Proceedings of the Madras Government, Revenue Department,
21st January 1873.

No. 161. Read the following Proceedings of the Board of Revenue, dated 16th January 1873, No. 56:—

Read the following letter from R. A. DALYELL, Esq., on Special Duty, to the Secretary to the Board of Revenue, dated Sydapet, 4th November 1872:—

In accordance with the instructions contained in the G. O., under date 16th August 1872, No. 1,202A, Revenue Department, I have the honour to submit the following Report upon the Abkári, or Excise, Revenue of the Salem District.

2. Preliminary Remarks.—As the Board are aware, this branch of the revenue has been from time immemorial farmed to contractors for a fixed annual sum, on a system which will hereafter be described in detail. As the district is divided into nine separate farms, conterminous with its nine sub-divisions or taluqs, and as each renter is at liberty to adopt such plan of management as he finds most conducive to his own interests, I deemed it advisable to make a personal visit to each farm in view to ascertaining, on the spot, the precise system which was in force. I found this the more necessary, for, as I had anticipated, there was little accurate knowledge of the internal economy of any of the farms to be obtained at head quarters. This was only to be expected, for under the present law the District Officer is powerless to interfere in most matters which might appear to him, as an administrator, objectionable, and the renting system has been so admirably successful, as a financial measure, that any interference on his part, as a fiscal officer, has been unnecessary. I have accordingly extended my tour to every taluq of the district except that of Ahtoor, which I regret I was not able to visit owing to the bad state of the road between the town of that name and Salem. In those taluqs in which the sub-renting system, which will shortly be described, was general, I visited a few selected sub-rented portions, and where the so-called "Amani" or Personal system of management was in force, I visited the principal distilleries, and a few shops in different parts of the taluq.

3. Sources of the Abkari Revenue.—The sources of Abkári taxation in the district areas follows:—(1) Country spirits, or arrack; (2) date toddy; (3) palmyra toddy; and (4) cocoanut toddy. The arrack of the Salem district is invariably distilled either from sugar-cane jaggery, palmyra jaggery, or molasses, (which is the refuse of sugar-cane jaggery after the sugar has been extracted from it,) or from a combination of these substances, and the process of distillation adopted is described in the following paragraph. The date toddy is obtained from the wild date trees (*Elate Sylvestris*), which are plentiful only in the Oossoor Taluq and the upper portions of the Kistnagherry Taluq. The juice is extracted by cutting a horizontal gash in the stem and the average produce is six bottles per tree, every alternate day, for three months in the year. The juice may be drawn at any period of the year, but only for three months out of the twelve. In the Mysore province, where these trees are very plentiful, a considerable quantity of jaggery is produced from them, but in the Salem district the whole of the juice is kept for toddy as it is found to be a more profitable arrangement than converting it into jaggery. Palmyra toddy is obtained from the palmyra tree (*Borassus flabelliformis*) by cutting off the ends of the leaf shoots and keeping them tied up for eight days, after which the juice begins to exude. The male trees produce toddy from January to April, the female from February to May, and the produce is on the average about two bottles per tree, per day, during the season. These trees are not very general in the Salem district, except in the taluqs of Utengherry and Tripatore, though there are also a few in the Trichengode, Ahtoor, Darampoory, and Kistnagherry Taluqs. I regret that my information in regard to this liquor has been necessarily wholly derived from hearsay, as the season had not commenced at the period of my tour. Cocoanut toddy is obtained from the cocoanut tree (*Cocus Nucifera*) by precisely the same process as the palmyra toddy, and the average produce is the same. The liquor may be drawn at any period of the year, but not for more than six months out of the twelve from each tree. A considerable quantity was in use, formerly, in the Salem Taluq and also in the neighbourhood of Vaniembady, but during the last year of the late rent, and during the present rent the Salem Taluq contractor has discontinued issuing licenses for the sale of this

liquor, in order to stimulate the sale of arrack. All toddy, whether date, palmyra, or cocoanut, will ferment in from 12 to 24 hours and then becomes a highly intoxicating liquor. It can be converted into jaggery by boiling immediately after it is drawn, chunam being placed in the pot during the process of drawing the liquor from the tree to prevent fermentation.

