8,000—5-3-95.

Revenue (1898) Department.

MISCELLANEOUS SERIES.

G.O., No. 2044-5

DATED 20th July 1

[Despatch Abstract.]

Reporting to the Govt of India on the representation from the Chamber of Commerce, Manchester in regard to the practice of "Sizing"

BACK PAPERS.

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

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Gen.	3015	Rev.	22-7-98				

Revenue (1898) Department.

CURRENT No. 4590.



From

The Secretary to the Commissioner of Salt, Abkari and Separate Revenue, Madras.

Order

Mis. No. 2430.

Dated 18th June 1898.

Received 30

Registered 1/Jul 98

Enclosures 3

Spare copies

SUBJECT.

Submitting to Government report - from the Collector of Sea Customs, Madras, with reference to a despatch from the Secretary of State for - India regarding the application of the Merchandise Marks Act to the - practice of"stuffing" and stating - that the Board accepts the Collector's views.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

No. 2268-S.R.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

Simla, the 17th *May* 1898.

Read:-

Despatch from the Secretary of State, No. 71, Revenue, dated the 14th April 1898, and enclosures.

Ordered that a copy of these papers be forwarded to the Government of Madras, Revenue Department, for the favour of a report.

J. A. Dalton

Offg. Asstt. Secy to the Govt. of India

India Office.
London, 14th April 1898.

Revenue
No. 71.

To

His Excellency the Right Honourable the
Governor General of India in Council.

My Lord,

I forward, for the consideration
of your Excellency in Council, copy
of a letter which has been received
from the Manchester Chamber of
Commerce, regarding the application
of the Merchandise Marks Act to the
practice of "Stuffing."

Dated 22nd March 1898.

I have &c.,
(Sd.) George Hamilton.

8
1
4570.

Chamber of Commerce,
Manchester,
March 22, 1898.

My Lord,

Representations have been made to this Chamber respecting a recent decision of the Collector of Sea Customs at Madras to which I am instructed by the Board of Directors respectfully to draw your attention.

2 - In the spinning of cotton yarn it is impossible to secure absolute uniformity in the "Counts" or fineness of the yarn and consequently it is invitable that in a consignment of bundled yarn the weight of some bundles may be a little above or a little below the standard weight. In the latter event it is a practice obviously required on the ground of honesty, to make good the deficiency by adding a few hanks in order

to

to bring the weight of the bundles up to the standard.

This practice is technically called "Stuffing." In the present instance, it has been adduced by the Collector as justifying the confiscation of a consignment, with the option of re-shipment on payment of a fine.

The following is a copy of a letter of the Collector of Customs announcing this decision to the importers at Madras.

Sea Customs Collector's office,
Madras, 25th January, 1898.

Right Honble Lord George Hamilton, M.P.,
Principal Secretary of State for India,
India Office, London.

From

From the Collector of Sea Customs, Madras,
To Madras.

No. 4709.

Has the honour to inform them that the explanation given by them regarding the presence of the extra hanks in their bundles of grey yarn contained in bales 3148/49 ex S.S. "Clan Macnab" is unsatisfactory and cannot be accepted. The number of hanks which a 5 lb bundle of grey yarn of 30 s should contain is laid down in para. 111 (d) of Government of India Notification No. 1474 of November 1891, and any departure from this packing constitutes a false trade description under the Merchandise Marks Act. The addition of these extra hanks amounts therefore to such false description and renders the yarn liable to confiscation and the importers to a penalty. The yarn is accordingly confiscated and ordered to be re-shipped on payment of a penalty of Rs. 100 for the importation and Rs. 3 per bale as a redemption penalty. Importers are further informed that they are at liberty to appeal to the Board against

against this order within 3 months of this date.

Sd/ J. N. Atkinson.
Ag. Collector of Sea Customs.

