M.R.O. 1—20,002—12-8-65.

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(3) Initials of the Referencer 188

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.	1336.	Press
B.P. No.		Mis.
Dated	16-10-1874	196

Not to be folded or roughly handled

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

Read the following :—

No. 195. Proceedings of the Board of Revenue, dated 9th October 1874, No. 2,948 :—

Read letter from the Collector of South Arcot, dated 22nd September 1874, No. 401.

ABSTRACT.—Submitting a revised list of frontier shops, and observing that the Agent of Messrs. Parry & Co. has not replied to the Collector's request as to whether he consents to the terms contained in Board's Proceedings of the 14th August last.

Read, also, letter from Messrs. Parry & Co., Abkari Renters, South Arcot, dated 29th September 1874.

ABSTRACT.—Replying to the Board's Proceedings of 14th August last relative to the frontier shops.

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* * * * * *

5. As regards Pondicherry the figures given by Messrs. Parry and Co. demand attention. They say that the population of the French Settlement is 136,899, that the revenue from Arrack alone is Rupees 66,000, and that the average selling price of Arrack is Rupees 1-2-0 a gallon.

6. The revenue per head of the population (Annas 7-9) is not large compared with the places similarly situated in this Presidency (in the town of Madras Rupees 2-3-0, in the Bellary cantonment it is Rupees 1-12-5, and in the Bellary District it is Annas 6-10), but the consumption per head must be enormous. Liquor sold in Pondicherry is said to be 45° under proof, and 100 gallons at 45° under proof are equivalent to nearly 79 gallons at 30° under proof, the ordinary strength of liquor issued from distilleries in British territory. Hence the Pondicherry price, Rupees 1-2-0 a-gallon, is equivalent to about Rupees 1-7-0 a-gallon for the stronger liquor. The cost of making liquor at 30° under proof cannot be less than 10 Annas a-gallon. As the shop-keepers are the renters, nothing need be allowed for cost of distribution and shop-keepers' commission. The renters' profits may, therefore, be estimated at not more than Annas 13-0 a-gallon. According to this estimate 81,230 gallons at 30° under proof, or the equivalent at a lower strength, must be sold before the renters can pay their rent, viz., Rupees 66,000, and, say, 89,000 gallons, before they get a fair profit as they undoubtedly do.

Board's Proceedings, dated 12th May 1874, No. 1,099.

7. The consumption per head of places with regard to which the Board have tolerably reliable information is as shown in the margin. Taking the highest consumption known, viz., ·4 of a gallon, the consumption in the Pondicherry Settlement would be about 54,800 gallons.

Ganjam	·03 of a gallon.
South Arcot	·05 do.
North Arcot	·06 do.
Madras Town	·4 do.
Chingleput District	·07 do.
Sydapet Taluq	·14 do.
Conjeveram	·09 do.
Trivellore	·07 do.
Ponneri...	·05 do.
Chingleput	·05 do.
Madurantacum	·02 do.

8. It follows that if Messrs. Parry and Co.'s figures are correct, the equivalent of at least 34,000 gallons of liquor

at 30° under proof must be either smuggled across the frontier or drunk by residents in British territory who cross the frontier to drink.

9. It seems impossible that anything like this large amount of smuggling can be taking place without attracting the Collector's attention. He will be good enough to endeavor to ascertain for himself the [illegible] population of town and country in Pondicherry, the revenue from Arrack, [illegible] average selling price of Arrack (it is possible Messrs. Parry and Co. may be mistaken as to this, and the whole calculation depends on it), and what the consumption per head is believed to be by the French authorities.

* * * * *

No. 196. Proceedings of the Board of Revenue, dated 9th October 1874.

Read letter from Messrs. PARRY & Co., dated 7th October 1874.

ABSTRACT.—Requesting that the management of the French Abkari may be placed in their hands, as also that of Salem and Trichinopoly.

SUBMITTED for the orders of Government.

2. Messrs. Parry & Co. state that the Pondicherry Arrack and Toddy shops are to be leased by auction on the 26th instant, and propose to put an end to the smuggling, which now takes place on the frontier, by taking up the shops themselves. They are prepared to offer the French Government the same revenue as they have realised for the last three years, on condition that a three-year monopoly is given to them with the right of distilling in British territory. If they get the shops, they intend to approximate the prices in French territory to those in South Arcot. They expect they will lose 30,000 by the venture, and ask; in compensation for this loss and for the advantages that will accrue to Government, that "the lease of any other districts, say Salem and Trichinopoly," as well as South Arcot may be given to them on the excise system. They also ask that the Collector of South Arcot may be instructed to write to the Pondicherry Government supporting their offer.

