

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 740

Press

~~Mis.~~

453.454

Dated

28-4-1918

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
28th April 1864.*

No. 453. Read the following Proceedings of the Board of Revenue, dated 9th April 1864.
Read again letter from the Collector of Sea Customs, dated 14th March 1864, in Board's Proceedings No. 1,637, dated 16th March 1864.

Read also the following letter from J. H. BLAIR, Esq., Acting Collector of Sea Customs, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, dated Madras, 18th March 1864, No. 315:—

SIR,

In reply to Board's Proceedings of the 16th instant, I have the honor to state that there are no Government Warehouses available for bonding Spirits of Wine. The only Government Bonding Warehouse at this port was, as the Board are aware, closed on the 9th March 1863.

From G. BANBURY, Esq., Acting Collector of Madras, to W. HUDLESTON, Esq., Secretary to the Board of Revenue, dated Saidapett, 2nd April 1864, No. 139.

SIR,

1. As requested in paragraph 8 of the Board's Proceedings dated 26th February 1864, No. 1,243, I have the honor to forward the report therein called for regarding Mr. Corbett's proposition to supply Alcohol manufactured at his Distillery to the Madras market.

2. The Deputy Collector of Madras has charge of the Abkarry Department, and I beg to submit a copy of the report he furnished at my request. He is unfavorable to the introduction of this new Spirit, fearing it would injure our Abkarry revenue. Supposing, however, this branch of our revenue should suffer to some extent, the deficiency would be counterbalanced by the duties levied upon the new article in the shape of excise. Rungasawmy Iyengar, from paragraph 3 of his letter, is of opinion that in order to comply with Mr. Corbett's request, Section 28 of Act 19 of 1852, would need some modification; but the latter part of this Section appears to me to give the Government power to make what alteration they may deem essential from time to time.

3. There is no doubt that if Government give up supplying the public with Alcohol, something must be done to meet the necessary demand; and as matters now stand the manufacturers here are on a worse footing than those at Calcutta and Bombay, to whom the Madras market is open. At present Mr. Corbett could, I presume, sell his Alcohol here if he exported it first to Bombay and then re-shipped it to Madras; this certainly requires some amelioration.

4. We must, I presume, not regard the proposed introduction as affecting Mr. Corbett alone, but open the market to all respectable firms manufacturing Alcohol in this country.

5. According to Section XI of Act 19 of 1852 the Spirit would have to be brought to Madras and deposited in the Bonded Warehouse; and the chief point to be considered is with regard to the duty to be levied thereon. It would of course be rateably increased according to its strength as shown by the Hydrometer. The Alcohol which Mr. Corbett proposes to bring into the market, is, I am given to understand, 60 degrees above proof, which would bring the duty up to 4½ Rupees per Gallon; the producing cost added to this would raise the price of the Spirit to nearly 7 Rupees a Gallon or 1 Rupee dearer than what we now sell at in the Commissariat Godowns.

6. The question then arises, whether this Spirit at 7 Rupees per Gallon will affect the sale of our Colombo Arrack at half the price. I imagine that by adding brown sugar as coloring matter, putting in some flavoring essence, and diluting with water, one dozen of Mr. Corbett's Alcohol would be turned into two dozen bottles of palatable spirit equal to the "fine old Pine-apple Rum," sold at English public houses, and certainly, I should say, more wholesome to the consumers than the cheap Brandy now procurable at 6 or 7 Rupees a dozen.

7. This beverage would thus be procurable at the same price as Colombo Arrack, and if we regulated our Excise Duty accordingly, it would not signify as a matter of finance, which the public selected as their favorite Spirit. In South Arcot Messrs. Parry & Co. supplied the Arrack renter with Rum; he retailed it to the public, and I always heard that it was quite wholesome and free from any deleterious qualities.

*Proceedings of the Madras Government, Revenue Department,
23th April 1861.*

8. When Government required Alcohol for their own purposes, tenders might be solicited, as for the supply of other Commissariat articles. He might thus discontinue the manufacture and probably obtain the Spirits of Wine at a cheaper rate than is now actually paid for them.

