

Read again G. O., 18th June 1873, No. 621.

Read also the following :—

No. 60. Proceedings of the Board of Revenue, dated 10th September 1873,  
No. 1,877.

Read the following letter from J. HUNTER-BLAIR, Esq., Collector of Madras, to J. GROSE,  
Esq., Secretary to the Board of Revenue, dated 18th August 1873, No. 183 :—

I HAVE the honour to submit the report called for in G. O., No. 621, of 18th June last,  
Revenue Department, and Board's Proceedings of 26th idem, No. 3,935.

2. The subjoined statement shows the quantities of European spirits cleared\* for consump-  
tion within the past eleven official years also

\* From Bond as well as without Bond.  
N. B.—The figures quoted in paragraph 5 of Board's Pro-  
ceedings, No. 905, of 9th June last, are quantities  
cleared from Bond alone.

the quantities of Colombo Arrack sold during  
the past eleven fiscal years :—

| Official years. | Brandy.   | Other<br>European<br>Spirits. | Total.    | Equivalent<br>of Column<br>4 in Com-<br>mon Gallons. | Sales of<br>Colombo<br>Arrack. | Fiscal coincid-<br>ing with the<br>Official years<br>in Column 1<br>for 6 months. |
|-----------------|-----------|-------------------------------|-----------|------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------|
| 1               | 2         | 3                             | 4         | 5                                                    | 6                              | 7                                                                                 |
|                 | IM. GALS. | IM. GALS.                     | IM. GALS. |                                                      |                                |                                                                                   |
| 1862-63         | 30,905    | 12,876                        | 43,781    | 52,537                                               | 89,394                         | 1273                                                                              |
| 1863-64         | 43,250    | 12,100                        | 55,350    | 66,396                                               | 1,10,266                       | 1273                                                                              |
| 1864-65         | 29,890    | 7,688                         | 37,578    | 45,094                                               | 1,12,163                       | 1274                                                                              |
| 1865-66         | 41,989    | 14,368                        | 56,357    | 67,628                                               | 1,21,787                       | 1275                                                                              |
| 1866-67         | 37,246    | 13,442                        | 50,688    | 63,226                                               | 1,25,100                       | 1276                                                                              |
| 1867-68         | 42,881    | 14,706                        | 57,587    | 69,104                                               | 1,25,946                       | 1277                                                                              |
| 1868-69         | 46,283    | 18,878                        | 65,161    | 78,193                                               | 1,38,648                       | 1278                                                                              |
| 1869-70         | 50,543    | 11,929                        | 62,472    | 82,166                                               | 1,38,194                       | 1279                                                                              |
| 1870-71         | 63,727    | 21,426                        | 85,153    | 1,02,181                                             | 1,15,177                       | 1280                                                                              |
| 1871-72         | 53,075    | 16,769                        | 69,844    | 88,813                                               | 1,22,144                       | 1281                                                                              |
| 1872-73         | 62,598    | 15,212                        | 77,810    | 93,372                                               | 1,19,413                       | 1282                                                                              |

3. The quantities of European spirits shown in Columns 2 and 3 consist of liquor of various  
degrees of strength both above and below proof, while those of Colombo Arrack shown in Column 6  
are of a uniform strength of 25° below proof. An account cannot be given of the quantities  
reduced to one strength as the necessary records have not been preserved except for the past  
three years.

4. The points for consideration are—

First.—Whether the consumption of brandy and other European spirits has really become  
excessive, and, therefore, injurious to the welfare of the people.

Second.—Whether the increased consumption of brandy has really affected the sales of  
Colombo Arrack, which pays a higher duty to Government than brandy.

Third.—Whether the cheap brandy now sold in the shops is unwholesome and adulterated.

Fourth.—Whether the definition and arrangements of wholesale and retail trading do not  
require considerable alteration.

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Fifth.—Remedies proposed to prevent increased consumption.

5. With regard to the first point, the statement annexed to paragraph 2 shows that there has been a rapid increase in the consumption of European spirits; and that, taking the average of the past eleven years, brandy is seventy-five per cent. of the total consumption of those spirits. Again, comparing the consumption of brandy in 1870-71 with the average of the first five years, during which the retail sale of this spirit was very small and was almost entirely in the hands of Government, the increase is seventy-four per cent. In the next year (1871-72) it decreased by seventeen per cent., but in 1872-73 it increased again to almost what it was in 1870-71. The other spirits also increased seventy-one per cent. in 1870-71, but during the past two years this increase was reduced by twenty-two and twenty-nine per cent., respectively.

