

(1) Number of Pages 32
(2) Date of repair 17.6.69
(3) Initials of the Referencer u s h

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Rev. DEPARTMENT

G.O. No. 1527
B.P. No.

Press
Mis.

Dated 30.10.1876

196

Not to be folded or roughly handled

Rev.

153

*Proceedings of the Madras Government, Revenue Department,
30th October 1876.*

No. 271. Read the following letter from the Hon. T. C. HOPE, Officiating Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce, (Customs), to the Hon. W. HUDLESTON, Chief Secretary to the Government of Madras, dated Simla, 21st October 1876, No. 4 :—

I AM directed to forward copies of the correspondence noted in the margin on the subject of the revision of the Consolidated Customs Act, and to state that the appointment of a Committee at Madras similar to that proposed for Calcutta would, in the opinion of His Excellency the Governor-General in Council, be very desirable.

From H. J. REYNOLDS, Esq., Officiating Secretary to the Government of Bengal, to the Secretary to the Government, of India, Department of Revenue, Agriculture, and Commerce, dated Calcutta, 17th March 1876, Miscellaneous Revenue, No. 774.

I AM directed to submit, for the consideration and orders of His Excellency the Governor-General in Council, copies of the correspondence noted on the margin on the subject of appointing a Committee to consider and report on the modifications desirable in the Consolidated Customs Act VI of 1863, and to state that the Lieutenant-Governor supports the suggestion of the Chamber of Commerce and the recommendation of the Board of Revenue that a Committee should be appointed.

2. His Honor thinks that a Committee consisting of two members would be sufficient. It would be his wish to place Mr. J. A. Crawford, of the Civil Service, who is shortly expected from England, on the Committee, as his special experience of the subject is likely to be valuable, and to select the other gentlemen from the mercantile community.

From H. W. J. WOOD, Esq., Secretary, Bengal Chamber of Commerce, to the Secretary to the Government of Bengal, Revenue Department, dated Calcutta, 7th February 1876.

On the 29th January 1863 His Excellency the Governor-General in Council gave his assent to a Bill for consolidating and amending the laws relating to the administration of the Department of Sea Customs in India, and the provisions of the Act then passed as No. VI of 1863 have been in force since that date with the exception of one or two of the sections which have been repealed by later enactments.

2. Various causes, however, have, of late years, conspired to render many of the provisions of the Act inapplicable to present circumstances, but specially the altered condition of a large proportion of the carrying trade of the day, which has been effected by the Suez Canal route of communication with Europe; and the considerable steamer tonnage entering and clearing from British Indian ports renders it absolutely expedient that the Act be so modified as to meet the requirements of that class of vessels.

3. This subject was under discussion by the Chamber early in 1872, when several proposed amendments were submitted for the consideration of the Board of Revenue, but no steps appear to have been taken to give effect to the Chamber's recommendations; and I am instructed to bring the matter to the notice of His Honor the Lieutenant-Governor with the view to the appointment of a Committee to consider in what respects the Act is capable of modification, and to its being brought more in harmony with the existing state of trade.

Proceedings of the Madras Government, Revenue Department.
30th October 1876.

No. 420.

Copy forwarded to the Officiating Secretary to the Board of Revenue, Miscellaneous Revenue Department, with the request that the Lieutenant-Governor may be favored with an expression of the opinion of the Member in charge on the proposal made by the Chamber of Commerce.

(By order of the Lieutenant-Governor of Bengal.)

CALCUTTA,
15th February 1876.

(Signed) J. A. BOURDILLON,
Ag. Asst. Secy. to the Govt. of Bengal.

From W. H. GRIMLEY, Esq., Officiating Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated Fort William, 3rd March 1876, No. 155-B.

I AM directed by the Member in charge to acknowledge the receipt of your endorsement, No. 420, dated 15th ultimo, requesting an expression of the Member in charge's opinion on a reference made by the Bengal Chamber of Commerce regarding the expediency of amending the Consolidated Customs Act VI of 1863, and in reply to state as follows.

2. The Member in charge has for some time past considered that there were many points in the existing Act in which improvements were necessary, and nearly three years ago, in this office No. 304-C, dated 13th June 1872, he addressed Government on the subject and indicated some of the most important respects in which the Act required remodelling. He is convinced that, in carrying out the provisions of the Act, some unnecessary complexity has been introduced into the business of the Custom House, and that what is required is a more simplified procedure, and the adaptation of the Act to the conditions brought about by the Suez Canal route of communication.

3. Before suggesting any measures to Government, Mr. Money desired the Officiating Collector of Customs, Mr. T. B. Lane, who, both as Secretary to the Board for many years and also in his present capacity, has had considerable experience in Customs matters, to prepare a note embodying the chief points in which inconvenience is caused to the public by the enforcement of the provisions of Act VI of 1863. The Collector has now submitted a note, copy of which I am directed to forward for the consideration of His Honor the Lieutenant-Governor.

4. The note is a fair statement of the various difficulties which have arisen in the Customs work under the present Act. Without entering into details of each case or discussing the remedies suggested, Mr. Money is prepared to state that he agrees generally with the Collector in his exposition of the matter. The note, however, does not exhaust the subject. There are other questions of reform which it does not touch upon: one case may be instanced. Under the wording of Section 155 the Collector of Customs has no power to insist on a cash deposit, or a mortgage or pledge of deeds, with the bond taken under that section, as the words "bond with sufficient security" have been held, under legal advice, to mean "a bond with sureties" and, nothing else, and no further security can be required until the law is altered.

