Rs. 7,500, less 1% commission

28000 Rs. of Indian Currency from 1st November 1861 to 30th April 1862

2,058 2 2

7,500 0 0

7,995 0 0

128 0 0

114 0 0

1,435 6 6

14,391 8 0

H. W. L. WOOD,
Secretary.

H. W. J. WOOD,
Secretary.

2000

Calcutta, }
20th April, 1802. }

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Statement of the Import and Export Tonnage of the Port of Calcutta from 1st January to 31st December 1861.

For the Month of	IMPORT.										EXPORT.									
	BRITISH.		AMERICAN.		FRENCH.		ALL OTHER FOREIGNS.		MONTHLY TOTAL.		BRITISH.		AMERICAN.		FRENCH.		ALL OTHER FOREIGNS.		MONTHLY TOTAL.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
January	50	34,183	8	7,257	6	3,011	3	1,135	67	45,586	56	41,043	18	15,510	7	3,098	9	4,531	90	64,492
February.....	42	33,472	10	9,324	3	1,970	...	...	55	44,766	48	37,029	10	9,294	5	2,272	4	1,657	67	51,522
March	61	41,605	14	10,552	10	4,468	2	640	87	66,905	43	55,400	12	11,792	8	5,515	...	...	63	48,707
April	54	37,790	8	6,417	6	2,742	3	1,190	71	48,148	38	30,029	10	8,631	4	2,161	...	...	52	40,831
May	26	26,045	8	6,300	6	2,684	1	294	51	35,321	43	32,719	9	7,202	6	5,124	3	1,108	61	41,355
June	30	25,675	12	9,319	12	6,231	1	564	64	41,989	42	33,740	11	7,522	5	2,047	1	591	59	44,906
July	46	32,817	14	13,703	17	7,097	1	315	78	56,982	45	33,392	8	6,470	14	6,487	...	...	67	46,358
August	58	42,562	22	18,970	16	7,449	5	1,694	101	76,478	47	36,631	7	6,208	21	9,081	...	...	75	51,630
September	73	50,410	11	5,430	9	4,232	5	3,169	98	66,241	38	31,085	13	12,448	18	8,403	2	440	71	52,412
October	91	60,065	8	6,291	7	3,578	8	2,287	114	62,321	44	35,554	17	13,257	6	3,710	...	...	69	52,621
November	84	50,525	6	5,101	14	6,414	8	4,221	112	66,564	58	42,030	11	10,105	11	4,901	4	2,323	84	50,769
December	41	28,133	4	3,686	5	2,918	2	1,008	52	35,665	62	47,814	9	6,669	9	4,670	...	...	80	50,162
Total.....	673	462,403	125	105,820	111	52,278	39	10,236	950	637,046	564	434,521	135	115,215	110	54,717	29	10,850	838	615,073

Statement of the Import and Export of Bullion and Specie, valued in Rupees, from 1st January to 31st December 1861.

etc.

Statement of the Import and Export of Ballion and Export, valued in Rupees, from 1st January to 31st December 1861.

	Great Britain.		France.		China.		United States of America.		Netherlands.		Prussia.		Russia.		Austria.		Sardinia.		Germany.	
	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.
For the Month of	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.	Import.	Export.
January	284,000	125,120	2,800	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
February	180,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
March	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
April	150,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
May	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
June	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
July	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
August	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
September	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
October	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
November	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
December	250,000	100,000	410,000	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Total	2,500,000	1,000,000	4,100,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000

Statement showing amount of Halls exported from Southampton to the East in the year 1801, Bank of England Returns, &c.

[illegible]

g2. Lanthan made of the 1st and 12th are v12. Number of the 11th and 12th by the 12th. Number of the 12th.

Q27 The Bank of England rates of discount were altered on the 7th January, 14th February, 15th March, 19th and 22nd April, 1952, 10th May, 1953, 11th and 15th June, 1953, 10th September, and 19th November.

Statement of Cash Balances in Government Treasuries in India for 1861-62.

