

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	1409	Press
		Mis.
Dated	October 17,	1859.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
from 5th to 21st October 1859.*

No. 109. Read the following letter from W. GREY, Esq., Secretary to the Government of India; to J. D. BOURDILLON, Esq., Secretary to the Government of Madras, dated Fort William, 7th October 1859, No. 2056.

With reference to the letters noted in the margin, I am directed by the Governor General in Council to forward the accompanying copy of a communication* from the Government of Bengal, with its enclosures, and to state that if the Madras Government is not in a position at present to report generally upon the Abkaree system of the Madras Presidency, and the means which may seem available for bringing the consumption of spirituous liquors generally under stricter taxation, the Governor General in Council would wish to be furnished with an early and separate report on the practice which obtains in Madras with respect to the taxing of spirits manufactured by the European process of distillation, and to be informed of the view entertained by His Excellency in Council of the expediency of placing upon that manufacture a tax equal to the tax imposed by the new Tariff on spirits imported by sea.

2. In Bengal, I am directed to observe, the duty upon spirits manufactured by the European method is at present fixed by law† at one Rupee the Imperial Gallon. It is therefore very desirable that no time should be lost, after the re-assembling of the Legislative Council next month, in passing a Bill to amend the law, and unless, so far as Madras or Bombay is concerned, there are any special circumstances that can be reasonably urged against the opinion intimated by the Lieutenant Governor of Bengal, that the duty upon this class of spirits should be the same in all parts of India, the Governor General in Council would propose that a general law should be passed, applicable to all the Presidencies. For this reason, I am instructed to request that an early reply may be made to this communication.

From E. H. LUSHINGTON, Esq., Officiating Secretary to the Government of Bengal; to the Secretary to the Government of India, Home Department, dated Fort William, the 22nd September 1859, No. 2307.

No. 826, dated 25th April 1859. I am directed to acknowledge the receipt of your letters noted on the margin, and to state that the Lieutenant-Governor regrets the delay that has occurred which was caused by the papers of the case being inadvertently overlooked during his late tour.

„ 1018, dated 20th May 1859.

„ 1124, dated 1st June 1859.

„ 1717, dated 2nd September 1859.

„ 1718, dated 2nd September 1859.

2. The Lieutenant Governor now submits for the information of the Supreme Government a copy of the correspondence noted on the margin, and desires me to state that as to the question of the duty to be imposed on Rum and all other Spirits distilled in India by the European method, he differs from the Board of Revenue, and recommends that the duty on such Spirits be equalized with the duty now levied on imported Spirits, which is Rupees 3 per Imperial Gallon at London proof. This would increase the duty on Bengal Rum by Rupees 2 a gallon. But if such a change is made, he thinks it should be universal, as it would not be fair to tax Bengal Spirits more than the same class of Spirits made at Bombay or Madras.

3. The Board were originally of opinion that the rise to be now made in the duty on Bengal Rum, should be proportional to the rise lately made in the duty on imported Spirits, namely double; and that as the duty on imported Spirits had been raised from Rupees 1-8

*Proceedings of the Madras Government, Revenue Department,
from 5th to 21st October 1859.*

to Rupees 3 a gallon, the duty on Bengal Rum should be raised from Rupee 1 only to Rupees 2 a gallon. The effect of this would be to double the positive amount of the differential duty in favor of the Home manufacture, by increasing it from 8 annas to 1 Rupee a gallon. After discussion the Board have now so far modified their original view, as to propose that the duty on Bengal Rum be raised from 1 Rupee to Rupees 2-4 a gallon, which would have the effect of increasing the positive amount of the differential duty in favor of the Home manufacture by half as much again, namely from eight to twelve annas.

4. For reasons which will be perceptible from the letter to the Board of Revenue, No. 1193, dated the 16th May last, the Lieutenant-Governor cannot admit the soundness even of this modified view. He thinks that no good reason is assigned for proposing any increase whatever in the positive amount of differential duty heretofore in force in favor of the Home manufacture; and that as the old duty on imported Spirits has been raised by 1 Rupee 8 annas a gallon, to raise the old duty on Bengal Rum by any thing less than 1 Rupee 8 annas would be a measure wholly indefensible. It would be to introduce a new protective duty without a reason, or the semblance of a reason for such a backward step.

