

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1930	Press ~~Mis.~~
76-77	
Dated 5 - 10 - 1861.	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
5th October 1861.*

No. 76. Read the following Proceedings of the Board of Revenue, dated 16th September 1861, No. 5,036:—

Read the following Proceedings of Government, dated 12th September 1861, No. 1,815.
(In Cons. 13th September 1861, No. 5,864.)

1. Ordered to be forwarded with copy of the Advocate General's opinion, to the Acting Collector of Sea Customs, who will submit his proposals for giving effect to the instructions of Government without delay.

2. The Board, however, consider that Mr. Smith's opinion proceeds throughout on an erroneous assumption.

3. Goods are not lodged in the Government Bonded Warehouse for the *profit* of Government, but for the advantage and convenience of the importer, who is thereby enabled to wait for a favorable turn in the market without going to the expense of paying the duty, but eventually selling his goods in bond, the purchaser paying the duty, or else, the importer can re-export his goods to a better market, saving seven-eighths of the original import duty.

4. No doubt this convenience to the merchant benefits trade, and thus indirectly benefits the Government Revenues from Customs, but it cannot be said that Government "is the bailee for hire, for its own profit," of the goods in the custody of the Bonded Warehouse-keeper, or that it is in the same position as when for hire, it undertakes to convey goods by banghy from one part of the country to another, with the avowed object of raising a revenue. No such object could be assigned for the establishment of the Bonded Warehouse, and the distinction is, in the Board's opinion, of such importance, and the responsibility to which Government under Mr. Smith's opinion is exposed is so serious, that they resolve to submit to Government the advisability of requesting the Advocate General to re-consider his opinion on the question.

5. Should he see reason to abide by it, it will be matter for consideration whether it is advisable to maintain the Government Warehouse, rather than to give an inducement by its withdrawal for the establishment of private licensed Warehouses.

(A true Extract.)

(Signed) W. HUDLESTON, *Secretary.*

No. 77. ORDER THEREON, 5th October 1861, No. 1,930.

1. The Government consider it useless to re-open the question. The Board of Revenue will, however, in communication with the Acting Collector of Sea Customs consider and report whether it is advisable for Government to have Bonded Warehouses of its own, with the responsibility of the delivery of the goods in proper condition, attached.

2. The Board will ascertain at the same time what the custom is at Calcutta and Bombay in regard to the Warehousing system, and the responsibility of Government for damages to goods lodged therein.

(Signed) J. D. SIM,

Secretary to Government.

ask - what is the real
incentive or motive

And
they receive a rent for
goods placed therein - I
do not see how they can
decline responsibility for
reasons the care of the
goods -

Orders - The fact when
- rarely keep a Warehouse -
they receive a rent for
goods placed therein - I
do not see how they can
decline responsibility for
reasons the care of the
goods -

I do

- I concur in its being useless to reopen the question
- It may be a matter for consideration whether it is
advisable for Govt to have bonded Warehouses, or
its own, with the responsibility attached, but if it
does so to enlarge its Customs Revenue by the
imitating trade, it must take the responsibility
The

No 1930

Proceedings of the Madras Government.
Under date the 3^d October 1861

Read the following
Proceedings of the Board of
Revenue

Submitting the
advisability of requesting the
Advocate General to reconsider
his opinion on the question of
the liability of Government
for damages caused to goods
deposited in the Sea Customs
Bonded Warehouse.

Here enter 16th Sept. 1861 No 5030

The Gov^t consider
it useful to re-open the
question. The Board of
Revenue will however in
communication with the
Acting Collector of Sea
Customs consider & report
whether it is advisable for
Gov^t to have bonded Ware-
houses of its own, with
the responsibility of the
delivery

C. Collett Esq.

Acting Collector of Sea Customs
Madras.

Designed by W. Chubberton

Secretary

True Copy

Butcher

Secretary

To
J. D. Smith Esq.
Secretary to Government
Revenue Department.

As per
copy of the
Revenue Department

the delivery of the goods
in proper condition, attached.

They will also state if
this Warehousing system
actually leads to enlarge
the Customs Revenue of
the State and to stimulate
the trade of the country.

2 The Board will
ascertain at the same
time what the ^{Customs is} ~~the~~ ~~the~~ ~~the~~
at Calcutta & Bombay
in regard to the Ware-
housing system & the
responsibility of Govt. for
damages ^{to} ~~sustained by~~
goods lodged therein.

11/10/61
JDS

14 Copies
To the Secy. of Revenue.
Pij 25
10
5

On the advisability
for Govt to have bonded
Warehouses of its
own &c.

190-1	128-7
12-3-61	12-9-61
5-6	
2-7-61	

May 6 & 77.

Revenue 1861 Dep't
No: of Govt for Collector

1: 1900.

No: of the Madras Govt
J 5th October 1861.

No: of the 3rd of Prov't
By 21st Oct 1861 No: 2598.

List under

Regarding the Plans
of Revenue & Communi-
cation with the Collector
of Tea Customs to report
on Government (keeping)
Bonded Warehouses.