6. There is, however, no means of ascertaining how much of the quantity cleared is consumed in Madras and how much in the Mofussil. The increase in the number of shops referred to by the Deputy Collector is no doubt a reason for supposing that the consumption in Madras has increased, but it does not prove that the consumption has exceeded the proper limit. Imported liquors are generally consumed by the higher classes, who seldom commit disorder and crime under its influence; the crime register is consequently unable to throw any light on the subject, nor does the mortuary register record the number of deaths resulting from excessive drinking. One thing, however, is certain that the religious fears which operated as a check against the consumption of spirits are rapidly disappearing among the higher castes and classes of Hindus and that they are making free use of European liquor.

The present Deputy Collector, an officer of great experience and who has the power of obtaining information on such a point, states that the consumption of brandy has become excessive and that the sons of respectable natives are becoming a prey to the evils of intemperance. I myself have personal knowledge of several such cases, and am decidedly of opinion that the matter deserves very serious consideration. The physical constitution of the higher classes of natives is generally weak and unsound, and the use of liquor by them, except for medicinal purposes, undoubtedly injures their constitutions besides affecting their morals. It is certainly of very great importance to native society to promote temperance among the higher and educated classes, and the question is whether Government should not interfere and assist as far as lies in its power.

7. With regard to the second point, viz., whether the consumption of brandy interferes with the sales of Colombo Arrack and thereby causes, or may cause, loss of revenue to Government, the statement given in paragraph 2 shows that till 1868-69 the sales of Colombo Arrack continued to increase steadily in spite of a more rapid increase in those of brandy; but after that year the sales of brandy decreased, when those of Colombo increased, and vice versa.

8. The marginal statement compares the fluctuations in the consumption of brandy with those in the sales of Colombo Arrack for the past four years; but the quantities of brandy cleared entered require an addition, as they comprise quantities of various degrees of strength from 7° O. P. to 20° U. P. Assuming that the average strength of brandy is proof, twenty-five per cent. would have to be added to the figures in Column 2 in order to make them of the same denomination as those in Column 3. The increase of brandy in 1869-70 and 1870-71 together is 20,533 gallons, which, with twenty-five per cent. added for correction, makes 25,666

| Official Year. | Brandy Consumed in Madras. |          | Colombo Arrack Consumed in Madras. |          | Ratio. |
|----------------|----------------------------|----------|------------------------------------|----------|--------|
|                | 1869-70.                   | 1870-71. | 1869-70.                           | 1870-71. |        |
| 1869-70.       | 13,312                     | 13,312   | 434                                | 434      | 30.5   |
| 1870-71.       | 25,666                     | 25,666   | 28,917                             | 28,917   | 125    |
| 1871-72.       | 11,793                     | 11,793   | 25,067                             | 25,067   | 125    |
| 1872-73.       | 11,427                     | 11,427   | 17,311                             | 17,311   | 125    |

together is 20,533 gallons, which, with twenty-five per cent. added for correction, makes 25,666

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gallons, while the decrease in Colombo Arrack during those two years was 28,511 gallons, nearly equal to the increase in brandy. Taking also the years 1871-72 and 1872-73 together, brandy decreased by 1,694 gallons while Colombo Arrack increased by 4,236.

|                                                                                           |         |                                                  |
|-------------------------------------------------------------------------------------------|---------|--------------------------------------------------|
| Brandy at proof, per Imperial gallon ...                                                  | 3 0 0   | leads to the conclusion that the raising of the  |
| Colombo Arrack pays per gallon ...                                                        | 3 15 3  | prices of Colombo Arrack in 1869, which created  |
| Called at 25° U. P. ...                                                                   | 3 15 3  | a close proximity between the prices of the two  |
| Add twenty-five per cent. to get the rate for proof ...                                   | 0 11 10 | spirits, has been one of the causes which has    |
| ... ..                                                                                    | 3 11 3  | led to the fall in the sales of Colombo Arrack   |
| Add again twenty per cent. of the above total to get the rate for the Imperial gallon ... | 0 11 10 | and increase of the sale of brandy. The Gov-     |
| ... ..                                                                                    | 4 7 0   | ernment must, therefore, have been financially a |
| Difference ...                                                                            | 1 7 0   | loser from 1869 as brandy now pays forty-eight   |
|                                                                                           |         | per cent. less duty than Colombo Arrack.         |

10. With regard to the third point, whether the low-class brandies now sold in the shops are unwholesome and adulterated, the Deputy Collector states that low brandy is "generally considered as poison itself," and that he has learnt from the most reliable quarters that the brandy sold in many of the retail shops is bottled in Madras. He believes that country liquor is either smuggled from up-country and bottled here under the label of "Europe Brandy," or Europe liquor is adulterated with it and other liquors to enable the shop-keepers to sell cheap. Such adulterations are not improbable, and must prevail, more or less, so long as the retail brandy shops have no minimum prices fixed and are not under the same control as the arrack shops.