3. The financial gain to Government, if Messrs. Parry & Co. succeed in getting the Pondicherry shops and approximating the price of Arrack sold there to the price prevailing in South Arcot, will be that obtained by the cessation of smuggling and the abolition of the lower rate of duty (Rs. 1 instead of Rs. 1-12-0) now charged on liquor sold in shops near the frontier, to enable Messrs. Parry & Co. to sell at a lower price in those shops and compete with the neighboring French shops.

4. The smuggling is estimated in paragraphs 5—9 of Board's Proceedings, 9th October 1874, on data supplied by Messrs. Parry & Co., which there will be no time to test, as a decision must be arrived at in time to stop the auction which is to be held on the 26th instant, at more than 34,000 gallons per annum of liquor at 30° under proof, say, 40,000. The price at which the French shop-keepers sell is said to be about Rs. 1-7-0 a-gallon. Messrs. Parry & Co.'s average price in South Arcot is about Rs. 3 a-gallon. Thus, under the proposed arrangement, the price will have to be doubled, and the consumption will be consequently reduced to, say, 20,000 gallons. The duty on this, at Rs. 1-12-0 a-gallon, would be Rs. 35,000.

5. The lower rate of duty during twelve months for which the Board have accounts was charged on 11,443 gallons. The gain to Government, if an extra 12 Annas a-gallon had been charged on this quantity, would have been Rs. 8,582.

6. Thus the total financial gain, to Government, if Messrs. Parry and Co.'s proposals are carried out, may be estimated (chiefly on data supplied by them) at not less than Rs. 43,000.

7. Besides the financial gain, there is the gain by the greater respect for law and the smaller amount of drunkenness near the frontier.

8. The Board cannot support these proposals. It would not be safe to rely absolutely on Messrs. Parry & Co.'s figures without some further inquiry. The gain to Government, even according to those figures, does not seem to the Board enough to decide the question still *sub judice*, whether Salem and Trichinopoly should be managed on the excise system or to counterbalance the advantage of letting the leases of those districts go by public competition. There are obvious objections to Government taking any part in the negotiations which Messrs. Parry & Co. propose to enter into with the French Government, and a letter from the Collector of South Arcot, such as they wish to be written, would very likely be answered by demands to which Government could not agree. Even if Messrs. Parry & Co. get a lease of all the French shops, they will still have immense difficulties to encounter before they can approximate the price of Arrack there to the price in South Arcot, and until they do this nothing will be gained so far as the English Government is concerned. The increase in the price would be so great that it would probably be objected to by the Pondicherry Government, and even if allowed might cause disturbances. It might also be followed by wide spread illicit manufacture and sale. Under these circumstances, it seems possible that Government, if a party to the negotiations in any way, might be called on to interfere from time to time and be embarrassed accordingly.

Board's Proceedings, dated 3rd September 18[illegible], paragraph 9.

No. 197. ORDER THEREON, 16th October 1874, No. 1,336.

Separate Revenue, No. 15.
Abkári.

HIS EXCELLENCY the Governor in Council entirely concurs with the Board, and must decline to interfere in the matter in any way.

(True Extract.)

(Signed) C. G. MASTER,
Acting Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

South Arcot

No 494.

Collector's Office
Cuddalore
23rd September 1874.

From S. K. Gajendra Iyer
Collector of South Arcot

To S. Gopu Iyer
Secretary to the
Board of Revenue
Madras

Sir

In accordance with the instructions conveyed in para 2 of the Board's proceedings of the 14th ultimo, I have the honor to submit a revised list of shops, 22 in number, which, from their position, I consider will be affected by the French shops near them and may therefore be considered Frontier shops.

2. No shops within the limits of the Cuddalore Municipality are included in the list.

3. The agent of shops Parry and Co., to whom a copy of the Board's

Govt. of Madras
REVENUE.
THE BOARD OF REVENUE.
Dated Octr 1874.
Recd
G. O., Mad. Octr 1874, No 1,350
Read Order 1874.
OCTOBER.
Nos 1,350—1,357.
Despatch of the Secretary to the Board of Revenue to Govt.
Dated 30th Sept 1874.
Subject Frontier Shops.