5. But the Lieut.-Governor is further of opinion, that so far from introducing a new protective duty, the opportunity ought to be gladly seized of getting rid of the existing one.

6. This opinion is founded upon the general arguments in favor of the system of free trade, which it would be superfluous to enter upon here, and the Lieut.-Governor refers to the Board's own letter in proof of the fact, that there is nothing in the present case to support any exception that can be taken on special grounds. The argument in paragraph 10 of the Board's letter, No. 296, dated the 15th July last, is nothing but the argument in favor of protective duties generally in all its nakedness. A differential duty is supported, under the admission that it will be of no advantage to the Revenue, on the ground that thereby internal prosperity will be promoted by the artificial stimulus to a Home manufacture; with this additional admission that the article to be encouraged is of inferior quality to the article to be discouraged, for it is said to have difficulty in competing with it.

7. The reasoning in paragraph 11, of the same letter, respecting the cost of Commissariat Rum to Government, may be regarded as one of those make-weight arguments which when used to support an unsound principle need no refutation. The Commissariat should get the most wholesome Rum at the cheapest price possible; and this can only be done under a system of free trade in Rum.

8. The argument in paragraph 12 is no argument in favor of a differential duty on Spirits made in India by the European method; it is an argument in favor of reducing the duty on all such Spirits, whether imported or made at home. The object here in view seems to be a good one; but it is to be attained by an increase of the duty on Country Doasta, and a better organized Abkaree system than now exists rather than by any needless sacrifice of one of the most unobjectionable items of Revenue we have.

9. The Governor-General in Council will see, that the Lieutenant-Governor has already commenced with the Board the discussion of the question of increasing the Abkaree duty on country spirits. The object is to convert the Abkaree Revenue universally into a system of taxing spirits at so much a gallon, by enforcing everywhere the system of Sudder Distilleries under excise supervision; and to raise the tax on these spirits, if possible, to an equality with the tax on the good spirits manufactured by the European methods, due allowance being made of course for the relative strength of the two classes of spirits, which are the changes, the Lieutenant-Governor understands, to be recommended generally in Mr. Secretary Beadon's letter of the 18th March last. The result will be communicated hereafter; but as the question of country spirits with the question of the Gunjah duty is not matured, and as a new law is not necessary in order to enable the Executive Government to introduce the desired changes in regard to it, it is unnecessary to enter upon it in this answer. But it may be certainly assumed even now, that the full increase of the duty on Doasta in the neighbourhood of Calcutta now proposed by the Board, viz. a duty of 1 Rupee 4 annas per imperial gallon, may be introduced whenever the excise on Bengal rum shall be raised by law.

*Proceedings of the Madras Government, Revenue Department,
from 5th to 21st October 1859.*

From RIVERS THOMPSON, Esq., Officiating Junior Secretary to the Board of Revenue, Lower Provinces; to the Secretary to the Government of Bengal;—(No. 188, dated the 13th May 1859.)

I am directed by the Board of Revenue to acknowledge the receipt of Government order No. 1007, dated 26th ultimo, and in reply to state that the Board do not think the duty on spirits distilled according to the European method can be safely increased beyond the amount proposed by them, viz. two Rupees per imperial gallon. If this duty is not imposed, the duties on imported rum will fall off to a great extent, and if a higher duty were to be fixed, there would be reason to fear a great decrease in the manufacture, and the closing of some distilleries.

2. The proposition of the Board regarding the duty to be fixed on spirits distilled after the country mode, only relates to a particular division, and as spirits distilled according to the country method cannot be made of greater strength than 25 per cent. under London proof, they think the proposed increase sufficient. From the Returns which the Board have received, up to this date, to a Circular issued by them in pursuance of Government order No. 690, dated 22d March, they do not anticipate being able to recommend a general extension of this duty; but the consumption of spirits is so great in this part of the country that the check which will follow this measure will not fail to be beneficial.