5. The question of the revision of the conditions of the law (Sections 126 to 129) under which port-clearances are granted has been quite recently urged upon the notice of the Member in charge by a committee of delegates from the Chamber of Commerce. It was represented that much advantage would be gained if the agent of the ship could be allowed to file a correct manifest within a certain number of days—say three clear working days—after the clearance of the ship under some guarantee, a penalty enforceable in case of non-compliance. But as the law now stands, the manifest must be filed at the time of requesting a port-clearance, and though some license on the point has been allowed, no ship is permitted to get her clearance paper finally till the manifest has been filed.

6. A reference on this subject was made to the Customs authorities in Bombay and Madras, and from the answers received it appears that a similar difficulty has long been felt at both places. In practice, however, an attempt has been made to avoid the difficulty by allowing mail and certain other steamers to clear before putting in a manifest, a guarantee being taken from the ship's agent

Proceedings of the Madras Government, Revenue Department.
30th October 1876.

that the necessary papers will be put in afterwards. This is a measure of very doubtful legality, and in Bombay the guarantee letters are said to be quite useless, the promise they contain never being fulfilled owing to the absence of any legal enactment by which it could be enforced. The want of some remedy in the Act itself is evident.

7. Some of the inconveniences and defects of the Act have been removed or ameliorated by special orders and rules passed from time to time as necessity arose; it is now desirable that such orders and rules, in cases where their continuance is necessary, should receive the significant stamp of legislative enactment. On every consideration, therefore, the Member in charge is prepared to support the recommendation of the Chamber of Commerce regarding the expediency of appointing a committee to consider what amendment of the Act is required in order to adapt it to the existing state of commerce.

SINCE the present Customs Act VI of 1863 was passed, the circumstances of the trade of Calcutta have greatly changed in several important respects.

In 1862-63 all vessels with cargo from Europe came to Calcutta round the Cape, with the exception of the Peninsular and Oriental Steamers from Suez, to the number of twenty-four in the year. Out of a total number of 1,020 vessels arriving at Calcutta, 112 only were steamers; the other eight-ninths were sailing vessels.

In 1874-75, out of a total number of 1,319 arrivals at Calcutta, 640, or nearly one-half, were steamers, of which again 119 came by the Suez Canal.

In 1862-63 the value of the Calcutta trade in round numbers was in imports 16½ millions, in exports 19½ millions, or a total of 35½ millions.

In 1874-75, with imports valued at 25 millions, and exports at 28½ millions, the total value came to 53½ millions.

In 1862-63 all cargoes were discharged into boats by manual labor, and the unloading of a ship occupied from six weeks to two months.

In 1874-75, 142 vessels were discharged at the Port Commissioners' jetties, the average time so occupied by each vessel being five days, whilst the unloading of vessels in the stream was ordinarily completed in about twenty days.

Further, in 1862-63 no mails came by Bombay to Calcutta, and there was no telegraphic communication with England.

A brief consideration of these several changes renders it easy to understand that a Customs Law, passed in 1863, may have proved very inapplicable to the Calcutta trade of 1875. As a fact, the Calcutta mercantile community has for some years past, from time to time, complained of the inconvenience and difficulties caused by the unavoidable enforcement of the provisions of Act VI.

In 1863 time was apparently no object. In 1875 every one is in a hurry—the ship-owner to get the greatest possible number of voyages from each of his vessels, the merchant to turn his money over as often as possible.

The almost unlimited use of the telegraph and the facilities afforded to traders by the banks of the present day have resulted in the greatest possible pressure on the loading of vessels in Great Britain and on their discharge and reloading here.

Turning to the Act, it will be seen that under the general head of Importation the present law requires the delivery, by the master of the vessel, of a manifest of each ship's cargo, first to the pilot after entering the Hooghly, and next at the Custom House when the vessel is there entered for the discharge of cargo. When the cargo is such as salt or coal, there is no difficulty about these manifests; but with a general or mixed cargo, it results, from the hurried loading in Great Britain, that the manifest delivered to the pilot is seldom correct, whilst an accurate manifest, or the bills of lading for preparing it in Calcutta, come by overland mail to the Agents direct.

In the beginning of 1874 this part of the law was so far relaxed by special Government orders as to allow discharge of cargo to begin, subject to delivery of the manifest by the master within twenty-four hours after the ship's arrival. This procedure does not, however, seem to me to meet the difficulty. First, the ship's agents should be allowed to deliver the manifest at the Custom House as soon as they have received it by mail (even if that be before the ship arrives); that is, the agents should be legally substituted for the master.

Next, the delivery of manifest to the pilot should be no longer required. Next, if by any mischance, such as an accident delaying the mails, the ship should arrive before the manifest could be given in, leave should be given, under all necessary precautions, to discharge the whole of the cargo without interruption if required in the interests of the ship, subject of course to any special conditions in the bills of lading. Jetty ships would thus deliver their cargo into the custody of the Port Commissioners, whilst ships in the stream would send their cargo to the Custom House.

