7.3.36 II

7.2.21. Dl.

M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1858 Press ~~Mis.~~

7—9

Dated 1—9. 1862.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 1st September 1862.

Read again the following papers :—

No. 7. Letter from Messrs. H. and N. MORISON, dated 3rd and recorded in Proceedings, 5th April 1862, No. 767.

Proceedings of the Board of Revenue, dated 13th and recorded in Proceedings, 18th June 1862, No. 1,348.

Read also the following letters.

From Messrs. H. and N. MORISON, to His Excellency Sir W. T. DENISON, K.C.B., Governor in Council, Fort Saint George, dated Madras, 18th June 1862.

YOUR EXCELLENCY,

1. In March last we had the honor of addressing your Excellency through the Secretary to Government in the Revenue Department, regarding the sy stem pursued by the Government in realizing the Abkarry Revenue in the Town of Madras, and requesting access to the accounts of that department for the past five years. Your Excellency was pleased to direct their being placed at our disposal, and on these data we had the honor to submit an offer to the Government, to lease the Abkarry at a fixed increase of Rupees 50,000 per annum in excess of the average Revenue derived by the Government for the period of five years, as shown by the accounts furnished by the Board of Revenue.

2. In our letter dated 5th April 1862, copy of which we beg to annex, we did not allude to the fact that the Madras Abkarry Revenue, now under the direct management of Government, has not, for some years past, shown a proportionate yield when brought in comparison with the collections of the Districts where the contract system prevails, for while the latter have risen nearly a hundred per cent. there has been but little increase within the Town of Madras during the five years under review, and for the year 1861-62 the Government have actually experienced a falling off in revenue of fully one lac of Rupees.

3. It may be urged by the Collector of Madras that the expenses of working may be considerably reduced in future by his purchasing the Columbo Arrack himself instead of receiving his supplies through the Commissariat Department as has hitherto been the case, and that the liquor might be purchased at lower rates. The Columbo Arrack however is a foreign supply, and the price is subject to such great fluctuations, and has hitherto been bought and charged for at such different prices, that it would be impossible for the Collector to *guarantee* any decided saving under this head. It will be seen by your Excellency on a reference to our appended letter, how the other charges on this Revenue have regularly increased during the past five years.

4. We have not thought it our duty to point out any abuses that may exist in the present system, where a large Revenue is entrusted entirely to native subordinates; where waste of materials is unchecked ; and where professional knowledge of distilling, and managing Abkarries is not introduced. We have confined ourselves entirely to the pecuniary saving which would result to Government were your Excellency pleased to accept the offer we have made.

5. Feeling confident that if Government were desirous of the contract system, much importance would not be attached to the existence of Act XIX of 1852, which could easily be amended by the Local Legislature, by the insertion of the words, " Collector, *or renter*," we stated, we would be prepared to take charge of the work on the 1st of July the beginning of the Fasli year.

6. We have therefore the honor respectfully to solicit that should our offer meet with approval, your Excellency will permit us to take charge of the work on the 1st of July, leaving the amending of the Act to the early consideration of your Excellency's Council.

7. In the meantime, should the Collector have issued any licences for the coming year, we would agree to confirm such licences, and take charge of the work as it stands on that day.

8. Where a Revenue is subject to such great fluctuations, and where so much of the success of the new system depends on the efficiency of the parties undertaking the contract, we need scarcely mention to your Excellency the advantage of entrusting the Farm, in the first instance, to men who have had experience in this particular line of business. We have now held the Abkarry Rent of North Arcot for a period of thirteen years, and the Collector of the District can bear ample testimony to the efficient manner in which we have conducted the Farm for so many years, without applying for remissions or oppressing the people in any way. We have again purchased the North Arcot Rent for a further period of five years at a considerably enhanced rate.

9. We have now been engaged for the last four months in collecting information regarding the Madras Abkarry, and having been the first to bring the subject to the notice of the Government, we beg your Excellency will be pleased to take our claims into consideration, and, in this instance allow the work a fair trial under our hands.

10. We would here mention that besides our many year's experience, we are in the present undertaking supported by the Firm of Messrs. Arbuthnot & Co., which would prove an additional guarantee to the Government for the safe carrying out of the undertaking should your Excellency be pleased to direct the acceptance of our offer.

No. 8. From Major W. J. WILSON, Commissioner of Police, to the Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 11th July 1862, No. 77.

SIR,

Revenue Department, dated 18th June 1862, No. 1,348.

1. I have the honor to acknowledge the receipt of the Order of Government noted in the margin, with two original Petitions herewith returned.

2. Not being able to make a complete report on the expediency of renting out the Abkarry of Madras with regard to considerations of Police, without some information as to the powers to be exercised by the Renter and his Peons which might enable me to judge of the extent to which the present Abkarry Act was likely to be modified, I addressed the Secretary to the Revenue Board on the subject on the 19th June. On the 10th instant I received a copy of the Proceedings* of the Board, with reference to my letter, which I forward herewith, and from which it will appear that as the Board did not recommend the acceptance of Mr. Morison's offer they did not specify any particular conditions or restrictions.