Boards Proceedings was sent with a letter requesting him to inform me whether he consents to the terms contained in the Boards Proceedings, has not replied to me as yet.

4. I have retained 2 shops on the south side of the Commias — the 2 first on the list — because they are only separated from a French shop by the river and being situated, one about a mile, the other about 2 miles, from Mamjacoopan, they will afford an opportunity to the Renter of competing with the French shops on the north of the river without fear of much loss of revenue.

I have the honor to be
Sir
your most Obed.t Servant
J. H. Gariette
Collector

/true copy/

J Gale
Secretary

Enclosure in Bdo
Prov. 8 9. October
1874 to the Secty
& Govt RD.

3
Rec 3293/74
Pol. 716 Oct 1874
En B No 195

Enclosure in B80
Prov. 8. 9. October
1874 to the acting
Secretary to Govt RD.

2
Rec 3293/74
Pol. 716 Oct/74
En B No 195.
Copy of letter
from Chairman of
Smith Mackenzie
& Co dated Sept 22d /74
to 494

Frontier Shops.

No.	Names of English Shops.	Names of French Shops.	Distance between them.	Remarks.
	Pandiseherry Godown.			
1.	Commandaycheatty Savady	Soriankuppam	½ mile.	
2.	Standagettum	Arachikuppam	½ mile.	
3.	Moolavely	Cochimedu	½ mile.	
	Paukam Godown.			
1.	Paukam	Vadoochookuppam	1 mile.	
		Koolmandabham		
2.	Coondoor	Heeloor	1 mile.	
3.	Sheeknampaukam	Embalam	1 mile.	
4.	Cottiangoopam	Baboot	1 mile.	
5.	Sarapoor	Panaijadicoopum	1 mile	
		Pondasanoor	1 mile	
6.	Sennampaukam	Embalam	1 mile.	
		Mammadu	1 mile	
7.	Periatrannam	Narayanpoothoor	1 mile	
8.	Sheffaickamden Savady	Do	1 mile.	
9.	Nadacke Savady	Karuckalampaukum	½ mile.	
	Valavanoor Godown.			
1	Vethy Vadoo	Mammadipett	1½ miles	
2.	Sennavarayanpett	Frickamore	1½ miles	
		Shopat Mamrampet		
		hamlet of Mammadipett	1 mile	
		Kunnichampett	2 miles	
3.	Avicary	Molapaukam	a few yards	
4.	Chinnadcoopam	Mathukarai	1 mile.	
5.	Podoovoor	Poorandinjpolium	1 mile.	
	Valsondavanoor Godown.			
1.	Godown Shop	Kattarikuppam	1 mile.	
2.	Eyanjoor	Mavalipett	1½ miles	
		Soothookarai	2 miles.	
	Mahoor Godown.			
1	Kottaccoopam	Pondicherry	1½ miles	

Madras
29th September 1874

To

The Secretary
Board of Revenue
Madras

Sir,

I have now the honor to reply to the Board's Proceedings dated 14th August 1874 relating to the Frontier Chops.

In ours of 24th August and 7th Instant we requested the Board to grant us a copy of the letter from the Collector of South Arcot which had called forth their strictures of the Board but this the Board have thought advisable to grant us only in part.

As the most important parts of Mr Garstin's letter have not been given to us we labour under a great disadvantage

and can only reply to the general charge made in the Board's Proceedings Para 3 which is as follows—

"The Collector appears to think that is improper an advantage "has been taken of the Concession "that clause 5 of the Conditions "under which it was granted "should at once be acted upon "and all privileges in regard "to frontiers shops be withdrawn "for the remainder of Messrs Parry & Co's lease".

We would submit that to have taken an "improper advantage" we must have been personal gainers by the reduction on duty. Now the flagrant cases named by Mr. Gardiner in Para 3 of his dated 24th July are Merkanum Kandadan Alatur Bermadam and Alapakum.

The price paid to us by the Shopkeepers of Merkanum Kandadan Alatur and Bermadam is Rs 2-2-6 from which has to be deducted 12 as 10 Pies Government Abkari leaving us Rs 1-5-8 an amount which we do not think the Board will consider extravagant and this rate Rs 2-2-6 will shew the spirit in which we acted.