In the event of the manifest reaching the agents and being filed at the Custom House before the ship's arrival, consignees could be allowed at once to apply for passes, and thus be ready to take delivery immediately on the ship's entry. Very great relief would be given by this change, and most specially so at every recurrence of the holidays which are now felt to be such a hindrance to the trade.

In the other case, however, of delay in the delivery of the manifest, and particularly where the ship would discharge in the stream, it would be obviously necessary to make certain restrictions in the interest of the consignees. On such an occasion the shipping interest would be in direct collision with them, and it would be absolutely necessary to limit the ship strictly to a scale of landing charges, not exceeding say the jetty rates, or some other reasonable scale, and to provide for the customary landing of certain classes of goods under out-passes, that is, without bringing them through the Custom House.

Such changes as these would allow of the removal of many of the restrictions imposed by the present Sections 33 to 61, and with due regard to the conflicting interests concerned, would be generally much appreciated.

The following Section, 62, has been found to work hardly in the case of goods of which the invoice has been mislaid or delayed. The necessary thorough examination of such goods for assessment is said often to injure them, and might be altogether avoided if the law was so altered as to allow of their being warehoused. Such permission could be unobjectionably given under certain rules providing for a sufficient cash deposit, pending assessment for duty and for the custody of the goods in the bonded warehouse. The last sentence in this section has also given rise to much discussion from time to time, and it is a question for consideration whether a revaluation of goods should not be allowed in cases where an error has been made by a customs officer. Obvious mistakes are sometimes made, and either the chief officer of customs, or the chief customs authority, should have discretion to apply a remedy.

Sections 65 and 66 require to be made more clear in prescribing the mode of original assessment of damaged goods on their entry. The practice is to assess the goods as if they were undamaged, and this should be authorized. The actual duty paid is by Section 66 regulated on the price realised at auction.

Before going on to the sections headed "Warehousing," I would notice that amongst the "general provisions" of the Act, preceding the chapter on Importation, Section 26 should be so amended as to show what is meant by the 'real value' of goods, as also to enable the officer of customs to ascertain that value more nearly than he can now do by law. Section 27 also requires revision, as pointed out in a special correspondence last year. The Collector is now held bound to sell at once by public auction to the highest bidder, and the Government is laid open to some risk of loss. This section should be altered to agree with the corresponding section in the English law as explained in the correspondence referred to.

On the other hand, larger discretion should be given to the Collector of Customs in allowing amendment of valuations. Under-valuation often happens from other causes than "accident."

or instance, from misunderstanding of rules or phrases, from the stupidity of petty clerks; but the Collector must in such cases by law take over the goods for Government. He has no other alternative, for any relaxation of the law must lay him open to frequent applications, with which he should not comply, or to charges of partiality and inconsistency.

In connection with the present Section 81, legal authority is required to enable the customs officer to relieve from payment of duty re-imported foreign goods which have already once paid duty or importation into India.

Sections 70 to 115 embrace the rules for warehousing goods before payment of duty. In these certain alterations would be necessary if the amendment suggested in Section 62 be made.

Improvement is also specially needed in Sections 77 and 78. Reading these with the form of bond annexed to the Act, it seems that default on the bondholder's part could not be met save by a civil suit; and the Collector should properly be placed by law in a position to take summary proceedings (such as by application to a Magistrate for distraint of properties of the defaulter) for recovery of duty on bonded goods. In certain other parts of the Act, further, where parties give bonds under penalty, the Collector should be empowered to require such security, even in the shape of deposits if necessary, as would render realization an easy matter.

Section 92 should be assimilated to the English Act in providing for the bottling off of wines and spirits in the warehouse, and Section 102 should be altered so as to allow of a more prompt settlement of claims for rent on goods lodged in a public warehouse. There is no reason why bondholders of salt should have ten days' grace for such payments, or that bills should be signed by the warehouse-keeper, for it may be more advantageous to collect such rents from the Custom House, and a demand from the Collector should be answered by immediate payment. Section 104 should also be amended so as to allow the Collector to detain a portion of bonded goods for rent due, as well as for duties or penalties. At present the law does not hinder a salt bondholder from clearing out his stock before he has paid all rent due.

Sections 116 to 136 relate to exportation, and several changes are here required. The Tariff Act of August 1875 has reduced to three only the articles of export subject to duty, and the main object of Custom House rules for regulating the export trade may be now said to be the securing of correct statistics of the supplies of Indian produce to places outside India, and through what is called the interportal trade.

Seeing, as above said, that almost all this produce is now exported free of duty, the present law is decidedly defective. Shipping bills, for instance, must be given in for a pass, but the law nowhere provides that the details of quantity given in the shipping bills shall be correctly stated.

It is notorious that their present inaccuracy renders the statistics of free exports compiled from them untrustworthy. Section 132 has been found sufficient to secure correct details of dutiable exports and would be re-enacted, but a provision is absolutely wanted which will compel all shippers of free goods to give notice of re-lands and short-shipments.

The above-noticed defect is greatly aggravated by the present shape of Sections 126 to 129. These provide for the issue of the port clearance, and require much revision. In the first place, the Agent of the ship should be legally allowed to take the place of the master in applying for clearance. In the next place, the delivery of an export manifest should no longer be made a necessary preliminary to clearance.

The manifests filed under the present Act do not contain correct details of the cargo actually taken on board, and the shipping bills being also very incorrect, the statistics of exports, as I have already said, are not to be trusted.