4. Process of Manufacture of Spirits and Cost.—In most of the taluqs which are managed on the Amani or Personal system of management the stills are similar to those in use in the Mysore province, being of a primitive description, but large in size, and made of copper; and in the Oossoor Taluq, where undoubtedly the best liquor is manufactured, the sub-renters almost invariably use a still of the same description, but smaller in capacity. In the sub-rented taluqs of Namcul and Trichengode however, where the farms are much smaller, the still usually consists simply of two earthenware pots, the upper one, which is fixed on to the lower with a paste of cowdung and mud, having a bamboo tube inserted into it through which a spirit of the most inferior quality is distilled. The process of fermentation appears to be pretty nearly the same in all parts of the district. It is carried out in the common earthenware pots and occupies from eight to fourteen days according to the state of the weather. The materials used for the preparation of the "wash" or "*wort*" are the same in the different localities, being either sugar-cane, or palmyra jaggery, or sugar-cane molasses (and sometimes a combination of them) with a small proportion of *Vellam* bark as the bark of the Mimosa tree is called by the natives. At the Salem distillery I was informed that eight pots of wash, containing 6 maunds (about 25½ lbs. each) of palmyra jaggery combined with molasses, and the usual quantity of bark, produced only 7½ gallons of spirits of 40° under proof, but I am satisfied that the outturn was very much under-stated, and that it is more than likely that 12 gallons was the usual produce; for at Darampoory half a maund of palmyra and sugar-cane jaggery was said to produce one gallon of spirits of 36° under proof. At Oudenpully five maunds of sugar-cane jaggery, with five viss of bark, produced 11 gallons of spirits at 22° under proof; at Oossoor 9 maunds of sugar-cane jaggery gave 22 gallons at 23° under proof; at Kistnagherry 4½ maunds of palmyra and sugar-cane jaggery combined, or 6 maunds of molasses alone gave 10 gallons of spirits at 23° under proof. On the whole, I came to the conclusion that half a maund of jaggery or ⅔ths of a maund of molasses, combined with one viss of bark, will produce, according to the process of distillation generally in force in Salem, an average of one gallon of spirits at, say 30° under proof, and that the cost of these materials will not exceed eight Annas. In my estimate of the contractors' expenses, which will be found in the Appendix, I have added 4 Annas per gallon for firewood, cooly-hire, and cost of renters' establishment, as several of the late renters have fixed 12 Annas as the gross cost of arrack, and as the district officials in Namcul and Trichengode informed me that in the one taluq the cost of a gallon of spirits was 11 Annas, and in the other 13 Annas. I am satisfied, however, that this is a *very liberal* allowance, and I believe that 2 Annas per gallon, which I have in some cases allowed for carriage, is also above the mark. In proof of this I may mention that at the Madras Town distillery it is found to be a profitable business to supply liquor to Government at 12 Annas per gallon (or 10 Annas the old gallon of five bottles) and that 350 maunds of palmyra jaggery produce 770 gallons of spirits at 30° under proof. I ascribe the increased yield to the fermentation being more carefully managed than can be the case at native distilleries, for it is well known that the yield and quality of the spirit depend far more upon this operation being properly carried out than on any other part of the process of distillation.

5. System on which the Abkari has been managed.—The spirituous and fermented liquors described in the two preceding paragraphs form the sources of Abkári taxation, but they are neither charged with an Excise duty, nor is the sale of them taxed by heavy license fees. The exclusive privilege of manufacturing country spirits and of selling those spirits and the fermented country liquor called "toddy," is reserved by law to Government, and by Government transferred to contractors, or renters, on payment of a fixed annual sum. These contracts or revenue farms were disposed of by tenders up to 1850, and since that date at open auction sale. The old district contractors almost invariably adopted the system of apportioning the total rent payable for the whole district among a certain number of sub-renters, usually each holding one

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taluq, and retained the principal taluq in their own hands. Their profits thus depended upon the receipts from this taluq, *minus* any losses which might accrue owing to the taluq sub-renters failing to pay the rent agreed upon. The sub-renters of taluqs adopted precisely the same system, apportioning the gross rent payable by them among under-renters of portions of their taluqs, and retaining the chief town, and occasionally a few surrounding villages in their own hands. These under-renters again frequently sub-let portions of their own farms either to shopkeepers or others on the same plan. So long as the rent paid to Government was fixed at the very moderate figures of former years, this system afforded an easy mode of realizing a comfortable income to a large number of persons connected with the Abkári farms without any very serious risks. The considerable rise in the rents, however, during the past ten years rendered it necessary for the contractors to consider whether such a mode of management, though an easy one, was the most efficient as a means of collecting revenue. The result has been the adoption of late years of what is called the "Amani" system of management in six out of the nine taluq farms of the district. Under this system the contractor makes the whole of the spirits required for consumption at one or more centrally situated distilleries and deals directly with the shopkeepers both for this liquor and for toddy which he obtains through the toddy-drawers on certain terms.

6. Nature of the Contracts.—The renters or farmers are under no restrictions as to the form of management or as to the quality or the description of liquor to be sold, (provided only that it be not deleterious to health,) and as the exclusive privilege of making and selling all country spirits and of selling toddy is vested solely in them, with the simple restrictions that neither liquor is to be sold below certain minimum rates, nor at other than the sanctioned shops, it is clear that they are at liberty to adopt such plans for the disposal of liquor, and to sell liquor of such quality as appears to them to be likely to realize the largest return. For instance if a renter finds it most profitable to sub-rent every shop in his farm, making an entire transfer to the shopkeeper of his exclusive privileges in regard to the locality supplied by that shop, he is at liberty to do so. The shopkeeper then has it in his power to supply to the public only such liquors at such prices (never below the minimum prescribed) as he thinks most conducive to his own profit. Should the date palm, palmyra, and cocoanut tree flourish in the tract of country consigned to him, he is at liberty to supply the residents of the locality with the toddy produced by all of these trees, by any one class of them only, or by none of them, just as he may find most profitable to himself. If he should find date toddy more profitable than palmyra or cocoanut toddy, he has it in his power to deprive the public of the latter beverages altogether, and the owners of the trees of the profits which they would have obtained on its sale to him. Or, should he be of opinion that the sale of arrack is more profitable than the sale of toddy he can discontinue the sale of the latter altogether in view to stimulating the sale of the stronger liquor, and this he may either sell of the very best quality at proof strength, or of the most inferior kind at 50° or 60° below proof. He is further at liberty to charge such prices (in excess of the minimum rates) both for arrack and toddy as seem fit to him, and as he is an exclusive monopolist the residents of his farm must pay the price he asks, or do without the liquor.

