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MADRAS RECORD OFFICE

Government of Madras

Revenue DEPARTMENT

G.O. No. 53		~~Press~~
~~B.P. No.~~		Mis.
Dated 13-5-1872		195 .

Not to be folded or roughly handled

Supplemental Minute of the Acting third Member of the Board of Revenue on Mr. Prichard's application for Chinglepet Abkarry.

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1. I regret much to find from the remarks of my Colleagues that they are not prepared to recommend Mr. Pritchard's proposals for the favorable consideration of Government. Their prolonged experience in the direct management of the revenue in different parts of the Presidency entitles their opinions to the highest consideration, and I should feel very great diffidence and hesitation in adhering to views which they oppose in any matter of ordinary district administration. I have, however, taken a deep interest in the Abkarry Revenue and paid especial attention to it, ever since I drafted the Abkarry Act, under the orders of a late Board, in 1863, and through the steady

steady improvement of the revenue, under the existing system, have given some cause for congratulation, the objections to the renting system are so numerous that I have always felt it to be most desirable that some change of system should be gradually introduced, under which the Officers of Government would no longer be kept in a profound state of ignorance in regard to the general consumption of liquor throughout the country.

2. The adoption of a modified Excise system, in Ganjam, in 1869, was the first step in this direction, and I am as much disappointed to find on my return from England, at the end of last year, that so little advantage had been taken of this experiment, to ascertain the actual incidence of this branch of taxation, and to compare the results obtained under the new system with those obtained under the farming system in other parts of the Presidency.

3. The object of the taxation of liquor in all countries must be to secure the maximum of revenue from the minimum of consumption, and it is obvious that this position can never be attained under a system which necessarily keeps the consumption of both Arrack & toddy entirely in the dark. Though the system now in force in Ganjam and about to be introduced into North Arcot and Vizagapatam is likely to afford a fair insight into the consumption of Arrack in those districts, there is little hope of any valuable information being obtained in regard to the revenue derived from toddy, as it is proposed to rent it, on the old system, leaving the general control and the collection of the rents in the hands of the Arrack Distiller, and to allow him 25 per cent for his trouble.

4. Not the least advantage of

of the scheme proposed by Mr. Pitchard is the fact that at the end of the next revenue year the Government Officers will be placed in possession of full particulars, for at any rate one district, of the consumption and cost of both the liquors in general use, and I understand from him that the profits derived from the Toddy farm will be found to be very nearly equal to those obtained from the Arrack farm. The eventual gain to the revenue which must result from the Government Officers being thoroughly informed upon these points seems to me to be so very much more favorable to Government than those which the Board have already accepted for other Districts, that I feel constrained, in the interests of Government, to adhere to the views expressed in my minute of the 10th instant and I cannot myself see that there would be any risk of loss in sanctioning Mr. Pitchard's

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Mr. Pitchard's scheme, nor have I any doubt myself of Mr. Pitchard's capacity to carry the experiment to a successful issue.-

15th April 1872.

(sd) R. St. Dalyell
Actg. 3rd Member

(True Copy)

J. Wyle
Secretary

Acting 3rd Member's Minute

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1. With this letter Mr. Barlow forwards for the consideration of the Board a proposal from Mr. Britchard, the Government distiller in the town of Madras, to take up the Abkarry of the Chingleput District at the present rent for one year from the 1st of July next, in view to making proposals at the end of that period for introducing a system of excise similar to that which has been successfully worked in Ganjam for the past three years, and which is about to be introduced into South Arcot and Vizagapatam.