It has been already proposed to amend Section 128 by allowing the agents of a ship to file a correct manifest, within three days after its departure, under proper guarantee and penalty, and some such change should now be made.

It may be added that this is all the more necessary owing to the rapidly-increasing use of the Port Commissioners' jetties for loading ships and the consequent haste with which they are pressed on to take their departure.

*Proceedings of the Madras Government, Revenue Department,
30th October 1876.*

Section 135 might unobjectionably be so altered as to allow of the direct transhipment, under proper preventive supervision, of the cargo of a vessel returning to port after clearance.

The present wording implies that all such cargoes should be actually landed for re-export if transhipment is required.

Sections 137 to 148, relating to drawback, require minor alterations. Thus there is no apparent reason why drawback should not be allowed on ships' stores as it is under the English Act, especially seeing that, under Section 183, certain such stores may be shipped from a warehouse free of duty.

In the drawback provisions relating to officers of Her Majesty's Navy, spirits should also be specified as entitled to the allowance. A special Government order now permits this, and the law should be correctly worded.

Sections 149 to 160 relate entirely to the coasting trade, and amendments might be very usefully made here, with the important object of securing correct statistics, at the same time imposing as few restrictions as possible on the ships employed in the trade. It was found necessary in 1873 to pass a special set of rules for the Orissa ports, and the Commissioner of that Division would doubtless be able to suggest points on which the present law could be suitably altered.

Under the special heading "Spirits," Section 170 should be altered. Cordials when imported pay duty on their full liquid quantity, and there seems to be no reason why cordials manufactured in India should pay only on the quantity of spirit used in preparation.

Sections 174 and 175, for regulating the employment of agents to do business at the Custom House, might be very suitably re-arranged. They are misunderstood, and might be much simplified. Under the head of "Miscellaneous Provisions," Section 182 should be so extended as to allow of transhipment of marine stores when the co-proprietors of the ships concerned are in part identical, though not entirely so. Under Section 183 also transhipment of provisions and other such stores might, when desired, be allowed without requiring their prior formal warehousing and immediate re-export.

Section 184 should be made to include disputes as to proper rate of value in assessment of goods for which there are fixed tariff rates.

In regard to the last chapter, "Offences and Penalties," revision will doubtless be found necessary. Notably Section 216 should provide for the punishment of the use of any false document apart from the making and signing.

These notes attempt to deal with amendments in the present law which are obviously required.

Further discussion and consideration by persons representing the different interests affected would probably show that other matters which have not been noticed call for attention and fresh legislation.

(Signed) T. B. LANE.

28th February 1876.

From the Hon. T. C. HOPE, Officiating Secretary to the Government of India, Department of Revenue, Agriculture, and Commerce (Customs), to the Secretary to the Government of Bengal, dated Simla, 21st October 1876, No. 3.

In reply to your letter, No. 774, dated 23rd March 1876, I am directed to inform you that, as the Secretary of State for India has intimated that there is now no objection to proceeding with a revision of the consolidated Customs Act (VI of 1863), a consolidated Customs Bill will in a few days appear in the *Gazette of India*, which will be introduced into the Council of the Governor-General for making Laws and Regulations and referred to a Select Committee in the course of next month.

*Proceedings of the Madras Government, Revenue Department,
30th October 1876.*

2. As, however, this Bill will be based upon suggestions which are in many cases of old standing, and it is most desirable that the new Act should meet all the reasonable requirements of existing conditions of trade, I am directed to add that the appointment by His Honor the Lieutenant-Governor of a Committee, as suggested in your letter, appears very desirable, provided their report can be submitted by the 1st of January next.

No. 272. ORDER THEREON, 30th October 1876, No. 1,527.

Separate Revenue, No. 8-A.

Customs.

A COMMITTEE will be formed accordingly.

2. The Collector of Sea Customs will preside. The Master Attendant will join the Committee, and the Chamber of Commerce and the Trades Association will be invited to nominate, each, a Member.

3. Two native merchants of intelligence and position, one of whom might be an owner of coasting vessels, should be requested to take part in the proceedings.

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

„ the Collector of Sea Customs.

„ the Master Attendant.

„ the Chairman of the Chamber of Commerce.

„ the Secretary to the Madras Trade Association.

Exd. J. W. Fischer.

REVENUE DEPARTMENT.

MIS. REVENUE—No. 774.

CALCUTTA, { DATED THE 17TH MARCH } 1876.
ISSUED THE MARCH

FROM H. J. REYNOLDS, Esq.,

Offg. Secretary to the Govt. of Bengal,

TO THE SECRETARY TO THE GOVERNMENT OF INDIA,
DEPARTMENT OF REVENUE, AGRICULTURE, AND COMMERCE.

SIR,

I AM directed to submit, for the consideration and orders of His Excellency the Governor-General in Council, copies of the correspondence noted on the margin, on the subject of appointing a Committee to consider and report on the modifications desirable in the Consolidated Customs

Letter from the Chamber of Commerce, dated 7th February 1876.
Letter from the Board of Revenue, No 155B, dated 3rd March 1876, reporting on the above.

Act VI of 1863, and to state that the Lieutenant-Governor supports the suggestion of the Chamber of Commerce, and the recommendation of the Board of Revenue, that a Committee should be appointed.