7. Progress of the Abkari Revenue.—In the first year of the century the district collections under Abkári amounted to Rupees 40,000, but in 1802 they fell to Rupees 26,445, and did not again reach the former sum until 1820. From this period there was a steady improvement up to 1832, when this branch of the revenue had reached Rupees 68,790; but in the following year, which was one of scarcity in many parts of the Presidency, the collections fell to Rupees 54,022, and did not recover their former proportions until 1839 when a sum of Rupees 71,595 was realized. From 1839 to 1847 the collections varied from the last named amount to Rupees 89,230, and in 1848 the Abkári revenue of the district was leased to three joint contractors for a sum of Rupees 86,500, per annum, for three years. The next two leases were each for the same period, and were taken up by the same contractors at Rupees 96,010 and Rupees 1,01,100 per annum. In 1857 the same parties took the contract for five years at Rupees 1,36,010, per annum, but in 1862 one Vencatachelliah, a Mysore Brahmin, obtained a five years' contract at auction for Rupees 1,91,000. The same person, or rather a relative on

his behalf, also became contractor for the year 1867-68, at an increase of upwards of a lakh of Rupees, viz., Rupees 2,91,150, and in the following year the lease was let to another party for Rupees 2,91,100. In 1869 the District Abkari was disposed of at open auction, for three years, by taluq farms and realized a gross annual sum of Rupees 3,35,550, and during the present year a similar contract was disposed of, to terminate in June 1875, at a gross annual rent of Rupees 3,70,950.

8. Detailed results of Investigations.—I have deemed it advisable not to encumber the body of the report with the detailed accounts of my investigations into the systems of management in each farm and their results. I have accordingly placed them in an Appendix, but they are summarized in the following table :—

Name of Farm, or Taluq.	Present rent or Revenue.	Present revenue paid per head.	Wholesale price per Imperial Gallon.	Wholesale strength.	Retail price per Imperial Gallon.	Retail strength.	Estimated annual consumption of spirits, in Gallons.	Estimated annual consumption of spirits, per head.	Estimate of the Renters' total net collections in excess of their rents, being net profits.	Estimate of their net collections on sale of Toddy.	Population to each Arrack-shop.
	RS.	A. P.	RS.	UNDER PROOF.	RS.	UNDER PROOF.		GALLONS.	RS.	RS.	
Salem	89,950	3 8	2¼ to 3	40° to 45°	2¼ to 3	45° to 50°	54,000	⅟₇ to ⅟₈	7,467	...	2,224
Darampoory	37,000	3 1	3 0 0	35° to 36°	3 6 0	42°	17,000	⅟₁₂	2,000	2,250	1,928
Kistnagherry... ...	30,500	2 10	3 0 0	23°	3 4 0	25°	13,000	⅟₁₅	3,125	6,000	1,217
Tripatore...	45,100	3 9	3 6 0	36°	3 12 0	40° to 43°	21,000	⅟₉	11,150	5,000	1,555
Utengherry	26,100	2 9	3 6 0	36°	3 12 0	50° to 56°	10,500	⅟₁₅	1,837	3,000	1,486
Ahtoor	24,100	2 4	3 6 0	35°	3 12 0	.....	10,000	⅟₁₆	2,500	1,400	2,018
Oossoor	71,000	5 11	2 13 0	16° to 20°	3 0 0	20° to 25°	19,000	⅟₁₀	4,913	40,000	1,175
Trichengode	20,000	1 3	.....	.....	2 4 0	40° to 50°	22,000	⅟₁₁	9,000	800	1,480
Namcul	27,200	1 8	.....	.....	2 4 0	45° to 50°	20,800	⅟₁₃	3,800	500	1,673
Total...	3,70,95	3 0	.....	.....	.....	.....	1,87,300	⅟₁₁	45,792	58 950	...