2. When Messrs Parry & Co's proposals for South Arcot were brought before

before the Board last month, though I was very strongly impressed with the opinion that the excise system of taxation, when trustworthy distillers can be found, is far preferable to the farming system owing to the frequency of reckless bidding at the auctions; to the consequent illegitimate means adopted by the Renters to stimulate the sale of liquor; to the numerous applications for remission of rent and the occasional bankruptcies of farmers - all causes of a constant anxiety on the part of the Officers of Government in regard to the security of the revenue derivable from this source - I felt it right to point out that the estimates prepared by Mr. Minchin in 1868 of the consumption of liquor in the Cuddapah District

District, and of the probable amount of revenue which would be paid by him, in the shape of excise duty, had proved altogether fallacious, and that unless Messrs Parry & Co's estimates of the consumption in South Arcot were much more reliable, of which the Board had no guarantee whatever, the acceptance of their proposals might result in a very serious loss of revenue. As, however, the advantages to be gained under the excise system were so very apparent, I thought it desirable to run some financial risk rather than lose the opportunity of introducing it, experimentally into another District, and eventually I became a party to submitting Messrs Parry & Co's proposals, with some slight modifications, for the favorable consideration of

of Government, as well as, similar proposals, recently received from Mr. Minchin, in regard to the Vizagapatam District.

3. The proposals now submitted by Mr. Pritchard appear to me to be free from the objections which occurred to me in regard to the South Arcot and Vizagapatam schemes, as they do not contain the element of uncertainty in regard to consumption. This is to be perfectly cleared up before the excise system is adopted, by working the District on the present plan for one year, and while this information is being obtained the present revenue is to be guaranteed to us. When Mr. Pritchard has satisfied himself of what is the usual and ordinary consumption of liquor in the District, he is

is to make definite proposals to the Board in regard to the rate of Excise duty. I think we may very properly forward his proposals for the favorable consideration of Government.

4. If this be determined on, the next question to be considered is whether we should consent to allow Mr. Pritchard to hold the Arkary farm for one year at the present rent or at an enhanced rate. Mr. Barlow gives no opinion, as he should have done upon the adequacy or otherwise of the present rent. At the auction of 1869 a much higher rent was realized, but the heirs of the purchaser became bankrupt after the lease had run eighteen months, and I think, on the whole, we may fairly fix the rent for the next year at Rs 1,58,000, if it is to be given to Mr. Pritchard.

5. Mr. Pritchard has for some years turned his attention to Arkary matters. So far back as 1864, if I remember right, I was enabled from information obtained, at his instance,

from

from Mr Corbet, the Renter of North Arcot, to place facts before the Board which put them in a position to defeat a most im-prudent attempt on the part of the present renter of the Chingleput District, based upon a Clerical Error in the Abkarry Advertisement, to obtain a remission of upwards of two lacs and a half of rupees from the rent payable by him from 1862 to 1867. Then in 1869, Mr Pritchard was indebted the morning Cause which drew attention to the very unsatisfactory Condition of the Madras Town Abkarry, and led to inquiries, in the first instance by Mr Jane, and afterwards by the Board, resulting eventually in the Boards orders of 28th June 1869, which have Effected an increase of revenue of nearly two lacs in 1869-70 and of upwards of a lac and a half in 1870-71.

Madras Town Abkarry.
1868-69 - Rs. 9,93,185
1869-70 - " 11,55,604
1870-71 - " 10,44,152

In England he obtained the Spirit-ed Distillery, which I visited yesterday, and into which he has undoubtedly introduced many improvements and is contemplating more. Mr Binchin* also informed me after a visit which he paid to the Distillery last month that he Considered the arrangements were very good, and the Legion distilled of an unexceptionable quality. On a reference to the Accounts too, I find that the revenue derived from the Town Abkarry has steadily progressed during

*Aska

during the period the Distillery has been under Mr Pritchard's control a considerable share of the increase & consumption may fairly be ascribed to the superior liquor which Mr Pritchard has supplied, for it will be observed that while the Columbo arrack, with which Mr Pritchard has no concern, has only increased by about 1½ per cent, the consumption of the Puttur which he supplies us with, has increased 12 per cent within the Town limits, and 7 per cent without the limits.

