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MADRAS RECORD OFFICE.**Government of Madras.***Publicity* **DEPARTMENT.**

G.O. No.	3822	Press
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	613-614	
Dated	24-12-	1882

Not to be folded or roughly handled*2-5-12*

*Proceedings of the Madras Government, Public Works Department,
24th December 1863.*

No. 613. Read the following Proceedings of the Madras Government in the Military Department :—

Communicating Proceedings Revenue Department, discon-
tinuing the distillation of Alcohol by the Commissariat
Department, and observing that this decision disposes of
the Estimates submitted for constructing Stills for the
Distillery } (Here enter 16th December 1863, No. 3,995.)

No. 614. ORDER THEREON, 24th December 1863, No 3,822.

Communicated to the Superintending Engineer, 4th Division, with reference to his letter
No. 2,574, dated 23rd September 1863.

(True Extract.)

(Signed) CHARLES A. ORR, Colonel, R. E.,
Secretary to Government.

To the Superintending Engineer, 4th Division.

Exd. S. T. Augustin.

MILITARY DEPARTMENT.
PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following papers :—

From the Superintending Engineer 4th Division, Madras, 23rd September 1863, No 2574; to the Secretary to Government, Public Works Department.

I have the honor to forward an Estimate, Rupees 405, for constructing Stills in the Alcohol Distillery attached to the Commissary General's Office, for the sanction of Government and for

Enclosure.
1 Estimate.

<i>For incomplete minor new works.. .. .</i>	<i>Rupees</i>	<i>414</i>
<i>For works sanctioned since May</i>	<i>"</i>	<i>910</i>
<i>For altering Lightning Conductors</i>	<i>"</i>	<i>100</i>
	<i>"</i>	<i>1,424</i>
<i>Allotment . . .</i>	<i>"</i>	<i>1,500</i>
<i>Balance remaining .. .</i>	<i>"</i>	<i>76</i>

permission to enter it in the Budget for 1864-65, unless Government will be pleased to place at my disposal a further allotment from the Reserve Fund for minor new works, the Presidency allotment, Rupee 1,500 having been already absorbed as shown in margin.

Referred to the Military Department, with an intimation that as the estimated cost of the work is below Rupees 1,000, it cannot be entered in the Budget of 1864-65.

(Signed) C. A. ORR, Colonel, R. E.,
Secy to Govt, Dept. Pub. Works

25th September 1863.

Proceedings of the Madras Government, Revenue Department

Read the following letter from the Secretary to the Board of Revenue, Madras, 18th November 1863, No. 7334; to the Secretary to Government, Revenue Department

I am directed by the Board to reply to the Government Order dated 3rd November 1863, No. 1974, Revenue Department, referring for their opinion the question as to the continued necessity or otherwise of distilling Alcohol in the Commissariat Department for sale to the public.

2. This arrangement was originally adopted in 1848 to supply the demand for Spirits for use in manufactures, and chiefly in that of Varnish for Cabinet-makers, Coach-builders, &c, without incurring the risk to the Abkarry Revenue, which it was feared the adoption of the Licensed Distillery system would involve. The extent of this demand was then estimated at Gallons 1,200 annually, and from the papers accompanying, Colonel McGoun's recent Report to Government, it appears that in the four years from 1859-60 to 1862-63, the Commissariat sold Gallons 3,359 to private individuals, at a total cost to Government of Rupees 14,133, of which only Rupees 11,231 were recovered by the sale at the rates established, of Rupees 4-4 per Gallon of 60° strength, and Rupees 2-14 per Gallon of 43° strength, whereas to cover the cost to Government, the selling price should have been Rupees 4-3-3½ all round.

3. From the same papers it also appears that in Bombay Spirit of 55° strength is purchased for Government purposes at the rate of Rupees 5-7 per Imperial Gallon, and that in Calcutta it is similarly purchased, from the local Licensed Distillers of 56° strength, at the rate of Rupees 1-14 per Imperial Gallon, exclusive of duty, which is remitted. The Bombay price doubtless includes the Excise duty. There is very little Spirit imported at that Presidency. The Import duty is Rupees 3 per Imperial Gallon, increased rateably as the strength exceeds London proof. The duty on Metbylated Spirits, for use in the Arts, is 10 per cent. *ad valorem*, under Act XVI of 1863, and, under this Act, Spirit distilled from Country Rum and duly rendered unfit for human consumption, can be brought into the market.