9. Should this proposition of Mr. Corbett's be acceded to I would suggest that the Spirit be sold by respectable licensed Shop-keepers in quantities not less than one dozen, and that it should be accompanied by a pass as is now the case with Brandy. I doubt whether practically our Abkarry revenue would be diminished; the Shop-keepers would not, I apprehend, convert the Alcohol into the colored Rum as abovementioned, so that the production would be confined to a few private individuals, who were acquainted with the recipe, and who could only legally themselves consume the result of their flavoring and diluting process.

1. Ordered that the above papers be submitted to Government in continuation of the Board's Proceedings No. 1,243, dated 26th February 1861.

2. Mr. Banbury in fact concurs in opinion with the Board that, under an Excise Duty varying with the strength of the Spirits, locally manufactured Alcohol may be put on the same footing as imported Spirits of Wine without danger to the Abkarry revenue.

3. Mr. Banbury and his Deputy are under a mistake in supposing that the existing retail trade in Spirits will be in any way affected by the proposed measure. It is, of course, only contemplated to legalise a wholesale trade in the Country Spirits under an Excise Duty by which means the country and foreign Spirits would be placed on the same footing in the market, and the licensed retailers could supply themselves at pleasure with whichever they preferred, while manufacturers requiring the Alcohol for other purposes would make wholesale purchases and would, of course, be liable to all the penalties of the law for retailing without license, of which however there is no more risk than under the present system of supply from the Commissariat.

4. The enactment of the Abkarry Bill is necessary for the introduction of the proposed system.

No. 451.

ORDER THEREON, 28th April 1861, No. 740.

The disposal of this subject must lie over until the Bill for amending the Abkarry Laws of the Madras Presidency is passed.

(True Extract.)

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

To the Board of Revenue.

Exd. S. T. Augustin.

No 63.
Dy. Collector's Office
Madras, 14th March 1861.
From. V. Rungasawmy Iyengar.
To. Dy. Collector of Madras.
G. Bainbury Esquire
Dy. Collector of Madras.
On Circuit Pulicat.
Sir,
With reference to the Pro: of the Board of Revenue. No. 1243, dated 26th February last, requesting your opinion as to whether Mr. Corbett, the Abkari renter of North Arcot, may be allowed to sell Alcohol for the purpose of making Varnish &c under the conditions set forth in his letter recorded in the Pro: of Govt No. 302 of the 19th Ultimo therewith received, I have the honor to offer my opinion as called for by you.
2. It is true as the Board observed, under the present Abkari law of the Madras Town (Act 19 of 1852) spirits manufactured on the European Method and not rendered unfit for human consumption, cannot be sold in the market except to the Abkari renters or to Government.
3. The Board in Para 7 of their Pro: expressed that locally manufactured spirits of wine might be brought into Madras under permit and special license, & passed in =

herewith returned

inwards for consumption on payment of an
excise duty equal to the import duty on
spirits without danger to the Abkari
revenue or other objection. To carry out
this proposition, I think section 28 Act 19
of 1852 is directly opposed because the Govt
in revising the forms of licenses cannot
introduce anything contrary to section 2
Act 32 of 1845 under which provision the
consumption or sale of country made spirits
are limited to only Port and Abkari Districts.
I am therefore of opinion that in case
of complying with the request of Mr.
Corbett, this part of the section would
require some modification.

4. The Board express in Para - that
in Madras Town there is no Abkari rent.
But although the distillation of arrack is
not rented out in Madras yet the sale
of Country made liquors is licensed to the
different shopkeepers on condition of purchasing
the liquors from the Collector of Madras,
and the number of shops and the localities
where they should be kept are limited. With
reference to that limitation and with the no-
table quantity of liquor that could be
consumed within such locality, the revenue

fixed there done, and entered into their con-
tract. In case of establishing any addi-
tional shops, the renters would certainly
incur some loss by it, and have grounds to
demand compensation for their loss.

5. As regards the Abkari revenue
although there may not be any danger in the
beginning by allowing the country made liquors
to be consumed in Madras on payment of
excise ^{duty} equal to the import duty on spirits, yet
I think if the Alcohol is not used strictly
to the purposes for which it is intended, &
any quantity used for drinking purposes,
I am sure that our revenue will be gra-
dually affected to certain extent.

