

Revenue (1897) Department.

MISCELLANEOUS SERIES.

G.O., No. 3367

DATED 3rd July

[Despatch Abstract.]

Comm^d to the Secy of Rev^y for early report
Govt of India on the subject of the proposal
that customs duty on mineral oil should
be levied by weight instead of by measurement

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue (1897) Department.

CURRENT No. 5391

From

The Govt. of India.
Fin. & Com. Dept.

Order

No. 2738 S.R.

Dated 21st June 1897

Received 30.6.97

Registered

Enclosures

Spare copies

SUBJECT.

Proposal that Customs
duty on mineral oil should
be levied by weight instead
of by measurement.

15/20/6

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

Dated 24th April 1897.

From—C. C. CAMPBELL, Esq., Manager, Standard Oil Company of New York, 32, Dalhousie Square, South,
To—J. F. FINLAY, Esq., I. C. S., M. A., Secretary to the Government of India, Department of Finance and Commerce.

SOME time ago, we made representation objecting to the practice at Calcutta of assessing the import duty on cases of kerosine oil at 8½ imperial gallons per case of two cans, on the ground that the cases do not hold this quantity of oil, and requested that the duty be assessed either at 8 imperial gallons per case, or the actual quantity of oil contained in the cases be ascertained.

After due consideration, the Government issued orders that in future the duty should be based on actual measurement, which was very satisfactory to us, as we did not at the time expect that the Collector of Customs would interpret this order [to mean] that he [should] endeavor to ascertain the quantity by measuring the oil out into a gallon-measure without regard to temperature. This, however, is being done, and we beg most respectfully to enter our urgent protest against same.

It is a well-known fact that temperature affects kerosine oil to such an extent that it has become necessary to adopt commercial rules for correctly ascertaining the quantity of any package, and these rules have been accepted by the Chambers of Commerce and Commercial Bodies in the Business Centres of the entire world.

Oil is bought and sold by *weight*, and *not* by *measure*, but if measurement be desired, it must be at the temperature of 62 degrees, the definition of an imperial gallon being "A measure containing ten pounds, avoirdupois weight, of distilled water at the temperature of 62 degrees Fahrenheit."

To overcome the difficulty of measuring the quantity at the stated temperature of 62 degrees Fahrenheit, instruments have been perfected, and rules for using same laid down by such authorities as Mr. Boverton Redwood, Sir Frederick Abel, and others.

The gravity of the oil is discovered by using an hydrometer, which shows the number of pounds of that particular oil contained in an imperial gallon, and if the net weight of the package be divided by this number of pounds, it will correctly give the contents of the package. By this method 1,000, 10,000 or a lakh of cases can be treated as correctly as one—a very much simpler, more correct, and easier method than by measurement.

We attach hereto a letter from Mr. Boverton Redwood on the subject, which we think bears out our views of the matter.

We sell thousands of casks of batching oil to the jute mills, and lubricating oils to the Railway Companies, and in no instance is the oil measured, but is invariably sold by weight. If we endeavored to measure the Oil, we would get a different result according to the time of day, or the season of the year, that the measurement was made. A gallon in Calcutta would *not* be a gallon in Darjeeling, and it is for this very reason that rules, as I have cited above, have been laid down to govern the commerce of all countries under all conditions.

This variation in bulk from temperature is greater in kerosine oil than in any other oil, and is greater according to the quality of the oil; that is to say, our best grade of oil "Water-White 150° test" expands much more quickly than our cheaper grades, and our cheaper grades expand much more than the still inferior grades of Russian oil. This being the case, we, the Importers of American oil, are now in a worse position than we were before the Government issued the order to *measure* the oil, for the simple reason that before, all cases, either of Russian or American oil, were made to pay upon 8½ gallons, when we and our competitors (the importers of Russian oil) suffered alike, but now we suffer much more than they do, and although all the cases of kerosine oil imported into India really hold the same number of gallons, our cases show, under your method of ascertaining the contents, a larger quantity of oil than any of the others, and a larger duty is collected therefrom to the special detriment of our business.

The customs duty is "one anna per imperial gallon" and duty is now being collected from us upon a measure of oil as a gallon, which we are not able to sell or deliver to our customers as a gallon.

The writer laid this matter before the Honourable Mr. Playfair, President of the Chamber of Commerce, who offered to take it up on our behalf with Sir James Westland, but as we were under the impression that it was only necessary to convince the

2.
Collector of Customs of the justness of our plea, and as we had written to London for Mr. Redwood's letter, we have delayed until now taking the question up with you.

