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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Rev. DEPARTMENT

G.O. No.	65	Press
B.P. No.		~~Mis.~~
Dated	16-1-1874	196 .

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
16th January 1874.*

No. 125. Read the following Proceedings of the Board of Revenue, dated 20th December 1873, No. 2,618:—

Read the following Proceedings of the Madras Government, dated 13th December 1873, No. 1,420, Revenue Department:—

ABSTRACT.—*Abkari of the Vizagapatam District.*—Reviewing the results of the working of the — on the experimental excise system for the quarter ending 30th June 1873, and, with reference to the diminution of revenue in connection with it, requesting the Board of Revenue to report not later than the beginning of February next on Messrs. Minchin & Co.'s management during the six months ending 31st December 1873, in view to the question of the continuance of the contract being considered.

COMMUNICATED to the Collector of Vizagapatam.

2. In this order Government observe that at the end of Fasli 1282 or on the 30th June 1873, Messrs. Minchin & Co.'s payments on account of the Vizagapatam abkari for the first year of their lease were found to be Rupees 30,000 less than the minimum fixed by Government, and nearly Rupees 60,000 below the average annual collection under the contract which preceded theirs. In the latter statement there is an error arising from the fact that arrears collection are included in the list of collections for Fasli 1279 to Fasli 1281, quoted in the margin of paragraph 3. The amount of the contract which preceded Messrs. Minchin & Co.'s was Rupees 1,71,900 per annum not Rupees 1,76,540, and this, ~~is Government and~~ ~~the Board of Revenue~~ have been a much larger sum than can be expected again if the old system is revived.

3. Government proceed to remark that the Board, under these circumstances, should not have continued the contract to Messrs. Minchin & Co., without a reference to Government. This censure, the Board respectfully submit, is the result of a misapprehension. Under the terms of all these "experimental" excise contracts the lease may be determined at the end of any fasli by notice given not later than the 1st of the previous May. Thus, when the Board became aware of the circumstances alluded to in paragraph 3, they had no power to stop the contract until the 1st May 1874, and they have this power still.

4. The question whether the contract should be stopped at the end of Fasli 1282 was duly considered when the Report on abkari for the quarter ending the 31st March 1873 was received. The Collector then stated that the collections of the fasli would probably amount to Rupees 1,30,000, (or Rupees 11,000 more than was actually realized): he looked at this result as most satisfactory, anticipated better results in Fasli 1283, and recommended that the lease should be continued. The Board concurred. The country is so difficult to manage, that Messrs. Minchin & Co. were unable to make their arrangements rapidly; it was months before they could push their supplies of liquor into some of the more distant localities, and it was eventually found necessary to relinquish the idea of working the excise system in some taluqs, and to rent them out on the old system, after much time had been lost. The experiment had not been fairly tried, and the Board thought it ought to have a further trial even at the cost of a small sacrifice of revenue. The Board had

*Proceedings of the Madras Government, Revenue Department,
16th January 1874.*

received no intimation that Government wished to limit the discretion which had been confided to them, or required them to refer to Government for orders before allowing the experiment to continue.

5. In paragraph 6, Government remark that the Board should have taken the opportunity of Messrs. Minchin & Co.'s payments failing to reach the prescribed minimum to remedy "the serious defect in the experimental system that no maximum price is prescribed." The Board observe that, under the orders now in force, a minimum price is prescribed everywhere but not a maximum price, and that the imposition of a maximum price will be a cardinal change in the abkari policy of Government. It is true that the Board have pronounced in favour of this change, but when the Proceedings disposed of in the Government Order under notice were passed, they had received no intimation that Government approved of it.

6. Messrs. Minchin & Co. have hitherto sold at the minimum price prescribed by their contracts and by the orders now in force. They could not sell for lower prices and they have not attempted to sell at higher prices. If Government choose they can even now authorize them to sell at lower rates.

7. But the Board see grave reason to doubt whether Messrs. Minchin & Co. can afford to have their profits reduced either by selling below present rates or paying higher duty. The expense of pushing liquor and watching sales through a district like Vizagapatam must be far greater than in districts like Chingleput, North Arcot, and South Arcot, while the sales are beyond comparison smaller. It seems to follow that the difference between the duty and the selling price per gallon out of which the cost of establishments, etc., is paid, must be greater. The Collector will state his opinion on this subject, if the revenue of the current year seems likely to fall below the prescribed minimum, when reporting on the abkari for the half-year ending on the 31st instant. The report must be submitted as early as possible in January.

No. 126. ORDER THEREON, 16th January 1874, No. 65.

Separate Revenue, No. 5.
Abkari.

THE Government will await the
Collector's report.

(True Extract.)

(Signed) D. F. CARMICHAEL,
Secretary to Government.