It will be seen that the average contribution to the revenue throughout the whole district is 3 Annas per head, the rates in the different farms varying from Annas 5-11 per head in Oossoor to Anna 1-3 per head in Trichengode. The former very high rate is to be ascribed almost entirely to the large consumption of date toddy which takes place in this taluq, and if it be excluded from the calculation as exceptionally situated it will be found that the farms which are managed on the "Amani" system are much more fruitful in revenue than those of Namcul and Trichengode which are managed on the sub-renting system. It will also be perceived that the retail price varies from the minimum rate Rupees 2-4-0 per gallon in the two last named farms to Rupees 3-12-0 per gallon in Tripatore and Utengherry, and that the strength at which spirits are issued is from 16° to 20° under proof in the northern taluqs of Oossoor and Kistnagherry; that it falls to 35° and 38° under proof in the central taluqs, and is as low as 40° and 50° under proof in the southern taluqs. In fact it would appear that the cooler the atmosphere the more powerful must be the liquor provided for consumption. The table also exhibits my estimate of the consumption of arrack in each farm, varying from ⅛th of a gallon per head, per annum, in the Salem Taluq to $\frac{1}{15}$th and $\frac{1}{16}$th of a gallon in Utengherry and Ahtoor, and giving 187,300 gallons as the consumption of the whole district, being an average rate of a little over $\frac{1}{11}$th of a gallon per head per annum. I am disposed to think that this is a tolerably correct estimate, as through the valuable assistance of Mr. Pritchard, the present Abkári renter of the Chingleput District, I have obtained access to the detailed accounts of a late renter of that farm who managed the entire district on the "Amani" system, and I find his issues of arrack, from July 1869 to March 1871, were at the average rate of about 70,000 gallons per annum, being a consumption of about $\frac{1}{13}$th of a gallon her head, and the very large toddy consumption of that district (realizing for the late renter about one lakh of Rupees per annum) as compared with the consumption of the same liquor in Salem will fully account for the slight increase in the consumption of arrack in the latter district. Supposing my estimate of the net amount of toddy receipts in each farm, aggregating about Rupees 59,000 for the whole

district, to be correct and deducting ten per cent. of this sum for renters' profits on toddy, Rupees 53,100 may be viewed as the toddy rent of the district, and Rupees 3,17,850 will remain as the arrack revenue, being in other words an Excise duty of about Rupees 1-11-2 per gallon on the estimated consumption of 187,300 gallons. The estimated profits of the several renters are also entered in the statement, and will be seen to vary from Rupees 1,837 per annum in the Utengherry farm to Rupees 11,150 per annum in the Tripatore farm, and to reach a total sum of Rupees 45,792. It is, however, to be observed that these profits are computed on the supposition that arrack cannot be made profitably, or transported to a distance at lower rates than 12 Annas and 14 Annas per gallon.

9. Probable Profits of Contractors under the Experimental system.—My reasons for fixing upon these rates as the average cost of the production and distribution of country spirits are fully detailed in paragraph 4 above, and I may here state, incidentally, that if they are fairly correct, as I have every reason to suppose them to be, one of the first results of my present investigations must be the knowledge that the terms on which the new experimental Excise system has been introduced into the two northern and three home districts are extraordinarily favourable to the contractors. It is not to be supposed that the cost of distilling spirits at 30° under proof can be much higher in the districts in which this experiment is being conducted than it is in the Salem District or in the town of Madras. Indeed the Chingleput District is supplied from the Madras Town distillery. Supposing then that 14 Annas per gallon be allowed as cost of manufacture and distribution, it will be perceived that the contractor of the Ganjam and Vizagapatam Districts, who pays an Excise duty of only Rupees 1-8-0 per gallon, will obtain as profit, such a sum per gallon as his selling price may exceed Rupees 2-6-0; and the contractors of Chingleput, North Arcot, and South Arcot, who pay an Excise duty of Rupees 1-12-0 per gallon, such sums as their selling prices may exceed Rupees 2-10-0. I understand that in all parts of the latter districts Rupees 3 per gallon has been of late the lowest selling price, and in the former it has been for long the fixed minimum price, so that the contractors' net profits will probably be considerably under-estimated at 1 Rupee per gallon in the Northern Districts and 8 Annas per gallon in the Central Districts, and when it is remembered that the yearly consumption will probably be not less than 500,000 gallons, it will be seen that a very large sum will be annually divided among the four firms concerned. At the same time it is questionable whether a larger revenue would have been secured under the old system than will now be realized, and, at any rate, the accurate knowledge that will be obtained of the value of the contracts will be of much use in determining upon the system on which the Abkári revenue of the Presidency is to be managed in future. Furthermore, if it be admitted that it is the duty of State when granting the monopoly of supply of any article of consumption to any private parties to take such measures as will insure that the article shall be supplied of the very best description, it is at least a step in the right direction to commit the distillation of spirits to the hands of intelligent persons who are likely to realize the difficulty and delicacy of the operation. Simple as it may appear the process is by no means an easy one, and as already noticed in paragraph 4 above the yield of spirits from the same quantity of materials frequently varies very considerably owing to some defect in the fermentation of the "wort." Indeed a scientific distiller has stated that "Fermentation is the most important stage through which the materials in the hands of the distiller have to pass, and one which not only demands considerable skill and attention for its proper management, but also requires extensive knowledge both of the principles of Chemistry, and of practical results."

