M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 953 Press / Mis.

Dated 22nd July 1859.

Not to be folded or roughly handled

953

Proceedings of the Madras Government, Revenue Department, from 16th to 22d July 1859.

No. 15. Read the following letter from H. FORBES, Esq., Member of the Legislative Council; to J. D. BOURDILLON, Esq., Secretary to Government Fort Saint George, Revenue Department; dated Fort William, the 27th June 1859.

I have had the honor to receive your letter of the 16th Ultimo, No. 665, and having put the Draft Act to levy a duty of excise upon Salt manufactured in Madras, into the form in which I propose to introduce it to the Legislative Council, I have given the notice which the standing orders require in the case of all bills connected with the Public Revenue, and it will I hope be read a first time on the 2d Proximo.

Section LXI.

2. I do not anticipate any opposition to the principle of the bill, but I have to request some further instructions from Government requiring the rate of duty which shall be eventually entered in the Act. At present, under Section XLIII. of Act VI. of 1844, the price of monopoly Salt is one and a half Rupee the maund, the following Section giving power to the Governor General in Council to reduce the rate, and for some time passed it has been sold at one Rupee.

From Bd. of Rev. to Govt. 16th April 1859, No. 1345, para. 5.
From Govt. to Govt. of India 16th May 1859, No. 666, para. 7.

3. Of this sum it is calculated that two annas is the sum paid to the manufacturers, and fourteen annas the profit derived by Government. In the Draft Act enclosed in your letter under reply however, it is proposed to limit the excise duty to twelve annas the maund, and unless it has been calculated that the change of system will enable the Government to dispense with establishments so as to make the net profit under an excise at twelve annas, the same is the net profit under a monopoly at fourteen annas, and no information on the point is afforded me, there will be a diminution in the Government receipts for each maund sold, which, I am led to believe, will be fatal to the expectation that the bill will ever become law.

4. But independently of this, I have had communicated to me the letter from the Board of Revenue to Government of the 21st of April last, No. 1439, with the Minutes of the Members of Government thereon, and the Board's Proceedings of the 18th of May last, No. 686, and in the uncertainty in which I am whether action will be taken on the Board's suggestion to add two annas a maund to the present monopoly price, I find additional difficulty in fixing on the rate of excise duty that should be entered in the present bill.

5. No difficulty appears to have been experienced from the course pursued when Act VI. of 1844 was passed, and I would therefore take leave to recommend that the precedent then set be now followed, and that the maximum excise duty be fixed at one Rupee, with power to the Governor General in Council to reduce it from time to time as may be found to be expedient.

6. For the present I shall leave blank the rate of duty in the bill I am about to introduce.

Ordered that the following reply be despatched.

No. 16. Form J. D. BOURDILLON, Esq., Secretary to Government, Fort Saint George; to H. FORBES, Esq., Member of the Legislative Council for the Madras Presidency; dated 16th July 1859, No. 953.

I have the honor to acknowlege your letter of the 27th June requesting instructions as to the rate of duty to be inserted in the Draft Act for an excise on Salt in this Presidency, which was transmitted to you with my letter of the 16th May, No. 665.

2. I am directed to inform you in reply that the Governor in Council has lately been led to look more closely into the administration of the Salt monopoly. He finds that the system is defective and imperfect in various respects, mainly it is believed from there being no special agency to attend to it. He is about to supply this want, and he anticipates by that means a material addition to the revenue. The Department being in this unsatisfactory condition, this

Government are averse at present to the change from the monopoly to an excise. They are of opinion that it is absolutely necessary in order to the successful working of the proposed system that there should be thoroughly efficient agents in the provinces experienced in the evasions and frauds encountered under the monopoly, and so competent to deal with those which are likely to occur in augmented degree under an excise. They are desirous therefore that the change should not take place at all events, till the District Establishments shall have been rendered efficient.

3. On the general question between a monopoly and an excise, the Governor in Council is of opinion that however just the preference of the latter with a low rate of duty, it is extremely doubtful whether, while the duty is seven times the cost of the article, it would be beneficial in any respects to abolish the monopoly system long established and well known, and substitute a new and untried system. On this ground also he is not prepared to look to the proposed change without some uneasiness.

4. On the foregoing considerations I am directed to request that, for the present, you will not bring the Draft Act before the Council.

Rec. Dept

No 953

To

T. Forbes, Esqre

Member of the Legislative Council

for the Madras Presidency

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a new and untried
system, which the duty
is seven times as great
as the cost of the article.
On this ground also
he is not prepared to
look to the proposed
change without so
much uneasiness.

4 On the foregoing
considerations I am
directed to request
that, for the present,
you will not bring
the Draft Act before
the Commons.

Copies to Bd of Rev.
Offr 8 Augt 54.

Cons: 17th May /59 No. 826
" 24th May " " 849.
" 7th June " " 1086.

Revenue 1859 Deparmt.
Pro: of Govt. 22d July
No. 953.

To The Members of the Legislative Council for the Madras Presidency.

D/ 16th July /59.
To do 6th Augt. /59. No. 1062.
Cons: 12 do 16 — 3
From do. 5th Augt. /59.
C. No. 1484 Cons: 26 do 61-62

Informing that the proposed Change from Monopoly to excise on Salt in this Presidency should not take place till District Establishments shall have been rendered efficient and requesting not to bring at present the Draft Act on the subject before the Council.

No. 1516