

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2459

Press
Mis.

259. 260

Dated

21-11-1918

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
21st November 1862.*

No. 259. Read the following letter from E. C. BAYLEY, Esq., Secretary to the Government of India, Home Department, to T. PYCROFT, Esq., Chief Secretary to the Government of Fort Saint George, dated Fort William, the 31st October 1862, No. 6,153:—

SIR,

1. I am directed to acknowledge the receipt of your letter No. 1,970, dated the 13th ultimo, regarding a claim made by the Great Southern-of-India Railway Company for the refund of a large amount of Customs duty levied upon Railway materials imported by that Company, on the ground that Act VII of 1859 declared Machinery for the improvement of the country, and for the development of the resources of the country, to be exempt from Customs duty. The Madras Government does not consider that on this ground the Company is entitled to claim exemption, but seems to be of opinion that the claim may be tenable under the concession made by the Secretary of State in his Despatch to the Bombay Government, dated 16th May 1860, in which it was desired that the exemption allowed to Machinery should be liberally construed.

2. In reply, I am directed to state that, in the opinion of the Governor General in Council, the scope of the term "Machinery" as also of the "liberal construction" put upon that term by the Secretary of State's Despatch to the Government of Bombay, dated the 16th of May 1860, has hardly been correctly apprehended.

3. The Collector of Tanjore, Mr. Morris, would seem to hold, in common with the Railway Company, that all the various articles which come under the general denomination of "Railway Stores" (many of which are to be found in the Statement submitted with your letter) fall within the meaning of the word "Machinery" as that word is used in Act VII of 1859. This opinion, it is presumed, must have been founded on an assumption that the word "Machinery" as used in Act VII of 1859 was meant to have some wide and general signification, such as "apparatus" or "material" for the "improvement of the communications, &c."

4. The Governor General in Council observes that the Madras Government rightly dissent from Mr. Morris on this point.

5. As regards the Despatch of the Secretary of State referred to, though its terms may perhaps admit of great latitude of construction, the Governor General in Council entertains no doubt that the interpretation, to which effect has been given in the Calcutta Custom House, is correct; and that the concession therein directed should only be applied to stores, tools, and fittings, which are not only exclusively, but which are *directly*, used for making any piece of Machinery available.

6. Thus the wheels and axles and any other article imported for the construction of a Locomotive, and actually used in its construction, would be correctly exempted from duty under the terms of the Secretary of State's Despatch. But, on the other hand, the Governor General in Council can by no means admit that all the materials for constructing the passenger carriages that are dragged by the Locomotive are entitled to the same exemption.

7. In this view of the case, the only articles in the Statements forwarded with your letter which should apparently be exempted from duty are those named in the margin. Articles such as clocks for the Railway Stations, materials for constructing the Railroad, as sleepers, chairs, rails, &c., material for building Railway carriages, and other general Railway stores, cannot, the Governor General in Council considers, claim to be exempted from duty under the terms of the Despatch of the Secretary of State to the Bombay Government, dated 16th May 1860.

* Wheels, axles, and other materials used for the construction of Locomotives and their Tenders, or for other Machinery.
Crank Braces.
Locomotive Engines.
Water-Cranes.
Turn-Tables.
Crab Wrenches.
Derrick Spars, &c.

There are other items in the Statement, as Coals and Books, which are free by law. These have probably been inserted by mistake.

No. 260. ORDER THEREON, 21st November 1862, No. 2,459.

Ordered to be communicated to the Board of Revenue for their information and guidance with reference to their Proceedings dated 14th July 1862. They will direct the Collector of Tanjore to call upon the Agent of the Great Southern of India Railway to revise the account of the refund claimed by him, with reference to the orders of the Government of India.

(Signed) J. D. SIM,

Secretary to Government.