10. Comparatively small number of sanctioned Shops opened.—It will be further observed from the table given in paragraph 8 above that the number of persons to each arrack-shop varies very considerably in the different taluqs, and it will be found from the details given in the Appendix that in most of them only a proportion of the shops sanctioned had been opened at the time of my visits. I am informed that this was partially owing to the invariable practice of the renters to obtain sanction for a larger number of shops than they immediately require, in order to provide for any possible future increase of consumption, and also was partly to be ascribed to the

recent period at which the contracts had been formed (1st July last) which had not enabled the renters to complete all their arrangements with the shopkeepers. I have, therefore, laboured under the disadvantage of prosecuting my inquiries a few months too soon, and this is the more apparent in regard to the palmyra toddy, the season for which does not commence until the end of the year. My information on the subject has consequently, as already stated, been almost entirely derived from others and not from my own observations.

11. Illicit Distillation and the Dowle system.—Though I made constant inquiries in all parts of the district regarding illicit distillation, I received no information either from the Officers of Government or the contractors, which leads me to suppose that it is at all general. When it is remembered that a bottle of spirits can be distilled for 2 Annas in the backyard of any shopkeeper with, as it seems to me, very little prospect of detection, and that he usually has to pay the distiller and contractor in those taluqs which are managed on the "Amani" system from 7 Annas to 9 Annas for the same quantity, and has often himself been a sub-renter and distiller under the old system of management, one would suppose that very frequent attempts would be made to evade the duty, and increase retail profits in this manner, and I fully expected to find that either the so-called "Dowle" system would be strictly enforced between the contractors and their shopkeepers, or that at any rate a large detective establishment would be maintained by the renters to protect their interests. I was assured, however, by every contractor whom I consulted on the subject, that neither the one nor the other was found to be necessary, as the fear of the penalties of the law was amply sufficient to prevent any attempt at smuggling, and that, though in some farms the "Dowle" system was in operation, its provisions were hardly ever enforced. I should explain that under it every shopkeeper or vendor enters into a penal engagement or "Dowle" with the contractor to take and dispose of so many gallons of liquor per diem. In the event of his failing to act up to this engagement he will forfeit his deposit money and lose his shop. When the contractor is allotting his shops at the commencement of his lease, the party who offers to engage to take the largest quantity of liquor per diem will probably obtain the shop. By this means the maximum consumption of the locality in which each shop is situated is completely gauged by the contractor, and he has in every shopkeeper a careful detective agent against illicit distillation, and one who is never likely to attempt such a fraud himself, nor to endeavour to increase his own profits by diluting the liquor supplied to him by the contractor; for, inasmuch as he is already bound under risk of loss to take from the renter the full quantity of liquor likely to be consumed in the locality, it will be to his own special detriment if any portion of that consumption is supplied by illicitly distilled spirits, as the sale of his own liquor must be interfered with to a precisely equal extent, and the same result would follow should he increase the quantity of his own liquor by dilution. I believe that this system has been perfectly successful in checking illicit distillation and dilution in the town of Madras, and that it is very generally in force between contractors and shopkeepers in the other districts of the Presidency.

12. Irregularities and Defects of the Salem system.—The chief irregularities and defects of the Salem system of Abkári, which came under my immediate notice during my present tour, were the following:—(1). The almost invariable absence of the shop notice boards which are required, under license, to specify the name of the shopkeeper and the price of the liquor sold at his shop; (2) the occasional sale of arrack below the minimum price, especially in the Namcul and Trichengode Taluqs, and the absence of any prescribed standard strength for spirits; (3) the universal variation in the measures used by the shopkeepers in the sale of spirits; (4) the dilution of the spirits by the shopkeepers in order to increase their profits at the expense of the renters; (5) the want of any clauses in the renters' licenses, requiring them to provide the inhabitants of their farms with such beverages as are acceptable to them and easily procurable in the locality; (6) The inferior quality of the spirits sold in many farms, especially in the sub-rented taluqs of Namcul and Trichengode; and (7) the almost invariable adoption in all Abkári transactions of the ordinary gallon of five bottles instead of the Imperial gallon of six bottles, which is prescribed by law.

