M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Rev. **DEPARTMENT.**

G.O. No. 1521	Press ~~Mis.~~
86-87	
Dated 8-11-	18 57

Not to be folded or roughly handled

No. 86. Read the following letter from W. HUDLESTON, Esq., Acting Secretary to the Board of Revenue; to J. D. BOURDILLON, Esq., Secretary to Government, R. D., dated 26th October 1859, No. 4358.

In Con. 18th October 1859, No. 5198.

I am directed by the Board of Revenue, to reply to the Proceedings of Government, dated 17th October 1859, No. 1409, R. D., calling for a report on the question raised by the Supreme Government in the correspondence communicated to the Board, regarding the practice obtaining in this Presidency in respect to the taxing of Spirits manufactured by the European process of distillation, and the practicablity of bringing them under the same arangement as may be decided on for other parts of India.

2. Regulation I. of 1820 and Act XXXII. of 1845, are the enactments which regulate this manufacture here, and under their provisions spirits can be manufactured in this Presidency by the European method, only under a license: while the whole of the liquor so manufactured must be exported by sea, or sold only to the Civil or Military officers of Government for public purposes, or to abkarry renters for retail sale within the limits of their respective farms, but not to the licensed retail dealers of Madras town.

3. The provisions regarding sale are a condition of the license, and its breach is punishable by fine to the amount of Rupees 1,000 on each occasion.

4. No duty whatever is leived directly on the article, but as will be observed from the foregoing statement, the manufacturer cannot bring it into the general market in this Presidency.

5. He can export it free of duty, he can sell it wholesale to the abkarry renters in the Mofussil districts, or he may sell it to the Collector of Madras for the Presidency town abkary, or to the Commissariat, but he can sell it to no other, nor can he in any way retail it licitly. Sections X. and XI. of Act XIX. of 1852 provide for its custody in the Presidency town.

NOTE.—*It is believed that none has ever been so sold to the Collector.*

6. The Board considee that no duty, which will tend to raise the price of such spirits on the Mofussil abkary renters, can in justice to them be imposed untill the existing leases which are for terms of years, shall have expired, as those leases were in many instances concluded on consideration of the known fact that such liquor was procurable wholesale at a certain average price, and as the abkarry farms are, as a rule, sold by auction to the highest bidder, the Government cannot now in equity do any thing to lessen the value of the article sold.

7. This class of spirits if moved by sea cannot be brought into the general market at Madras, by the imposition of the import duty levied on European spirits, without violating the Act abolishing port to port duties, nor do the Board think that any advantage would result from such a relaxation of the existing restrictions on its sale, which would affect only that small portion of the community who at present make use of European spirits, for this country-made article cannot be disposed of to the licensed retail dealers, who are supplied by Government with Columbo, Batavia, or Puttai arrack distilled at the Presidency on Government account, and its introduction by the imposition of the import duty, would thus afford an opportunty for illicit sales, without any corresponing advantage to the Customs revenue, for there is no reason to suppose that in open market county spirits, distilled on the European method and excised, would offer any attractions to those who now use the European article.

8. The absence of any tax on the country article at present, cannot injuriously affect the revenue, as those country-made spirits cannot come in to the market to compete with the taxed European spirits, nor so long as the present system of abkarry exists in this Presidency, can the restrictions on this manufacture be relaxed without endangering existing revenue, and violating current leases. Until the expiration of the present leases, changes in that system cannot be introduced, but the Board are not disposed to advocate any distinctive duties for the protection of the country-made article, should future modifications allow of its coming into the general market.

9. It occurs to the Board, that at Bombay and Calcutta some precautions may be requisite to guard against the introduction into those markets of such Madras made spirits exported hence free, and on which no import duty can be there collected, until circumstances will admit of this Madras article being placed on the same footing as the similar manufacture of the other Presidencies.

10. The Board will immediately address Government on the general question of the abkarry system, but as above stated fundamental changes in that system cannot in any case be introduced untill after the expiration of the current leases.

Proceedings of the Madras Government, Revenue Department, for the month of November 1859.

Ordered in consequence that the following letter be despatched.