2. His Honor thinks that a Committee consisting of two members would be sufficient. It would be his wish to place Mr. J. A. Crawford, of the Civil Service, who is shortly expected from England, on the Committee, as his special experience of the subject is likely to be valuable, and to select the other gentlemen from the mercantile community.

I have the honor to be,

SIR,

Your most obedient servant,

H. J. REYNOLDS,

Offg. Secretary to the Govt. of Bengal.

Consolidated Customs Act.—Passing orders regarding the formation of a Committee for the revision of the — as desired by the Government of India.

OCTOBER
Nos. 271-272.

G.O., 30th October 1876, No. 1527.

Recd.
Dated October, 30th.

THE BOARD OF REVENUE,

Secy, &c., &c.

REVENUE.

Govt. of India.

Ms. No. 5243/76

No. 155B, dated Fort William, the 3rd March 1876.

From—W. H. GRIMLEY, Esq., Offg. Secretary to the Board of Revenue, L. P.,
To—The Secretary to the Government of Bengal.

I AM directed by the Member in charge to acknowledge the receipt of your endorsement No. 420, dated 15th ultimo, requesting an expression of the Member in charge's opinion on a reference made by the Bengal Chamber of Commerce, regarding the expediency of amending the Consolidated Customs Act VI of 1863, and in reply to state as follows.

2. The Member in charge has for some time past considered that there were many points in the existing Act in which improvements were necessary, and nearly three years ago, in this office No. 304C, dated 13th June 1872, he addressed Government on the subject, and indicated some of the most important respects in which the Act required remodelling. He is convinced that in carrying out the provisions of the Act some unnecessary complexity has been introduced into the business of the Custom House, and that what is required is a more simplified procedure, and the adaptation of the Act to the conditions brought about by the Suez Canal route of communication.

3. Before suggesting any measures to Government, Mr. Money desired the Officiating Collector of Customs, Mr. T. B. Lane, who, both as Secretary to the Board for many years, and also in his present capacity, has had considerable experience in Customs matters, to prepare a note embodying the chief points in which inconvenience is caused to the public by the enforcement of the provisions of Act VI of 1863. The Collector has now submitted a note, copy of which I am directed to forward for the consideration of His Honor the Lieutenant-Governor.

4. The note is a fair statement of the various difficulties which have arisen in the Customs work under the present Act. Without entering into details of each case or discussing the remedies suggested, Mr. Money is prepared to state that he agrees generally with the Collector in his exposition of the matter. The note, however, does not exhaust the subject. There are other questions of reform which it does not touch upon; one case may be instanced. Under the wording of section 155, the Collector of Customs has no power to insist on a cash deposit, or a mortgage or pledge of deeds, with the bond taken under that section, as the words "bond with sufficient security" have been held, under legal advice, to mean "a bond with sureties," and nothing else; and no further security can be required until the law is altered.

5. The question of the revision of the conditions of the law (sections 126 to 129) under which port-clearances are granted has been quite recently urged upon the notice of the Member in charge by a committee of delegates from the Chamber of Commerce. It was represented that much advantage would be gained if the agent of the ship could be allowed to file a correct manifest within a certain number of days—say three clear working days—after the clearance of the ship, under some guarantee: a penalty enforceable in case of non-compliance. But as the law now stands, the manifest must be filed at the time of requesting a port-clearance, and though some license on the point has been allowed, no ship is permitted to get her clearance paper finally till the manifest has been filed.

6. A reference on this subject was made to the Customs authorities in Bombay and Madras, and from the answers received it appears that a similar difficulty has long been felt at both places. In practice, however, an attempt has been made to avoid the difficulty by allowing mail and certain other steamers to clear before putting in a manifest, a guarantee being taken from the ship's agent that the necessary papers will be put in afterwards. This is a measure of very doubtful legality; and in Bombay the guarantee letters are said to be quite useless, the promise they contain never being fulfilled owing to the absence of any legal enactment by which it could be enforced. The want of some remedy in the Act itself is evident.

Recd 13/11/76
Rev 4/11/76

7. Some of the inconveniences and defects of the Act have been removed or ameliorated by special orders and rules passed from time to time as necessity arose; it is now desirable that such orders and rules, in cases where their continuance is necessary, should receive the significant stamp of legislative enactment. On every consideration, therefore, the Member in charge is prepared to support the recommendation of the Chamber of Commerce regarding the expediency of appointing a committee to consider what amendment of the Act is required in order to adapt it to the existing state of commerce.

SINCE the present Customs Act VI of 1863 was passed, the circumstances of the trade of Calcutta have greatly changed in several important respects.

In 1862-63 all vessels with cargo from Europe came to Calcutta round the Cape, with the exception of the P and O steamers from Suez, to the number of 24 in the year. Out of a total number of 1,020 vessels arriving at Calcutta, 112 only were steamers; the other eight-ninths were sailing vessels.

In 1874-75, out of a total number of 1,319 arrivals at Calcutta, 640, or nearly one-half, were steamers, of which, again, 119 came by the Suez Canal.

In 1862-63 the value of the Calcutta trade in round numbers was, in imports 16½ millions, in exports 19½ millions, or a total of 35¾ millions.

In 1874-75, with imports valued at 25 millions, and exports at 28½ millions, the total value came to 53½ millions.

