

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.

73

Press

Mis.

145-46

Dated

11-1-1870

12

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
11th January 1870.*

No. 145. Read the following Proceedings of the Board of Revenue, dated 28th October 1869, No. 8,007.

Read the following papers :—

From the Acting Collector of Sea-Customs, to the Acting Secretary to the Board of Revenue, dated Madras, 7th September 1869, No. 919.

I HAVE the honour to request the early orders of the Board on the subject of the levy of Export-duty on Europe goods.

2. From the wording of the present Tariff, it would appear that foreign imported goods are liable, in many instances, to Export-duty as "other sorts," thus "foreign cotton goods," "foreign leather," and "foreign oil" are liable, under the concluding clauses of Articles 7, 8, and 4, respectively, to an *ad valorem* Export-duty of three per cent., but it has hitherto been the practice to admit their export free.

3. This is in accordance with the instructions laid down at page 60 of the "Custom-house Manual," where it is said that "free export is allowed to all imported goods on the attestation of the Appraiser that they are not *"country goods."*

4. Under the Export Tariffs enacted by XI. of 1862, and XXV. of 1865, the last Article ran—"All country articles not enumerated above," so that the practice was then correct; but the Export Schedule of Act No. XVII. of 1867 contains no restriction, and the wording of the articles before alluded to is as follows :—

Cotton goods—

All other kinds of cotton goods.

Hides and Skins tanned—

Any other sorts of hides and skins.

Oils—

Other sorts.

5. This seems to necessitate the levy of Export-duty on English imported cotton goods, leather, and oils, and from the wording of Section 137 of the Consolidated Customs Act, it is clear that cases were contemplated in which goods liable to import would be charged export when exported.

6. The Consolidated Customs Act does not, it may be observed, recognize or define the term *country* goods, but it defines *foreign* goods as "those not produced in British India," and it may be presumed that by the term *country*, the converse of foreign is implied.

7. The Tariff has been republished by the Financial Department with their Order of the 19th March 1869, No. 1,770, with the remark that all alterations and orders in favour of trade are embodied therein, and there is no exemption therein of foreign goods from Export-duty.

8. An Order of the Government of India, dated 30th January 1869, No. 760, circulated in Board's Proceedings, dated 1st March, exempts Europe Twist and Europe Piece-goods, *country dyed*, which would seem to imply that if not *country dyed*, they are taxable.

9. I need scarcely say that the matter is one of great importance here, as the Madras Foreign Cotton goods market is used as an entrepôt from which Pondicherry is supplied weekly with Piece-goods and Twist for her inland contraband trade into British territory, seven-eighths of the Import-duty being refunded thereon by way of drawback. The levy of an Export-duty of three per cent. *ad valorem* would

seriously impede that trade which would then be driven to rely almost exclusively on direct importations by which it would be impossible to meet the varying demands of the market in the manner in which it is now done by recourse to the immense stocks in Madras, literally in a few hours by telegraph and coasting steamers.

10. The value of goods thus exported since 1st April 1869 is Rupees 68,261.

11. Should the Board be of opinion that Export-duty is leviable, I will at once issue a Circular to the Commercial community, informing them that the clause of the Manual already quoted has been rescinded, and that in future, duty will be levied on articles coming under the Tariff designations as "other sorts," without reference to whether they are *country* or not.

Telegram from L. REID, Esq., Commissioner of Customs, to the Acting Secretary to the Board of Revenue, dated 14th September 1869:—

Copy of petition posted. Foreign cotton goods are exempt from duty when re-exported.

No. 3,428 of 1869.

BOMBAY, 14th September 1869.

True copy forwarded through post.

(Signed) L. REID,
Commissioner of Customs.

ENCLOSURE No. 1.—Petition and Correspondence.

In this letter, the Acting Collector of Sea Customs brings under discussion the state of the law as regards levy of duty on foreign goods re-exported.

2. Under the old Tariff, these goods were exported free under the restrictive wording of the last article,

"All *country* articles not enumerated above."

3. The Export Schedule attached to Act No. XVII. of 1867, contains no such restriction, the wording under various heads being as under:

"Cotton Goods—

All other kinds of cotton goods.

Hides and Skins tanned—

Any other sort of hides and skins.

Oils—

Other sorts."

