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PART VI.

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor-General of India for the purpose of making Laws and Regulations on the 18th January 1889:—

Bill No. 1 of 1889.

A Bill to amend the Sea Customs Act, 1878, and the Indian Tariff Act, 1882.

VIII of 1878. XI of 1882. WHEREAS it is expedient to amend the Sea Customs Act, 1878, and the Indian Tariff Act, 1882; It is hereby enacted as follows:—

Sea Customs Act, 1878.

VIII of 1878. Amendment of section 37, Act VIII, 1878.

1. For the provisos to section 37 of the Sea Customs Act, 1878, the following proviso shall be substituted, namely:—

"Provided that, if such goods are warehoused under this Act, the rate and valuation (if any) applicable thereto shall be the rate and valuation in force on the date on which application is made to clear such goods from the warehouse for home-consumption."

Amendment of section 110, Act VIII, 1878.

2. For section 110 of the same Act the following shall be substituted, namely:—

Clearance of bonded goods for home-consumption.

"110. Any owner of goods warehoused may, at any time within three years from the date of the bond executed in respect thereof under section 92, clear such goods for home-consumption by paying—

(*a*) the duty leviable on such goods at the rate and according to the valuation (if any) applicable thereto on the date on which application is made to clear such goods from the warehouse for home-consumption, and

(*b*) all rent, penalties, interest and other charges payable to the Customs-collector in respect of such goods."

Amendment of section 115, Act VIII, 1878.

3. In section 115 of the same Act, the words "in accordance with the second proviso to section 37" are hereby repealed.

Indian Tariff Act, 1882.

Addition of new section to Act XI, 1882.

4. The following section shall be added to the Indian Tariff Act, 1882, namely:— XI of 1882.

When contracts have been entered into, amount of increased or decreased duty to be added or deducted.

"10. In the event of any duty of customs or excise on any article being imposed, increased, decreased or remitted after the making of any contract for the sale of such article without stipulation as to the payment of duty where duty was not chargeable at the time of the making of the contract, or for the sale of such article duty-paid where duty was chargeable at that time,— [39 & 40 Vict., c. 36, s. 20.]

(*a*) if such imposition or increase so takes effect that the duty or increased duty, as the case may be, is paid, the seller may add so much to the contract-price as will be equivalent to the duty or increase of duty, and he shall be entitled to be paid and to sue for and recover such addition, and (*b*) if such decrease or remission so takes effect that the decreased duty only or no duty, as the case may be, is paid, the purchaser may deduct so much from the contract-price as will be equivalent to the decrease of duty or remitted duty, and he shall not be liable to pay or be sued for or in respect of such deduction."

Amendment of the Second Schedule to Act XI, 1882.

5. In No. 1 of the Second Schedule to the same Act, for the following, namely :—

No.	Names of Articles.	Per	Tariff valuation.	Rate of duty.
*	*	*	*	*
			Re. a.	
	Gunpowder, common.	lb.	0 5	10 per cent.
	Gunpowder, sporting.	lb.	1 0	
	All other sorts ...	...	*Ad valorem.*	

there shall be substituted the following, namely :—

No.	Names of Articles.	Per	Tariff valuation.	Rate of duty.
*	*	*	*	*
			Re. a.	
	Gunpowder, common.	lb.	0 5	10 per cent.
	Gunpowder, sporting.	lb.	1 0	
	All other sorts of Arms, Ammunition and Military Stores.	...	*Ad valorem.*	10 per cent.

Explanation.—The expression "Arms, Ammunition and Military Stores," as used in the foregoing part of this Schedule, includes, in addition to any article specifically mentioned in that part,—

(*a*) all articles which are either "arms" or "ammunition" within the meaning of the Indian Arms Act, 1878, and XI of 1878.

(*b*) any articles which the Governor General in Council may from time to time, by notification in the Gazette of India, declare to be "military stores" for the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS.

THE main object of this Bill (section 1) is to repeal the proviso to section 37 of the Sea Customs Act, 1878, which enacts that when the rate of duty or tariff-valuation (if any) applicable to any goods imported has been raised after the grant of port-clearance at the port of shipment, the rate and valuation applicable to such goods shall be, not the rate and valuation in force on the date on which the bill-of-entry thereof is delivered to the Customs-collector under section 86 of the Act, but the rate and valuation in force on the date on which port-clearance at the port of shipment was granted. There is no precedent for such a proviso either in the law of England or, so far as the Government of India has been able to ascertain, in the law of any other country. The proviso was adversely criticised while the Bill, which became the Sea Customs Act, 1878, was under consideration: it has had the effect, which was then anticipated, of seriously disturbing trade, and it has caused very heavy loss of revenue to the Government.

Another object of the Bill (section 2) is to make it clear that where, after goods liable to duty have been assessed and warehoused, the duty is repealed, the goods may be cleared from the warehouse for home-consumption free of duty.

A third object (section 4) is to introduce into India the rule enacted in 18 & 19 Vict., c. 97, s. 9, and continued in 39 & 40 Vict., c. 36, s. 20. It was proposed to incorporate such a rule in the Bill which became the Sea Customs Act, 1878, but the proposal was not approved by the mercantile community and was on that account abandoned. The rule, however, has been in operation in the United Kingdom since 1855, and would seem, from the fact of its re-enactment by Parliament in 1876 and from the absence of any reference to it in the Law Reports, not to have entailed the ill effects which were feared when its introduction into India was last considered. In these circumstances, it is held to be desirable to insert the rule in the Bill with a view to its being carefully considered again.

A fourth object (section 5) is to define the expression "arms, ammunition and military stores," as used in the Indian Tariff Act, 1882, and to enable the Governor General in Council to declare from time to time what articles are to be deemed to be "military stores" within the meaning of the Act. The amendment necessary for this purpose will not affect any notification for the time being in force under section 22 of the Sea Customs Act, 1878.

The 18th January 1889.

(Signed) D. BARBOUR.

S. HARVEY JAMES,
Secretary to the Government of India.

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