11. I would here refer the Board to their Proceedings, No. 867, of 26th May last, on the subject of illicit import of country liquor by land into Madras. I forward, herewith, copy of a report from the Deputy Collector of Madras containing the information called for. That country liquor has been brought into Madras for sale is also proved by Mr. Arbuthnot's report, recorded in the Board's Proceedings, No. 210, of 30th January 1872. I would, therefore, recommend that the suggestion contained in Mr. Arbuthnot's letter, No. 53, of 13th March 1873, be adopted.

12. In the Deputy Collector's report referred to in the preceding paragraph he requests me to ascertain whether Messrs. Parry and Co. have sold in Madras any quantities of rum rejected by the Commissariat Department. The Commissary-General informs me that the liquor brought by them has not yet been taken delivery of. As, however, the contract of the Commissariat Department provides for the rejection of any rum inferior to sample I informed him that should any rum be rejected he should not allow it to be removed without a previous reference to myself.

13. With regard to the question of the alteration required in the system of so-called wholesale and retail traders in spirits, I beg to refer the Board to my letter of the 15th December 1870, No. 83, and Mr. Garstin's letter of the 23rd January 1871, No. 15. I here beg to remark that Mr. Garstin was entirely wrong in supposing I wished to make arrack-sellers pay for a license.

Paragraph 3.

\* Paragraphs 1 and 2.

Paragraph 6.

My letter\* clearly showed that I addressed the Board on their behalf and proposed to make wholesale and retail dealers in other spirits, wines, and beer pay for licenses. Mr. Garstin also made another mistake in comparing the duties on Colombo and Puttur Arrack with the duties on spirits and wines lumped up together. Such a comparison, of course, led to the erroneous deductions contained in the statement annexed to his letter.

14. I am still of the opinion stated in my letter of the 15th December 1870 that all dealers in liquor, wholesale and retail, should be obliged to take out licenses; but the definition of a wholesale dealer in Section 5, Act XIX. of 1832, is simply ridiculous. A seller of any quantity over a dozen of spirits or six bottles of wine is thereby constituted a wholesale dealer. It is no wonder

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that the number of wholesale dealers has increased from 226 in 1866 to 449 in 1873. The statement annexed shows the increase:—

| Places of Vend.                                   | 1866 | 1867 | 1868 | 1869 | 1870 | 1871 | 1872 | 1873. |
|---------------------------------------------------|------|------|------|------|------|------|------|-------|
| Hotels—Beer, Wine, and Spirits ..                 | 24   | 21   | 19   | 19   | 17   | 14   | 16   | 14    |
| Do.—Beer and Wine ..                              | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Eating Houses—Do. ....                            | 4    | 4    | 3    | 3    | 2    | 2    | 2    | 2     |
| Do.—Beer, Wine, and Spirits ..                    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Boarding House—Beer and Wine ..                   | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Taverns—Do. ....                                  | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2     |
| Do.—Beer, Wine, and Spirits ..                    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Sailor's Home—Do. ....                            | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| New-bred Home—Do. ....                            | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Confectionery Rooms—Beer, Wine,<br>and Liquors .. | 3    | 3    | 3    | 5    | 2    | 2    | 2    | 2     |
| Refreshment Rooms—Do. do. do.                     | 1    | 1    | 1    | 1    | 1    | 1    | 2    | 2     |
| Do.—Beer, Wine, and Spirits ..                    | 1    | 4    | 5    | 2    | 3    | 5    | 4    | 4     |
| Total ..                                          | 87   | 89   | 87   | 88   | 80   | 86   | 87   | 85    |
| Shops—Beer and Wine ..                            | 45   | 43   | 41   | 39   | 36   | 39   | 39   | 36    |
| Do.—Beer, Wine, and Spirits ..                    | 5    | 7    | 9    | 11   | 12   | 13   | 14   | 16    |
| Wholesale Dealers ..                              | 226  | 286  | 383  | 382  | 403  | 433  | 444  | 449   |
| Total ..                                          | 230  | 336  | 383  | 432  | 451  | 485  | 497  | 501   |
| Grand Total ..                                    | 317  | 425  | 470  | 468  | 481  | 511  | 524  | 526   |

15. These so-called wholesale dealers can also sell as many single sample-bottles as they please simply by affixing a label to each bottle. I wonder at any sellers of liquor taking out a retail license at all under such circumstances as they are under the control of the Police, and have no doubt that nearly all the so-called wholesale dealers practically carry on retail trade. I would therefore propose that the following alteration be made in Section 5, Act XIX. of 1852:—

(5) A sale of European spirits, wine, or brandy in a less quantity than twenty-four Imperial gallons, or liqueurs in a less quantity than two Imperial gallons, or any spirits manufactured to the eastward of the Cape of Good Hope in a less quantity than one quart, or toddy in a less quantity than one quart, shall be deemed a retail sale within the meaning of this Act.