* To be returned.

3. An opinion is also expressed by the Board to the effect that in event of there being a change in the present system the Pygust Peons should be looked after entirely by the Police.

4. The Abkarry of Madras has been under the superintendence of the Collector for the last ten years agreeably to the Provisions of Act XIX of 1852. Having been one of the Police Magistrates at the time the Act came into operation, and for the nine consecutive years immediately following, my experience enables me to say that the results of the present system, as far as Police considerations go, have been highly satisfactory; and I cannot but anticipate a great change for the worse in event of its being determined to make over the Contract to a private individual.

5. At present the number of shops has been fixed by the Board, and the situations of these shops are determined by the Collector in communication with the Commissioner of Police, any reasonable objections made by the inhabitants of the locality in which it is proposed to establish such shops always meeting with due consideration from the Collector; but neither the number

nor the situation of shops are dependent on the Police as suggested in the penultimate paragraph of Messrs. Morison's letter to the Secretary in the Revenue Department recorded in the Proceedings of Government, dated 5th April 1862, No. 767.

6. Mr. Cunliffe in paragraph 25 of his letter forming part of the Proceedings under reply, states that the number and situation of shops are to be the same as at present, but this is evidently an oversight as far as regards the question of situation, for the venders of Arrack and Toddy, rent shops from time to time according to circumstances, and removals are far from unfrequent.

7. Supposing the renter to be restricted at the time of his entering into the contract to the number of shops at present in existence, it may reasonably be apprehended that he will attempt to increase the number; and that drinking shops would soon be established in every locality where Native laborers may be congregated, for it is not to be expected that any objections of the part of the Police will be attended to by the individual whose interest it is to promote the sale of liquor as much as possible.

8. In the Provinces the great bulk of customers are Natives, and the Farmer has no competitors, whereas in the Presidency Town there are a considerable number of Beer and Wine shops which it will be his object to keep down as much as possible for the purpose of increasing the consumption of Arrack and Toddy.

9. There can be little doubt that the increased consumption will cause a proportionate increase of crime, while the services of the Police to prevent smuggling and otherwise guard the interests of the Renter will be far more frequently called for than is the case under the present system, or than it will be convenient to afford; to say nothing of the anomalous position in which they will be placed by being made instruments for indirectly promoting that which it is their primary duty to suppress.

10. With reference to the remark of the Board specified in paragraph 3 of this letter, I am at a loss to understand its meaning. If it is intended that the Police are to exercise a surveillance over the numerous Peons employed by an Abkarry Contractor, it is simply impossible that this can be done by a body which is barely of sufficient strength for the adequate performance of its own proper duties, and I presume it cannot be maintained that it is one of the functions of the Police to superintend the employés of a quasi fiscal authority.

11. Under the present law the Collector exercises due supervision over the Abkarry Officers, under him any of whom may be prosecuted before a Magistrate at his instance for any offence against the Act, and in case of the Abkarry being rented out it is submitted that the proper person to control the Contractor and his subordinates will still be the Collector, he and his establishment being fully conversant with matters of Abkarry in all its branches, an advantage which is not possessed by the Police.

No. 9. ORDER THEREON, 1st September 1862, No. 1,858.

1. The Government observe that the question of renting out the Abkarry within the Town of Madras suggests two important points for consideration:—

First.—The effect the change will have in increasing the evils necessarily attendant on the consumption of spirituous liquors in a large and populous Town such as Madras.

Secondly.—The financial result.

The proposition made by Messrs. Morison has been referred to the Board of Revenue in consultation with the Collector of Madras, who has had a long experience in the management of the Abkarry Revenue, and to the Commissioner of Police who, both in his capacity as a

Magistrate and as Commissioner of Police, has had the best opportunity of watching the effects of the present system of management.

2. Mr. Cunliffe in his report to the Board of Revenue points out that an objection has not unfrequently been raised against the Government conducting the supply and sale of spirituous liquors, through the agency of its own servants, and thereby laying itself open to the imputation of a direct interest in increased consumption and its accompanying evils. But he also observes that so long as any State Revenue is derived from the sale of spirits, the moral objection, if such objection has any real force, remains without any appreciable difference, whether the Abkarry is under direct or indirect Government management.

3. Indeed, as the Collector shows, under direct management the Government can at any time make any change in the system which may be considered necessary for Police or Municipal purposes; and he points out a recent alteration in the closing of the Arrack shops at 10 P.M. instead of 12 P.M. in support of this view. The removal of shops also from certain localities by the orders of Government is not of unfrequent occurrence, and is of easy adoption when the Government have only to answer to themselves for the falling off in receipts resulting from such changes; and Mr. Cunliffe points out that difficulties would arise when such changes affected the interests of Renters.