13. Incompleteness of present Licenses.—The only irregularities which are provided for under the present licenses are the want of notice boards and the sale of liquor below the minimum price, and the Collector has informed me that he will at once put the law in force in regard to them. I have suggested that the notice boards should specify the price of the liquor per gallon, per bottle, and per dram of so many to the bottle, as I found it to be a constant practice to alter the size of the dram rather than to increase its price, and the 1 Anna dram consequently varies in almost every taluq according as the liquor is sold for 6, 7, 8, 9 or 10 Annas the bottle. The sale of liquor below the minimum price has been, doubtless, generally discontinued, owing to the increased rents paid of late years having rendered it absolutely necessary to charge a high price for liquor; in other words the duty has in fact been steadily increased, but in the comparatively lowly rented taluqs of Trichengode and Namcul such sales no doubt do take place, and they are encouraged by the system of small sub-rents which are there in force, as a petty under-renter and shopkeeper will often be disposed to evade the law in this respect if he finds that his liquor is left on his hands at the higher rates of price, but takes at the lower figure, for he is bound to pay the renter the amount of his sub-rent whatever his sales may be, and every bottle he can sell at any price in excess of 2 Annas (estimated average cost of production) will be a source of profit to him, unless its sale at that figure should have the effect of preventing the sale by him of a bottle of spirits at a higher price. The system of fixing a minimum price without specifying a standard strength for liquor is, however, radically defective because, as explained in the Appendix in regard to the sales which take place on the Mysore frontier, the rule can be practically evaded by issuing liquor at a higher strength. For instance, supposing the present minimum price of 6 Annas a bottle (Rs. 2-4-0 per gallon) to have been fixed under the idea that the ordinary strength of liquor was 30° under proof (a strength considerably in excess of the liquor usually supplied to the public by most of the Abkári contractors of the Presidency) then if the liquor should be issued at 10° under proof instead of 30° under proof, the six Anna bottle will represent upwards of a bottle and a quarter of the inferior spirit, and the actual price of the ordinary spirit at 30° under proof will be less than Rupees 1-14-0, per gallon, instead of Rupees 2-4-0, though no breach of the law or license will have taken place.

14. Want of Standard Measures and Rule against Dilution.—The variation in the measure by which liquor is sold is inconvenient, inasmuch as it enables a dishonest shopkeeper to exact more from his customers in the shape of profit on the retail transaction than he should do, and also makes it difficult to compare the taxation or consumption of different localities. The Abkári Act reserves power to the Board of Revenue to prescribe the measures to be used in the sale of liquors, and this would have been done some years back had it not been for the uncertain position in which the general question of weights and measures then stood. Indeed a large supply of Imperial liquid measures was obtained from England and issued to the districts, but no orders for their adoption have yet been passed. The same objection applies to the dilution of liquor, and so long as it is not provided against by license renders it an easy matter for a shopkeeper to interfere with the profits of the renter who manages his farm on the "Amani" system, inasmuch as the diluted liquor will displace an equal quantity of undiluted spirits for which the full price has been paid.

15. The supply of good Liquor and full measure should be insured.—The inferior quality of the liquor frequently supplied to the public, and the want of any condition of the license requiring the renters to supply certain liquors, are also matters which seem to require attention, but which cannot be dealt with so long as the present forms of licenses are maintained unaltered. It must not be forgotten that the inhabitants of an Abkári farm are at present, as observed in paragraph 6 above, absolutely in the hands of the monopolist contractor, and are bound to accept whatever liquor he chooses to provide for them or to abstain altogether. Now it seems to me that the State when granting a monopoly of this description is bound to do so under such restrictions as will protect the interests of the public, and those interests appear to be particularly affected by all the four irregularities referred to in this and the preceding paragraph, viz., the use of measures other than standard, the dilution of liquor, the supply of spirits of an inferior character, and the occasional non-supply of beverages which are available in the locality and would be acceptable to the people. The fact that no complaints have been received on the subject must not be taken to show that there has been and is no cause for complaint, for it must

be remembered that the body of the people who are the consumers of spirituous and fermented liquors belong to the most uneducated and uninfluential classes, and would therefore be slow to make complaints against a renter who would be supposed to have the support of the authorities. Further, should a person of a superior condition find reason for complaint, he would be loath to bring it forward, as it would at once stamp him as a person given to the consumption of liquor which in itself would be viewed as a disgrace. The remedy would, however, be of very easy application; for it would merely be necessary that the Board of Revenue should prescribe, by notification, that all liquor shall be sold by Imperial liquid measure, that is to say by the gill (or dram), pint, quart, and gallon. The gill or unit of measurement would run 5½ to the ordinary bottle, not much larger than the old Madras dram of six to the bottle, and if charged for at 1½ Anna would represent Rupees 3 per gallon, or at 2 Annas, Rupees 4 per gallon. The half gill might be the ordinary dram charged for at 9 Pies, or 1 Anna according to locality. The quality of liquor and its non-dilution, and the supply of all available country liquors, might also be provided for in the renter's license. It would be only necessary to specify in it (1) that no arrack shall be sold below the minimum standard strength, that is to say so many degrees under proof, by Sykes's Hydrometer; and (2) that shops shall be provided for the sale of such toddy as the locality may produce.

16. Maximum price of Liquor should be prescribed.—It will be obvious, however, that this latter provision would be nugatory so long as a renter is permitted to charge what price he pleases for liquor in excess of the minimum price, for if he desired to check the sale of toddy and increase that of arrack it would only be necessary for him to put a prohibitive price on the former, which would doubtless have the effect he desired. I am disposed, therefore, to think that a maximum as well as a minimum price should be prescribed in the license, and I would extend it both to arrack and toddy. It has been shown in my Report on the Mysore system of Abkári how the want of this maximum, as regards the former liquor, has had the effect of enabling the distillers to place a heavy tax on the consumers for their own benefit, and its necessity as regards the latter is shown above.

