6/9 3,000—5-8-98.

Revenue (1898) Department.

Refunding Import Duty

MISCELLANEOUS SERIES.

G.O., No. 2909

DATED 11 July 98

[Despatch Abstract.]

Referring to the Board of Revenue
forwarding report & letter from the Govt of
India re refund of duty on arms
imported

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
C.no	6043 of 98						

0/18 4.97 2 19-7-97.

Revenue (1898) Department.

CURRENT No. 4702

Ap to accompanying letter 11/7/98 No 25

Order Memo No: 2909 dtd 11th July 1898.

From The Government of India, Home Dept.

(Referred to the Board of Revenue for favor of an early report.

No. 1452.

kd 10/7/98

Dated 27th June

Received 4 July

Registered 5

Enclosures

Spare copies.

S.R. 11/7/98

To the Board. SR 5

keep 12/7/98

SAJ 10/7/98.

SUBJECT.

Requesting that the Govt. of India may be favoured with a report on the subject of refund or remission of customs duty on guns imported and with an expression of the views on the suggestion to amend the proviso 2 to Schedule II of the Indian Tariff Act VIII of 1894.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No. 1452

FROM

J. P. HEWETT, Esq., C.I.E.,
Secretary to the Government of India,

TO

The Chief Secy to the Govt. of Madras

Home Department.
Public.

CHIEF SECRETARIAT
4 JUL 1898
GOVERNMENT OF INDIA

Simla, the 27th *June* 1898.

SIR,

UNDER proviso 2 to Schedule II of the Indian Tariff Act, VIII of 1894, a refund or remission of so much of the customs duty as is in excess of 10 per cent. *ad valorem* may be granted to an importer in respect of any of the articles upon which duty has been levied under numbers 1 to 10 of that schedule when they are sold by him retail to a person lawfully entitled to possess them.

2. Some time ago a firm of traders in Bengal imported certain guns and paid duty thereon at the specific rate prescribed in Schedule II, but subsequently sold them to another firm, who in turn sold one of the guns to a private individual. The Bengal Government reports that it has been the practice hitherto to allow the importer in such a case a refund of the difference between the specific and *ad valorem* duties in respect of the gun sold to the private individual. It has, however, now been advised that this practice is not in accordance with the law as it stands, and that neither of the firms is entitled to a refund; the first firm not having effected the direct sale of the weapon to the purchaser, and the second not having imported the gun.

3. The Government of Bengal considers that this practice does not in any way endanger the revenue, and that it should be legalized. The Lieutenant-Governor accordingly suggested that proviso 2 to Schedule II of the Indian Tariff Act, VIII of 1894, should be amended so as to allow of a refund or remission of so much of the customs duty as is in excess of 10 per cent. *ad valorem* being made to an importer in respect of arms purchased either from him direct, or through an intervening licensed vendor, by a person lawfully entitled to possess arms in reasonable quantity for his own private use, provided that the Collector of Customs is satisfied as to the identity of the articles, and that the importer is, in other respects, entitled to such refund.

4. In this connection I am to invite attention to the fact that the provision contained in the Indian Tariff Act, VIII of 1894, for the payment of a fixed duty on fire-arms, which was taken from the Indian Arms Act, XI of 1878, was intended to check the traffic in a cheap class of arms that had increased largely some years previously. It was considered that such arms could not, from their inferior make, be intended for *bonâ fide* sporting purposes, and there was reason to suspect that a considerable proportion of them found their way into the hands of the criminal classes in the interior of the country or of the hostile tribes on the frontiers of British India. It was found very difficult to prevent the transit of such arms from the seaports into the interior of the country when they were once imported, and it was believed that the simplest method of checking their

importation, and the method least calculated to interfere with the legitimate trade in arms of a superior class, would be to impose a uniform duty on their first importation into the country and to grant refunds or remission of duty in excess of 10 per cent. *ad valorem* when they were imported by a person lawfully entitled to possess them.

5. In the case of the better class of arms, the difference between the fixed duty of Rs. 50 and an *ad valorem* duty of 10 per cent. is not very great, but in the case of the cheaper class of weapons, the importation of which it is undesirable to encourage, the difference is great enough to make the matter of importance to purchasers, and it is therefore doubtful whether, if the law is amended as suggested, it will not lead to the increase in the importation of cheap arms by importing firms for sale to persons residing in the mufassil.

6. Before considering the question of amending the law in the direction indicated, the Governor General in Council desires to ascertain what has been the practice in this respect in the other Provinces and to consult the several Local Governments and Administrations as to the expediency of sanctioning the practice referred to by legislation. I am accordingly to request that the Government of India may be favoured with a report on the subject and with an expression of

of the views of His Exy. the Governor in Council

on the suggestion referred to in paragraph 3 of this letter.

I have the honour to be,

SIR,

Your most obedient Servant,

L. P. Hemett.

Secretary to the Government of India.

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} 189 .

READ AGAIN G.O., No. DATED
189 ,

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT	A	A	A	A	A	A	A	
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C								
STATEMENT WITH DITTO.								
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