Allapakum exists only in name and has made no sales for several months.

As a further instance we will take the extent of the sales effected at the shops complained of. The average monthly sales have been for 18 months

Merkanum	11 3/16 gallons
Kandadan	1 3/16 "
Alatur	4 3/16 "
Bermadacum	4 "
	21 3/16

By the above it appears that 21½ gallons were sold monthly on which we might have made

12 Rs

12 Annas a gallon x Duty Rs 15-12-0.
per month had we pocketed
the Concession in the duty
but as we gave it all up to the
Public we were in no wise
gainers. We think that these
figures in themselves should
refute the Charge of our having
taken an "unfair per centage
- age".

At first sight many of the
distances appear great and
we know that the District Officers
consider it improbable that
men will travel any dis=
-tance for cheap liquor and
are of opinion that Smuggling
is not carried on in any
extensive scale.

The former view our prac=
-tical experience has driven
us to be erroneous and our dis=
-position as to the Border shops
has not been made hastily
and solely for our own benefit
but for both Government and ourselves.

we

a/22b

we considering it better that the Lot
should secure the lower duty rather
than none.

If the Board should however
consider our experience of insufficient
weight and lay down a hard and
fast line we can only accede to
it and regret from a Revenue point
of view the decision come to.

Regarding Smuggling we put
these facts before the Board.

Nandedabagh contains 136899 in=
-habitants including European
East Indians also the Revenue
to Govt from Arrack alone has
averaged Rs 66,000.

We would ask the Board to
consider what quantity of liquor
must be sold to pay merely the
Rent. The average sale price
does not exceed Rs 1-2-0 and
if we take, allowing for heavy
dilution, that the shopkeeper
manufactures 10 for 9 annas, we

then

these have to annas left to go against the Rhat so that 95,000 gallons must be sold before a single anna is made.

South Arcot containing 1,762,035 people drinks a little over 80,000 gallons per annum, 20 per hundred of population per annum the consumption of arrack is gallons in

French Territory 69 gallons
British " 4 1/2 — " —

But to the neighbouring districts of Chingleput & North Arcot the Revenue at this rate which is say half a rupee a head would have been Rs 4,69,092 and Rs 1,00,639 respectively.

We do not think that there can be any reasonable doubt as to where the Spirits go.

We have spent no inconsiderable sum in trying to guard the Frontier but it does not receive the support of the Police who start with disbelieving that smuggling does go on, and are naturally disinclined to do what they consider as almost out of their province. It not being punishable as in the case of Salt. Besides the law permits any one to import a quantity not exceeding one Imperial Quart, an allowing taken advantage of largely and permitting those who are running in larger quantities to escape. I shall discard the balance. Last year with a view to protect the British Frontier we purchased of the French Govt. 10 shops on which we lost over Rs 5000 and we are again this season holders of French shops in the hopes of making it more and more difficult for men to get French Arrack. As we have said we lost Rs 5000 last year and will lose again this

this year in the attempt to protect our Frontier which are neutral to suggest is an evidence of loyalty in our part and a desire to protect the Government Revenue.

We have the honor to be
Sir
Your obedient servants.
(Signed) Parry & Co
Harry Peters, Asst.
(A true copy)

J. Wade
Secretary

E.G.

Enclosure in Board's Proceedings dated 9th October 1874 to the Acting Secretary to Government Revenue Department.

Rec 3593/74

P.G. 716 Octr 1874
In B No. 195.

Copy of letter from Messrs Parry & Co dated 29th September 1874

how out of all proportion large in French. The only remedy for this appears to us the placing of the French Military in our hands and we are prepared to undertake this giving to the French Government the same price as they have arranged for the last 3 years. The terms being they Granting us a lease for 3 years. Selling to us the exclusive right of sale of both Arack and Toddy Permitting us to manufacture the Arack in British Territory. The result of our bringing the French Arack to a price approximate to that ruling in British Territory could result in no other way than the enormous sales in French Arack dwindling down to that actually drunk by the inhabitants of French Territory and a consequent shortfall to us in Revenue. The damage done to the British Revenue is evident when the consumption is only 4½ gallons per annum to the hundred of population in South Arcot. If consumption which we think the Board will find about one half of that in neighbouring districts. We send for the information of the Board statements showing the increase in price realised by the French Government for French Boundary Slips and Stationaryness in those Island. If the consumption in French Territory falls to a legitimate figure and the excess now smuggled in paid for in British Territory the result would be a large loss to us say Rs. 30,000 and

