M.R.O. 14—18,000—27-9-24.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2189 Press ~~Mis.~~

52 53

Dated 2 — 12 — 19 1863

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 2nd December 1863.

No. 52. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 18th November 1863:—

SIR,

1. I am directed by the Board to reply to the Government Order, dated 3rd November 1863, No. 1,974, 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 thus 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, 1860 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 4-4-0 per Gallon of 60° strength and Rupees 2-14-0 per Gallon of 43° strength, whereas to cover the cost to Government the selling price should have been Rupees 4-3-3¾ 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 5-7-0 per Imperial Gallon, and that in Calcutta it is similarly purchased from the local licensed distillers of 56° strength at the rate of Rupees 1-14-0 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 ratably as the strength exceeds London proof. The duty on Methylated spirits for use in the Arts is 10 per cent. *ad valorem* under Act 16 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 & Co. were in the habit of manufacturing varnish for the Madras market at their Sugar 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 Smith 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 & 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 4-4-0 and Rupees 2-14-0 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 5-7-0 per Imperial Gallon inclusive no doubt of duty.

8. The price of the Calcutta spirit of 56° strength, would, with duty, be Rupees 4-14-0 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.

No. 53. ORDER THEREON, 2nd December 1863, No. 2,189.

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 Consultation 8th August 1848, No. 849, will be discontinued from the 1st January 1864.

(True Extract.)

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

To the Military Department.
„ Board of Revenue.

Exd. S. T. Augustin.

Rev: 3rd Nov 1863 Nos 19-20.

Nos 52 & 53.

Rev: 1863 Oct 31
Sec: of Govt for Revs 2800.

From

The Secretary to the
Board of Revenue.

To The Secretary to
Government
Revenue Department

Dated 18th
Desp. 18th } November 1863.
Rec'd 19th

E-3-R.P. No.

Pro-Military Dept dated 16 Dec
No 13447

Representing on what
grounds the system of distilling
Alcohol in the Commissariat
Depart. for sale to private
individuals may be discon-
-tinued and suggesting the
abandonment of the practice
from 1st January 1864.

No 2189. 3 Encs

Within Order

No 2189.

Under the circumstances stated
by the Board of Revenue the distillation
of Alcohol by the Commissariat De-
partment for sale to the public under Exclusive Cons 8th Aug 1848 No 89 will
be discontinued from the 1st January 1864.

J. D. S.

Lett to Sec:
2 Dec 1863

Dept Rec Dept Dept Rec Dept Dept Rec Dept

Rec Dept

Pattle
1/12

Rev 1863 Dec 26