M.R.O. 14—5,450—22-10-25.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1345 Press ~~Mis.~~

Dated 1- 6- 1866.

Not to be folded or roughly handled

No. 114. Read the following letter from the Secretary to the Board of Revenue, to the Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 17th April 1866, No. 2,659:—

1. I am directed by the Board of Revenue to submit, for the consideration of Government, their recommendation that their Third Member, Mr. Clarke, be deputed to inquire thoroughly into the operation of the systems adopted in the several Presidencies, and in the Mysore territory, for controlling and taxing the manufacture and sale of Spirituous Liquors and intoxicating Drugs, in view to determining whether it is desirable to adopt here the Sudder Distillery system with its concomitant Excise duty, and Licenses for retail trade, in lieu of the existing system of Abkarry leases.

2. The advocates of the Sudder Distillery system argue that it secures the maximum of revenue from the minimum of consumption. The Board are not in a position to judge of the correctness of this assumption; but there can be little doubt that the competition, involved in the system at present followed in this Presidency, of disposing of Abkarry leases for terms of years to the highest bidder, must render it a primary object, with the successful competitor, to encourage and extend the consumption of liquor as much as possible, and thereby to secure the largest amount of profits from the farm; and it is a subject of wide-spread complaint, among the thinking and well-disposed portion of the community of every class, that the habit of indulging in the consumption of intoxicating liquors is rapidly spreading among all classes, and is encouraged by our Abkarry system.

3. The Abkarry revenue has risen considerably of late years; but it may be doubted whether the more numerous body of consumers now existing does not render it a less heavy tax on consumption than formerly.

4. The Board consider that no effort should be spared to tax the consumption of intoxicating liquor and drugs as heavily as is possible, without encouraging illicit manufacture and sale. They see much reason to doubt whether, at present, this object is even approximately attained in the case of liquor. In that of drugs, consumption is absolutely untaxed, and the Board are informed that it is rapidly increasing in some places.

5. The points to which the Board would wish to direct attention are, the effect of the present system in our own Districts, both as regards extended use of intoxicating liquor or drugs, and the encouragement of illicit manufacture and sale; the working and effect of the Madras Presidency Town system; the working of the few licensed distilleries on the European method in this Presidency; the recently established Sudder Distillery system in the Mysore territory in all its details; the Bombay Excise system as in operation at that Presidency Town and in Poonah; the Sudder Distillery system as in operation at Nagpore; and the system in force in Calcutta.

6. All the places named are easily accessible by rail and steamer; and the Board believe that a most valuable mass of information might be collected, with comparatively little trouble, in view to placing on a sound footing in this Presidency what the Board now feel to be the most unsatisfactory branch of the administration under them.

7. I am directed to add that Mr. Clarke is willing to accept the task, should Government approve the Board's suggestion.

No. 115. ORDER THEREON, 1st June 1866, No. 1,345.

Separate Revenue, No. 3A.
Abkarry.

1. In the above letter the Board of Revenue propose that their Third Member, Mr. T. Clarke, should be deputed to enquire thoroughly into the Abkarry system of the other Presidencies, and especially the Sudder Distillery system, with a view to determine whether they are superior to the Madras system, the main feature of which, except in the Town of Madras, is the renting out of the monopoly of manufacturing and selling spirituous liquor.

2. The Board think that the tendency of the leasing system must be to encourage the consumption of liquor, and they state that it is a subject of widespread complaint, among the thinking and well disposed portion of the community of every class, that drinking is rapidly spreading among all classes, and is encouraged by the Abkarry system in vogue.

3. The subject of adopting the Bengal system was discussed in 1855 and again in 1859, and on both occasions the Board of Revenue and Government were opposed to the measure. It is obvious that, whatever the advocates of the Sudder Distillery system may say, it can only ensure the manufacture of good liquor; the adulteration of that liquor after issue; the supply of it as largely as the consumers desire; the clandestine manufacture and sale of liquor, and, in short, all illicit practices *after* manufacture are no more prevented by the Sudder Distillery system than by any other system. If Government see fit to undertake the manufacture of liquor throughout the country, which is certainly not a function of the State, they can of course reduce that manufacture to a minimum; but unless their supply meets the demand, liquor will be clandestinely manufactured, or the Government liquor will be so mixed and adulterated as to increase its intoxicating properties without reducing its strength. If again Government instead of manufacturing the liquor themselves, merely license its manufacture by others, these licensed manufacturers will naturally make as much as they can, so as to increase their profits.