a

a large gain to the British Government not only by the increased consumption but also by the fact that the differential rates of duty would be unnecessary - We are however most anxious to bring matters to a satisfactory footing and are willing to run the risk if the Board will give us their aid in securing other districts besides Salem and Tiruchengode - We do not ask for these districts in any exclusively favourable terms merely on what the Board would get from others and think equitable - Placed as we now are we have the richest part of our district destroyed by French Arrack on one side and Salem, Tiruchengode and Erode all underselling us on the other. What we would ask is that the Collector of South Arcot should address the French Government on this subject

subject supporting our offer and we think that the French Government once having secured its own Revenue would be quite willing to allow that of the British to improve. The French auction commences on the 26th inst five days from before the sales are confirmed, the sale being effected shop by shop.

We have the honor to be

Sir

Your Obedient Servants

(Signed) Parry and Co.

Arkany Renter South Arcot

/True Copy/

J Grote
Secretary

2
Rec 3592/74

Pol. 916 Oct/74
Ln B No 396.

Enclosure in B.O.
Prov: 3 d. October
1874 to the acting
Secty to Govt Rs

1
Rec 3592/74

Pol. 916 Oct/74
Ln B No 396.

Copy of letter
from Messrs Parry
& Co dated 7th October
1874.

Inland.

No.	Villages.	1870	1871	1872	1873	1874
64	Odiampet	312	288	228	552	648
65	Tirorcangy	468	432	336	532	482
73	Pullaricoopum	242	309	122	189	309
74	Sellapet	537	532	436	612	638
78	Sontacanny	804	1536	482	962	480
79	Kiyeno	170	456	122	722	1027
84	Sirapet	458	432	364	398	446
85	do.	314	319	122	136	141
86	do.	218	144	108	110	96
88	Arregoor	350	388	218	484	825
96	Sedrapet	336	314	264	408	434
97	Corassoor	324	312	266	384	391
101	Madagradefect	304	415	146	388	648
110	Ouroovear	316	264	136	218	319
114	Cadavanoor	374	578	268	1106	806
120	Saripacum	360	362	196	122	290
121	Souramungalum	180	112	57	88	338
123	Pandesmoor	434	196	148	345	432
139	Corcadon	127	96	57	50	252
		6428	7485	4076	7816	9002

Bordering on English Territory.

No.	Villages	1870	1871	1872	1873	1874
58	Alancoopum	820	1005	1200	1744	1228
75	Somanpet	252	552	607	672	840
76	Cottery	230	501	480	660	578
77	Coolpom	220	501	480	590	885
89	Pangour	261	364	492	700	876
90	Teracanoor	482	634	624	864	912
91	Vadanoor	480	770	840	960	1048
93	do.	492	928	590	386	993
94	Manadypet	480	993	1202	1094	1132
98	do.	964	1128	1490	1905	1872
113	Aratchikupum	1924	1628	2601	2904	2042
115	Mamanoodoo	825	1975	2352	2640	2520
116	Cariambatoor	856	2409	2880	3408	1920
117	Cariamancoopum	321	336	770	792	242
118	do.	264	201	837	1012	912
126	Pnadicoopum	292	386	672	1202	720
128	Kirmanpacum	96	194	240	340	535
132	Cochoomodoo	1092	962	1507	3698	1764
133	Cowroanalum	866	1008	1250	1824	1140
134	do.	840	964	1375	1992	1442
137	Embalom	489	842	840	794	823
138	do.	300	669	626	720	996
140	Carclapatinum	242	302	480	127	634
		13188	19254	24435	31028	26356

/True Copy/

J. Grieve
Secretary

Enclosure in No. 3.
Rec'd. 8 Oct. 1874
Rec'd. 8 Oct. 1874

No. 359 of 1874.
Pub. Dep. 6 Oct. 1874
Ent. 13 Oct. 396.

Copy of Letter
from Secretary Board
of Land Revenue
8th Oct. 1874.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 9th October — 1874.