17. Limited experience.—It will be observed that in this report I have confined myself to describing the state of circumstances which I found existent in the Salem District as regards the management of the Abkári revenue, and suggesting such corrections of the abuses and defects of the present system as are easily attainable even in the present state of the law. With a practical experience of only one district, I should have much hesitation in committing myself to any positive recommendations as to the best mode on which this branch of revenue can be managed, the more so as I am bound to confess that the first result of the more extended investigations which my tour in the Salem District has enabled me to make, has been to convince me of my hitherto profound ignorance of the practical working of our Abkári system, a want of knowledge, however, which I believe was shared by most of the Revenue Officers of the Presidency, owing to the special reasons to which I have adverted in paragraph 2 above. I would also desire to point out that when I stated in my Report on the Mysore Abkári that I was disposed to think that a modification of the Mysore system would be the best for India, (a statement which the Board incorrectly supposed to contain a recommendation in favour of the general adoption of Madras Town system of management,) I took especial care to add that this conclusion was only the result of my investigations in that province, and particularly alluded to my very limited general experience of the special subject.

18. Further inquiries desirable.—When it is remembered that the Abkári revenue of the Presidency is, at present, not very much short of three-quarters of a million, sterling, and that an efficient system of future management can hardly fail still further to develope its proportions, it will probably be deemed advisable that the whole subject should be more thoroughly gone into before any important changes of system are determined upon. A cursory inspection of the records of the Board of Revenue which bear upon the question has made me aware that considerable discussion took place in the earlier years of the century, in which Sir Thomas Munro and other well known administrators took part, as to the most efficacious system of Abkári management,

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and, should the Board and the Government concur in my opinion that further inquiry is desirable, I should wish to make a complete examination of these records and also to ascertain partly by communication with the District Officers, and partly by personal investigation, at suitable periods, in a few more districts, what the actual practical working of the present renting system is throughout the Presidency. I believe that after an inquiry of this description I should be able to prepare a really complete report on the entire subject. With such a report before them, as well as the detailed results of the experimental system now in force in the two northern and three home districts, the Board and Government would be in a position to come to a satisfactory determination as to whether a radical change of system is really expedient, or whether such reforms and modifications of the present system as would check abuses and supply defects would meet the requirements of the case.

APPENDIX.

Salem Taluq.—The Abkári revenue of this taluq has increased from Rupees 6,860 in 1819-20, to Rupees 89,950 the present rent. The contractor is one Muthut Sahib, who has been connected with the District Abkári for very many years, having been one of the joint renters of the entire district from 1843 to 1862, and having held the Salem taluq during the late triennial contract. The greater portion of the taluq is managed on the "amani" system, the principal distillery being situated one mile out of the town of Salem. A portion of the Razipoor division is sub-rented for an annual sum of Rupees 11,292, but the sub-renter has transferred his sub-rent to three other parties at a small profit, and they hold, respectively, thirty stills and thirty-six arrack shops; two stills and four arrack shops; and four stills and five arrack shops. The first of these under-renters again, has sub-rented seven of his shops to three separate persons. There are also three stills and four shops sub-rented in the Womaloor division of the taluq for a sum of Rs. 1,500. The whole of the Salem division, the whole of the Womaloor division, except the last-named shops, and about one-third of the Razipoor division are retained by the renter in his own hands. For the supply of these localities he has opened 149 shops which draw their liquor entirely from his distillery at Salem which can turn out 126 gallons of spirits per day. The arrack is supplied by him to the shop-keepers in the town of Salem at Rupees 3, per gallon, at about 40° under-proof. They sell at the same rate, making their profit by dilution and short measure. In the villages of the Salem division, the distiller's charge is Rupees 2-8-0 per gallon, and the shop-keepers sell to the public at Rupees 2-12-0. In the Womaloor division the retail price is Rs. 2-8-0 and the liquor is supplied to the shopkeepers at Rupees 2-4-0. In Razipoor the retail price is Rupees 2-4-0 per gallon, and the shopkeepers are allowed a discount of 2 Annas, whether in the "amani" or rented portions of the division. There is little doubt, however, that the shop-keepers in all portions of the taluq largely increase their profits by diluting the liquor and giving short measure. In Salem town the one anna dram was usually 3 ounces, but the liquor was below the strength at which it was issued from the Distillery, and in the outlying parts of the taluq the drams differed in size in almost every shop, as did the liquor in strength. Of a total number of 157 stills sanctioned in the license, only 46 are at work in both the amani and rented portions of the taluq, and of 280 authorized arrack shops only 177 have been opened. As the contractor has some time since given up the sale of toddy in hopes of increasing that of arrack, which is more profitable, only 5 Toddy shops out of 329 sanctioned in the license have been opened; one for the convenience of the bakers at Salem, and the other four in the rented villages of the Womaloor division. There are thus 2,224 people on the average to each arrack shop, and they pay to the revenue Annas 3-8, per head, per annum.