4. And whichever system is adopted, it will still be the interest of the retail dealers to encourage drinking as much as possible, for their profits depend on their sales, and the higher the tax levied by Government on the liquor the greater the inducement to force sales, while the probability is that reduced profits will throw the sale into the hands of a lower class of retailers.

5. The Government, therefore, fail to see how the Sudder Distillery system can have any material effect in preventing the undue consumption of liquor, and its introduction into the Madras Presidency generally would be rendered very difficult by the prevalent use of Toddy, which could not be managed on the same principle.

6. But in the Town of Madras the system as to Arrack is very nearly akin to the Sudder Distillery system. The "Puttai" Arrack which is largely consumed is distilled by the Government, and issued at 3 Rupees per gallon to the retailers, and the Colombo

Proceedings of the Madras Government, Revenue Department,
1st June 1866.

Arrack is imported by Government, and sold to the dealers at Rupees 3-7-0 per gallon. If therefore the Sudder Distillery system has the material effect supposed, drunkenness should be less rife in Madras than in the Provinces, the consumption of liquor should be increasing more slowly than elsewhere, and the Abkarry revenue should be more stationery. It is notorious, however, that the Presidency Town can boast of no superiority in these respects.

7. Of late years the price of labor has increased very largely, and employment is abundant, it is therefore only consistent with experience that the consumption of liquor should increase.

8. Moreover, the mere increase of the Abkarry is no proof that drunkenness has increased in a corresponding degree; it may be due to the price of liquor having risen in the same way as the price of every commodity has risen, to past contracts having from absence of competition been unduly low, to increase of population, and other like causes.

9. The only effectual means (short of actual prohibition of the use of liquor, which is impossible) of restraining the use of intoxicating liquor, is to levy the highest tax practicable on it, which the farming system when, as seems now to be the case, competition is fully established is most likely to ensure, and the rigorous exercise of the powers with which the law arms the Executive for the repression of improper practices.

10. It was only last year that an amended law was passed for the management of the Abkarry, giving the Executive very large powers to prevent, so far as the Government or any law can prevent, abuse of the privilege of selling liquor. Under this Act and the rules framed under it, no liquor can be sold without a license; the Collector determines the places where only liquor can be sold, and regulates the minimum price at which it shall be sold; the power of the Police to check abuses is very large, and the penalties for breach of the regulations are very heavy.

It will be well for the Board, first, to ascertain how far this Act is being properly worked by the local Executive, and to correct any laxity of control which may be apparent.

11. The Board have also the means of ascertaining how far the general complaint which they notice is well founded, and can test the opinion of the local officers by reference to the criminal returns. Any information they require regarding the details of the Sudder Distillery system can be obtained by written application to the authorities of the other Presidencies.

12. The Government do not consider that the deputation of Mr. Clarke is necessary, or would be productive of results to counterbalance the inconvenience of his absence from the Board.

(True Extract.)

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

To the Board of Revenue.

Exd. S. T. Augustin.

No. 2,659.

From W. HUDLESTON, Esq., Secretary to the Board of Revenue,
To the SECRETARY to Government, Revenue Department.

SIR,

I am directed by the Board of Revenue to submit, for the consideration of Government, their recommendation that their Third Member, Mr. Clarke, be deputed to inquire thoroughly into the operation of the systems adopted in the several Presidencies, and in the Mysore territory, for controlling and taxing the manufacture and sale of Spirituous Liquors and intoxicating Drugs, in view to determining whether it is desirable to adopt here the Sudder Distillery system with its concomitant Excise duty, and Licenses for retail trade, in lieu of the existing system of Abkarry leases.

2. The advocates of the Sudder Distillery system argue that it secures the maximum of revenue from the minimum of consumption. The Board are not in a position to judge of the correctness of this assumption; but there can be little doubt that the competition, involved in the system at present followed in this Presidency, of disposing of Abkarry leases for terms of years to the highest bidder, must render it a primary object, with the successful competitor, to encourage and extend the consumption of liquor as much as possible, and thereby to secure the largest amount of profits from the farm; and it is a subject of wide-spread complaint, among the thinking and well-disposed portion of the community of every class, that the habit of indulging in the consumption of intoxicating liquors is rapidly spreading among all classes, and is encouraged by our Abkarry system.