Read Letter from the Collector of South Arcot dated 22d September 1874, No 4944 submitting a revised list of Frontier Shops and observing that the Agents of Messrs Parry & Co has not replied to the Collector's request as to whether he consents to the terms contained in Board's Proceedings of the 14th August last.

Read also letter from Messrs Parry & Co, Chief Agency Rentes, South Arcot dated 29th September 1874, replying to the Board's Proceedings of 14th August last relative to the Frontier Shops.

* * *

Para 5. As regards Pondicherry the figures given by Messrs Parry & Co demand attention. They say that the population of the French Settlement is 136,899, that the revenue for arrack alone is Rs 66,000 and that

that the average selling-price at Arrack is Rs 1-2-0 a gallon.

6. The revenue per head of the population (Rs 2-7-9) is not large compared with the places similarly situated in this Presidency (e.g. the town of Madras it is Rs 2-3-0 in the Bellary Cantonment it is Rs 1-12-5, and in the Bellary district it is Rs 0-6-10) but the consumption per head must be enormous. Liquor sold in Pondicherry is said to be 45° UP & 100 gallons at 45° UP are equivalent to nearly 79 gallons at 30° UP the ordinary strength of liquor issued from Distilleries in British territory. Hence the Pondicherry price Rs 1-2-0 a gallon is equivalent to about Rs 1-7-0 a gallon for the stronger liquor. The cost of making liquor at 30° UP cannot be less than 10 annas a gallon. As the shopkeepers are the Renters nothing need

Board's Rec 22 May 1874 № 1099

ded be added for cost of Distribution and Shopkeepers' Commission. The Renters' profits may therefore be estimated at not more than Rs 0-13-0 a gallon according to this estimate 81,230 gallons at 30° UP or the equivalent at a lower strength must be sold before the Renters can pay their Rent viz Rs 66,000, and, say, 8,000 gallons before they get a fair profit as they undoubtedly do.

7. The consumption per head of places with regard to which the Board have tolerably reliable information is as shown in the margin. Taking the highest consumption shown viz .4 of a gallon the consumption in the Pondicherry settlement would be about 54,800 gallons

Ganjam	.03 of a gallon
South Arcot	.05 "
North Arcot	.06 "
Madras Town	.4 "
Chingleput District	.07 "
Sydapet Taluq	.14 "
Conjeveram	.09 "
Trivellore	.07 "
Ponneri	.05 "
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8. If follows that if these Pondy Hon's figures are correct the equivalent

equivalent of at least 2 gallons of liquor at 30° U.P. must be either smuggled across the frontier or drunk by Residents in British territory who cross the frontier to drink.

9. It seems impossible that any thing like this large amount of smuggling can be taking place without attracting the Collectors attention. He will be good enough to endeavour to ascertain for himself the reputed population of Town and Country in Pondicherry, the Revenues from Arrack, the average selling price of Arrack (if it is possible Messrs Parry & Co may be mistaken as to this and the whole calculation depends on it) and what the consumption per head is believed to be by the French authorities.

* * *

(True Extract)

J Grote
Secretary

To, The Secretary to Government S.C.D.
with Copy of Letters from Collector of Sadras with Statement
from Messrs Parry & Co

REVENUE DEPARTMENT.

C Nos 3592 & 3593

From Pres. Govt. Fort St. George

Dated 9th October 1874

FOR ORDERS.

I am directed by Government to request that the Board may be informed whether any steps have been taken to give effect to the resolution of the Board of 13th ult.

No. 3593.

Revenue 1874 Dec. 4th.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 9th } October 1874.
Despatched }

Read 4th

3 Encs.

SUBJECT.

Passing orders in regard to Liquor Shops to be maintained on Pondicherry frontier - South Arcot Dt.

195.

C 12/10/74

1875

FOR ORDERS.

8.10.10.74
C 12/10/74

Revenue Department

Proceedings of the Board of Revenue,
dated 9th October 1874.

Read letter from Messrs Parry & Co.
dated 7th October 1874, requesting
that the management of the French Abbeys
may be placed in their hands as also
that of Salem and Trichinopoly.

Submitted for the Orders of
Government.