The definition of "retail" in Section 2, Madras Municipal Act, would also require the same alterations.

16. As regards the arrangements proposed by the Deputy Collector in his letter of 10th March 1873, No. 139, I will refer to them *separately*.

Nos. 1, 2, and 3 can be carried out without difficulty.

No. 4 I consider impracticable.

No. 5.—It is proposed to increase the duty on spirits to 4 Rupees a gallon. I myself am of opinion it should be higher—Rupees 4-8-0 or Rupees 5 a gallon; but I think there is little doubt it will be increased to 4 Rupees. This would be almost equivalent to the Deputy Collector's proposal, but to make the price equal to that of Colombo Arrack, the duty must be at least Rupees 4-8-0 per gallon. (See marginal note, paragraph 9.)

No. 6.—Impracticable.

No. 7.—I agree with the Deputy Collector that there should be a minimum price; but I think 7 Rupees a gallon, or 15 Rupees a dozen, which would almost correspond with the price of Colombo Arrack—taking brandy at proof, and Colombo at 20% below proof—would be a fair minimum. 12 Rupees a gallon is much too high. If the price of Colombo Arrack is raised the minimum price of brandy should be raised also.

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No. 7.—Instead of "above the rank of a peon" read "of the rank of Assistant or Deputy Superintendents."

17. With reference to paragraph 7 of Board's Proceedings of 9th June, No. 965, I beg to forward copy of a statement\* from the President of the Municipal Commission showing how many European, East Indian, and native shop-keepers pay license fees under each of the four classes mentioned in the Municipal Act.

18. In paragraphs 8 and 11 of Board's Proceedings, No. 965, reference is made to the point whether the law allows the interference of the State. There appears to be a difference of opinion among the members on this subject, and I, therefore, beg to draw their special attention to the remarks in paragraphs 2 and 3 of the Deputy Collector's letter of the 12th July 1870, No. 500. If the Board are right in their interpretation of the Act, all proceedings taken under it with reference to European spirits have been illegal. I myself agree with the Deputy Collector in considering that the Act does apply to European spirits and that Government can interfere if it thinks proper to do so.

19. If, however, it is decided that Act XIX. of 1852 does not sanction interference, I think that a good many alterations could be made under Sections 27, 28, and 29, Act VIII. of 1867. Section 27 provides that no one shall keep "any wine, beer, or spirit shop wherein liquors are sold without a license from the Commissioner of Police." The words quoted are extracted from the section, and I believe that under them no one can keep any place to sell liquor without such license. If I am right, the Commissioner of Police is, I believe, legally entitled to enter any provisions in such licenses that he may think proper, and any regulations the Government choose to make can thus be enforced.

20. If the State cannot interfere under either Act XIX. of 1852 or VIII. of 1867, the sooner a new Act—giving the power of interference and of regulating the sales of liquor in Madras—is passed, the better, for undoubtedly new regulations are urgently required.

21. In conclusion, I would urge the necessity of revising the present abkari establishment, which is too badly paid to be honest and really efficient. Out of the forty-seven goomastahs, conicopillars, and Inspectors on the establishment two draw Rupees 20 per mensem, forty-one draw Rs. 15, and four Rupees 12. Not only are the salaries too low but there is such an utter absence of any prospect of promotion in the department that the inducement to honest and active exertion is almost nil. The rewards granted out of the fines in cases detected by them form a very small addition to their salary. Unless higher salaries are given it is impossible to secure the services of honest and efficient men. The total cost of the present establishment is about 2-4 per cent. on the revenue, and, if permitted, I will submit a revised establishment, and I believe that it might, by its honest exertions, bring in such additional revenue as would soon cover the difference of the increased salaries. The only objection to revising the establishment at present is that the abkari system of the future is at present undecided, and if any alteration is made therein, another revision of establishment would probably be necessary.

22. I request that the under-mentioned corrections may be made in the printed copy of the Board's Proceedings, No. 965, of 9th June last:—

In paragraph 4, line 7 For 12 Rupees a gallon read 12 Rupees a dozen.

23. I believe that the Act (XXVIII. of 1869) quoted in paragraph 7 should be Act VIII. of 1867 (Madras), Section 28.

24. A copy of the Deputy Collector's further report on the present subject, No. 500, of 12th July, is herewith forwarded.

Enclosure No. 1.