In 1862-63 all cargoes were discharged into boats by manual labor, and the unloading of a ship occupied from six weeks to two months.

In 1874-75, 142 vessels were discharged at the Port Commissioners' jetties, the average time so occupied by each vessel being five days, whilst the unloading of vessels in the stream was ordinarily completed in about 20 days.

Further, in 1862-63 no mails came by Bombay to Calcutta, and there was no telegraphic communication with England.

A brief consideration of these several changes renders it easy to understand that a Customs law, passed in 1863, may have proved very inapplicable to the Calcutta trade of 1875. As a fact, the Calcutta mercantile community has for some years past, from time to time, complained of the inconvenience and difficulties caused by the unavoidable enforcement of the provisions of Act VI.

In 1863 time was apparently no object. In 1875 every one is in a hurry—the shipowner to get the greatest possible number of voyages from each of his vessels; the merchant to turn his money over as often as possible.

The almost unlimited use of the telegraph, and the facilities afforded to traders by the banks of the present day, have

resulted in the greatest possible pressure on the loading of vessels in Great Britain, and on their discharge and re-loading here.

Turning to the Act, it will be seen that under the general head of Importation, the present law requires the delivery, by the master of the vessel, of a manifest of each ship's cargo, first to the pilot after entering the Hooghly, and next at the Custom House when the vessel is there entered for the discharge of cargo. When the cargo is such as salt or coal, there is no difficulty about these manifests; but with a general or mixed cargo, it results, from the hurried loading in Great Britain, that the manifest delivered to the pilot is seldom correct, whilst an accurate manifest, or the bills of lading for preparing it in Calcutta, come by overland mail to the agents direct.

In the beginning of 1874, this part of the law was so far relaxed by special Government orders as to allow discharge of cargo to begin, subject to delivery of the manifest by the master within 24 hours after the ship's arrival. This procedure does not, however, seem to me to meet the difficulty. First, the ship's agents should be allowed to deliver the manifest at the Custom House as soon as they have received it by mail (even if that be before the ship arrives); that is, the agents should be legally substituted for the master.

Next, the delivery of manifest to the pilot should be no longer required. Next, if by any mischance, such as an accident delaying the mails, the ship should arrive before the manifest could be given in, leave should be given, under all necessary precautions, to discharge the whole of the cargo without interruption if required in the interests of the ship, subject of course to any special conditions in the bills of lading. Jetty ships would thus deliver their cargo into the custody of the Port Commissioners, whilst ships in the stream would send their cargo to the Custom House.

In the event of the manifest reaching the agents and being filed at the Custom House before the ship's arrival, consignees could be allowed at once to apply for passes, and thus be ready to take delivery immediately on the ship's entry. Very great relief would be given by this change, and most specially so at every recurrence of the holidays which are now felt to be such a hindrance to the trade.

In the other case, however, of delay in the delivery of the manifest, and particularly where the ship would discharge in

the stream, it would be obviously necessary to make certain restrictions in the interest of the consignees. On such an occasion the shipping interest would be in direct collision with them, and it would be absolutely necessary to limit the ship strictly to a scale of landing charges, not exceeding say the jetty rates, or some other reasonable scale, and to provide for the customary landing of certain classes of goods under out-passes, that is, without bringing them through the Custom House.

Such changes as these would allow of the removal of many of the restrictions imposed by the present sections 33 to 61, and with due regard to the conflicting interests concerned, would be generally much appreciated.

The following section, 62, has been found to work hardly in the case of goods of which the invoice has been mislaid or delayed. The necessary thorough examination of such goods for assessment is said often to injure them, and might be altogether avoided, if the law was so altered as to allow of their being warehoused. Such permission could be unobjectionably given under certain rules providing for a sufficient cash deposit, pending assessment for duty and for the custody of the goods in the bonded warehouse. The last sentence in this section has also given rise to much discussion from time to time, and it is a question for consideration whether a re-valuation of goods should not be allowed in cases where an error has been made by a customs officer. Obvious mistakes are sometimes made, and either the chief officer of customs, or the chief customs authority, should have discretion to apply a remedy.

Sections 65 and 66 require to be made more clear in prescribing the mode of original assessment of damaged goods on their entry. The practice is to assess the goods as if they were undamaged, and this should be authorised. The actual duty paid is by section 66 regulated on the price realised at auction.

Before going on to the sections headed "Warehousing," I would notice that amongst the "general provisions" of the Act, preceding the chapter on Importation, section 26 should be so amended as to show what is meant by the 'real value' of goods, as also to enable the officer of customs to ascertain that value more nearly than he can now do by law. Section 27 also requires revision, as pointed out in a special correspondence last year. The

Collector is now held bound to sell at once by public auction to the highest bidder, and the Government is laid open to some risk of loss. This section should be altered to agree with the corresponding section in the English law, as explained in the correspondence referred to.

On the other hand, larger discretion should be given to the Collector of Customs in allowing amendment of valuations. Under-valuation often happens from other causes than "accident:" for instance, from misunderstanding of rules or phrases, from the stupidity of petty clerks; but the Collector must in such cases by law take over the goods for Government. He has no other alternative, for any relaxation of the law must lay him open to frequent applications, with which he should not comply, or to charges of partiality and inconsistency.

In connection with the present section 31, legal authority is required to enable the customs officer to relieve from payment of duty re-imported foreign goods which have already once paid duty or importation into India.