No. 87. From J. D. BOURDILLON, Esq., Secretary to Government Fort St. George; to W. GREY, Esq., Secretary to the Government of India; dated 8th November 1859, No. 1521.

In reply to your letter of the 7th ultimo respecting the duty leviable in this Presidency on spirits manufactured after the European method, I am directed to enclose for the information of the Government of India a letter from the Board of Revenue reporting on the subject.

2. The Abkárí revenue in this Presidency is managed in a totally different manner from that obtaining in Bengal. With the exception of the small Presidency District, it is everywhere farmed out to renters, who have the exclusive privilege of making and selling spirits. It has been ascertained that the leases expire in the several Districts in different years from June 1861 to June 1864; the 30th June being the termination of the Revenue year in this Presidency.

3. The manufacture after the European method is also on a different footing. This is excluded from the Abkárí rents; but the product is also excluded from the general local market, and must be entirely exported by sea, unless it be sold to a renter, or to the Collector of Madras for the Government Abkárí Department at the Presidency. The article is not subject to direct local taxation; nor does it appear how it can be under the present Abkárí system.

4. The remark of the Board of Revenue in the 9th paragraph of their letter may deserve notice.

5. The Government hope to be able shortly to report to the Government of India on the general question of the Abkárí revenue.

No. 4358.

From W. HUDLESTON, Esq., Acting Secretary to the Board of Revenue.

To J. D. BOURDILLON, Esq., Secretary to Government, R. D.

SIR,

I am directed by the Board of Revenue, to reply to the Proceedings of Government, dated 17th In Con. 18th Oct. 1859, No. 5198. Oct. 1859, No. 1409, R. D., calling for a report on the question raised by the Supreme Government in the correspondence communicated to the Board, regarding the practice obtaining in this Presidency in respect to the taxing of Spirits manufactured by the European process of distillation, and the practicability of bringing them under the same arrangement as may be decided on for other parts of India.

2. Regulation I of 1820 and Act XXXII of 1845, are the enactments which regulate this manufacture here, and under their provisions spirits can be manufactured in this Presidency by the European method, only under a license: while the whole of the liquor so manufactured must be exported by sea, or sold only to the Civil or Military officers of Government for public purposes, or to abkarry renters for retail sale within the limits of their respective farms, but not to the licensed retail dealers of Madras town.

3. The provisions regarding sale are a condition of the license, and its breach is punishable by fine to the amount of Rupees 1,000 on each occasion.

4. No duty whatever is levied directly on the article, but as will be observed from the foregoing statement, the manufacturer cannot bring it into the general market in this Presidency.

5. He can export it free of duty, he can sell it wholesale to the abkarry renters in the Mofussil districts, or he may sell it to the Collector of Madras for the Presidency town abkarry, or to the Commissariat, but he can sell it to no other, nor can he in any way retail it licitly.

Note.—It is believed that none has ever been so sold to the Collector.

Sections X and XI of Act XIX of 1852 provide for its custody in the Presidency town.

6. The Board consider that no duty, which will tend to raise the price of such spirits on the Mofussil abkarry renters, can in justice to them be imposed until the existing leases, which are for terms of years, shall have expired, as those leases were in many instances concluded on consideration of the known fact that such liquor was procurable wholesale at a certain average price, and as the abkarry farms are, as a rule, sold by auction to the highest bidder, the Government cannot now in equity do anything to lessen the value of the article sold.

7. This class of spirits if moved by sea cannot be brought into the general market at Madras, by the imposition of the import duty levied on European spirits, without violating the Act abolishing port to port duties, nor do the Board think that any advantage would result from such a relaxation of the existing restrictions on its sale, which would affect only that small portion of the community who at present make use of European spirits, for this country-made article can not be disposed of to the licensed retail dealers, who are supplied by Government with Columbo, Batavia, or Puttai arrack distilled at the Presidency on Government account, and its introduction by the imposition of the import duty, would thus afford an opportunity for illicit sales, without any corresponding advantage to the Customs revenue, for there is no reason to suppose that in open market country spirits, distilled on the European method and excised, would offer any attractions to those who now use the European article.