3. The Abkarry revenue has risen considerably of late years; but it may be doubted whether the more numerous body of consumers now existing does not render it a less heavy tax on consumption than formerly.

4. The Board consider that no effort should be spared to tax the consumption of intoxicating liquor and drugs as heavily as is possible, without encouraging illicit manufacture and sale. They see much reason to doubt whether, at present, this object is even approximately attained in the case of liquor. In that of drugs, consumption is absolutely untaxed, and the Board are informed that it is rapidly increasing in some places.

5. The points to which the Board would wish to direct attention are, the effect of the present system in our own Districts, both as regards extended use of intoxicating liquor or drugs, and the encouragement of illicit manufacture and sale; the working and effect of the Madras Presidency Town system; the working of the few licensed distilleries on the European method in this Presidency; the recently established Sudder Distillery system in the Mysore territory in all its details; the Bombay Excise system as in operation at that Presidency Town and in Poonah; the Sudder Distillery system as in operation at Nagpore; and the system in force in Calcutta.

6. All the places named are easily accessible by rail and steamer; and the Board believe that a most valuable mass of information might be collected, with comparatively little trouble, in view to placing on a sound footing in this Presidency what the Board now feel to be the most unsatisfactory branch of the administration under them.

7. I am directed to add that Mr. Clarke is willing to accept the task, should Government approve the Board's suggestion.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary.

REVENUE BOARD OFFICE,
Madras,
17th April 1866.

Exd. J. Wright.

Rev. Dept. 1866.

Board of Revenue for

No. 1137.

From the Secretary to the Board of Revenue,
To the Secretary to Government, R. D.

Dated 17th April 1866.

Rec'd 20th

No. 2,659.

Recommending that Mr. Clarke, Third Member, be deputed to enquire into the Abkarry systems of the several Presidencies with a view of adopting the Sudder Distillery system in the Madras Presidency.

Ord. No. 1315 of 1866

7 Orders.

be to encourage the consumption of liquor and they state that it is a subject of wide spread complaint among the thinking & well disposed portions of the community of every class, that drinking is rapidly spreading among all classes & is encouraged by the Abkary system in vogue.

The object of adopting the Sweden distillery system of Kanaplus was discussed in 1856 & again in 1859 - and on both occasions the Bill of Rights & just were opposed to the measure. It is obvious that - whatever the advocates of the system may say - it can only ensure the (supply) of good liquor - the adulteration of that liquor & the issue - the supply of it as largely as the consumers desire. the clandestine manufacture & sale of liquor and in short all illicit practices & the manufacture are no more presented by the Sweden distillery by steam than by any other system - If put see fit to undertake the manufacture of liquor throughout the country - which is certainly not (scarcely) a function of the State - they can of course reduce that manufacture to a minimum - but unless their supply meets

the demand, liquor will be clandestinely manufactured - or the pure liquor will be mixed and adulterated with drugs (by) as to increase the quantity in the retailing the strength - If any are put in stead of manufacturing the liquor themselves, will merely encourage its manufacture by them - those licensed manufacturers will naturally make as much as they can, so as to increase their profits -

'And whichever system is adopted, it will still be the interest of the retail dealers to encourage

drinking as much as possible - for their profits depend on their sales - and the higher the tax levied by Govt on the liquor, the greater the inducement to force sales and the probability of a lower class of retailers. (keep Stamped)

No one can suppose that if Govt at home abolished all the private distilleries and started one of their own, there would be less liquor drunk - and in fact the great aim of the Temperance persuasion is both the sale of liquor altogether - and this clearly is the only effective course

[illegible] in practice
it may be -

The fact
I cannot therefore
fail to see how the Sudder
distillery system can
have any material
effect in preventing the
undue use of liquor -
and its introduction
into the Madras Presi-
dency generally would
be rendered very diffi-
-cult by the prevalent
use of Toddy which
could not be
kept on the same
principle -

But the Bd. omits
to mention or to state in the town of
Madras (town we have the system as to Arrack
some thing very nearly
a Kin to the Sudder

distillery by steam - The
"Puttai" arrack which
is largely consumed
~~such the~~ is distilled
by the fact and issued
at 3 Rs per gallon to
the retail dealers - &
the Colombo arrack is
imported and sold
by retail at 3-7 per gallon
Rs a
Bristow
from If the Sudder dis-
tillery by steam (?) the
material about Pattai
Pattai are to date & Drinking
there is a means of
testing it - is there
should be
heed, less risk in Ma-
-dras than in the Pro-
-vinces (?) the consump-
should be
-tion of liquor increasing
more slowly than else-
where (?) the arrack
should be
revenue more satisfactory?

