

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1010	<u>Press</u> Mis.
65-66	
Dated	8. 5 - 1861.

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
8th May 1861.*

No. 65. Read the following letter from W. GREY, Esq., Secretary to the Government of India (Home Department), to W. S. SETON-KARR, Esq., Secretary to the Government of Bengal, dated Fort William, 16th April 1861, No. 731 :—

SIR,

1. I am directed to forward the accompanying copy of a letter* from the Chamber of Commerce received direct from the Board of Revenue, requesting an amendment of the Customs Law as to the mode in which articles not classed in the Tariff should be valued for assessment of duty : and to state for the information of the Lieutenant Governor, that the Governor General in Council is of opinion that the request contained in the concluding paragraph of the Chamber's letter should be complied with, and instructions issued to the Collector of Customs that, pending the passing of a new Customs Act, he is to permit the valuations for duty of goods not specifically rated to be arrived at in the manner adopted by the Customs Commission and approved of by Government, that is to say, that duty shall be assessed upon the value of the goods in bond, ascertained in the manner described in paragraph 10 of the Committee's report, and not upon the duty paid value.

2. In regard to the proposal of the Board that when goods are taken on account of Government in consequence of under-valuation, the duty shall not be levied from the importer, as it is doubtful whether the Law as it stands will admit of this, I am directed to request that the Collector may be instructed not to take over goods on account of Government unless there is reason to believe that they are fraudulently under-valued, and that when no fraud is apparent, the importer may be permitted to amend his valuation.

P. S.—Since the above letter was drafted the communications from the Government of Bengal, noted in the margin, have been received, the first enclosing copy of the Board's letter above referred to.

No. 111A, dated 11th March.
No. 153A, dated 30th March.

No. 763.

Copy of this letter and of its enclosure forwarded for information and guidance to the Government of Fort Saint George.

Copy of this letter and of its enclosure forwarded to the Financial Department.

(Signed) W. GREY,

Secretary to the Govt. of India.

From H. W. J. WOOD, Esq., Secretary to the Bengal Chamber of Commerce, to H. L. DAMPIER, Esq., Officiating Secretary to the Board of Revenue, dated Calcutta, 20th November 1860.

SIR,

1. I am directed by the Committee of the Chamber of Commerce to address you with reference to the Report of the Customs Commission which has recently been approved of, and published for general information by the Government of India.

2. In the 10th paragraph of that report the Customs Commission explain the principles by which they have been guided in fixing the valuations of goods tariffed at specific rates. Briefly, that principle is that the duty shall be charged on the *net cash value* of the goods in bond at the time of importation.

3. But whilst this equitable principle has been applied to goods tariffed at specific rates, and is now as regards those goods actually in operation, no provision, I am instructed to point

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out, has yet been made for the application of the same principle to goods, which not being classed, are liable to duty *ad valorem*. Regulation VI of 1833, which is yet in force, provides:—

1st.—That imported goods (not classed) shall pay duty according to the market value at the place and time of importation; and 2nd, that when goods are taken over by the Collector for account of Government on the ground of assumed under-valuation duties shall be levied thereon from the Consignees.

In other words, whilst tariffed goods are now avowedly assessed for duty at their net cash value only, goods not tariffed are liable to duty on their gross market value (i. e., inclusive of duty and trade discount); or if the importer ventures himself to apply to his untariffed goods, the principle which the Customs Commission have applied to his tariffed goods he incurs the risk of the Collector taking them over at such net valuation, and then demanding from him the duty to which by this regulation they are liable.

4. The Committee feel assured that this anomaly has only to be brought to the notice of Government to be at once corrected. They have reason indeed to believe that the Customs Commission have already decided on recommending the necessary amendment on the Customs Act; but as some delay may take place before their recommendations come under the consideration of Government, and as inconvenience may arise from the present state of the Law, the Committee of the Chamber trust that instructions may be at once issued to the Collector that, pending the passing of the new Act, to permit the valuations for duty of goods not specifically rated to be arrived at in the manner adopted by the Customs Commission and approved of by the Government of India.

(True Copy.)

(Signed) H. U. BROWNE,
Under Secy. to the Govt. of India.

No. 66. ORDER THEREON, 8th May 1861, No. 1,010.

Ordered to be communicated to the Board of Revenue for their information and guidance.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

FROM

W. GREY, ESQUIRE,
Secy. to the Govt. of India,

TO

W. S. SETON-KARR, ESQUIRE,
Secy. to the Govt. of Bengal,

SIR,

Dated Fort William, the 16th April, 1861.

HONORABLE

I AM directed to forward the accompanying copy of a letter* from the Chamber of Commerce received direct from the Board of Revenue, requesting an amendment of the Customs Law as to the mode in which articles not classed in the Tariff should be valued for assessment of duty: and to state for the information of the Lieutenant Governor, that the Governor General in Council is of opinion that the request contained in the concluding paragraph of the Chamber's letter should be complied with, and instructions issued to the Collector of Customs that, pending the passing of a new Customs Act, he is to permit the valuations for duty of goods not specifically rated to be arrived at in the manner adopted by the Customs Commission and approved of by Government, that is to say, that duty shall be assessed upon the value of the goods in bond, ascertained in the manner described in paragraph 10 of the Committee's report, and not upon the duty paid value.

2. In regard to the proposal of the Board that when goods are taken on account of Government in consequence of undervaluation, the duty shall not be levied from the importer, as it is doubtful whether the Law as it stands will admit of this, I am directed to request that the Collector may be instructed not to take over goods on account of Government unless there is reason to believe that they are fraudulently undervalued, and that when no fraud is apparent, the importer may be permitted to amend his valuation.

I have the honor to be,

SIR,

Your most obedient servant,

W. Grey

Secy. to the Govt. of India.

P. S.—Since the above letter was drafted the communications from the Government of Bengal noted on the margin have been received, the first enclosing copy of the Board's letter above referred to.

Copy of this letter and of its enclosure forwarded for information and guidance to the Government of Fort St. George.

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W. Grey
Secy. to the Govt. of India.