Sections 70 to 115 embrace the rules for warehousing goods before payment of duty. In these, certain alterations would be necessary, if the amendment suggested in section 62 be made.

Improvement is also specially needed in sections 77 and 78. Reading these with the form of bond annexed to the Act, it seems that default on the bonder's part could not be met save by a civil suit, and the Collector should, properly, be placed by law in a position to take summary proceedings (such as by application to a Magistrate for distraint of properties of the defaulter) for recovery of duty on bonded goods. In certain other parts of the Act, further, where parties give bonds under penalty, the Collector should be empowered to require such security, even in the shape of deposits if necessary, as would render realization an easy matter.

Section 92 should be assimilated to the English Act, in providing for the bottling off of wines and spirits in the warehouse, and section 102 should be altered so as to allow of a more prompt settlement of claims for rent on goods lodged in a public warehouse. There is no reason why bonders of salt should have ten days grace for such payments, or that bills should be signed by the warehouse keeper, for it may be more advantageous to collect such rents from the Custom House, and a

demand from the Collector should be answered by immediate payment. Section 104 should also be amended so as to allow the Collector to detain a portion of bonded goods for rent due, as well as for duties or penalties. At present the law does not hinder a salt bonder from clearing out his stock before he has paid all rent due.

Sections 116 to 136 relate to exportation, and several changes are here required. The Tariff Act of August 1875 has reduced to three only the articles of export subject to duty, and the main object of Custom House rules for regulating the export trade may be now said to be the securing of correct statistics of the supplies of Indian produce to places outside India, and through what is called the interportal trade.

Seeing, as above said, that almost all this produce is now exported free of duty, the present law is decidedly defective. Shipping bills, for instance, must be given in for a pass, but the law nowhere provides that the details of quantity given in the shipping bills shall be correctly stated.

It is notorious that their present inaccuracy renders the statistics of *free* exports compiled from them untrustworthy. Section 132 has been found sufficient to secure correct details of dutiable exports and would be re-enacted, but a provision is absolutely wanted which will compel all shippers of free goods to give notice of re-lands and short shipments.

The above-noticed defect is greatly aggravated by the present shape of sections 126 to 129. These provide for the issue of the port clearance, and require much revision. In the first place, the agent of the ship should be legally allowed to take the place of the master in applying for clearance. In the next place, the delivery of an export manifest should no longer be made a necessary preliminary to clearance.

The manifests filed under the present Act do not contain correct details of the cargo actually taken on board, and the shipping bills being also very incorrect, the statistics of exports, as I have already said, are not to be trusted.

It has been already proposed to amend section 128 by allowing the agents of a ship to file a correct manifest, within three days *after* its departure, under proper guarantee and penalty, and some such change should now be made.

It may be added that this is all the more necessary, owing to the rapidly increasing use of the Port Commissioners' jetties for loading ships, and the consequent haste with which they are pressed on to take their departure.

Section 135 might unobjectionably be so altered as to allow of the direct transshipment, under proper preventive supervision, of the cargo of a vessel returning to port after clearance.

The present wording implies that all such cargoes should be actually landed for re-export if transshipment is required.

Sections 137 to 148, relating to drawback, require minor alterations. Thus there is no apparent reason why drawback should not be allowed on ships' stores as it is under the English Act, especially seeing that, under section 183, certain such stores may be shipped from a warehouse free of duty.

In the drawback provisions relating to officers of Her Majesty's Navy, spirits should also be specified as entitled to the allowance. A special Government order now permits this, and the law should be correctly worded.

Sections 149 to 160 relate entirely to the coasting trade, and amendments might be very usefully made here, with the important object of securing correct statistics, at the same time imposing as few restrictions as possible on the ships employed in the trade. It was found necessary in 1873 to pass a special set of rules for the Orissa ports, and the Commissioner of that Division would doubtless be able to suggest points on which the present law could be suitably altered.

Under the special heading "Spirits," section 170 should be altered. Cordials, when imported, pay duty on their full liquid quantity, and there seems to be no reason why cordials, manufactured in India should pay only on the quantity of spirit used in preparation.

Sections 174 and 175, for regulating the employment of agents to do business at the Custom House, might be very suitably re-arranged. They are misunderstood, and might be much simplified. Under the head of "Miscellaneous provisions," section 182 should be so extended as to allow of transshipment of marine stores when the co-proprietors of the ships concerned are in part identical, though not entirely so. Under section 183 also, transshipment of provisions and other such stores might, when desired, be allowed

without requiring their prior formal warehousing and immediate re-export.

Section 184 should be made to include disputes as to proper rate of value in assessment of goods for which there are fixed tariff rates.

In regard to the last chapter, "Offences and Penalties," revision will doubtless be found necessary. Notably section 216 should provide for the punishment of the use of any false document, apart from the making and signing.

These notes attempt to deal with amendments in the present law which are obviously required.

Further discussion and consideration, by persons representing the different interests affected, would probably show that other matters which have not been noticed call for attention and fresh legislation.

T. B. LANE.

The 28th February 1876.

2P 3
1527
Dated Calcutta, the 7th February 1876.
From - H. W. I. Wood Esq., Secretary, Bengal Chamber
of Commerce.

To - The Secretary to the Govt. of Bengal, -
Revenue Department.