	31st May '61.	30th June.	31st July.	31st August.	30th Sept.	31st October.	30th Nov.	31st Dec.	31st Jan. '62.	28th Feb.	31st March.	30th April.
Government of India.....	2,58,22,672	3,42,80,348	3,73,17,639	4,25,36,742	4,32,19,922	4,44,86,386	4,86,32,431	5,06,38,548	5,69,10,977	5,78,17,003	5,60,81,642	5,63,46,406
" Bengal.....	1,93,39,730	2,64,00,928	1,87,63,142	1,30,10,406	1,83,63,202	1,65,17,300	1,62,06,465	1,77,05,918	1,98,88,346	1,75,16,958	2,54,86,601	2,17,08,260
" N. W. Provinces.....	3,14,81,649	3,37,29,974	3,14,92,201	2,76,17,922	2,51,45,601	2,17,86,201	2,83,24,024	3,27,46,704	3,50,28,516	3,36,34,422	2,80,83,121	2,61,29,552
" Punjab.....	94,20,586	1,12,55,746	1,13,01,200	1,18,02,886	1,07,95,052	89,77,290	86,03,700	1,13,97,476	1,15,50,942	1,15,08,879	96,76,171	77,09,441
" Madras.....	2,50,67,996	2,63,37,130	2,39,32,447	2,03,64,569	1,76,15,846	1,57,95,839	1,62,22,678	1,86,00,668	2,23,03,421	2,49,05,291	2,80,84,077	2,92,75,214
" Bombay.....	3,66,67,806	4,01,02,327	3,9,2,55,534	3,69,57,012	3,46,80,834	3,51,19,998	3,64,16,214	3,96,48,800	4,06,69,724	3,68,12,086	2,75,39,884	2,97,09,581
" Central Provinces.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	52,97,426
" Decan.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	27,00,500
Total Rs.....	15,03,00,339	16,53,00,462	16,2,3,82,148	15,82,81,858	15,19,27,457	14,36,77,020	15,34,85,941	17,07,38,114	18,61,54,926	18,92,55,230	17,68,45,496	17,78,76,782

Statement of Receipts from Income Tax and Stamp Duty from 1st May 1861 to 30th April 1862.

	INCOME TAX.				STAMP DUTY.			
	1st May to 31st July 1861.	1st August to 31st October 1861.	1st Nov. to 31st January 1862.	1st Feb. to 30th April 1862.	1st May to 31st July 1861.	1st August to 31st October 1861.	1st Nov. to 31st January 1862.	1st Feb. to 30th April 1862.
Government of India,	3,68,812	3,35,807	2,80,042	3,17,960	.....	.....	.....	.....
" Bengal.....	20,49,806	14,39,726	11,22,166	17,29,199	18,08,076	11,62,969	24,31,126	13,69,286
" North West Provinces,	14,01,500	6,14,000	6,14,300	10,66,348	8,75,700	5,69,400	7,46,500	5,14,537
" Punjab.....	3,09,004	2,07,298	1,08,080	3,68,430	2,62,162	2,38,953	2,04,693	2,33,318
" Madras.....	8,44,339	5,41,309	4,10,556	6,20,568	7,34,786	5,56,503	12,30,275	5,16,094
" Bombay.....	15,78,054	7,46,986	5,68,467	10,41,270	8,75,688	6,17,052	9,82,278	5,70,668
Total, Rs.....	65,46,315	38,75,126	36,09,911	51,72,472	45,56,412	29,84,117	56,03,872	32,04,403
Average per mensem, Rs.....	21,82,105	12,91,709	12,01,304	17,24,158	15,18,804	9,94,700	18,67,957	10,68,134

MEMBERS OF THE CHAMBER OF COMMERCE.

Agabek, Joseph.	Johnson, T.
Anderson, W., Agent, Oriental Bank Corporation.	Kettner, Bullen and Co.
Apner and Co.	Kelly and Co.
Arzopati, Secchiari and Co.	Ker, Dods and Co.
Atkinson, Tilton and Co.	Lyall, Rennie and Co.
Balfour and Co.	Macdonell, Stewart and Co.
Barnhill, John and Co.	Macdonnell, Mackenzie and Co.
Brennan, H. E.	Macdonnell, Lyall and Co.
Camin, H. and Lamouroux.	Mackay and Co.
Carlihes, Neplews and Co.	MacLver, M. Actg. Manager Central Bank of Western India.
Clinker, D. B., Agent Commercial Bank of India.	MacLachlan, J. E.
Colvin, Cowie and Co.	Mair and Co.
Crooke, Home and Co.	May, Pickford and Co.
De Souza, Thos. and Co.	Morrin, W. and Co.
Dickinson Brothers and Co.	Mosley and Hurst.
Duff, Thos. Agent Borneo Company.	Ogle, John and Co.
Durrschmidt, Groh and Co.	Pence, Moore and Co.
Eglinton, R. L., Agent Chartered Bank of India.	Peck, Hellairs and Co.
Ernsthausen and Oesterley.	Pennington and Co.
Faring and Co.	Pennoller, G. and Co.'s Successors.
Elliot, John and Co.	Pietech, G. Manager Comptoir D'Escompte de Paris.
Ferguson, J. H.	Playfair, Dinwiddie and Co.
Fitzwilliam, W. S. The Honorable, Agent Chartered Mercantile Bank.	Potter and Co.
Forster, Rogers and Co.	Prentwich, B.
Forrester, Chas.	Parrier and Co.
Gillanders, Ashbthnot and Co.	Ralli Brothers.
Gibson and Co.	Ralli and Mavrojani.
Gladstone, Wylie and Co.	Ram Gopal Ghose and Co.
Gordon, Stuart and Co.	Robert and Charriol.
Grindley and Co.	Schiller and Co.
Grant, Smith and Co.	Schneider, J. P.
Herriot, John.	Schoene, Kilburn and Co.
Henderson and Co.	Shand, Fairlie and Co.
Henderson, George and Co.	Shan Chund Mitter.
Heron and Co.	Stewart, W. C. and Co.
Horne, Miller and Co.	Thomas, R. and Co.
Jardine, Skinner and Co.	Wattenbach, Heggiers and Co.
Jenkins, Deaman and Co.	Williamson, Brothers and Co.
	Whitney, Brothers and Co.
	Wiseman, Smead and Co.