4. The Commissioner of Police reports that the working of the present Abkarry system has, for the last ten years, considered with reference to Police, been highly satisfactory, and he is adverse to the change involved in Messrs. Morison's proposal. At present neither the number nor the situation of the shops, as supposed by Messrs. Morison, are under the immediate control of the Police, but of the Collector of Madras, who decides upon the locality and number of shops after consultation with the Commissioner of Police, and with a due consideration of the expressed wishes of the inhabitants of the streets in which it is proposed to open shops for the sale of liquor.

5. Major Wilson also points out that although the total number of liquor shops might, under the proposed contract system, be limited as at present, the question of locality would present constantly recurring difficulty, if the decision of the question rested with the Police authorities Increased consumption of spirituous liquor is almost certainly accompanied by an increase of crime, and it would be the object of the Police to prohibit the establishment of shops precisely in those thickly populated Districts which would afford the largest profits to the Renter. At present the balance is fairly held by the Collector of the Madras District, who, while guarding the fiscal interests of the Government, gives a full consideration to objections raised by the Commissioner of Police to either the increase in number of shops, or their being located in objectionable places.

6. The Commissioner of Police points out that he is only able to report generally upon Messrs. Morison's proposal as he has not received from the Board any information of the restrictions which the Board would propose to lay upon the Abkarry Renter, and of the powers, which under the terms of the proposed contract, would be vested in the Renter and his Peons.

7. The Commissioner objects to the suggestion made by the Board of Revenue, in their communication to him, that in the event of a change in the present system being sanctioned, the Pygust Peons should be removed from the Collector's control and be looked after entirely by the Police.

8. The Commissioner submits that it would be anomalous to make the Police the instruments for promoting indirectly the increased consumption of liquor, and that it would not be possible for the Police to exercise a proper surveillance over the numerous Peons employed by the Abkarry Contractor, without a considerable increase to the numbers of the present Police Force.

9. The Board of Revenue consider it doubtful whether the good administration of the Police of the Town would be promoted by any change in the existing system of direct Government management, which has stood the test of a considerable number of years.

10. As regards the second point which remains for consideration, namely, the financial result of leasing the Abkarry Farm.

11. Messrs. Morison have estimated the present net annual Abkarry Revenue, calculated on the Official Returns, for the last five years, at Rupees 6,25,174-5-9, and they propose to farm this Revenue, paying to Government 6,75,000 per annum for a period of five years, being, according to their calculation, an increase of Rupees 50,000 per annum on the present net Revenue. They further offer a money deposit of Rupees 1,12,500, equal to two months' rental, as a security for the due fulfilment of their contract: and they point out that in case of their failure, the Government would be able to confiscate and issue the large stock of spirits which as Contractors they would leave in store.

12. They propose to conform to all rules regarding liquor shops, at present in force, and that the same control of the number and situation of these shops, as is now exercised by the Police, should be continued. They submit that all these provisions could be fully set forth in the contract for Madras, as is now done in contracts for Military Cantonments.

13. Mr. Cunliffe has, in his able and detailed Report on the question now under discussion, objected to the financial result claimed for their proposal by Messrs. Morison.

14. He observes that the average net revenue of the Madras Abkarry for the last five years is correctly stated at 6,25,174 Rupees, but he differs from Messrs. Morison in the reasons assigned by them for the increase in revenue for these years. They attribute this increase to exceptional causes, which will not continue in operation, and this fact they argue is an additional ground for the acceptance of their proposal to become Renters. These exceptional causes Messrs. Morison state to have been, the opening of the Madras Railway in 1856, the influx of troops during the mutinies, and the enhancement of the duty on spirits which took place in 1859.

15. Mr. Cunliffe does not consider that these causes seriously affected the Abkarry Revenue, but he attributes the steady increase, to improved supervision. He thinks that the opening of the Railway in 1856 did not confer so material a benefit on the Abkarry Revenue in that year, as it had derived previously, from the general influx of laborers since the commencement of the Railway works. The increase of sales to troops temporarily located in Madras during the mutinies was more than compensated by their subsequent withdrawal from the Garrison of Fort Saint George and St. Thomas' Mount. Mr. Cunliffe also furnishes a statement of the quantity of spirits imported and the duty levied at Madras for the last five years, showing that the falling off in the import duties in 1859-60 and 1860-61 was owing to a temporary glut of the market—the result of the enormous imports of the previous year just before the rise in duty from 1-8 to 3 Rupees the gallon. It would also appear that no falling off in the Customs took place simultaneously with the rise in the Abkarry Revenue.

16. The Collector points out that the falling off in the present year is owing to an unusually unfavorable season following as it does the previous adverse year, and that there is no reason to anticipate any permanent decrease. On the contrary Mr. Cunliffe explains that under recent arrangements, by which the Colombo Arrack is purchased direct by the Collector of Madras instead of being supplied by the Commissariat Department, a large saving will be effected.