On the 29th January 1863, His Excellency
the Governor-General in Council gave his assent
to a Bill for consolidating and amending the
laws relating to the administration of the
Department of Sea Customs in India, and the
provisions of the Act then passed as No. VI of 1863
have been in force since that date, with the excep-
tion of one or two of the sections which have been
repealed by later enactments.

Various causes, however, have of late years
conspired to render many of the provisions of
the Act inapplicable to present circumstances,
but specially the altered condition of a large
proportion of the carrying trade of the day,
which has been effected by the Suez canal
route of communication with Europe; and
the considerable steamer tonnage entering and
clearing -

clearing from British Indian ports renders it absolutely expedient that the Act be so modified as to meet the requirements of that class of vessels.

This subject was under discussion by the Chamber early in 1872, when several proposed amendments were submitted for the consideration of the Board of Revenue, but no steps appear to have been taken to give effect to the Chamber's recommendations and I am instructed to bring the matter to the notice of His Honor the Lieutenant-Governor, with the view to the appointment of a Committee to consider in what respects the Act is capable of modification, and to its being brought more in harmony with the existing state of trade.

No 420.

Copy forwarded to the Officiating Secretary to the Board of Revenue, Miscellaneous Revenue Department, with the request that the Lieutenant-Governor may be favoured with an expression of the opinion of the Member in charge on the proposal made by the Chamber of Commerce.

By order of the Lieut. Governor of Bengal.

Sd/- J. A. Bourdillon.

Calcutta
Revenue Dept. - Misc. Revenue
The 15th February 1876
Acting Asst. Secy. to the Govt. of Bengal.

No 3.

From

The Honble T. C. Hope,

Offg. Secretary to the Govt. of India,
Department of Res. Agri. & Commerce

To

The Secretary to the Government of Bengal

Simla, dated the 21st October 1876

(Customs) Sir,

In reply to your letter No 244 dated 23rd March 1876 I am directed to inform you that as the Secretary of State for India has intimated that there is now no objection to proceeding with a revision of the consolidated Customs Act (VI of 1863) a consolidated customs Bill will in a few days appear in the Gazette of India, which will be introduced into the Council of the Governor General for making laws and Regulations and referred to

to a select Committee in the course
of next month.

2. As however this Bill will
be based upon suggestions which are
in many cases of old standing and
it is most desirable that the new act
should meet all the reasonable require-
ments of existing conditions of trade,
I am directed to add that the ap-
pointment by His Honour the Lieutenant
Governor of a Committee, as suggested
in your letter, appears very desirable,
provided their report can be submitted
by the 1st of January next

I have &c.

Ld. T. C. Hope

Offg. Secretary to the Govt. of India.

(True Copy)

M. Wilson

Registrar

Depth. of Rev. Agri. & Commerce

No. 4

FROM The Honorable T. C. Hope,

A. O. HUME, ESQUIRE, C. B.,

Officiating Secretary to the Government of India,

Department of Revenue, Agriculture

and Commerce,

To The Chief Secretary to the
Government of Madras
Circular dated 21st October 1876.

SIR,

I am directed to forward copies of
the correspondence noted in the margin on
the subject of the revision of the consolida-
ted customs act, and to state that
the appointment of a Committee at
Madras, similar to that proposed
for Calcutta would, in the opinion of
His Excellency the Governor General in
Council, be very desirable.

I have the honour to be,

Your Most Obedient Servant

T. C. Hope

Offg. Secretary to the Govt. of India.

Revenue 1876 Dept.
No. 4448

From
The Govt of India,
Revenue &c. Dept.

Dated 21st Oct 1876.
Recd. 27

en 2.1 No. 4.

R.D.

Keep for Dr. Lamm

Forwarding copies of correspondence with the Govt of Bengal on the subject of the revision of the Consolidated Customs Act, and stating that the app't ga Com at Madras, viz. to that proposed for Calcutta would be very desirable -

1527
19

Legislation & Steam

Ind. Com. Mem.
Prop. for President

Merchants of int'l
experience & position
one of whom will
be an

MS 2/1

MS 2/1

R.D.

From G. I. Revue Sept 15
d/21-10-76
no. 4.

For our Comm. Sec -

Sub. suggest

- ✓ be Pres. of Sea Customs & Pres. of Chamber of Commerce, to be selected by the Chamber.
- ✓ A Member of the Chamber of Commerce, to be selected by the Chamber.
- ✓ A Member of the Trades Assocⁿ, selected by the Assocⁿ.

Two natives, owners of Coasting dhonies, or largely engaged in export or import trade; to be selected by the Pres. of Sea Customs & Capt. Taylor.

1527
30/10/76.

Committee to revise
the Customs Act

Despatch

N^o 1527/30 Dated 17/7/76.
From orders.

A Committee will be formed accordingly.

The following of sea customs will provide. The Master of the Customs will join the Committee; & the Chamber of Commerce & the Trades Association will be invited to nominate, each, a member.

- Two Native merchants of intelligence & position, one of whom might be an owner of coasting vessels, shall be requested to take part in the proceedings.

To Mr. Sea Customs &c.

23/11/76

14 To Mr. Sea Customs 24-20-11/76

1 Collector of Sea Customs

1 Master of the Customs

1 Chamber of Commerce

1 Trades Association

1 Native merchants