

QUESTIONS RELATING TO TARIFF.

List of merchants designated by Foreign Representatives for consultation.

Country	Names of Merchants
Japan.	The Tokyo Chamber of Commerce. Mr. Okura.
France.	Mr. Reynaud. Mr. Dourille.
Austria.	None (as Mr. Zappe has undertaken to attend to the question in Austrian Interests.)
England.	Mr. Herbert Smith. Mr. Winstanley. Mr. J. R. Fraser. Mr. T. Thomas. Mr. E. Morriss. Mr. Townley. Mr. Groom. Mr. Dodds.
Italy.	Mr. Aymonin. Mr. Andreis.
Belgium.	Mr. Grunwald.
United States of America.	Mr. J. F. Mc Grath. Messrs. J. & T. Walsh. Messrs. E. R. & S. F. Smith. Mr. John Middleton. Messrs. Lindsley & Payne. Mr. J. R. Morse.

Country	Names of Merchants
Germany.	Mr. R. Reiff. Mr. Raspe. Mr. Bachr. Mr. Gesslien. Mr. Ruyter. Mr. Illies. Mr. Peltzer.
Russia.	In absence of Russian, Messrs. Walsh, Hall & Co. are suggested for consultation.
Netherlands, Sweden and Norway, Denmark.	Mr. Von Hemert. Messrs. Bernard and Wood. Mr. H. Grauert.
Spain.	Mr. Johnstone. Mr. Bernard.
Portugal.	Mr. da Fonseca.
Switzerland.	None (Swiss views having been communicated to Mr. Zappe.)

FIRST QUESTION.

Basis of Calculation of *Ad valorem* Duties.

(In view of the great number and length of letters adressed to the committee by the Merchants consulted, it was thought advisable to print only an analytic resumé and not the entire text of those documents.)

Nationality	Merchants consulted	A	B
		On actual cost of goods at place of purchase, production etc. plus cost of Insurance, Commission, Transportation etc. from such place to Port of discharge. (i. e. usual charges)	Or on market value of goods less import duty paid: values to be ascertained yearly by committee composed of R. R. from Customs and Chambers of Commerce.
Japan.	Tokyo Chamber of Commerce.	Object to Base A as inviting fraud in Invoices.	Prefer Base B and think a committee should draw up a table of average prices based on the prices of each period of twelve months.
	Mr. Okura.	Prefers Base A.	Base B difficult to apply.
France.	M. Reynaud.	Thinks base A alone admissible but exposed to various difficulties in regard to commission and other charges, some articles being sold free of commission and some "free on board." (Adds he would like to see Tariff to assist his judgement on question).	Base B he thinks impracticable on account of constant variation of many classes of goods e. g. arms, watches, jewelry, furniture etc.
	Mr. Douville.	Thinks either would produce same result, but Base A appears simplest; but protests against inclusion of Insurance, Commission, and other charges.	Base B would, he considers, be difficult to apply.
Austria.	Blank.	"	"
England.	English Firms.	Prefer Base A as most equitable and least likely to give rise to disputes with Customs.	Annual readjustment of values would, they consider, be cumbrous and give infinite trouble.

Nationality	Merchants consulted	A	B
Italy.	M. Aymonin.	Prefers Base A i. e. <i>on actual cost</i> (moins tout escompte) at place of origin, without taking account of usual charges.	
	E. Andreis.	Prefers Base A.	Base B would give rise to discussions.
United States of America.	Messrs Lindsley & Payne.	Think both objectionable, because very difficult to verify invoices, besides liable to complaints of undervaluation of imports, which are found so troublesome at New York.	But prefer B.
	Messrs. Walsh.		Are in favour of Base B stated as above, on following grounds: 1. Invoice values often not only necessarily faulty but also induce fraud. 2. System of checking costs, charges etc. by system of agents is too costly.
	Messrs. Middleton.	Prefers Base A as more in accordance with practice of other nations, and more easily ascertained than Base B.	Which is difficult to determine and liable to uncertainty.
Germany.	German Firms.	Prefers Base A i. e. on actual cost and usual charges, latter to be added at a uniform rate % on all classes, and Importers to have option of presenting invoices accordingly. They consider this only reliable and justifiable course.	Not on Base B, because, 1. No fixed market value to some goods. 2. Subject to variation for depression of Trade. 3. Subject to loss through exceptionally high values reigning in market on arrival. 4. Annual revision could hardly meet all these difficulties.
Russia.	Blank.	"	"
Netherlands, Norway, Sweden,	M. von Hemert.	Objects to Base A as invoice prices of goods imported often surpass market values and false invoices are often produced.	Prefers Base B but thinks market value of goods imported should be ascertained not only every twelve months but every week or fortnight by a Committee.