This saving Mr. Cunliffe estimates will exceed Rupees 60,000 per annum, and judging from an experience in the management of the Abkarry Department, extending over seven years, he gives the Government the assurance that in future the net Revenue, under the present system, will average not less than Rupees 7,30,000 annually, or Rupees 55,000 above the amount tendered by Messrs. Morison.

17. Mr. Cunliffe further observes that unless special provision be made in the contract, only the amount deposited as security, or two months' rental, would be available in case of the Contractors' failure, and that the confiscation of stores of liquor, described by Messrs. Morison could not be made immediately. Mr. Cunliffe also states that he does not consider that a deposit of two months' kist would cover the probable loss to Government if, after an interval, they were obliged suddenly to take up the Contractors' business.

18. The Board of Revenue, from whom the Government expected a more detailed exposition of opinion on a question of considerable importance, briefly state that an enactment will be required if the present system of Abkarry administration is altered, and "that they are not satisfied that the proposed alteration would be financially disadvantageous." They add that "should the Government not anticipate that the proposed change would be injurious to the good administration of Police in the Town of Madras, the majority of the Board, *on general principles* are of opinion that it is desirable that the Government should divest itself of the detailed administration of the Abkarry."

19. The Board further consider that if it should be determined to make the proposed alteration in the present Abkarry administration, the lease of the Farm should be sold for a term of years by public auction, or that tenders should be invited, but that it should not be made over to any individual applicant.

20. Upon a careful consideration of these papers the Government resolve to decline acceding to the proposal made by Messrs. Morison to rent the Abkarry of the Presidency Town of Madras for a period of five years at a rental of Rupees 6,75,000 per annum. In this they are chiefly influenced by the consideration, that under the existing system a very complete control is exercised both over the numbers and locality of the liquor shops, and that it is within the immediate power of the Revenue authorities in communication with the Police, to obviate altogether or to mitigate the evils which attend the excessive consumption of liquor in certain portions of the Town.

21. The Revenue derived from Abkarry has been steadily progressive with the increase of population, and with the inauguration of great public works and the consequent concentration of the laboring classes, engaged on those works; while the expense of collection barely exceeds two and a quarter per cent. of the net Revenue. This result shows that the present administration of the Abkarry Revenue has been for a number of years skilfully conducted, and reflects credit upon the Officers to whom these duties have been entrusted.

22. As shown by the Collector in his report there is every reason to anticipate a larger increase of Revenue derived from this source than would result from the acceptance of the proposal made by Messrs. Morison.

23. The Government decline to accept the offer made by Messrs. Morison. It may hereafter be a subject for the consideration of the Government whether it is desirable to disconnect the direct management of the Abkarry, from the other duties performed by their Revenue Officers; but in that case the Government would not approve of the assignment of the Abkarry contract until tenders had been invited by a Notification in the Government Gazette.

(Signed) T. PYCROFT,
Chief Secretary.

(Copy)

MADRAS, 5 *April*, 1862.

J. D. SIM, ESQ.,
SECRETARY TO GOVERNMENT,
REVENUE DEPARTMENT.

SIR,

We have the honor to request you will be good enough to lay the following proposition regarding the Madras Abkarry before His Excellency the Governor in Council.

The system at present observed by Government in the purchase and manufacture of Spirits and retailing the same themselves in Madras though it has succeeded in some degree under good supervision cannot be said to supercede in efficiency the Contract system which of late has been so advantageously adopted by Government in all departments.

The Abkarry revenues throughout India with the single exception of the Town of Madras have been collected on the contract system not noly have whole districts been well worked by Contractors, but in Calcutta, Bombay and several of the large Military Stations in our Presidency the system has proved a complete success, and in every instance the Government have derived satisfaction.

The Mysore Government have farmed out the Station of Bangalore for a period of five years at a net revenue of four Lacks of Rupees per annum.

Whilst the other Presidencies and Towns have followed this plan of farming the revenue and found it advantageous, we are led to infer the Madras Government will not object to the Abkarry of this Town being given out provided they find no loss of revenue and perfect safety in the system.

The adoption of the farming system at Madras would give room for a considerable reduction in the present establishment and any change or modification now contemplated by Government could be carried out and whatever saving is thus effected may be considered equivalent to a direct increase of the revenue of the district.