4. Under the old Customs Acts the principle observed was that goods which had paid Import-duty should *ipso facto* be exempted from Export-duty, and it may be argued that it was not the intention of the Legislature, by the wording of the clauses above quoted, which closed the lists enumerating various *country* articles to render *foreign* goods liable to an Export-duty. On the other hand, however is the very explicit declaration of the Consolidated Customs Act, Section 137 that "articles on which, though they be not *country* articles, an Export-duty is

"chargeable by law, shall not, on re-exportation, be entitled to claim exemption from such Export-duty by reason of their having paid duty on importation."

5. The Board would strongly deprecate any policy which would tend to fetter the growth of a *bona fide* export-trade in foreign goods *over seas*, but as Government are aware there is an enormous trade of this description to Pondicherry, the goods so re-exported obtaining a refund of seven-eighths of the Import-duty, and being, under the present practice, exported from Madras, and imported into Pondicherry free. The Collector of Sea Customs remarks that "the Madras Cotton Goods market is used as an entrepôt from which Pondicherry is supplied weekly with Piece-goods and Twist for her inland contraband trade into British territory, seven-eighths of the Import-duty being refunded. The levy of an Export-duty of three per cent. *ad valorem* would seriously impede that trade which would then be driven to rely almost exclusively on direct importations, by which it would be impossible to meet the varying demands of the market in the manner in which they are now met by recourse to the immense stocks in Madras, literally in a few hours by telegraph and coasting steamer. The value of goods thus exported from 1st April 1869 to 1st September is Rupees 68,261."

6. The Board have obtained copies of the correspondence on which the orders of the Supreme Government were passed under date 30th January 1869, No. 766, and think it right to direct attention to the difference in the two cases. The foreign goods dyed in Bombay were *bona fide* exported across seas to the coast of Africa and Persian Gulf, and their identity having been changed, they not only paid Export-duty, but obtained no drawback.

7. In fact this latter point was put forward by the Commissioner as an argument in favour of exempting them from export, as he showed that a positive loss of revenue might ensue consequent on the export of the goods undyed on drawback. The practice, moreover, operated to extinguish an industry in every way deserving of encouragement.

8. In regard to the foreign goods exported to Pondicherry, these arguments do not apply. The Board are of opinion that if, as it appears, the law requires the levy of an export on these goods, it should be enforced in respect to such goods exported to foreign territory on the coast of this Presidency, and that a declaration should be made allowing free export of foreign goods *bona fide* exported over seas. A minor advantage would be secured by this practice, viz., a large reduction of charges under the head of Refunds and Drawbacks, a head of charge which occasions much embarrassment, owing to the difficulty of applying to it either estimate or control.

No. 146. ORDER THEREON, 11th January 1870, No. 73.

Seperate Revenue, No. 9.

Customs.

In the foregoing Proceedings the Board of Revenue raise the question whether, under the existing law, certain foreign goods are liable to duty when exported. It seems from the telegram received from the Bombay Commissioner of Customs that the export of such goods from Bombay is duty free, and the Government take a different view of the letter from the Government of India printed

Cost. of 1870; 3000000.

REVISED

THE BOARD OF REVENUE

Deborah, M.A.

2100-2

6.7.01

G. O. 11th January 1870, No. 73.

STUDY

105-145-146

Foreign Goods re-exported.—Passing orders on the question of levying Customs-duty, pending the decision of the Government of India.

2. Under these circumstances, the Government resolve to refer the question for the orders of the Government of India, the existing practice of exempting such goods from export duty being, in the meantime, maintained.

3. With advertence to paragraphs 5 and 8 of the Board's Proceedings, the Government desire to have a report upon the extent to which the privilege of Drawback has been taken advantage of since its proposed abolition was under discussion in 1859 (Board's letter to Government, 14th November 1859, No. 4,675), and the grounds on which it is supposed that it is largely taken advantage of for the purpose of defrauding the revenue by contraband trade over the Pondicherry frontier.

(True Extract.)

(Signed) R. A. DALYELL,

Acting Secretary to Government.

To the Board of Revenue.

Exd. T. O'Connor.

His Excellency The Right Honble
Sir James Wesley Fitzgerald
K. C. B. & C. I. Governor
and President in Council
Bombay

The humble Petitioners of
the Undersigned Merchants
of Bombay.