From R. RAGOONATH ROW, Deputy Collector, to J. HUNTER-BUAIR, Esq., Collector of Madras, dated 11th June 1873, No. 430.

With reference to your endorsement, No. 346, on the Proceedings of the Board of Revenue under date the 26th ultimo, No. 867, I have the honour to report that I am under an impression

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that liquor sent to Madras is of a character containing a good quantity of alcohol and in large quantities. It is brought into Madras sometimes with my knowledge and sometimes without it, and is consumed sometimes for the purposes of Government and sometimes sold to the general public. Large quantities of rum in casks have often been brought on carts to Madras from South Arcot by Messrs Parry and Co. and delivered over to the Commissariat; but, whenever that office rejected any portion of such consignments as are not suited for the purpose for which it is brought, this portion is reported to be sold by the said firm to divers parties in Madras and is consumed by them. I would respectfully suggest that the truth of this report may be ascertained from that firm. Some time ago it was discovered that Messrs. Oaker and Co. had been selling rum obtained by them from Paludiy. One A. C. Sootroyala brings Honeywell's beer from the Nilgiris (which is said by the Hon. D. Asbathnott to contain some alcohol), and has been allowed to sell it in retail in Madras. This sale the Acting Collector prohibited from Pass 1238. Another person also applied to this office for permission to sell Honeywell's beer and brandy, which was, however, refused. I often heard from various parties that liquor under the false name of "varnish" has on various occasions been brought by rail from North Arcot and Paludiy, in Mysore, and clandestinely sold in Madras; but these I have not been able to detect, and I venture to attribute it to the inefficiency of the detective staff allowed me. I need not add that it is no easy business to detect such frauds within the limits of the Original Side of the High Court of Judicature, where a single false step, however unwillingly and innocently taken, is sure to bring the detective to grief. If the two cases referred to above of rum being sold without a license from the Abkari Department be true, it may be taken to prove, I respectfully beg to state, the existence of many such cases in Madras. It is only the other day that two casks of beer or porter manufactured at Bellary were seized by the detectives when being removed towards Poonamallee and the owner thereof prosecuted before the Magistracy and fined. In this case it was gathered by the Magistracy that the owner had no intention of selling it within the abkari limits of Madras. Recollecting the usual rates of detection to the commission of offences in the case of monopolies, I am led to believe that there should have been many cases of importation (by land) of liquor under various names which have not been detected. The detective specially deputed to watch the Railway goods-sheds and to seize such liquor as may arrive at Madras by rail, which may not be covered by passes from the Abkari Department or which may pass for varnish, felt very great difficulties in doing his duty and requested definite instructions for his guidance. I enclose his report and my orders thereon for your perusal. I am, however, very diffident of success, and greatly believe that, so long as facilities are allowed for bringing into Madras any liquor which is manufactured to the east of Cape of Good Hope, and so long as the detectives are badly paid, the smuggling of liquor into Madras with impunity will be of daily occurrence.

(True Copy.)

(Signed) J. HUNTER-BLAIR,  
Collector.

ENCLOSURE No. 2.

From J. C. LOCH, Esq., President of the Municipal Commission, to J. HUNTER-BLAIR, Esq.,  
Collector of Madras, dated Madras, 16th July 1873, No. 180-A.

I HAVE the honour to acknowledge your letter of the 25th ultimo, No. 433, and to inform you that the books of this office have no register or description of the occupation of tradesmen, shop-keepers, etc., dealing in European liquors other than those licensed by your own department to sell by retail of wines, beer, and spirits, and who alone come within the operation of Schedule C-II of the Madras Municipal Act of 1867 (wholesale traders falling within the general descriptions provided for in Schedule C to that Act), and whose names are invariably obtained for

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our purpose from your Deputy's office. Such being the case the information contained in the Return herewith furnished can, I fear, hardly be original.

(True Copy.)

(Signed) J. HUNTER-BLAIR,  
Collector.

ENCLOSURE No. 2.

*Numerical Return of Persons who have taken out Certificates of Registration for 1872 in respect of places used for the retail sale of Wines, Beer, and Spirits on payment of Tax under Schedule C-II of the Madras Municipal Act of 1867.*

| Nationality.                   | NUMBER ASSESSED IN CLASS |     |      |     | Total. | Remarks. |
|--------------------------------|--------------------------|-----|------|-----|--------|----------|
|                                | I.                       | II. | III. | IV. |        |          |
| Europeans and East Indians ... | 3                        | 1   | 4    | 10  | 18     |          |
| Natives ...                    | 2                        | 1   | 3    | 52  | 58     |          |
| Total ...                      | 5                        | 2   | 7    | 62  | 76     |          |

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(Signed) J. C. LOCH,  
President, Municipal Commission.