The Abkarry receipts and disbursements as shown in the Accounts, the Board of Revenue were pleased to forward to us, appear as follows:—

						Net Revenue.		
1856-57	Revenue ...	6,38,105	10	9				
	Expenditure	1,08,389	9	6		5,29,716	1	3
1857-58	Revenue ...	7,68,241	14	4				
	Expenditure	1,46,768	11	1		6,21,473	3	3
1858-59	Revenue ...	7,71,413	2	0				
	Expenditure	1,77,935	11	11		5,93,477	6	1
1859-60	Revenue ...	8,86,467	13	5				
	Expenditure	2,23,661	9	10		6,62,806	3	7
1860-61	Revenue ...	9,68,028	0	10				
	Expenditure	2,49,629	1	11		7,18,398	14	11
		Total Rupees...				31,25,871	13	1
	Average for 5 years Rupees...					6,25,174	5	9

By the above statement it will be seen that the average revenue amounts to Rupees 6,25,174. This is based on the returns of the past five years which has been the most flourishing period of the Abkarry Revenue. During these years a large increase took place in the sales of Spirits of all kinds in consequence of the opening of the Railway which brought a large influx of labor and capital into Madras and the Mutiny in Bengal which caused the temporary location of Troops in Madras when they embarked or debarked en-route to or from Bengal, or China.

In the year 1860-61 we notice a considerable rise on the previous years revenue this however cannot be maintained as it is attributable mainly to the sudden introduction of high duties on Spirits as shown by the Collector in his reports, and when in the Abkarry accounts the Revenue showed a large increase, the customs returns for the same period exhibited a corresponding falling off.

In further proof that this sudden rise did not occur from natural causes, and that it cannot continue during a succession of years we may here mention for the information of His Excellency the Governor in Council the fact that Government have already experienced a falling off in the Collections for the Current Fusly 1861-62 of Rs. 80,000 and that the estimated decrease under last years revenue will be Rs. 100,000 by the end of the year.

Thus showing that the revenue this year has fallen to Rs. 6,18,000 net, which is considerably under the average quoted by us and fully fifty thousand under the Revenue of 1859-60.

Should His Excellency the Governor in Council on considering the foregoing remarks be pleased to approve of the contract system we have the honour to represent that from our extensive experience in Abkarry contracts we would have no hesitation in undertaking to farm the revenue for five years at an increase over the average of Rs. 50,000 *per annum* namely at a fixed rental of *six lacs and seventy-five thousand Rupees per annum* payable by monthly instalments

The advantage Government will experience in accepting our offer will be more forcibly show in the following statement :—

Revenue derived by Government.			*Revenue proposed by us.*
5,29,716	1	3	6,75,000
6,21,473	3	3	6,75,000
5,93,477	6	1	6,75,000
6,62,806	3	7	6,75,000
7,18,398	14	11	6,75,000
31,25,874	13	1	33,75,000
			31,25,874 13 1
Net profit to Government, Rupees...			2,49,125 2 11

In the above statement it is to be observed the deficit of a lac of Rupees in the Current years revenue is not included, were it so our offer would show still more favorably.

One of the objections which may be urged to giving out the contract to a renter would be the largeness of the undertaking and the risk the Government would run in case of default. To meet this we may state that we will be prepared to deposit Government paper equal to two months instalments, the usual security in such cases.

This money deposit of Rs. 1,12,500 would fully indemnify the Government from loss, and it must further be considered that a Contractor intending to carry out such an undertaking must always have on hand a six months stock of Spirits worth some thousands of Rupees which could at any time be seized and retailed to the bazarmen in case of failure.

The Abkarry Revenue of Madras is so constituted that the bazarmen who are the sole venders of liquor are under daily contract and in case of our failure the Government could at once appoint a subordinate Revenue Officer who could issue the confiscated Spirit to the Bazarmen and collect the revenue direct from them.

The only risk the Government then run is a sessation of work for three or four days and perhaps scarcely that, which will be more than covered by the value of the large stock of liquor irrespective of the heavy deposit of a lac and twelve thousand Rupees.

The Contract system with regard to Abkarry now so universally adpoted has always proved a success, and Government have never suffered except perhaps in the individual case of Mr. Kenrick the Contractor for Chingleput. In this case Mr. Kenrick was allowed to fall in arrears with his kists until they far exceeded the amount of security deposited. Had the Government secured themselves by attaching the rent so soon as his kists were overdue, and had resold the contract, the deposit would have more than covered any loss on the resale.

Any objections urged as to the spread of drunkenness and other disturbances will be fully met by our conforming to present rules. The number and situation of shops would be just as dependent on the Police as at present and all these provisions could be fully set forth in the contract the same as is done in Military Cantonments.

In conclusion we may state for the information of his Excellency the Governor in Council that we have had extensive experience in this particular line of business and have held large Contracts under Government which we have always carried out to satisfaction. Should the Government accept our offer we will be fully prepared to take charge of the work on the 1st of July the beginning of the Fusly year, and we shall deem it a favor if you will represent to his Excellency in Council the desirability of being favored with an early reply so as to enable us to make our arrangements for carrying out the contract.