Most humbly & respectfully sheweth.

Having been aggrieved at the
ruling recently made by the Council
of Customs of Bombay, 3 percent duty
on European Beer, Goods and Transit
Country Goods, your Excellency's
Petitioners beg most respectfully
to lay before your Excellency in
Council, the following circum-
stances, ardently hoping that
your Excellency will be graciously
pleased to give them due con-
sideration and grant the redress
herein sought for.

2. Previous to the passing of the
Customs Act XVII of 1857, duty was
levied

levied only on the value of dye @
3 percent on the exportation of European
Cotton Piece goods and Twist Country
dye. This practice was continued
even after the passing of the said
Act. But since 2^d November last
it has been ruled by the Commissioner
of Customs that duty should be im-
posed at 3 percent ad valorem on
the above goods considering them
as coming under "other cotton goods"
entered in Schedule B of Act IV of 1854.

Your Excellency's Petitioners
submitted a Petition to the Council
on the 18th November last requesting
him to reconsider the merits of
the aforesaid ruling but they
(Petitioners) are sorry to say that
he declined doing so as will be
seen from his reply hereto annexed.

The aforesaid ruling of the
Commissioner is based upon the
Calcutta practice. But your Excellency's
Petitioners beg to state that at Calcutta
the trade of European Piece goods and
Twist Country dye is very insignificant
because the above goods are exported

5
to no other place than to Arabian
Gulf and Persian Gulf and the
African Coast. These places being
at a great distance from Calcutta
the Merchants of that Port have not
those facilities in carrying on the
trade of the said goods which the
Bombay Merchants have. Hence
the ruling patiently borne by the
Merchants of one place whose
interests are not so much at stake
should be made generally applicable
is, your Excellency's Petitioners beg
to submit diametrically opposite to
law and justice.

Your Excellency's Petitioners
in order to bring to your Excellency's notice
the injurious effects of the Commissioner's
ruling above adverted to beg to state
that the annual exports of European
Cotton Piece goods and Twist Country
dye amount at an average to Rs.
28 lacs of which the value of dye
amounts to four lacs and the duty
upon this latter item @ 3 percent
amounts to about Rs. 12000 " " while
according to the present ruling of
the Commissioner, the duty will

now be levied on the said amount
of 28 lacs which would amount to Rs.
84,000.

From the above it will be seen
that your Excellency's petitioners
are obliged to pay seven fold. It
is highly opposed to the principles
of the law which stands as yet un-
repealed and which strictly forbids
the imposition of Export duty upon
an article which has once paid
duty on its import. Besides the
said proceeding is no less against
the fair intentions which Government
had in view at the time of passing
the modification of the 12th August
1855 which though repealed in
practice by the passing of Act XVII
of 1857 ^{is in} theory still to be considered
in full force.

Vide para 2 Report
forming Committee Dec. 16/68

In the year 1864 when the
old tariff was in force the question
of levying duty @ 3 percent upon
the full value of Europe Cotton
Piece goods and Twist Country dyed
was mooted by the then Acting
Deputy Commissioner, when Mr.

Inverarity

Inverarity, the late Commissioner
of Customs, referred the matter for
the opinion of the Chamber of
Commerce and upon obtaining
their opinion has decided against
the measure as will be seen from
the copies of the correspondence
herewith attached.

The reason ascribed by the
present Commissioner for the levy
of 3 percent duty on the full value
of Europe Piece goods and Twist
Country dyed is that their originality
is destroyed after they are dyed.
But your Excellency's petitioners
beg to state that in the year 1864 when
the then Acting Deputy Commissioner
recommended to levy duty on the full
value of the said goods by describing
similar reason Mr. Inverarity
upon obtaining the opinion of the
Chamber of Commerce has decided
to the following effect - That it would
not be expedient to institute the
course recommended by the Acting
Deputy Commissioner and that that
hitherto adopted should be continued.

Yours

Your Excellency's Petitioners beg further to state that, according to the Export Tariff, all dyeing and colouring materials are free on export except Indigo, and, as almost all country dyed Piece goods, and Twist are indigo dyed it will be consistent with the provisions of Act XVII of 1854 to levy duty upon the quantity of Indigo used for dyeing.

