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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No.
B.P. No.

506

Press
Mis.

Dated

19. 4. 1876 196 .

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
19th April 1876.*

No. 95. Read the following letter from R. B. CHAPMAN, Esq., Secretary to the Government of India, Financial Department, to D. F. CARMICHAEL, Esq., Secretary to the Government of Madras, Revenue Department, dated Fort William, 31st March 1876, No. 1,895:—

I AM directed to acknowledge the receipt of your letter, No. 1,531, dated 27th October 1875, forwarding the Proceedings of the Board of Revenue upon the instructions contained in my Circular-letter, No. 3,088, dated 31st August 1875, with reference to the policy prescribed by Section 11 of the Indian Tariff Act XVI. of 1875, that the duty of excise on spirit distilled in British India shall bare a due proportion to the Customs-duty on spirit imported into British India.

2. The Board of Revenue show that the duty on spirit inside the High Court limits of the Town of Madras already exceeds Rs. 4 a gallon London proof, and that the excise contracts for the Presidency generally concluded for three years on the 1st July last, the still-head duty cannot be raised before July 1878.

3. Further, the Board question the policy of the law, condemn the cheaper imported spirits, and deprecate the attempt to raise the duty on country-spirit to the same rate as that borne by imported spirit.

4. The Government of Madras agree with the opinion of the Board of Revenue.

5. The Governor-General in Council agrees with the Madras Government that the duty on spirit within the High Court limit of the Town of Madras is high enough, and that it would be inexpedient to attempt to raise the rates throughout the Presidency during the currency of existing contracts. The only question for immediate consideration appears to be whether the duty on spirit in the Town of Madras outside the High Court limits might not be increased, but the Governor-General in Council is content to leave it to the decision of the Government of Madras.

6. His Excellency in Council is not aware of the evidence upon which the Board of Revenue stigmatise as "noxious" the cheap European Brandy and Rum, or that such spirit is really more noxious than country-spirit. This much at least is certain that the excise duties are nowhere graduated with any reference to the supposed relative noxiousness of the various spirituous liquors, but only to the amount of alcohol that they contain. If the Board be right in thinking cheap European Brandies to be so noxious that the Government should interfere with their sale, such interference should be exercised directly and not by means of fiscal appliances.

7. The Governor-General in Council agrees, however, with the Board in thinking that some weight should be allowed to the consideration that imported spirit and country-spirit are generally consumed by different classes, and do not at present directly compete with each other; and he is not disposed to challenge the correctness of the Board's conclusion that country-spirit could not pay the same rate of duty as imported spirit.

8. At the same time, His Excellency in Council is not convinced that much may not be done in the way of gradually developing the excise revenue. He is well aware, indeed, that due attention has been given to the subject by the Government of Madras and the Board of Revenue, and that the Presidency of Madras yields a higher excise revenue than other parts of India. But the Governor in Council knows that it is now more than ever necessary to take all possible measures for improving the

*Proceedings of the Madras Government, Revenue Department,
19th April 1876.*

existing sources of revenue; and I am directed to express a hope that this will not be lost sight of, and that no opportunity of adding to the excise revenue will be foregone.

No. 96.

ORDER THEREON, 19th April 1876, No. 506.

Separate Revenue, No. 7.
Customs.

COMMUNICATED to the Board of Revenue who will report in due course on the subject of paragraphs 5, 6, and 8.

(True Extract.)

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

To the Board of Revenue

Edw. F. R. Pantlemon.

56/3

No 1895

To
The Secretary to Government of
Madras.

My Dear Sir,

I am directed to acknowledge the receipt of your letter No 1531 dated 27th October 1875, forwarding the proceedings of the Board of Revenue upon the instructions contained in my Circular letter No 3008 dated 31st August 1875 with reference to the policy prescribed by Section 11 of the Indian Tariff Act XVI of 1875, that the duty of Excise on Spirit distilled in British India shall bear a due proportion to the Customs duty on Spirit imported into British India.

2. The Board of Revenue show that the duty on Spirit inside the High Court limits of the Town of Madras already exceeds Rs 4/- a Gallon London proof and that the Excise Contracts for the Presidency generally concluded for three years on the 1st July last, the still head duty cannot be raised before July 1878.

3. Further the Board question the policy of the law, and condemn the cheaper imported spirits and.

No 1531-2040/76

Calcutta.

Govt. of 1876

REVENUE.

THE BOARD OF REVENUE.

Dated April, 1908.

Recd.

G.O. 19th April 1876, No. 503.

APRIL.
Nos. 95-96.

Excise Duty on Spirit.—Communicating to the Board of Revenue for report on certain points letter from the Government of India on the subject of—

and deprecate the attempt to raise the duty on Country spirit to the same rate as that borne by imported spirit.

4. The Government of Madras agree with the opinion of the Board of Revenue.

5. The Governor General in Council agrees with the Madras Government that the duty on spirit within the High Court limit of the town of Madras is high enough, and that it would be inexpedient to attempt to raise the rates throughout the Presidency during the currency of existing contracts. The only question for immediate consideration appears to be whether the duty on spirit in the town of Madras outside the High Court limits might not be increased, but the Governor General in Council ^{is content to} leave it to the decision of the Government of Madras.

6. His Excellency in Council is not aware of the evidence upon which the Board of Revenue stigmatised as "noxious" the cheap European brandy and rum or that such spirit is really more noxious than Country spirit. This much at least is certain that the excise duties are nowhere graduated with

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with any reference to the supposed relative noxiousness of the various spirituous liquors, but only to the amount of alcohol that they contain. If the Board is right in thinking cheap European brandies to be so noxious that the Government should interfere with their sale, such interference should be exercised directly and not by means of fiscal appliances.

7. The Governor General in Council agrees however with the Board in thinking that some weight should be allowed to the consideration that imported spirit and Country spirit are generally consumed by different classes, and do not at present directly compete with each other and he is not disposed to challenge the correctness of the Board's conclusion that Country spirit could not pay the same rate of duty as imported spirit.

8. At the same time His Excellency in Council is not convinced that much may not be done in the way of gradually developing the excise Revenue. He is well aware indeed that due attention has been given to the subject by the Government of Madras and the Board of Revenue and — that the Presidency of Madras yields a higher excise Revenue than other parts of India. But

But the Governor in Council knows that
it is now more than ever necessary to take
all possible measures for improving the
existing sources of revenue, and I am directed
to express a hope that this will not be lost
sight of, and that no opportunity of adding
to the Excise Revenue will be foregone!—

I have the honor to be,

Sir,

Your Most Obedient Servant

Port William

The 31st March 1870

J W Jackson

Secretary to the Govt of India

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20/3

D. R. D.

24 September 75 No 214-215
27 October 1876

Ans: 1876: 214
N. 1402

From

Thos. J. J. J. J.
J. J. J. J.

N. 1895

Dated 31st March 1896.
Ans 6, April 3 1896.

W

Agreeing with the above, that the duty on opium within the above limit is of the same nature as the duty on opium, and that it would be impossible to distinguish between the value of the opium and the duty on it, and that the duty on opium is of the same nature as the duty on opium, and that it would be impossible to distinguish between the value of the opium and the duty on it.

With order
No 506-19 21/10/1896

No 506
Communicated to the Board of Revenue
who will report in due course on the
subject of paras 5, 6, and 8.
the subject of paras 5, 6, and 8.

To the Board of Revenue

19 April 1876

8. 6. 76