It is a curious fact that the Madras Presidency from
the contrast of its habitual

Every one knows that
all these questions must
be answered in the Pro-

-fature-

Of late years the price of labor has increased very largely and employment is abundant - it is therefore only consistent with the (the) experience of all the world that the consumption of liquor should increase -

The classes in (whose) hands money has been Thrown (comes) are not (where) often with much power of self restraint - and not having the restraints which education affords nor the restraints which only come of fear their beliefs & caste feelings are fast fading - / uniform. They drink as they have the cheapest & the strongest liquor they can com-

mand - and no "Act of Parliament" will restrain drinking more than any other virtue -

(Moreover) The mere increase of the money is no proof that drunkenness has increased in a corresponding degree - it may be due to the price of liquor having risen in the same way as the price of every commodity has risen (of late years - & the) last Contracts having from absence of competition been unduly low - to increase the population of the (Country) It was only last year that an amended law was passed for

the management of the Abkary, giving the executive very large powers to prevent so far as the Govt. or any law can prevent — abuse of the privilege of selling liquor — Under this Act and the rules framed under it — no liquor can be sold without a license — the Collr. ~~can regulate~~ determines the places where only liquor can be sold — and regulates the minimum price at which it shall be sold — the powers of the police to check abuses is very large & the penalties for breach of the regulations are very heavy — surely it

The only effectual means — short of actual prohibition of the sale of liquor which is impossible (& unreasonable) of restraining the use of intoxicating liquor — is by levying the highest tax practicable on it — which the farming system, when, as seems to have been the case, competition is fully established, is most likely to secure — and the suppression(?) of the [illegible] by the executive for the suppression of smuggling(?).

I think so.

certainly

Help the local Executive and to correct any [illegible] of control which may be sufficient(?). The Bd. have also the means of ascertaining how far the general complaint which they notice are well founded — and test the opinion of the local officers by reference to the criminal returns.

Spirit is the [illegible] of Government now. We have two monopolies already in India. Salt & opium both of which are open to certain objections. I would not add a third. In Russia the abolition of the farming system has resulted in a tremendous increase of consumption and intoxication & demoralization. I do not see what practical good can result from a personal enquiry conducted by Mr Clarke. N.

It will ~~would~~ be well for the Bd. first to ascertain ~~see~~ how far the Act is being perfectly worked & to try its chances(?) before fresh changes are introduced — The alleged fact that drunkenness is on the increase should first be investigated by reference to the District officers & the Police & this the Bd. can & ought to do, as part of their ordinary functions —

I do not see what particular good Mr. Clarke's tour can do — he does not know any thing of the other Presidencies and cannot therefore compare their present with their past condition. The details of the sudder(?) system & the opinions of its advocates & opponents

can be obtained by
letter -

But if he does so,
are Bd. prepared to
follow his decision -
whatever that may be?
If the Bd. are correct
in their assumption
that we are foolishly
clamouring after what
would not be better
than a regular com-
-mission of enquiry - the
recommendations would
carry weight with the
public as well as the Govt.
Such an enquiry, as the
Bd. propose - will take
a long time to carry out
and Mr Clarke's services
cannot well be shared.
Mr Kelly goes in Jan.y. Mr
Brett in July - so he will
soon have an almost new
Board & Mr Clarke would
I submit be better in his
place than on such

I am not for one for fail
altho I am fully alive to
-tion of his merits as a Revenue
Officer generally I
do not think that for in
his capacity as Inspector
-ing visits & inquiries
[illegible] for promiscuous he
is at all the man
to undertake
the inquiry
as proposed

I consider such an Enquiry
but the whole subject
may come before
the Select Committee

W.H.

Thos Abbiss Esq
Board of Revenue

Dublin Castle
Jan.y 1st 1853

Sir

I am directed by the Commissioners of Inland Revenue to transmit herewith for the information of the Board of Inland Revenue a Copy of a Letter addressed to this Board by Mr Clarke Inspector of Distillery Returns suggesting the propriety of imposing a duty on Malt in lieu of the present duty on Spirits and I am to request that you will submit the same for the consideration of the Commissioners of Inland Revenue

I am Sir
Your obedient Servant
W. Hamilton

Thos Abbiss Esq
Board of Revenue