Lastly your Excellency's Petitioners beg to state that in order to avoid the injurious effects which the Commissioners' ruling alluded to in the foregoing paragraphs, has proved to produce upon their (Petitioners') interest the only course left to them is to re-export European Cotton Piece goods and Twist without dyeing in this country, and to claim drawback, a course detrimental to the Revenue of Government.

Under the circumstances above described your Excellency's Petitioners most humbly and respectfully crave that your Excellency in Council with wonted benevolence and justice will consider the merits of their case and pass an order to levy duty upon the quantity

quantity of Indigo used for dyeing - a course quite in unison with Act XIII of 1864 and with the spirit of the Notification of the 12th August 1855 which was founded upon the principles of justice and equity. For this act of kindness your Excellency's Petitioners as in duty bound shall ever pray.

Bombay (Signed) Rewayer Crooverer
4th August 1868
and forty (40) others

No 4613 of 1868

Revenue Department
Bombay Castle
8th December 1868

Forwarded to the Commis-
sioner of Customs Bombay
for report - (to be written below)

Per J. R. S. Mylne
As Under Secy to Govt.

(Commis' Report on the
above copy of which
is annexed.)
203941 of 16 Dec/68

N^o 2923 of 1864

To,

The Secretary
Chamber of Commerce
Colon, 16 Nov 1864.

Sir

I have the honour to forward
for the opinion of the Chamber the
accompanying copy of a Memorandum
which has been prepared
in this office.

2. The several descriptions
of cloth generally selected for
being dyed are largely manu-
factured in Bombay and are
procurable at more favorable
rates than cloths of the same
description imported from
Europe.

3. The practice at present
is

is to levy export duty on the dye
only which may amount to
25 per cent of the value of the
cloth in its original state.

4 As it is often impossible
to distinguish English from
Country goods after they have
been dyed it is proposed in all
doubtful cases to levy full duty
on the value of the article, i. e.
dye and cloth included.

5 Before issuing the order
however I shall be glad to
know if the Chamber have any
objections to urge against it

November 16/64 J. G. Inverarity
Commissioner of Customs

Memorandum

The Deputy Commissioner
of Customs is aware that it is the practice
of this Department the exportation of English
Piece goods country dyed to charge duty only
on the enhanced value of the goods acquired
by the dye, the value of the cloth itself not
being assessed with export duty. But as
Shirtings and T. cloths are now manufac-
tured in the country, it is impossible in
respect to several descriptions of these
clashes of goods, to distinguish the nature of
the cloth whether English or country made
after it has been dyed. In several in-
stances after making a careful scrutiny
of the cloth the respectability of the exporter
has also been taken into account in ad-
mitting the descriptions given of the cloth.
But as there is a very insidious duty to
perform, I beg to recommend that a general
order be issued to charge duty upon the
full value of the following descriptions
of piece goods when exported in a dyed
state.

State without distinction as to their being
English or country cloth -

1	32	Inches	I. Cloth	24	yards	5 1/2	lbs
2	32	—	Do	—	24	yards	6
3	30	—	Do	—	24	Do	6
4	35	Inches	I. Cloth	36	Do	—	8
5	40	Do	—	Do	—	36	Do — 9
6	44	Do	—	Do	—	36	Do — 10
7	40	Do	—	Do	—	36	Do — 9 1/2
8	40	Do	Domestic	—	72	Do	— 24
9	27	Do	I. Cloth	—	24	Do	— 6
10	26	Do	—	Do	—	24	Do — 4
11	28	Do	—	Do	—	24	Do — 5

A few specimens of the above
cloths which I have been able
to procure I herewith submit
for inspection -

Export Inspecting Dept. D. R. B. Krishna
Asst. Commis. for
14th October 1864

1/16/1

Bombay Chamber of Commerce
Bombay 23rd November 1864

N^o 161 of 1864

To George Inverarity, Esquire
Commissioner of Customs
Salt & Opium
Bombay

Sir

I have the honor to acknowledge
the receipt of your letter N^o 2923 dated
16th Instant together with copy of a
Memorandum from an Assistant
Commissioner of Customs in the
Export Inspecting Department
proposing to issue an order for
levying full export duty on dyed
cloth of English and Bombay
manufacture indiscriminately in
consequence of the difficulty of
distinguishing between them and
asking for the opinion of the
Chamber on the proposed order.