To the Board of Revenue.

Ed. W. H. French.

Revenue Department
Proceedings of the Board of Revenue
dated 20th December 1873, No. 2,618

Read Government Order, Revenue
Department dated 13th December 1873 No.
1420 passing orders on report of results
of the working of Abkari of Vizagapatam
District for Quarter ending 30th June 1873.

Communicated to the Col-
lector of Vizagapatam.

In this order Government
observe that at the end of Fushy 1282
or on the 30th June 1873 Messrs. Minchin
and Company's payments on account
of the Vizagapatam Abkari for the
first year of their lease were found
to be Rupees 30,000 less than the mi-
nimum fixed by Government,
and nearly Rupees 6,000 below
the average annual collection under
the

7 miles C.M. 526/74

Bdlt. of 1874 Address.

REVENUE.

To

THE BOARD OF REVENUE.

Dated January 16th.

Recd.

Encl.

G. O., 16th January 1874, No. 65.

JANUARY.

Nos. 125-126.

Abkari of Vizagapatam District.—Awaiting
report from the Collector in connection with the
working of the — for half-year ending 31st De-
cember 1873.

the contract which preceded theirs. In the latter statement there is an error arising from the fact that arrears collections are included in the list of collections for F 1279 to F 1281, quoted in the margin of para 3. The amount of the contract which preceded Messrs Minchin & Co. was Rs. 1,900 per annum, not Rupees 176,540, and this, as Government are aware, is stated by the local Officers to have been a much larger sum than can be expected again if the old system is revived.

Government proceed to remark that the Board, under these circumstances should not have continued the contract to Messrs Minchin & Co. without a reference to Government. This censure, the Board respectfully submit, is the result of a misapprehension

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-apprehension. Under the terms of all these "Experimental" Excise contracts the lease may be determined at the end of any Fushy by notice given not later than the 1st of the previous May. Thus, when the Board became aware of the circumstances alluded to in para 3 they had no power to stop the contract until the 1st May 1874, and they have this power still.

The question whether the contract should be stopped at the end of Fushy 1282 was duly considered when the report on alkali for the quarter ending the

the 31st March 1873 was received.
The Collector then stated that the
Collections of the fiscal year would
probably amount to Rupees 1,30,000
(or Rupees 11,000 more than was actually
realized). He looked at this result
as most satisfactory, anticipated
better results in July 1883, and
recommended that the lease
should be continued. The Board
concurred. The country is so diffi-
cult to manage that Messrs
Minchin & Co. were unable to make
their arrangements rapidly; it
was months before they could
push their supplies of liquor
into some of the more distant localities
and

and it was eventually found
necessary to relinquish the
idea of working the Excise
system in some taluqs, and
to rent them out on the old
system, after much time
had been lost. The Experi-
ment had not been fairly
tried and the Board thought
it ought to have a further
trial even at the cost of a
small sacrifice of revenue.
The Board had received
no intimation that Govern-
ment wished to limit the
discretion which had been
confided to them, or
required them to refer to
Government for orders
before allowing the Experiment
to continue.

In para 6 Government
remarks that the Board
should

Should have taken the opportunity of Messrs. Minchin & Co's payments failing to reach the prescribed minimum to remedy "the serious defect in the experimental system that no maximum price is prescribed." The Board observe that under the orders now in force a minimum price (prescribed) every where but not a maximum price, and that the imposition of a maximum price will be a cardinal change in the Akhary policy of Government. It is true that the Board have pronounced in favor of this change, but when the Proceedings disposed of in the C.O. under notice were passed ^{they}

had received no intimation that Government approved of it. ^{65/6}

Messrs. Minchin & Co. have hitherto sold at the minimum price prescribed by their contracts and by the orders now in force. They could not sell for lower prices and they have not attempted to sell at higher prices. If Government ^{65/6} they can even now authorize them to sell at lower rates.

But the Board see grave reason to doubt whether Messrs. Minchin & Co. can afford to have their profits reduced either by selling below present rates or paying higher duty. The expense of pushing ^{higher}

liquor and watching sales
through a District like Vi-
-lagapatam must be far
greater than in Districts
like Chingleput North
Arcot and South Arcot,
whilst the sales are beyond
comparison smaller. It
seems to follow that the
difference between the
duty and the selling price
per gallon out of which the
cost of Establishments &c.
is paid must be greater.
The collector will state
his opinion on the sub-
ject if the revenue of
the current year is likely
to fall below the pre-
-sented minimum when
reporting on the Akkary
for the half year ending
on

on the 31st Dec 1865 The
report must be submitted
as early as possible in
January.

/Ince & Co.

J. G. Gode
Secretary.

To The Secretary to
Government
Revenue Department

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Edw. J. Gode