We have the honor to be,
Sir,
Your most obedient Servants,

S. J. Ath. Cunliffe

Rev: 1774/82

1st Lieut 1782

D.A. 1850

the Inhabitants of Mendon
Remove their with their Records
Contained the above said Co.
Shall then Collect into Mendon

No 1163
23/4/62

The Honble Members of the Board
of Revenue
Fort Saint George
Madras

Respected Gentlemen,

We the undersigned Colombo Arrack & Pattah shop keepers and License holders under the Madras Collectorate, beg most respectfully to bring to your honor's and perusal and Consideration.

This to state, that we have heard the Board of Revenue is going to order to engage a Contractor for Abkarry, which we are regret to say, that some Years ago the Govt. had such Contract was given to one late Moorrofs [illegible] Mr. whom the Madras people are well aware the Govt. had sustained loss as well as the Vendors of the above Spirit, at that time Several Petition were presented to the Govt. by the Inhabitants of Madras to remove their evils then occurred by the Contractor the above said Govt. then taken [illegible] into manag[ement]

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when the Same and Sold in Squares as they solely depend on the Toddy Shops for their maintenance.

No 1103 of 1862
From Certain Toddy Drawers of Madras
D 1257
Recd 17th April /62
Rev: 17/4/62

No 1794 of 1862
Being informed that the Abkarry of Madras is to be given under a contract pray that it may be retained under the management of the Collector in consideration of the trade and loss to which they were formerly subjected

2. As the Board did not recommend that the offer in question should be accepted, they did specify any particular conditions or restrictions. But in the event of a change in the present tem being sanctioned, the Pygust Peons should not, they think, be under the Collector's control, be looked after entirely by the Police.

(A true Copy and Extract.)

Acting Sub-Secretary.

Major W. J. Wilson, Commissioner of Police, with copy of Proceedings of Government, dated 5th April 1862, No. 767, and copies of Abkarry Agreements.

d. J. Wright.

No. 1858. Revenue Depart.

Proceedings of the Madras Government

Under date the 10th December 1862.

Read again the following papers

Letter from Messrs.

A. and N. Morison dated 3d ...

... and recorded in Pro: ...

5th April 1862 No. 767

Pro: of the Board of Rev.e dated

13th ... and recorded in Pro: ...

... 18th June 1862 No. 1348.

Read also the following letter

From Messrs. N. & N. Morison

With reference to their communication of 5th April last regarding their proposition to lease the Madras Abkarry solicit that, should their offer meet with the approval of Govt, they may be permitted to take charge of the undertaking on the 1st July 1862.

/ Here enter 18th June 1862 /

From the Commissioner of Police

Reports on the expediency of Renting the Abkary of Madras with regard to Considerations of Police

/ Here enter 11th July 1862 No. 77 /

The Govt observe that the question of renting out the Abkarry within the Town of Madras suggests two important points for consideration.

First. The effect this ... charge

No. 1858 of 1862 / C

Dated 5th July 1862.

Rec.d 19th ...

Rev.d 19th / 62

No. 4,352.

Furnishing the Commissioner of Police with copy of Proceedings of Government, dated 5th April 1862, No. 767, and copies of Abkarry Agreements.

change will have in increasing the evils necessarily attendant on the consumption of spirituous liquors in a large and populous town such as Madras.

Secondly - The financial result. The proposition made by Messrs Morison has been referred to the Board of Revenue in consultation with the Collector of Madras, who has had a long experience in the management of the Abkarry Revenue, and to the Commissioner of Police who, both in his capacity as a Magistrate, and as Commissioner of Police, has had the best opportunity of watching the Effects of the present system of management.

Mr. Cunliffe in his report to the Board of Revenue points out that an objection has not unfrequently been raised against the Government conducting the supply and sale of spirituous liquors, through the agency of its own servants and thereby laying itself open to the imputation of a direct interest in increased consumption and its accompanying evils.

But he also observes that so long as any state revenue is derived from the sale of spirits, the moral objection if such objection has any real force remains without any appreciable difference, whether the Abkarry is under direct or indirect Govt. management.

Indeed, as the Collector shews, under direct management the Govt. can at any time make any change in the system which may be considered necessary

necessary for Police or Mu-
nicipal purposes. and he al-
points out a recent alteration
in the closing of the arrack
shops from 12 to 10 P. M. in
support of this view.

The removal of shops also
from certain localities by the
orders of Government is not
of unfrequent occurrence, and
is of easy adoption when the
Govt. have only to answer to
themselves for the falling off in
receipts resulting from such
changes - and Mr. Cunliffe points
out that difficulties would arise
when such changes affected the
interests of Renters.