ENCLOSURE No. 3.

From R. RAGOONATH ROW, Deputy Collector, to J. HUNTER-BLAIR, Esq., Collector of  
Madras dated 12th July 1873, No. 500.

With reference to your endorsement, dated 1st instant, No. 363, on the Order of Government, dated 18th June 1873, No. 622, I beg to submit a few further remarks on the subject of the retail sale of European spirits.

2. I regret that I omitted to mention in my letter of the 19th March last, No. 199, that up to 1867 European spirits used to be sold in retail by Government and by one firm only, and that, too, as a special case. Thus the monopoly of selling European spirits in retail was in the hands of Government for fourteen years after the enactment of Act XIX. of 1852.

3. The question whether Sections 4, 5, and 6 of Act XIX. of 1852 include provisions for the sale of also European liquor seems to have been fully answered by this fact as well as by the rule which has been in force that none can sell it without a license from the Collector and those who sell it without such licenses are punishable by the Magistracy. The Magistrates have, indeed, punished many a person who has acted against this rule and sold the liquor contrary to the provisions of the license given him.

4. I beg to refer you to the correspondence noted in the margin which has taken place on this subject. You will observe that the brandy shops of Government were abolished on the 1st January 1867. The imports of spirits in 1867-68 rose by sixteen per cent. In 1868-69 the increase over those of 1866-67 amounted to fifty-seven per cent. In 1869-70, to more than cent per cent, the quantities imported in these years being as follow:—

|                | GALLONS |                | GALLONS |
|----------------|---------|----------------|---------|
| In 1866-67 ... | 37,246  | In 1869-70 ... | 77,613  |
| .. 1867-68 ... | 42,644  | .. 1870-71 ... | 76,542  |
| .. 1868-69 ... | 58,580  |                |         |

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This shows how true were the fears entertained by the late Deputy Collector concerning the importation of "large quantities of cheap French brandies." He appears to have anticipated in 1866 that the retail sales of the liquor would encourage clandestine sales of all liquors; Mr. Cunliffe seems to have entertained the same opinion; the Board themselves are said to have observed that these retail sales would seriously affect the abkari revenue; lastly, the Deputy Collector put forth the most important objection to the extension of the retail sales, viz., that they were "calculated to increase drunkenness." Now correct his anticipations have proved I have fully explained in my letter of the 19th March last, No. 199.

5. Thus it is clear that a license from the Collector is absolutely necessary for the retail sale of Europe spirits, and such license has always been issued under the provisions of Section 6 of Act XIX. of 1852. If this section be declared inapplicable to European spirits there is no other legal provision in that or any other Act under which any license for their sale can be issued. If any doubt be entertained in the matter I beg that the question may be referred for the opinion of the Advocate-General.

6. Since writing my letter of the 21st March 1873, No. 203, I have learnt from the most reliable quarters that the brandies sold in many of the retail shops are those which are bottled in Madras—a circumstance which, I need not add, gives great scope for the sale of the smuggled spirits of Indian manufacture as those of Europe and for the adulteration of the received from Europe.

7. When I submitted my proposals for the settlement of the abkari revenue for the current fiscal, I intended to recommend an increase of the prices of Colombo and Pattai to 5 and 4 Rupees an Imperial gallon, respectively; but on further consideration I did not do so, as by so doing, and not raising simultaneously the price of Europe liquors, I apprehended a serious falling off of the abkari revenue from Indian liquors. If the Government would raise the price of the former, that of Indian liquors can also be raised as proposed above, which will not only add about 10,000 Rupees a year to the revenue, but will be a check upon the excessive use of any liquor.

8. I think an addition of 1 Rupee a gallon to the customs duty on imported spirits would not remove the evil complained of. No doubt it may raise the price a little, but it would not be sufficient. Moreover, it will not tend to prevent clandestine sale of Indian as foreign liquors, it would not prevent dilution and adulteration of the imported liquor, it would not discourage the importation of that stuff called low brandy, which is generally considered as poison itself. If you increase the import duty you may not charge as much as I have recommended in my letter of the 19th March last an excise duty. To discourage drunkenness and prevent the sale of unwholesome drinks the minimum price must be fixed and the wholesale dealers who vend the liquor to the retailers must be known to the authorities. It is then, and then only, that the smuggling of Indian liquor into the Presidency town, and its sale there as Europe liquor, will be checked and drunkenness will be reduced in any appreciable degree.

9. If my proposals are carried out the charge would not, I think, be much felt by the middle classes of the people. They will be able, as usual, to purchase the liquor at public shops, but at a higher rate than they used to pay. It would be harsh to that class of people who are intemperate and who do not drink for securing health by disproofing it. If they are made to feel this hardship I believe it is doing no wrong to them. For the eight conditions I have proposed to insert in the retail licenses the first, second, and fifth are entered in the licenses hitherto granted.