I am to state that in the opinion of this Chamber the course taken by the Collector is not justified by a proper interpretation of Notification No. 1474, Since the practice of Stuffing bundles, under the circumstances described, does not render the description of them false" in a material respect." I am therefore respectfully to ask that you will be so good as to inform the Government of India of the fact that the action of the Madras Collector in this matter has been most carefully considered by the Chamber, and of the conclusion at which it has arrived, that the practice in question is perfectly honest. If this conclusion should commend itself to the Govt. of India, I am to ask that in the particular instance just referred to and in any similar ones which may have arisen the yarn may be released and delivered to the consignees.

I have, &c.
Sd/ Elijah Helm,
Secretary.

REVENUE BOARD OFFICE MADRAS.

Proceedings of the Board of Revenue

(Separate Revenue.)

Dated 18th June 189 8.

Mis. No. 2430.

Read the following letter from J.N.Atkinson Esquire., I.C.S, Acting Collector of Sea Customs, Madras No.3746,G, dated 7th June 1898:-

" In reply to Board's endorsement No.271, dated the 28th ultimo, calling for a report on the application by this Department of the Merchandise Marks Act to the practice of "stuffing" extra hanks into bundles of short weight cotton yarn, I have the honour to say that although it is impossible, in the spinning of cotton yarn, to secure absolute uniformity in the counts, it is a proved fact that yarns can be spun to within half a count of the required number. Thus 30s can easily be spun between 29½s and 30½s giving an average of 30s. In this case, the full weight of the bundles with the addition of the extra hanks was less than 5 lbs and the average count obtained was higher than 30s being 32s or 6 2/3 per cent higher than the marked count, while the law allows a variation of only 5 per cent either way, i.e. individual counts may be 5 per cent higher or lower than the marked count, not higher only, while the average must be 30s. It was evident therefore that a count of yarn slightly higher than 30s had been bundled and that the shippers, knowing that the weight was less than 5 lbs per bundle, had stuffed in a few hanks here and there to make a show of making up weight.

Rule III (a) Notification 1474 India 13-11-91 Gazette p 626

2. Before yarn is bundled, it is twisted into knots of 10 or 20 hanks (7½ knots of 20 hanks or 150 hanks making a 5-lbs bundle of 30s) and these knots are weighed; and, what the Secretary to the Manchester Chamber of Commerce, wishes us to understand is that, if these 7½ knots are found

to weigh less than 5lbs, extra hanks are stuffed into the bundle to make up the weight honestly. This practice which the Merchandise Marks Act declares is unlawful, because it makes the number of hanks in a bundle more than that recognized or permitted by it, is not an honest but a dishonest attempt to make it appear that weight is made up. This old practice is only resorted to when the shipper is aware that his yarns are short in length or being of slightly higher count (there is little or no difference in the price of 32s and 30s) are under weight, and it is a great hardship to the native weaver who is unable to weave the same length of cloth from a bundle of 32s that he is from one of 30s, because the former being slightly finer has to be woven closer. To permit this practice is to give the retail dealer an opportunity to withdraw the loose hanks from the bundles and so further cheat the consumer(the weaver), who has enough to contend against in the shape of short length, short weight andwrong counts. The proper course when the 7½ knots are found to be less than 5 lbs is to substitute heavy knots, from the hundreds at hand in the weaving room of the mill, for light ones, but not to add extra hanks and so increase the number of hanks in a bundle contrary to law. This Custom House is not the only one in which this practice is condemned. A similar case is reported to have occurred in Calcutta in November last, and the course adopted was similar to that followed here. I have no doubt that Bombay could say the same.

3. There were two reasons to prevent this yarn particular yarn passing into consumption.

i Because the bundles contained more hanks than were permitted by the law.

ii. Because the average count of the yarn was higher than the count marked on the bundles. This second reason was not mentioned to the importers because the first was considered sufficient to condemn the yarn. I may add that this particular yarn was tested in consequence of information obtained by this office that buyers in the market were complaining of its short weight, and the fact, that the nettweight of the bundles including the extra hanks was 4 oz short of 5 lbs conclusively proves that the extra hanks did not honestly make up the weight.