Nationality	Merchants consulted	A	B
and Denmark.	Mr. Grauert.	Prefers Base A; duties should be levied on the <i>actual cost</i> of the goods at place of purchase plus the usual charges at ports of destination.	Objects to Base B and considers it unadvisable to allow market values to govern the system of levying ad valorem duties.
Spain.	Mr. Johnstone.	Strongly in favour of Base A as proposed, although he thinks the practice has been hitherto to <i>exclude</i> insurance and other charges in Japan.	Base B he considers impracticable, and thinks Committee proposed could not make annual readjustment*, which would be satisfactory to Importers. (* Made 12 months ahead)
Portugal.	M. Da Fonseca.	Base A, on actual cost at place of origin, without usual charges which he considers would be an indirect tax on foreign insurance companies, commission agents, and shipping agents, <i>would do</i> , but he prefers B.	Base B preferable in view of depressed state of Trade. Market values for past 3 years to form a base of calculation, and these ascertained not merely by reference to committee suggested, but on information collected from general body of Foreign and Japanese merchants.
Switzerland.	Blank.	"	"

SECOND QUESTION.

Basis of duties on Textile Fabrics.

By weight or measure? ^B If by measure, would the lineal or square yard be preferable? ^B

REPLIES OF THE MERCHANTS.

Nationality	Merchants consulted	A	B
Japan.	The Tokyo Chamber of Commerce.	In favour of duties being levied on a double system, both according to weight and according to measurement.	Prefer square measurement.
	Mr. Okura.	Prefers standard of measure.	Square.
France.	Mr. Reynaud.	In favor of weight basis for cotton, wool and silk flatures, but of measure basis for fabrics and piece goods.	Prefers square yard from all points of view on ground, viz: of simplicity for Customs, of suppression of scale of widths, and of advantages of importing all widths and all classes on same terms.
	Mr. Dourille.	Prefers, with a sufficiently extended scale of duties, the standard of measure.	And prefers the square yard or metre to the lineal, as this basis would suppress width classification.
Austria	Blank.	"	"
England.	English Firms.	Advocate lineal measurement. Present system works well, but more classification of width desirable.	Basis of square yard unobjectionable, but has nothing specially to recommend it.
Italy.	M. Aymonin.	Advocates measures, not weight.	And thinks all duties on fabrics should be calculated on both square and lineal yard.
	M. Andreis.	In regard to textile fabrics cannot offer an opinion.	
United States of America.	Messrs Walsh.	Think duties should be calculated on both weight and measurement to prevent disturbance of Trade and inequity.	If on both, as they would desire, the standard of measure must be square.
	Middleton and Co.	Think duties on textile fabrics, if for revenue purposes only, should be calculated on both weight and measurement, and also	On the square yard as more equitable and accurate.

Nationality	Merchants consulted	A	B
Germany.	German Firms.	Deprecate weight basis, because 1. Difficult to establish scale approximating present arrangement, which works well. 2. liable to anomalies from great variety of qualities of similar weight.	Advocate present lineal yard basis, because 1. It has proved good in practice. 2. Present imperfections may be remedied by better system of classification of widths. 3. Although square yard basis more equitable, it would probably lead to great difficulties with Customs and loss of time in passing goods.
	Russia.	Blank.	(Vide views of Messrs, Walsh under U. S. A.)
Netherlands, Sweden, Norway, & Denmark.	M. von Hemert.	In favour of weight basis as it will tend to induce a better quality of goods being imported.	
	M. Grauert.	Thinks it undesirable to calculate duties on Textile Fabrics by weight.	Strongly advocates the adherence to the present system of charging duty by lineal measurement.
Spain.	Mr. Johnstone.	Advocates assessment for duty on Lineal measurement and Weight combined; with addition of consideration of Quality and counting of the threads under a Manchester Web glass.	
Portugal.	Mr. Da Fonseca.	Advocates both systems usually, and in some cases neither; but only quality or description of goods.	Considers lineal basis as usually most simple and practicable, but that of weight sometimes most recommendable.
Switzerland.	Blank.	"	"