10. My object in proposing these measures was to suppress drunkenness to a certain extent in the town. As the rates of wages have risen in the town of Madras, and the wealthy classes of natives have begun to drink, I thought it just on the part of Government to raise the price of the commodity so high as will discourage drunkenness and will at the same time prevent their use to that extent beyond which it has been found painful to the constitution of man in such a tropical country as Southern India.

11. In conclusion, I beg to request that the following errors in the printed copy of my letter of the 19th March last may be corrected. In the first paragraph, the word "duty" should be inserted between the words "import" and "does," the semicolon between "object" and

"and" omitted; in the second paragraph, the semicolon and the word "but" be removed and "that," substituted.

(True Copy.)

(Signed) J. HUNTER-BLAIR,  
Collector.

This report will be submitted to Government with reference to G. O., dated 18th June 1873, No. 621.

2. The opinion of the majority of the full Board upon the question has already been fully laid before Government, and the Board, as at present constituted, abstain from further discussion. The Government will understand that unanimity on this subject is not now attainable in the Board. They will only say that if, as appears to be the case, licenses for retail sale of European spirits are now issued under Act XIX. of 1852, it should be taken to ascertain whether this procedure is legal or not.

3. The exact amount of difference in favour of Colombo Arrack as a revenue-paying article is not of much importance as a difference is admitted; but the Board offer the following remarks in explanation of the discrepancy between their previous calculation and Mr. Blair's. The Board inadvertently took the price paid for Colombo at 20° U. P. and compared it with that received for it at 25° U. P., and overlooked the fact that the duty on brandy is the same amount per gallon whether it is imported at proof or below it. Mr. Blair adds one-fourth to the rate of profit on Colombo at 25° U. P., when he should have added one-third, to get the rate for proof; but he has no right to take credit for proportionate profit as if Government bought and sold at proof, inasmuch as they do not (except in a few cases) deal in the liquor at any strength higher than 23° U. P. They pay for a certain quantity of pure spirit (1/15 of a common gallon) Rupees 1-0-6, and they receive for the same quantity Rupees 4. The difference, Rupees 2-15-6, and no more, is their profit per common gallon. The comparison must be made with reference to the conditions on which the duty is actually levied and the profit actually derived, and these are without reference to strength up to proof in the one case and at 25° U. P. in the other. The amount in favour of Colombo is, therefore, 7 Annas and 6 Pies per common, or 9 Annas per Imperial, gallon, thus—

|                   | Common<br>Gallon. | Imperial<br>Gallon. |
|-------------------|-------------------|---------------------|
| Profit on Colombo | Rs. 2 15 6        | Rs. 3 9 0           |
| Duty on Brandy    | 2 8 0             | 3 0 0               |
| Difference        | 6 7 6             | 0 9 0               |

Brandy imported at proof could, of course, be made to compete with Colombo on more favourable terms than brandy imported at less strength; but this consideration is irrelevant in the calculation above made. It would be of great importance, however, in determining the additional burden, if any, to be laid on brandy to enable Colombo to compete with it in consumption.

No. 61. Proceedings of the Board of Revenue, dated 27th October 1873, No. 2100.

Read the following letter from J. HUNTER-BLAIR, Esq., Collector of Madras, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated 3rd October 1873, No. 210—

In paragraph 3 of their Proceedings No. 1877, of 19th ultimo, the Board observe that, in calculating the amount of the difference of duty between Colombo

Arrack and Brandy, I had no right to take credit for proportionate profit as if Government bought and sold Colombo Arrack at proof, inasmuch as the Government does not deal in that liquor at any strength higher than 25° under proof.

2. With reference to this observation, I beg respectfully to submit, that if Brandy is to be compared at all with Colombo Arrack as regards the amount of duty, the comparison must lie between the duties paid by equal quantities, and strengths of the two spirits.

3. I do not understand why the fact of Government selling Colombo Arrack at 25° under proof should in any way prevent a comparison between it and Brandy at proof, and why such a comparison should be spoken of as "taking credit for proportionate profit as if Government bought and sold the liquor at proof," as though it were a comparison of an imaginary item. The strength of spirits is in reality the measure of their quantity, and it is a fact that Colombo Arrack pays Rupees 2-15-6 at 25° under proof, it is also a fact that it pays Rupees 2-15-6 plus one-third or 15 Annas and 9 Pies at proof.