8. The absence of any tax on the country article at present, cannot injuriously affect the revenue, as those country-made spirits cannot come into the market to compete with the taxed European spirits, nor so long as the present system of abkarry exists in this Presidency, can the restrictions on this manufacture be relaxed without endangering existing revenue, and violating current leases. Until the expiration of the present leases, changes in that system cannot be introduced, but the Board are not disposed to advocate any distinctive duties for the protection of the country-made article, should future modifications allow of its coming into the general market.

9. It occurs to the Board, that at Bombay and Calcutta some precautions may be requisite to guard against the introduction into those markets of such Madras made spirits exported hence free, and on which no import duty can be there collected, until circumstances will admit of this Madras article being placed on the same footing as the similar manufacture of the other Presidencies.

10. The Board will immediately address Government on the general question of the abkarry system, but as above stated fundamental changes in that system cannot in any case be introduced until after the expiration of the current leases.

REVENUE BOARD OFFICE,
Fort Saint George,
26th October 1859.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) W. HUDLESTON,
Acting Secretary.

Exd. J. Wright.

Official Memorandum.

The Acting Secretary to the Board of Revenue has the honor to inform the Secretary to Government, with reference to his Memo of 28th Ultimo, that most of the Current Abkaree leases in the provinces were given for 5 years, and that so far as can be ascertained from the Board's records they will, with three exceptions, escpire in Fasley 1270 and 71 - Of the three exceptions alluded to, two leases will escpire in Fasly 1272, and the other in Fasly 1273.

Rev. Board's Office
Fort St George
4th Nov. 1859

By order
[signature]
Acting Secretary

To
J. D. Bourdillon Esqr.
Secretary to Government
Rev. Department.

Rec'd 7th Nov. 1859
From Rev. Board
Dated 4th Nov. 1859
Read 7th Nov. 1859.

No. 1971

To the Secy. to Govt.
Revenue Department

Dated 26th Oct. 1859
Rec'd 27th —"

No. 4388.

Reporting on the petition laid by the Proprietors of Pattiallee Estate praying the renewal of their Arrack Shop Licenses for the Year 1860.

Dated 21st October 1859.

No. 86.

Rec'd 4th November 1859.

No 1521

To W. Grey, Esqre
Secy. to the Govt. of Madras.

Sir

I have the honor to reply to your letter of the 1st Instant &c. &c. &c. requesting the Board of Revenue to state the Precedency in the Collectorate of Salem to which the Head Assistant of the Principal Collectorate of the European Assistants may be directed to succeed pro tem on occasion of the Collector proceeding on Leave of Absence or Furlough.

2nd. The Collectorate of Salem ranks next to that of Tanjore.

I have &c. &c. &c.

(Signed) W. Hudleston
Secy. to the Board of Revenue

Fort St. George
The 8th March 1852

From

The Secretary
to the Board of Revenue

To The Secretary to
Government &c. &c. &c.

Dated 4th
Despd 4th } March 1857.
Recd 5th

Reporting when the
Collectorate Seats in the
Provinces will expire.

this country where farmed
out to renters, who have
the exclusive privilege
of making and selling
spirits. It has been ascertained that the leases expire
3. The manufac- in the several Districts in
-ture after the European different years from
method is also on a June 1861 to June
different footing. This the 30th June
is excluded from the termination of
abkári rents, but the Revenue Year of
produce is also excluded Presidency
from the general local
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market, and must
be entirely exported by
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to a renter, or to the Col-
-lector of Madras for the
Government abkári De-
-partment at the Presi
dency. The article is
not subject to direct
local taxation, nor does
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be under the present
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abkári system.

4 The remark of
the Board of Revenue
in the 9th paragraph
of their letter may deserve
notice.

5 The Government
hope to be able shortly
to report to the Govern-
-ment of India on the
general question of the
abkári revenue.

Fort St. Geo. 8th November 1859.

To the Secretary to
Govt. of India
Do. No. 159.

Reporting that
the Spirits manufac-
tured after the European
method in this Presidency
is not subject to direct
local taxation.

No 86 of 87