2 In reply I am instructed
by the Committee of the Chamber
to state that the order which you

propose

proposed in the case in question is in the opinion of the Committee highly objectionable: it would be a great injustice to the importers of English Manufactured cloths who have to pay a heavy duty on their importation - to subject the cloths again to a fresh duty on their re-exportation merely because of their undergoing a change when they pass into the hands of purchasers.

3 Such a proceeding would in some measure be a reversion to the principles of the short sighted policy of the Government of India in 1859, when it suddenly and without warning doubled the import duty on English manufactured cloth: a policy which in its effects was doubly mischievous, by calling into existence manufactures in India - that have been reared under the fostering influence of protective duties, and checking the most valuable and important part of the Indian Import Trade to such an

extent -

extent that it has barely yet recovered -

4 The order moreover if issued would be in direct opposition to the views which now fortunately prevail in the Chief Council of India in reference to the true principles of Commerce - which Sir Charles Trevelyan happily announced in his budget speech of this year - when he said - "if we desire to relieve the trade of India, and to give free scope to its further extension, we should give all possible encouragement to her imports."

5 In view of what has been said the statement made in the 2nd para of your letter - that the "descriptions of cloth generally selected for being dyed are largely manufactured in Bombay and are procurable at more favorable rates than cloth of the same description imported from Europe" ought to be considered a conclusive argument against the proposition.

6 The Committee cannot but consider the reasons put forward by the Customs Authorities for the

the alteration they propose in their present system in reference to the class of Exports in question as most inadequate.

7 No doubt cases will occur in which there may be difficulty in protecting the revenue without doing injustice to individuals but in regard to such doubtful cases - the respectability of the Exporter together with a certificate from the Importer might be found sufficient to meet all the requirements of the Customs Authorities.

8 The Committee would further suggest in protection of the interest of the public revenue that the dyers of English made cloth should be furnished with some means of proving the identity of the cloth after dyeing - as for instance by having affixed by a Custom House Officer to each piece of grey cloth a small leaden medal with an impression on it which would not interfere with the dyeing process.

9 In conclusion I am to state that while the Committee do not profess to be able to point out the best way in which the difficulty which your Department finds in this matter can be obviated - they yet believe that with some trouble no doubt it may be got over but in any case they must protest against a solution of the matter in the manner of the resolution proposed in your letter under acknowledgment.

I have &c
J. Taylor
Secretary

No 3085 of 1864.
To

The Deputy Commr. of Customs & Excise
Sir,

In acknowledging the receipt of the Acting Deputy Commissioner's Memo. of the 5th ultimo with enclosure recommending full export duty to be levied upon dyed shirtings and T. Cloths in consequence of the difficulty of distinguishing between the European and Country Manufacture, I have the honor to forward for your information copy of the Opinion of the Chamber of Commerce upon the subject.

2. There is much to be said on both sides, but there is no doubt that it would be highly oppressive to tax English Piece Goods which had already paid duty upon importation with a further duty upon exportation - while it would be practically impossible to enforce the checks suggested in the 8th para. of the Chamber's letter which would require the opening at the Custom House of every bale of piece goods banded for the purpose of attaching the leaden medal -

a proceeding and delay which would be greatly objected to by importers generally, not to speak of the labour it would involve upon the Customs House Establishment.

3. There is one point however which seems to me to recommend the maintenance of the existing practice, although it has not been noticed either by the Assistant Commissioner or the Chamber. If the piece goods here not exported in a dyed state, many of them would doubtless be still exported in their original form when they might claim drawback of Customs duty. By having been dyed they become removed from the drawback list and there is no doubt the saving of revenue thus obtained must more than cover the loss if any caused by dyed Country goods being passed free of duty upon the cloth, under fraudulent description. Moreover dyed English cloths upon re-export are theoretically entitled to drawback of duty upon the original article, although in practice they do not obtain it from the impossibility of identifying them in their altered state as required by Law.

4. I am of opinion therefore that it would not

not be expedient to institute the course recommended by the Acting Deputy Commissioner and that that hitherto adopted should be continued - there being no objections to complete proof or certificates being required in doubtful cases from exporters of bad character who have before defrauded the Customs and to duty upon the full article being required from such on failure to produce satisfactory proof.