No. 110. ORDER THEREON, 17th October 1859, No. 1409.

Forwarded to the Board of Revenue with reference to the letters quoted, with a request that they will be so good as to furnish an early report upon the point on which the Government of India now require information.

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

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No. 2307.

FROM E. H. LUSHINGTON, Esq.,

Offg. Secretary to the Government of Bengal,

TO THE SECRETARY TO THE GOVERNMENT OF INDIA,

HOME DEPARTMENT.

Fort William, the 22nd September 1859.

Mis. Rev.

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SIR,

I AM directed to acknowledge the receipt of your letters noted on the margin, and to state that the Lieut.-Governor regrets the delay that has occurred which was caused by the papers of the case being inadvertently overlooked during his late

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Letter from the Officiating Junior Secretary to the Board of Revenue, to the Secretary to the Government of Bengal, No. 183, dated the 13th May 1859. Government to Board, No. 1193, dated 16th May 1859. Board to Government, No. 296, dated 15th July 1859.

duty on such Spirits be equalized with the duty now levied on imported Spirits, which is Rupees 3 per Imperial Gallon at London proof. This would increase the duty on Bengal Rum by Rupees 2 a gallon. But if such a change is made, he thinks it should be universal, as it would not be fair to tax Bengal Spirits more than *the same class of Spirits* made at Bombay or Madras.

3. The Board were originally of opinion that the rise to be now made in the duty on Bengal Rum, should be proportional to the rise lately made in the duty on imported Spirits, namely double; and that as the duty on imported Spirits had been raised from Rupees 1-8 to Rupees 3 a gallon, the duty on Bengal Rum should be raised from Rupee 1 only to Rupees 2 a gallon. The effect of this would be to double the positive amount of the differential duty in favor of the Home manufacture, by increasing it from 8 annas to 1 Rupee a gallon. After discussion the Board have now so far modified their original view, as to propose that the duty on Bengal

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6. This opinion is founded upon the general arguments in favor of the system of free trade, which it would be superfluous to enter upon here, and the Lieut.-Governor refers to the Board's own letter in proof of the fact, that there is nothing in the present case to support any exception that can be taken on special grounds. The argument in paragraph 10 of the Board's letter No. 296, dated the 15th July last, is nothing but the argument in favor of protective duties generally in all its nakedness. A differential duty is supported, under the admission that it will be of no advantage to the Revenue, on the ground that thereby internal prosperity will be promoted by the artificial stimulus to a Home manufacture; with this additional admission that the article to be encouraged is of inferior quality to the article to be discouraged, for it is said to have difficulty in competing with it.

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8. The argument in paragraph 12 is no argument in favor of a differential duty on Spirits made in India by the European method; it is an argument in favor of reducing the duty on all such Spirits, whether imported or made at home. The object here in view seems to be a good one; but it is to be attained by an increase of the duty on Country Doasta, and a better

organized Abkaree system than now exists rather than by any needless sacrifice of one of the most unobjectionable items of Revenue we have.

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I have the honor to be,

SIR,

Your most obedient Servant,

Offg. Secretary to the Government of Bengal.

[Ed. P. D'Cruz.]

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From RIVERS THOMPSON, Esq., Officiating Junior Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal,—(No. 188, dated the 13th May 1859.)

SIR,

I AM directed by the Board of Revenue to acknowledge the receipt of Government Order No. 1007, dated 26th ultimo, and in reply to state that the Board do not think the duty on spirits distilled according to the European method can be safely increased beyond the amount proposed by them, *viz.* two Rupees per imperial gallon. If this duty is not imposed, the duties on imported rum will fall off to a great extent, and if a higher duty were to be fixed, there would be reason to fear a great decrease in the manufacture, and the closing of some distilleries.