Messrs Parry and Co. state that
the Pondicherry arrack and toddy
shops are to be leased by auction
on the 26th Inst., and propose
to put an end to the smuggling
which now takes place on the
Frontier by taking up the shops
themselves. They are prepared to
offer the French Government the
same revenue as they have realized

for

for the last three years, on condition that a three years' monopoly is given to them with the right of distilling in British territory. If they get the shops they intend to approximate the prices in French territory to those in South Arcot. They expect they will lose 30000 by the venture, and ask for in compensation for this loss, and for the advantages that will accrue to Government, that "the lease of any other districts say Salem and Trichinopoly" as well as South Arcot may be given to them on the present system. They also ask that the Collector of South Arcot may be instructed to write to the Pondicherry Government supporting their offer.

The financial gain to Government if Messrs Parry & Co succeed in getting the Pondicherry shops and approximating the price of arack sold there to the price prevailing in South Arcot, will be that obtained by the cessation of smuggling and the abolition of the lower rate of duty (Rs 1-0-0 instead of Rs 1-2-0) now charged on liquor sold in shops near the Frontier to enable Messrs Parry & Co to sell at a lower price in those shops and compete with the neighbouring French shops.

The smuggling is estimated in paras 5-9 of Board's Proceedings, 9th October 1874, on data supplied by Messrs Parry & Co, which there will be no time to test, as a decision must be arrived at in time before the auction which is to be held on the 26th inst., at more than 24,000 gallons per annum of liquor 30° U.P. — say, 40,000. The price at which the French Shop keepers sell is said to be about Rs 1-7-0 a gallon.

Messrs

Messrs Parry & Co's average price in South Arcot is about Rs 3-0-0 a gallon. Thus under the proposed arrangement the price will have to be doubled and the consumption will be consequently reduced to, say, 20,000 gallons. The duty on this at Rs 1-12-0 a gallon would be Rupees 35,000.

The lower rate of duty during 12 months for which the Board have accounts was charged on 11,448 gallons. The gain to Government, @ an extra 12 annas a gallon had been charged on this quantity would have been Rs 8,582.

Thus the total financial gain to Government if Messrs Parry and Co's proposals are carried out

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will not even be estimated (chiefly for want of data supplied by them) at not less than Rs 43,000.

Besides this financial gain there is the gain by the greater respect for law and the smaller amount of drunkenness near the Frontier.

The Board cannot support these proposals. It would not be safe to reply absolutely on Messrs Parry & Co's figures without some further enquiry. The gain to Govt, even according to those figures, does not seem to the Board enough to decide the question still sub judice whether Salem and Trichinopoly should be managed on the Excise system, or to counterbalance the advantage of letting the Excise of those districts go by public competition. There is objection to Govt taking any part in the negotiations which Messrs Parry & Co

Endn No 3 dt 24/8/74. Para 7.

for

proposes to enter into such Contract
short, and a letter from the Creditors
of both Vessels, such as they were
to the writers, would Decry, as being
be received by Americans to
which Court could not oppose
Seizure if Master Party Obliged to
leave of all the Property as
they will still have difficulties to encounter before
they can obtain Redress for their
of grave Cases to the Prejudice
short Term, and until this step do
this nothing will be gained so
far as the English Court is con-
cerned. The Seizure in this Case
would be a great Hardship
would probably be opposed
to by the Creditors being Neu-
and even if allowed might
cause disturbance. It might
also be followed by Similar
illicit Transactions and
Under these circumstances

I do

It seems possible that Mess.rs
may, if no party to the negot-
-iations in any way objectionable
to Sir Geo. and he instructions
accordingly. True extract

J Grote
Secretary

The Secretary to Treasury &c &c
with copy of Paras 5-9 of Consul
Pes. 9. Oct.r 94 & copy of Messrs. Parry
& Co.s letter 8/9th Oct.r 1806.

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No. 3592

Revenue 1874 Depart.
Proceedings of the
Board of Revenue

Dated 9th October 1874
Recd. 9 — " —
Ans. " — " —
by orders
en 2

No. 1336 - 16 October 1874
Submitting for orders of Govt. with remarks letter from Messrs. Parry & Co. requesting that the management of the Arcot Abkary may be placed in their hands as also that of Salem and Trichinopoly.

No. 1336

H. E. the G. in C. entirely concurs with the Board and must decline to interfere in the matter in any way.

Si. Com. orders
in N.S. to Bd 16/10/74 in Bd. Procdg [illegible]

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