6. I understand that the strength
of the Alcohol supplied by the Commissary
Department for Varnish purposes is at 40 Degrees,
and that supplied for chemical purposes 60
degrees over London proof, and this spirit
if diluted & the strength reduced to 20 under
proof by mixing some brown sugar and adding
some Flavour to it, it will surpass the
brandy in taste &c. you are well aware how
difficult it will be to detect any illegal
consumption of the liquor contrary to the
conditions of the license.

7. The public may argue that why
there

there should be any restriction on the sale of Alcohol after the excise duty has been collected upon it: you will see for instance, the brandy and other European made spirits, when imported into Madras, pay the excise duty. Still under the Abkari law, they cannot be allowed to retail solely on the ground of abkari revenue being affected by it. While the prohibition is observed as regards the Europe made spirits, & continues in force, why should the Board propose to take away such prohibition with regard to the Country made spirits.

8. To meet the demand of the public who may require brandy in small quantities for medicinal purposes, we purchase this spirit from wholesale shopkeepers and retail it to the public in not less than 1 Pint at the cost-price at which it is purchased.

9. In the same way, if for the convenience of the Chemists & Varnish makers, alcohol is required in Madras, I propose that it may be manufactured in our Govt Distillery and supplied on Indents to the Varnish makers as well as to the Chemists, and also for the Govt purposes, at a fixed price not less

alcohol being
sent from the
& the persons
therefore known,
should be in better
to watch
illicit sales.

less than the amount incurred for the manufacture of the alcohol. By this arrangement, I consider that it may not give room for illicit consumption nor would it affect our abkari revenue.

10. I beg to embrace this opportunity to bring to your notice that the Board expressed in Para 2 of their Proceedings No. 1228 dated 25- Ultimo, that the tradesmen at Madras can supply the alcohol themselves from Calcutta and Bombay on payment of the import-duty as Europe made spirits and Wine, and accordingly you were pleased to publish a notification in the Gazette, but I would observe that the objections raised in Paras 3, 4, and 5 of this letter are equally applicable to the spirits brought either from Bombay or Calcutta markets unless they are methylated, so as to render them unfit for human consumption.

I have the honor to be,
(Signed) V. Rungasawmy Esq.
Dy. Collector.

(True Copy)

Collector.
Ag. Collector.

Sd/-
M. P.

Good

No. 1,637.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 16th March 1864.

Read the following letter from the Acting Collector of Sea Customs, dated Madras, 11th March 1864, No. 238:—

Adverting to paragraph 3 of the Board's Proceedings dated 26th ultimo, No. 1,243, I have the honor to state that Spirits can be bonded in private Warehouses under the consolidated Customs Act.

The Board were fully aware that private Warehouses could be used; but the question asked was whether any Government Warehouses are available for bonding Spirits of Wine as proposed by Mr. Corbett.

(A true Copy and Extract.)

(Signed) W. HUDLESTON,

Secretary.

To J. H. Blair, Esq., Acting Collector of Sea Customs.

Exd. J. Wright.

*Copy letter from the
Collector of Sea Customs
dated 11th March 1864*

*Office Secretary to the
Board of Revenue
Madras*

Rev: 9/20/64.

Wm. Blair Esq.

*Copy of letter
received from the
Collector of Sea Customs*

17th March 1864

453-454

*Enclosure 1 in the
Proceedings of the Board
of Revenue to the Hon. Secy to
Government D.P. dated
9 April 1864 -
1864. Department*

No.

Recd 20/64.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 16th March 1864.

Despatched

Received

No. 1,637.

Requesting to know whether any Govern-
ment Warehouses are available for bonding
Spirits of Wine.

Progr. March 1864 - 195-96
19 July - 280-281

Rev. 1864 - 195-96
Progr. 1864 - 195-96

Proceedings of the
Board of Revenue

Vol. 9 of the
Proceedings of the
Board of Revenue
1864 - 195-96
19 July - 280-281

Submitting, with remarks,

notes from the Office of Revenue
& Customs regarding the
operation of the Board of Revenue
at the various banks
visiting to the various banks
of the various banks

W. H. O'Brien

14. Circular to the Board of Revenue of the

Re: 7110.

The disbursement
of this subject
must be over

until the Bill
for amending
the Albany
Law of the
Madras Presi-

of the Board of Revenue
for the purpose of
the Board of Revenue
at the various banks
visiting to the various banks
of the various banks

From the Board of Revenue
280-281-1864

1864-1865