5. Copy of this letter should be supplied to Mr. Rasmussen Valerius.

Revenue Office of
Comr. of Customs
2^d December 1864.

I leave the honor to be
Sd. Geo. Inverarity
Comr. of Customs.

No 3086 of 1864
Bumley 2^d December 1864

Extract (first four
pages) of the foregoing forwarded
for the information of the
Chamber of Commerce Bumley
with reference to the
letter No 161 dated 28th ultimo
Sd. Geo. Inverarity
Comr. of Customs

Statement showing the Amount of duty levied on Country dyed British Piece goods According to the law of dye since 1859/60 to 1863/64.

	Original value of Piece goods including that of dye.	Value of dye for duty.	Amount of duty.
1859/60	2825859.	812740	24382.
1860/61	3043167.	680571.	20117.
1861/62	2423352.	494261.	14828.
1862/63	2490563.	264733.	7942.
1863/64	3088271.	1185548.	14566.

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Report on Government Endorsement No. 4613 dated 8th December 1868 Revenue Department.

No. 3941 of 1868

Revenue Department

Bombay, office of Comptroller of Customs. 16th December 1868

Report

A question having arisen as to whether the old practice of levying duty on Foreign Piece goods country dyed with the dye on Exportation at 3 per cent on the value of the dye was in accordance with the present Tariff and whether the same practice was to be continued and it was found to be contrary to the provisions of the new Export Tariff and the undersigned observed as follows:-

"3. Indigo itself in its raw state under the new Tariff pays a duty of 3 Rupees per maund on Export:-

"4. Piece goods of the other sorts that are not particularly specified in the export Tariff under the head of Cotton goods

"liable to 3 per cent duty on the market
value."

3 Country Piece goods Indigo dyed would
"come under this head. They would therefore
"be liable on export only to 3 per cent
"on their market value which would
"include the value of the cloth and the
"dye."

6 Europe or other Foreign Piece goods Indi-
go dyed should be free on export as they
have already paid duty on import and
the Export Tariff does not provide for
"separating the value of the cloth and its
"dye and to charge duty on the latter.
"If it did, there would still be a mistake
"that the duty now levied is at 3 per cent
"on the value of the dye instead of at
"3 Rupees per maund."

2 Meanwhile a letter was received from
the collector of customs at Bunnacheer enqui-
ring whether the abolition of the 12th
August 1855 was still in force in respect
to Europe Twist and Europe Piece goods
country.

Country dyed on exportation to a foreign
Port to which the following reply was
given.

"With reference to your letter of
"1205 of the 23rd September last
"I have the honour to inform you
"that in the Bombay Custom House
"the former practice has been
"erroneously continued up to the
"present date of calculating
"value of the dye on Europe
"Twist and Europe Piece goods.
"Country dyed in accordance
"with the Government Resolu-
"tion dated 12th August 1855
"and charging a rate of 3
"Per cent duty. The rate of
"duty on Indigo by the recent
"Tariff is Rupees 3 per maund."

"Now it would be easy to find the
"quantity of Indigo used by the
"Calcutta value; thus 100 lbs
"weight of goods = 25 Rupees worth
"of dye. If 25 Rupees can pur-
"chase half a maund of Indigo
"the duty on 100 lbs weight of goods
"would be Rupees 3 per maund
" $1\frac{25}{100} \times 3 = 12$ Rupees -

2 But as the power of the local
"Government to fix with sanction
"under Section 179 of the conso-
"lidated customs Act, the value
"of the ad valorem articles has
"been rescinded by Section
"III of Act XVII of 1867 and the
"Notification dated 12th August
"1855 has also become in op-
"eration by the repeal of Act I
"of

of 1852 on which it was based
"I hold that under the present
"Tariff, Europe Turst and Europe
"Piece goods country dyed come
"in the category of all other
"Cotton goods under the heading
"Cotton goods in the export
"Tariff and are liable to a
"duty of 3 per cent ad valorem
"and should be assessed for
"value in accordance with
"Section 180 of the Customs Act.
3 This is in conformity to
"Calcutta Practice by which foreign
"fabrics dyed in this country
"or are otherwise similarly
"treated so as to destroy their
"originality

"Originality such goods are
"deemed to be country goods

"and subject to Export duty

"as such" as per Collector

of Customs letter No. 857 dated
15th July last.

