C.F. 73.

Date taken out.	For what purpose.			Initials of clerk taking the paper or of attender.	Date returned.	Initials of attender.
	Department.	C. No.	Year.			

M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1747 — Press / ~~Mis.~~

219.220

Dated 16—8. 1862.

Not to be folded or roughly handled

No. 219. Read the following Extract from the Proceedings of the Right Honorable the Governor General of India in Council, in the Home Department, under date the 28th July 1862, No. 3,751 :—

Read the Proceedings in the Financial Department for February 1862, Nos. 8-10, relative to the rate of duty to which "Sewing Thread" is liable on importation.

Read again the Proceedings in this Department for 3rd July 1862, Nos. 5-6, relating to the protest made by Messrs. Grant Smith and Company against the levy of a 10 per cent. *ad valorem* duty on the Sewing Thread imported by them.

Read an Office Memorandum from the Financial Department, No. 4,581, dated 12th instant, stating that there is nothing on record beyond what has already been furnished to this Department to show whether the distinction between "thread" and "twist" was, or was not, advisedly recognized in the Tariff of Act XI of 1862.

RESOLUTION.

1. The Governor General in Council observes that under Act X of 1860 imported cotton twist and yarn not being specially provided for in the Schedule came under the general heading for articles subject to a ten per cent. *ad valorem* duty; but that by Notification No. 86, dated the 29th April 1861, the duty on "cotton twist and yarn" was specially reduced to 5 per cent.

2. Under this ruling it appears that the Collector of Customs admitted cotton thread at the reduced rate until the Board of Revenue pointed out in February last the error of bringing cotton thread within the definition of "cotton twist and yarn," and that the Financial Department, to which the question was referred for decision, agreed in the Board's opinion that "cotton thread" was quite distinct from "cotton twist and yarn," observing at the same time that "sewing thread is a manufactured article complete in itself, while twist is a semi-manufactured article manifestly incomplete until it has gone through a further process of manufacture." It was, however, observed by the Financial Department that "as thread has always been classed with yarn, and as an alteration of the classification without notice would be a surprise on Importers, and involve a demand for excess duties of a trifling amount, His Excellency in Council would not disturb existing arrangements for the present," but that "the subject will be borne in mind in case any changes should be contemplated in the Tariff for the ensuing year."

3. The new Tariff passed under Act XI of 1862 makes a special provision for the levy on "twist" of a $3\frac{1}{2}$ per cent. *ad valorem* duty; and it appears that the Collector of Customs has, since the operation of the above Act, levied a 10 per cent. *ad valorem* duty on "cotton thread," against which Messrs. Grant Smith and Company have appealed to the Board of Revenue, who, in submitting the case to the Lieutenant-Governor, make the following remarks:—"Under the orders of the Government of India, dated 20th February last, No. 1,505, the Collector is, of course, right in dealing with "thread" as not included under the denomination twist of the Schedule;" but "it appears possible that the intention of Government, as expressed in paragraph 5 of the orders above adverted to, was lost sight of on the enactment of Act XI."

4. The Governor General in Council is of opinion that, technically and substantially, there is a distinction between "cotton twist" and "cotton thread," and that in framing the new Tariff it was intended that this distinction should be recognized. Under these circumstances, His Excellency in Council cannot entertain the application of Messrs. Grant Smith and Company, for equalizing the rate of duty on "cotton thread" with that levied on "cotton twist."

Ordered, that a copy of this Resolution be forwarded to the Government of Bengal for information and communication to the Board of Revenue, with reference to docket thence, No. 433, dated 28th May last.

Ordered also, that a copy be sent to the Governments of Madras and Bombay for information, and to the Foreign Department for communication to the Chief Commissioner of British Burmah.

(True Extract.)

(Signed) E. C. BAYLEY,
Secy. to the Govt. of India.

No. 220. ORDER THEREON, 16th August 1862, No. 1,747.

Ordered to be communicated to the Board of Revenue.

(Signed) P. P. HUTCHINS,
Acting Deputy Secretary to Government.

Revenue 1862 Oct 1st
Trans of Govt Forg Despatch
No 2259.

Extract from the
Proceedings of the
Right H. the Govr.
Genl. of India in Counl.

Dated 28th July
Received 11th augt } 1862.

No 3751-

Forwarding for
information Resolution of
the Government of India
relative to the rate of
duty to which Sewing
Thread is liable on im-
portation. —

No 219 & 220

No 1747- 16 Augt.

With an order

No 1747-

Ordered to be communicated to the
Board of Revenue.

J P.

12/8/62

First Dft. Georg
16th Augt 1862.

14 Copies To the Bd of Revl Despd 18 augt