The Commissioner of Police reports
that the working of the present ar-
abkarry system, has, for the
last ten years, considered with
reference to Police, been highly

satisfactory, and he is adverse
to the change involved in Mr. Mori-
son's proposal. At present neither
the number nor the situation of
the shops, as supposed by Mr. Mori-
son, are under the immediate
control of the Police, but of the Col-
lector of Madras, who decides upon
the locality and number of shops
after consultation with the Com-
missioner of Police, and with due
consideration of the expressed
wishes of the inhabitants of the
streets in which it is proposed
to open shops for the sale of liquor.
Major Wilson also points out that
although the total number of li-
quor shops might, under the
proposed contract system, be
limited as at present the ques-
tion of locality would present con-
stantly recurring difficulty, if
the decision of the question
rested

vested with the police authorities. Increased consumption of spirituous liquor is almost certainly accompanied by an increase of crime and it would be the object of the Police to prohibit the Establishment of shops precisely in those thickly populated districts which would afford the largest profits to the Renter. At present the balance is fairly held by the Collector of the Madras district, who while guarding the fiscal interests of the Govt., gives a full consideration to objections raised by the Commissioner of Police to either the increase in number of shops or their being located in objectionable places. The Commissioner of Police points out that he is only able to report generally upon Mr. Morison's proposal as he has not received from the Board any information of the restrictions which the Board would propose to levy upon the al-

and of the powers, which under the terms of the proposed contract, would be vested in the Renter and his peons.

The Commissioner objects to the suggestion made by the Board of Revenue, in their communication to him, that in the event of a change in the present system being sanctioned, the Pygrest peons should be removed from the Collectors control and be looked after entirely by the Police.

The Commissioner submits that it would be anomalous to make the

the Police the instru-
-ments for promoting
indirectly the increased
consumption of liquor
and that it would not
be possible for the Police
to exercise a proper
surveillance over the
numerous Persons em-
-ployed by the Abkarry
contractor without a
considerable increase
to the numbers of the
present Police Force.

The Board of
Revenue consider it
doubtful whether the
good administration
of the Police of the Town
would be promoted by
any change in the ex-
-isting system of direct
Govt.

Govt management,
which has stood the
test of a considerable
number of years.
As regards the second
point which remains
for consideration -
namely the financial
result of leasing the
Abkaree Farm-
-Messrs Morison have
estimated the present
net annual abkaree
Revenue, calculated on
the official Returns,
for the last five years,
Rs.
at 6,25,174-5-9 and
they propose to farm
this Revenue, paying
to Govt 675,000 per an-
-num for a period of
five years - being,
according

according to their calculation, an increase of Rupees 50,000 per annum on the present net Revenue. They further offer a money deposit of Rupees 112,500 equal to two months rental, as a security for the due fulfilment of their contracts and they point out that in case of their failure, the Government would be able to confiscate and issue the large stock of spirits which as contractors they would have in store.

They propose to conform to all rules regarding liquor

liquor shops at present in force and that the same control of the number and situation of these shops, as is now exercised by the Police should be continued.

They submit that all these provisions could be fully set forth in the contract for Madras as is now done in other Military Cantonments.

Mr. Cunliffe has, in his able and detailed report on the question now under discussion objected to the Financial result claimed for their proposal by Messrs. Morison.

He observes that the average net revenue of the Madras Abkaree for the last five years is correctly stated at 6,25,174 Rupees but he differs from Messrs. Morison in the reasons assigned by them for the increase

increase in revenue for three years, which they attribute to exceptional causes and therefore not likely to be continued, thereby affording, according to their argument, an additional ground for the acceptance of their proposal to become renters.

These exceptional causes Mr. Morison state to have been, the opening of the Madras Railway in 1856, the influx of troops during the Mutinies, and the enhancement of the duty on spirits which took place in 1859 - Mr Cunliffe does not consider that these causes seriously affected the Abkaree Revenue, but attributes the steady increase, to improved supervision.

He thinks that the opening of the Railway in 1856 - did not confer so material a benefit on the Abkaree revenue in that year, as it had derived previously, from the general influx of laborers since the commencement of the Railway works -

The

liquor

The increase of sales to troops temporarily located in Madras during the mutinies was more than compensated by their subsequent withdrawal from the garrisons of Fort St. George and St. Thomas' Mount - Mr. Cunliffe also furnishes a statement of the quantity of spirits imported and the duty levied at Madras for the last five years showing that the falling off in the import duties in 59/60 & 60/61 was owing to a temporary glut of the market the result of the enormous imports of the previous year just before the rise in duty from 1.8 to 3 Rs. the gallon. It would also appear that no falling off in the customs took place

place simultaneously with the rise in the Abkaree revenue.

The Collector points out that the falling off in the present year is owing to an unusually unfavorable season following as it does the previous adverse year - and that there is no reason to anticipate any permanent decrease.