NOT FUSILL MEMBERS.

Becher, Wm.,—Gowhaty, Assam.	Hay, J. O. and Co.,—Alyab.
Dewrell, H.,—Arkerwyck.	Honover Brothers,—Mizagore.
Cope, H. and Co.,—Unistur.	Kenny, J. T.,—Solemanabad.
Gale, John.,—Punjab.	Todd, Finlay & Co.,—Moolmein.
Hamilton, Brown & Co.,—Mizagore.	

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 of the Chamber shall be to watch over and protect the general interests of Commerce; to collect information on all matters of interest to the Mercantile Community; to use every means within its power for the removal of evils, the redress of grievances, and the promotion of the common good; to communicate with authorities and individual parties thereupon; to form a code of practice whereby the transaction of business may be simplified and facilitated; to receive references and to arbitrate between disputants, the decisions in such references being recorded for future guidance.
- Third.....* That it being highly desirable not to recognize any principle of exclusion, all persons engaged or interested in the Commerce or Shipping of Bengal, shall, upon payment of the Subscription and on signature of the Rules and Regulations, be admissible as Members in the manner hereinafter described.
- Fourth* That Candidates for admission, proposed and seconded by Members may be admitted provisionally as Members by the Committee, subject to confirmation at the next General Meeting.

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- Fifth.....* That voting by proxy, or by Members whose Subscriptions are in arrears, be not allowed.
- Sixth* 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 the Members of the Chamber.
- Seventh ...* 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; but that no change in the Rules of the Society can be considered except at a General Meeting at which the majority of the Members of the Chamber shall be present.
- Eighth* That the Subscription for individual Members of the Chamber be 10 Rupees per mensem, while those alone carrying on business under any style or firm do pay 16 Rupees per mensem.
- That the Subscription for Mofussil Members be two Gold Mohurs or 32 Rupees per annum.
- Ninth* That the business and funds of the Chamber shall be managed by a Committee of seven Members, consisting of a President and Vice-President and five Members, 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. Four to form a quorum; the Chairman, in cases of equality, having the casting vote.

Tenth..... That the Committee shall meet on such day of every week as it may fix as most convenient, for the purpose of transacting such business as may come within the limits of the objects of the Chamber, and that its proceedings be laid on the table open to the inspection of Members, subject to such Regulations as the Committee may deem expedient.

Eleventh... All annual elections of President, Vice-President, and Members of the Committee shall be determined by a majority of votes of Members, such votes being given in voting cards to be issued numbered and signed by the Secretary; and no voting card shall be received for such purpose unless so authenticated: and all vacancies created by the absence of the President, Vice-President, or any of the Members from the Presidency for two months, or by departure for Europe, or by death, shall be forthwith filled up, and the election determined by votes of Members to be taken as above in voting cards and declared by the Committee.

Twelfth.... That the Secretary be elected by the Committee; such election to be subject to confirmation at the next ensuing General Meeting.

Thirteenth. That the General Meetings of the Chamber be held from time to time as the Committee for the time being may deem necessary. That a Special General Meeting shall be called by the President, or, in his absence, by the Vice-President, or by his order on the requisition, of any five firms, Members of the Chamber,

to be held within five days subsequent to the receipt of such requisition.

Fourteenth. That all Proceedings of the Committee be subject to approval or otherwise of General Meetings duly convened.

Fifteenth... That strangers visiting the Presidency may be introduced as Honorary Members for two months by any Member of the Chamber inserting their names in a book to be kept for that purpose.

Sixteenth... That the Committee be empowered to make Bye-laws which shall not be of any force until approved of by a General Meeting.

Seventeenth. That an Annual Report of the Proceedings be prepared; and, after being approved of at a General Meeting, printed and circulated.

Eighteenth. That the above Rules be added to or altered only by a majority of Members of the Chamber.

Nineteenth. That the foregoing Rules be printed, and an authenticated copy, subscribed by each Member on admission, be kept as part of the records of the Chamber. That printed copies be forwarded to Members of the Chamber, to the Secretary to Government, and to such other parties or authorities as it may be desirable to make acquainted with the objects and Rules of the Association.