6 I believe Mr Pritchard to be thoroughly honest, and that he really desires to benefit Government as well as himself by this undertaking. I see no reason to doubt that

	1st Seven Months of 1280	1st Seven Months of 1281.
Gallons of Columbo	Gallons 70,681	Gallons 71,697
Gallons of Puttur within limits	39,298	44,414
Ditto without limits	25,758	27,496
Revenue for Columbo	Rs. 2,82,726	Rs. 2,87,063
Revenue for Puttur in limits	Rs 1,22,787	Rs. 1,38,756
Do outside limits	Rs. 48,295	Rs. 51,553

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we shall be as well served by him as by Messrs Harry and Co or Mr Emichin, and though for some years he was in serious pecuniary difficulties, I understand that in May last year he placed before the Board and Government a statement of his affairs, shewing him to be in a solvent position, and that he lately placed information before the Board which induced them to reduce the security formerly by him from Rs 20,000 to Rs 3,500.

Board's Proceedings 24th January 1872 No 164.

7 It is true that Mr Barlow, the Acting Collector of the District is opposed to Mr Pritchard's proposals, but from his own showing he has very little knowledge of the merits of the question. He states that he is doubtful of the financial soundness of the proposal, but he apparently overlooks that for the first year Mr Pritchard will be the ordinary Abkary Renter of the District, under the present system, that he will deposit the usual security, and will be in precisely the same position as any other District Renter, and that, at the end of that time, when the consumption

of

of liquor in the District has been thoroughly guaged, it will be the simplest possible operation to fix an excise duty which will produce a revenue equal to, or in excess of that at present obtained. If deemed desirable too, it would be quite possible to require Mr. Pritchard then to guarantee a minimum revenue, and as the consumption would be well known to him, he would probably not object to do so. The first three objections urged by Mr. Barlow in para 5 of his letter would apply (if they existed) to South Great and Goongain Districts where the Government have sanctioned the introduction of the system, but would not apply to Chinglepet, if Mr. Pritchard should be required to give the guarrantee above referred to. It however seems to me that without any such guarantee it is as much to the interest of the Distiller as to that of the Government that no smuggling or adulteration of spirit should be permitted, for clearly both would tend largely to reduce his profits, which are derived from the quantity of liquor distilled

distilled by him. The fourth objection applies equally to all systems of Abkarry, and may therefore be dismissed as not applicable to the matter under consideration.

8. As to the present Renter of the District who offers to continue to rent it at an increase of Rs 10.000 per annum, I am not of opinion that he is deserving of the slightest consideration. His deliberate attempt in 1864 to evade a large portion of his liabilities at the expense of Government, as alluded to in para 5 above, shews the description of character he is, and further he will have ample opportunity of investing his capital in the Abkarry Farms of other Districts should he desire to do so.

10th April 1872

(signed) R. A. Dalyell.

Ag: 3d Member Board of Revenue

(True Copy)

J Gold

Secretary

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REVENUE BOARD OFFICE,
Madras,
Dated 23rd *April* 1872.

No. 557

OFFICIAL MEMORANDUM.

~~Your Letter dated~~

With reference to Memo from the Under Secretary to Government, Revenue Department dated 22nd April 1872 No. 56 the undersigned has the honor to forward copy of the Minute of dissent of the Acting 3rd Member of the Board of Revenue relative to the Chingleput Abkari.

By order

J Gwyn
Secretary

To,
The Under Secretary to Government
Revenue Department
with Minute

Copy
M Narasima Chetty

Revenue 1872 D°. N°
H-1448.

OFFICIAL MEMORANDUM.

From

The ~~Sub~~-Secretary to the
Board of Revenue,

To

The ~~Collector of~~ Under Secretary to Government
Revenue Department

Dated 23rd April 1872
Received 24th
Dep. 23

No. 557

Forwarding copy of the minute of dissent of the Hg. 3d Member of the 28th relative to the Chingleput Abkari.

H. 53.

Lodged

13th May 72.

8. May 72 R. 9
RC 1st May 72 R. 4 May