On the contrary Mr. Cunliffe explains that under recent arrangements by which the Colombo arrack is purchased direct by the Collector of Madras instead of being supplied by the Commissariat department, a large saving will be effected. This saving Mr. Cunliffe estimates will exceed Rs. 60,000 per annum - and judging from an experience in the management of the Abkarri department, extending over seven years he gives the Govt. the assurance that in future the net Revenue, under the present system, will average not less than Rs. 7,30,000 annually or 55,000 Rs. above the amount tendered by Messrs. Morison.-

Mr. Cunliffe further observes that unless special provision be made in the contract only the amount deposited as security, or two months rental would be available in case of the contractors failure and that the confiscation of stores of liquor, described by Messrs. Morison could not be made immediately. Mr. Cunliffe also states that he does not consider

consider that a deposit
of two Months Kist would
cover the probable loss to
Govt if, after an interval
they were obliged suddenly
to take up the Contractors
business.

The Board of Revenue,
from whom the Govt
expected a more detailed
exposition of opinion on
a question of considerable
importance, briefly state
that an enactment will
be required if the present
system of Abkaree adminis-
tration is altered - and
"that they are not satisfied
that the proposed alteration
would be financially dis-
advantageous" - Should
the Govt not anticipate
that the proposed change
would be injurious to the
good administration of polic
in the town of Madras,
the Majority of the Board
on general principles are
of opinion that it is desir
rable that the Govt
should divest itself of the
detailed administration
of the Abkarry."

The Board further cons
der that if it should be det
mined to make the propos
alteration in the present
Abkaree administration
the lease of the Farm shou
be sold for a term of years
by public Auction, or that
tenders should be invited,
that it should not be made
over to any individual
applicant

Upon

Order

Upon a careful considera-
-tion of these papers the
Govt resolve to decline
acceding to the proposal
made by Messrs Morison
to rent the Abkaree of the
Presidency town of Madras
for a period of five years at a
rental of Rs. 6,75,000 per
annum. In this they
are chiefly influenced by
the consideration, that
under the existing system
a very complete control is
exercised both over the num-
-bers and locality of the liquor
shops and that it is within
the immediate power of the
Revenue authorities in com-
-munication with the Police,
to obviate altogether or to

attend the excessive consump-
-tion of liquor in certain
portions of the town.

The revenue derived
from Abkaree has been
steadily progressive, with
the increase of population,
and with the inauguration
of great public works and
the consequent concentra-
-tion of the labouring
classes, engaged on those
works, while the ex-
-pense of collection barely
exceeds two and a quarter
per cent of the net revenue.
This result shows that the
present administration
of the Abkaree revenue
has been for a number of
years skilfully conducted,
and reflects credit upon
the

the officers to whom these duties have been entrusted.

As shown by the Collector in his report, there is every reason to anticipate a larger increase of revenue, derived from this source, than would result from the acceptance of the proposal made by Messrs Morrison to become the Abkaree renters during the next five years and therefore, apart from the more important objections to any change which have been noticed above, it would not be advantageous in a financial point of view to disturb the present system

The Govt therefore decline to accept the offer made by Messrs Morrison.

It may hereafter become a subject for the consideration of the Govt whether it is desirable that they should disconnect the direct management of the Abkaree Revenue from the other duties performed by their Revenue Officers.

But in that case the Govt would not approve of the appointment to dispose of the Abkaree contract to any private individual or Firm, but upon their own application.

system of Abkaree administration

accordance with the practice observed with regard to other Govt contracts, no tenders would be invited by a Notification in the Govt Gazette.—

~~under the above Licenses~~
~~Messrs K. Govt~~

It is resolved that no change will be made, at present, in the system of Abkaree administration at present in force within the in the Town of Madras.

Messrs Morrison's proposal for renting the Abkarry of the Presidency to him—

I agree generally with the Board of Revenue that it would be desirable that the Govt should divest itself of the details administration of the Abkary. but I am by no means disposed to accept any private tender similar to that made by Messrs Morison & a change is to be made and it will be a matter for future consideration whether the Abkarie shall or shall not be advisable tenders must be invited and the public be admitted to compete. Mr Cunliffe has shown that the Provision tender is too low.—

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to be substituted for the last paras—

the officers to whom these duties have been entrusted.

As shown by the Collector in his report there is every reason to anticipate a larger increase of revenue derived from this source than would result from the acceptance of the proposal made by Messrs Morison.

The Government have declined to accept the offer made by Messrs Morison; It may hereafter be a subject for the consideration of the Govt. whether it is desirable to disconnect the direct management of the Abkaree, from the other duties performed by their Revenue officers—

but in that case the Govt would not approve of the assignment of the Advance continued until tenders had been invited by a public Notification in the Govt Gazette

Mr

11 Copies to the Bd of Revl Dept &c &c
2 — Commrs of Police
1 — Messrs Watson & Morison &c

Revenue 1862 Departt.

Pro: of Govt. for Septr.

No. 1858.

Pro: of the Madras Govt.

Dy 1st Septr/62.

Sept 69*

49-t-69*

Rev. 5th April/62 No. 104-105

– 18 June/62 No. 281-282

18 June/62 — 1348.

Passing orders on papers relating to the question of renting out the Madras Salt Carry-

No 7 atg.