2. The proposition of the Board regarding the duty to be fixed on spirits distilled after the country mode, only relates to a particular division, and as spirits distilled according to the country method cannot be made of greater strength than 25 per cent under London proof, they think the proposed increase sufficient. From the Returns which the Board have received, up to this date, to a Circular issued by them in pursuance of Government Order No. 690, dated 22nd March, they do not anticipate being able to recommend a general extension of this duty; but the consumption of spirits is so great in this part of the country that the check which will follow this measure will not fail to be beneficial.

No. 2056.

FROM

W. GREY, ESQUIRE,
Secy. to the Govt. of India,

TO

J. D. BOURDILLON, ESQUIRE,
Secy. to the Govt. of Madras.

SIR,

Dated Fort William, the 7th October-1859.

*Howa Darr.
Sep. Rev.*

No. 519, dated 18th March 1859.
" 1030, dated 20th May 1859.

• Dated 22nd September, No. 2307.

WITH reference to the letters noted in the margin, I am directed by the Governor General in Council to forward the accompanying copy of a communication* from the Government of Bengal, with its enclosures, and to state that if the Madras Government is not in a position at present to report generally upon the Abkaree system of the Madras Presidency, and the means which may seem available for bringing the consumption of spirituous liquors generally under stricter taxation, the Governor General in Council would wish to be furnished with an early and separate report on the practice which obtains in Madras with respect to the taxing of spirits manufactured by the European process of distillation, and to be informed of the view entertained by His Excellency in Council of the expediency of placing upon that manufacture a tax equal to the tax imposed by the new Tariff on spirits imported by sea.

2. In Bengal, I am directed to observe, the duty upon spirits manufactured by the European method is at present fixed by law* at one Rupee the Imperial Gallon. It is therefore very desirable that no time should be lost, after the re-assembling of the Legislative Council next month, in passing a Bill to amend the law, and unless, so far as Madras or Bombay is concerned, there are any special circumstances that can be reasonably urged against the opinion intimated by the Lieutenant Governor of Bengal, that the duty upon *this class of spirits* should be the same in all parts of India, the Governor General in Council would propose that a general law should be passed, applicable to all the Presidencies. For this reason, I am instructed to request that an early reply may be made to this communication.

I have the honor to be,

SIR,

Your most obedient servant,

W. Grey
Secy. to the Govt. of India.

Enc.—M. A. Mendes.

1885/59

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	1410	Press Mis.
Dated	October 17,	18 59.

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*Proceedings of the Madras Government, Revenue Department,
from 5th to 21st October 1851.*

No. 111. Read the following letter from C. PELLY, Esq., Member of the Board of Revenue; to T. PYCROFT, Esq., Chief Secretary to Government Fort St. George; dated 10th October 1850, No. 42.

*Letter from the Collector of Trichinopoly
dated 16th Sept. 1850, para 12.*

	Rs.
1 Head Accountant.....	100
1 Deputy Do.....	62½
1 Writer.....	40
1 Do.....	21
1 Do.....	20
1 Do.....	17½
1 Magistrate Writer.....	35
—	—
7	296
—	—

I have the honor to submit a request of the Collector of Trichinopoly to be permitted to nominate an English Writer on twenty Rupees a month instead of a Persian and Hindoostany Moonshee, which latter situation is now vacant, and the necessity for such a servant no longer exists. The whole English Department in Trichinopoly is very weak consisting of 7 persons only as per margin, and it is with difficulty that Mr. Bird is able to carry on the work. I have informed Mr. Bird in reply to the rest of his letter that the establishments will be revised by and bye; but in the meantime I beg to recommend that permission to fill up the vacancy of the deceased Persian Moonshee, by substituting a writer in lieu of a Moonshee on

the same salary, viz. 20 Rupees, may be granted.

No. 112. ORDER THEREON, 17th October 1850, No. 1410.

On the recommendation of Mr. Pelly and pending the result of his enquiry, the Honorable the Governor in Council grants permission for the appointment of an English writer in the place of and on the same salary as the Persian and Hindustance Munshi on the office establishment of the Collector of Trichinopoly.

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

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Revenue Board Office
Fort St. George
10th October 1884.

*Lucy
Member.*

C. Burton