4. In conclusion, I beg to point out that this yarn was condemned and ordered to be reshipped on the 28th January last, and that

importers were informed that they had three months in which to appeal to the Board of Revenue, Madras, if they were dissatisfied with my decision. They did not do so and any appeal from them would therefore now be timebarred under section 188 of the Customs Act. This practice of ignoring the legally constituted appellate authority here and getting the shippers (who are notthe importers of the goods and who are consequently not parties to the case here) to appeal to the Home authorities through the Manchester Chamber of Commerce on points which are not within its knowledge and which have arisen here and should be decided according to Indian law, is one which not only causes great inconvenience and unnecessary correspondence but eventually deprives the importer of his right of appeal the time for which, under section 188 of the Customs Act, is limited to three months from the date of the order of the Collector of Customs.

5. The enclosures are returned."

Resolution.

Submitted to Government in reply to Government reference Mis.No.2276, dated 26th May 1898.

2. The Collector's views areaccepted by the Board.

(True copy and extract)

Acting Secretary.

To the Secretary to Government, Revenue Department, with enclosures in original returned.

(1) 17-7-98.

S.R.
11-7-98

(2) Mr. Secretary
E.R. 13/7/98
To the Board of Rev
S.R.

Read again G.O. No. 2276 dt. 26-5-98
— Proc. of the Board of Rev
No. 2430 dt. 18-6-98 (C No. 4590)
G.O. Mis. No. 3044 dt. 20th July 98

Ordered that the following letter be despatched to the Govt. of India.

Recd 22/7/98

Recd 21/7/98 with file.

Letter No. 3045.

To the Secy to the Govt of India
Finance & Commerce Dept

Sir,

I am directed to acknowledge the receipt of your endt No. 2268 S.R. dt 17-5-98, forwarding for report a representation from the Manchester chamber of commerce in regard to the practice of "stuffing".

~~I am directed to acknowledge~~

2. In the consignment of grey yarn imported ex SS Clan Macnab, to

AS
14/7/98

C/147 Re: 14/7.

Copy of call's endt. under G.O. 2276 26-5-98

which reference is
made by the chamber
of commerce, it appears
that the yarn consist-
ed of ~~five~~ bundles purporting of 5 lbs each and
marked as being of
30 counts. Under rule
III (d) of the Govt of India
notifn No-1474 dt 13-11-91,
the number of knots of
twenty hanks in each
bundle should be a
quarter of 30 or 7½.
In other words, there
should have been
150 hanks in each;
but the number actual-
ly found was larger.
Again, the full weight
of the bundle including
the extra hanks was
found to be no less than four ounces short of
five lbs and the average
count of the whole of
the yarn was 32, that is
6⅔ p.c. more than the
described count: while
the maximum variation

↑ 626 of the Gazette of India
Part I for 1891.

current page 1.

is only 5 p.c. The trade
description being in
violation of the rules
in respect of both the
number of hanks and
of the average count
of the yarn, the action
of the Collr of Sea
Customs in ordering
the confiscation of the
consignment was
therefore entirely perfectly
legal, but quite right & proper.

3. The Collr of Sea
Customs, pointout that a bundle
of yarn of count 32
being slightly finer
than one of 30, the
native weaver is unable
to weave the same
length of cloth from
the one as from the
other and that he is
therefore cheated
when he purchases
a bundle of 32 counts believing
it to be one of 30 counts.
Moreover, the practice of
adding extra hanks

ives the retail dealer
an opportunity of with-
drawing the loose hanks
from the bundles, the
result being still
further to cheat the
weaver.

H E the Governor
considers that there is
force in these objections.
As it should be possible
for the Manufacturer
to substitute heavy
knots for light ones
without adding extra
hanks, I am to state that H.E. will not consider
it advisable to permit any
that relaxation
of the existing rules should
be permitted. A copy
of the Sea Customs Collectors
report on the case is
enclosed.

I have &c.

7/98

When given for copying ____
When copied ____ } 189 .
When examined ____
When signed ____

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

URRENT No.

NCLOSURES TO C. No.

RDER OF GOVERNMENT .. .. .. A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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