4. It was brought to the Board's notice in 1860 and again in 1862, that Messrs Parry and Co, were in the habit of manufacturing Varnish, for the Madras market, at their Saugor Factory in South Arcot, by means of Spirits distilled from Rum of their own manufacture, and the opinion of the Advocate General was taken as to the legality of this proceeding. Mr. Sydney Smyth expressed his opinion that the letter of the law was against the practice, and the Board accordingly directed the Collector to require payment in future of the 10 per cent. *ad valorem* duty, on the quantity of Spirits so brought into the market.

5. Messrs. Parry and Co, stated that 1,213 common Gallons of Varnish had been thus disposed of in the last three years, and it may be assumed that this represents at least that quantity of Alcohol of considerable strength.

6. The corresponding price per Imperial Gallon of the Madras Commissariat Alcohol at the selling prices per common Gallon above stated, viz, Rupees 4-4 and Rupees 2-14, according to strength, would be Rupees 5-1-7 and Rupees 3-7-2 respectively, *exclusive* of any duty, but the lower rate of selling price as shown by Dr. Mudge entails a loss upon Government. Adding the duty of Rupees 3 per Imperial Gallon, the cost of the Spirit, at the higher rate, to an Importer would be Rupees 8-1-7 per Imperial Gallon of 60° strength

7. The price of the Bombay Spirit, of 55° strength, is Rupees 5-7 per Imperial Gallon, inclusive no doubt of duty

8. The price of the Calcutta Spirit, of 56° strength, would, with duty, be Rupees 4-14 per Gallon.

9. The locally manufactured Varnish, with the 10 per cent. *ad valorem* duty, would doubtless be still cheaper, when all costs of carriage are added.

10. The importation of Spirits of Wine at this Port is very trifling, and solely, it is believed, for Chemical purposes, and the Board see no reason whatever to doubt, from the facts above stated, that the system of distilling Alcohol in the Commissariat Department, for sale to private individuals, may be safely discontinued without entailing any public inconvenience or any risk to the Abkarry Revenue, and with positive advantage to Government, while the objectionable interference with what should be a matter for private enterprise will cease.

11. It may perhaps be advisable to give a short notice to obviate any cause of complaint; but the system may certainly be abandoned from and after 1st January 1864

ORDER THEREON, 2nd December 1863, No. 2189.

Under the circumstances stated by the Board of Revenue, the distillation of Alcohol by the Commissariat Department for sale to the public, under Extract Minutes of Consultation, 8th August 1848, No. 849, will be discontinued from the 1st January 1864.

(True Extract)

(Signed) J. D. SIM,
Secretary to Government.

ORDER, No 3995, 16th December 1863.

Ordered that the Proceedings in the Revenue Department above recorded, be communicated to the Commissary General for guidance. The distillation of Alcohol by the Commissariat Department will cease, as directed, from the 1st January 1864

2. The foregoing decision disposes of the reference from the Public Works Department regarding the Estimates submitted by the Superintending Engineer 4th Division, for constructing Stills for the Distillery.

3. The selling price of the Alcohol remaining in Store, will be regulated in accordance with paragraph 2 of letter No. 7334* of the 18th November 1863, recorded in the foregoing Proceedings, No 2189.

Rupees 4-3-3½.

4. The Commissary General will report, for the information of Government, any reduction that can be effected in the Commissariat Establishment in consequence of this Order.

(True Extract)

M. Hamilton
Deputy Secretary to Government.

To the Public Works Dept, with an Estimate.

„ Revenue Dept., with nine enclosures.
„ Commissary General
„ Controller of Military Finance.
„ Military Accountant.
„ Examiner of Commissariat Accounts.
„ Adjutant General.
„ Military Finance Department.

Exd. R. Stephenson.