4. The fact that Brandy pays the same duty below proof, as at proof, is a good reason for comparing the two spirits at proof, rather than at a lower strength. Supposing, for instance, the Board were to direct to-morrow, that Colombo Arrack shall be issued to Shop-keepers at 20°, instead of 25° under proof, the proportionate excise for a common gallon of the spirit would be Rupees 3-2-5, and the difference between the profit on Colombo, and the duty on proof Brandy would be Rupees 0-10-5 or Rupees 0-2-11 more than the amount entered in paragraph 3 of the Board's Proceedings under acknowledgment. Would it then be right to say that the difference of profit between the two spirits has risen? The Government would be receiving exactly the same amount of profit.

5. With this explanation, I beg that the Board will be good enough to re-consider their remarks on the propriety of the comparison I instituted between the two spirits at proof.

6. I also beg the following alterations may be made in paragraph 9 of my letter, No. 183 of 18th August last—

| For.                                                                              | Rs. A. P. | Read.                                                                       | Rs. A. P. |
|-----------------------------------------------------------------------------------|-----------|-----------------------------------------------------------------------------|-----------|
| Brandy at proof per Imperial Gallon                                               | 3 0 0     | Brandy at proof per Imperial Gallon                                         | 3 0 0     |
| Colombo Arrack pays per common gallon at 25° under proof                          | 2 15 3    | Colombo Arrack pays per common gallon at 25° under proof                    | 2 15 3    |
| Add 25 per cent. to get the rate for proof                                        | 0 11 10   | Add one-third of Rupees 2-15-3 to get the rate for proof                    | 0 15 9    |
|                                                                                   | 3 11 2    |                                                                             | 3 15 0    |
| Add again 20 per cent. of the above total to get the rate for the Imperial gallon | 0 11 10   | Add 20 per cent. of the above total to get the rate for the Imperial gallon | 0 12 7    |
|                                                                                   | 4 7 8     |                                                                             | 4 11 7    |
| Difference                                                                        | 1 7 0     | Difference                                                                  | 1 11 7    |
| And for "As Brandy now pays 48 per cent less duty than Colombo Arrack."           |           | Read "As Colombo Arrack now pays 63 per cent more duty than Brandy."        |           |

The comparison was of the two liquors as revenue paying articles, and therefore it must be made on the basis on which the revenue is levied or profit made. This is by the gallon, which contains in the case of Colombo 405 of pure spirit and in the case of Brandy may contain up to 54. The duty is levied on the quantity but at different strengths; calculation comparing these at the same strength are therefore irrelevant for the immediate purpose, though as stated by the Board highly relevant for some others.

2. The strength of spirits is a measure of the proportion of pure spirit they contain, but not of their quantity. Mr. Blair also seems not to distinguish between the expressions "amount" and "rate" of profit.

3. The supposition made in paragraph 3 would be a change in the basis on which the profit is derived, and the calculation would of course be different. Were the change made, it would be correct (a lauding Mr. Blair's calculation) to say that the comparison would be more than at present in favour of Colombo Arrack as a revenue paying article.

4. If Mr. Blair's method were correct he should get the same difference whether he raises Colombo to proof, or reduces Brandy to 25° below proof. He will find this difficult, for the simple reason that the duty is not adjusted to quantities of pure spirit.

No. 62.

ORDER THEREON, 5th December 1873, No. 1,354.

|                          |
|--------------------------|
| Separate Revenue, No. 3. |
| Alkari.                  |

Resolved that the foregoing papers referred to the Advocate-General, through the Government Solicitor, in view to an opinion being obtained as to

whether the issue of retail license for the sale of European liquors under Act XIX. of 1852, is in conformity with the provisions of that enactment.

(True Extract)

(Sd) D. P. CARMICHAEL,  
Secretary to Government.

To the Government Solicitor,  
the Board of Revenue.

Exd. G. A. Taiton.

Calcutta 25th Nov 1873  
1873-74  
1873-74

New 1873 25th Nov

1873

1873

Board of Revenue,  
MADRAS.

PROCEEDINGS, 19th SEPTEMBER 1873, No. 1, 873

25th Nov 1873

25th Nov 1873

Received 25th Nov

SEPTEMBER

No. 1, 873

European Spirits. — Report from Collector of  
Madras, on proposal to restrict and regulate  
consumption of — in the town, submitted to  
Government with remarks.

W. H. D. 1873

1873

Resolved again 25th Nov 1873 No 1873  
Resolved also Board 19th Sep 1873 No 1873  
25th Oct 1873 No 2190

Resolved accordingly that the foregoing  
papers be referred to the Advocate General  
for his opinion, as to an opinion  
being obtained as to whether there is any  
doubt that the issue of retail licenses for  
the sale of European liquors under Act No  
of 1852 is conformable with the provisions  
of that enactment.

25th Nov 1873  
1873