In conclusion, we would say that what we urge as to the proper method of accurately ascertaining the contents of any package of kerosine oil will be endorsed by any practical chemist, such as Dr. Warden or Dr. Waddell, or we can, if you wish, obtain a more definite opinion from Mr. Redwood.

We sincerely trust that this matter may have your earliest convenient attention. All our sales are made "To arrive," customers taking delivery from us ex-ship, and we are in receipt daily of complaints that they are being compelled to pay more duty on our oil than upon Russian oil, and also that they made to pay more duty on the *better* grades than on the *inferior* grades.

This state of affairs is so manifestly incorrect, that we confidently rely upon obtaining relief without unnecessary delay.

Dated 10th March 1897.

From—BOVERTON REDWOOD, Esq., 4, Bishopsgate St. Within, London,

To—W. A. HAWKINS, Esq., Secretary, Anglo-American Oil Company, Limited.

In reply to your inquiry I beg to say that in my opinion there is only one satisfactory method of stating the contents of a package of kerosine, and that is to deduce from the net weight and specific gravity of the oil the number of gallons at the recognised standard temperature of 60° F. On this basis it is simply necessary to determine, by weighing, the net weight of the oil in the package, in pounds avoirdupois; to ascertain, by actual test, the specific gravity of the oil at 60° F.; to multiply the observed specific gravity (at 60° F.) by 10, which gives the weight per imperial gallon in pounds avoirdupois; and to divide the net weight of the contents of the package by the weight of the gallon.

No. 2738 S. R.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

STATISTICS AND COMMERCE.
Customs.

To

THE SECRETARY TO THE GOVERNMENT OF *Madras*.

Simla, the 21st June 1897.

SIR,

IN the Resolution in this Department No. 4057 S. R., dated the 23rd September 1896, it was decided that the assessment of mineral oil to import duty should be based on actual measurement, and that a certain number of cases of oil in each consignment should be tested.

2. This basis of assessment was adopted upon the express representation of importers of oil. But the Calcutta Agent of the Standard Oil Company of New York, in his letter of the 24th April 1897, a copy of which is enclosed, objects to the contents of kerosine oil cases being determined by measurement without regard to temperature. He states that temperature affects kerosine oil to such an extent that it has become necessary to adopt commercial rules for correctly ascertaining the quantity of any package; that the variation in bulk owing to climatic influences is greater in the case of kerosine oil than in that of any other oil; and that the better grades of oil expand more quickly than the inferior grades. He contends accordingly that the present system of measurement is inaccurate and unsuitable, and that the only equitable way of measuring the oil would be to deduce the contents of the package by means of hydro-metric tests and calculations based on the weight of the oil and its specific gravity at the temperature of 62° Fahrenheit.

3. It is manifest that any system applied to one description of oil would require to be applied universally; and as this is the only complaint that has as yet been made to the Government of India against the operation of paragraph 6 of the Resolution in this Department No. 4057 S. R., dated 23rd September 1896, I am directed to enquire whether any similar protests have reached the Government of *Madras*, from other importers or agents for the sale of other descriptions of mineral oil, and to request that the Chambers of Commerce may be consulted and that the opinion of *M. S. the Govt. of India* on the suggestions made on behalf of the Standard Oil Company of New York may be communicated.

4. With reference to the Agent's statement that oil is invariably sold by weight and not by measure, it appears to the Government of India that the ascertainment of the net weight of oil in a case or tank need involve little difficulty. If, therefore, a levy of duty on the basis of actual weight would be more acceptable to importers generally than a levy as at present on the basis of actual measurement, the Government of India would be prepared to consider the possibility of its substitution. And I am to ask for opinions on this suggestion also.

I have the honour to be,

SIR,

Your most obedient Servant,

G. Smita
Offg. Asst. Secy. to the Govt. of India.

GOVERNMENT OF INDIA.
FINANCE AND COMMERCE
DEPARTMENT.

STATISTICS AND COMMERCE.
Customs.

TO
THE SECY. TO THE GOVT. OF

No. 2738 S.R.

Dated Simla, the 21st June 1897.

Proposal that customs duty on mineral oil should
be levied by weight instead of by measure-
ment.

Cus. 5391 of 97

Sp. mis no. 3387 of 2nd July 97.
Communicated to
the Board of Revenue for
report with reference to
paras 3 & 4 of the latter
read above.

1/8/97

AR
27/9

hat

To

The Board of Rev (Sep: Rev).
dis. 8-7-97

2/7/97

When given for copying _____
 When copied _____
 When examined _____
 When signed _____

189

READ AGAIN G.O., No. _____
 189

DATED

CURRENT N. 

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
 IN ORIGINAL.

B.E.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy heading only