A This being the case a
standing order was issued
for the guidance of the Customs
House officers. The present
is an appeal against this
order -

D. L. Reid

Commissioner of Customs

No. 117

Customs.

No. 117.

REVENUE DEPARTMENT.

Bombay Castle, 11th January 1869.

Petition from Revagur Coovergur and others, Merchants of Bombay, dated 7th December 1868—Appealing against the order of the Customs Department under which Europe twist and Europe piece-goods country dyed are held liable to a duty of 3 per cent. *ad valorem*.

Report by the Commissioner of Customs, Salt and Opium, No. 3941, dated 16th December 1868.

RESOLUTION.—The point at issue in this case is whether Europe piece-goods which have already paid duty on importation should, when re-exported in a dyed state, be subject to the full amount of duty leviable on cotton goods on exportation, or whether drawback should not be allowed, and the value of the dye alone taxed.

2. The Commissioner of Customs has issued an order declaring that these goods are liable to the full amount of export duty.

3. His Excellency the Governor in Council does not consider this ruling a correct one. It may in point of practice be very difficult to identify Europe piece-goods which have been subjected to the process of dying, and to distinguish them from goods manufactured in India. But the burthen of proof rests on the exporter (Section CXXXVII of the Customs Act), and Government are of opinion that an indiscriminate order, such as the Commissioner has issued in this case, cannot be upheld.

4. If the petitioners are able to prove that their goods are really of foreign manufacture, and have already paid import duty, then they are entitled to the drawback allowed them by law, and the export duty should be levied only on the dye, if the quantity per maund can be calculated (Schedule B, No. 1, of Act XVII of 1867). Claimants of this description should at the time of importation be afforded every facility to enable them afterwards to establish the identity of their goods.

5. As the views expressed in this Resolution are, it would seem, opposed to the practice prevailing in Calcutta, the question will be referred to the Government of India. Effect should, nevertheless, be given to them pending the receipt of a reply; and the petitioners should be so informed.

F. S. CHAPMAN,
Chief Secretary to Government.

To
The COMMISSIONER of CUSTOMS, SALT and OPIUM.

Note.—Petitioners have been referred to the Commissioner of Customs for a reply.

3 The standard which is, after all, only guess work, and open to dispute, has been drawn out from reliable information as could be obtained from Merchants and Dyers, and if Government approve of it, the same will be adopted as the rule in future.

I have the honor to be, &c

(Signed) L. Reid

Commissioners of Customs

Three copies

Wilhelmstrasse

Acc to Census of 1871

W. J. L. 11/10/69

I want the
 law to follow
 the
 principle of
 justice
 and
 the
 law
 to be
 the
 basis of
 the
 system

Rev. Dept

No. 73-20
Proceedings of the Madras Government
Under date the 11th Jan 1870 1869

Read the following
Proc^s of the Bd of Revenue.

Subm^g with remarks
letter from Comm^r of Sea Customs
requesting orders as to whether
duty should be levied on foreign
goods re-exported.

20th Oct. 1869 A. 8007

A. A.

In the foregoing
Proceedings the Bd of
Revenue raise the question
whether under the existing
law, certain foreign goods
are liable to duty when
exported. It seems from
the Telegram received
from the Bombay Com-
missioner of Customs
that

that the export of such goods from Bombay is duty free, and the Govt take a different view of the letter from the Govt of India printed in the Govt order under date 17th Feb'y 1869 A-408, from that adopted by the Ag Collector of Sea Customs. His Excellency in Council gathers from this letter that it is the opinion of the Govt of India that no European or European Free goods should be held liable to export duty.

2. Under these circumstances, the Govt resolved to refer the question for the orders of the Govt of India, the existing practice of exempting

exempting such goods from export duty being, in the meantime, maintained.

3. With a reference to paras 580 of the Board's Pro^s, the Govt desire to have a report upon the extent to which the privilege of drawback has been taken advantage of since its proposed abolition was under discussion in 1859 (Bd's letter to Govt 15th Nov 1859 A-4673) and the grounds on which it is supposed that it is largely taken advantage of for the purpose of defrauding the revenue by contraband trade over the Pondicherry frontier.

14 To the Secy of Revenue Dept 1862.

S. M. Hall