2. Estimate of the consumption of Spirits in the Salem Taluq.—As there is no sale of toddy in the taluq, the receipts of the Abkári renter must be entirely derived from the sale of arrack only, with the sums paid by the sub-renters. I have had considerable difficulty in fixing an estimate of the consumption of arrack in the taluq as information on the subject was by no means easily to be acquired. With some hesitation I, however, place it at 54,000 gallons for the entire taluq, or something less than one-seventh of a gallon per head per annum, and this figure is the result of constant independent enquiries in all quarters of the farm checked by such

reliable figures appertaining to former contracts as I have been able to secure. I would divide this consumption as follows:—(1) In Salem town, 25,000 gallons, or a little under 70 gallons per day. At my visit to the distillery the person in charge stated his issues to be only 50 gallons, per day, for the town, or 18,250 gallons per annum. I have, however, ascertained that the "dowle" or quantity which the town shopkeepers agreed to take from a former renter, so far back as 1868-69, was 55 gallons per day, and an inspection of the actual issues during several months of the last rent show an average of upwards of 70 gallons a day. (2) In the villages of the Salem division I put the consumption at 10,000 gallons. There are 38 shops in these villages, and they include the Shervaroy Hills. I find from the accounts of the contractor in 1868-69 that the consumption at two shops on the Hills in that year was 2,400 gallons, and at fourteen other shops in these villages 3,500 gallons; now 4,100 gallons seems to me a moderate estimate for the remaining twenty-two shops, which gives a total of 10,000 gallons for the thirty-eight villages. (3) In the Womaloor division my estimate is 8,000 gallons, of which 7,000 will be in the "amani" portions, and 1,000 in the rented villages. (4) In Razipoor, I calculate the consumption at 11,000 gallons, 8,000 in the rented villages and 3,000 in the amani portions. The former figure I obtained from the sub-renters themselves, and the latter I have deduced from population, etc. Supposing these estimates to be correct, the net receipts of the renter will be as follows:—

	Rs.
In Salem town (allowing 12 Annas for cost) Rupees 2-4-0 per gallon—on 25,000 gallons	56,250
In Salem division villages (allowing 14 Annas for cost and transport) Rupees 1-10-0 per gallon—on 10,000 gallons ...	16,250
In Womaloor division villages (allowing 1 Rupee for cost and transport) Rupees 1-4-0 per gallon—on 7,000 gallons ...	8,750
In Razipoor villages (allowing 1 Rupee for cost and transport, Rupees 1-2-0 per gallon—on 3,000 gallons	3,375
Womaloor rent	1,500
Razipoor rent	11,292
Total ..	97,417

The renter of the taluq is thus estimated to make an annual profit of Rupees 7,467, as his annual rent is Rupees 89,950. The sub-renters of Womaloor and Razipoor I estimate as making profits of Rupees 325, and Rupees 708, respectively. The cost of 1,000 gallons in Womaloor estimated at 10 Annas, comes to Rupees 625. Adding rent, Rupees 1,500, brings up the total charges to Rupees 2,125, against receipts, Rupees 2,500, for 1,000 gallons of arrack, at Rupees 2-8-0, per gallon, as the renter and shopkeeper are the same person. The cost of 8,000 gallons at Razipoor at the same rate, would be Rupees 5,000, with rent Rupees 16,292, against receipts of Rupees 17,000, being sale of 8,000 gallons at Rupees 2-2-0 per gallon.

3. Darampoory Taluq.—The rent of this taluq was only Rupees 2,520 in 1819-20. In 1839-40 it had risen to Rupees 5,170, and in 1859-60 to Rupees 12,000. The present rent is Rupees 37,000, being about Annas 3-1 per head, as the population is 190,892. The renter retains the entire management of the taluq in his own hands, supplying all the shopkeepers with liquor from his distillery which is in the town of Darampoory. The sale of toddy is small, and takes place only during the palmyra toddy season, from January to May, when it is managed on the sharing system, under which the toddy-drawers draw and sell the toddy, retaining 40 per cent. of the sale proceeds and paying 60 per cent. to the contractor. The renter supplies the arrack to shopkeepers at 35° to 36° under-proof for 8 Annas per bottle or Rupees 3 per gallon. They are supposed to sell it at 9 Annas per bottle or Rupees 3-6-0 per gallon. On an examination of the liquor at 15 shops in different parts of the taluq I found the nominal selling price to be 1 Anna per dram or 9 Annas per bottle, but the drams varied in size from 2½rd oz. to 2⅝th oz. instead of being of the uniform size of 2⅔rd oz. or nine to the bottle. The liquor offered for sale by these shopkeepers also varied in strength from 35° under-proof to 50° under-proof. The renter reported that his issues of arrack for the whole taluq were less than 170 bottles per day, or a little over 10,000 gallons per annum. If this statement were correct, it would be quite impossible for him to realize the amount of his rent, for even supposing him to be able to make

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rrack at 8 Annas a gallon, his profits on this rate of issue would only be Rupees 25,000, he toddy, from the best information I could obtain, does not pro luce much over Rupees 2,000 pees 2,500 per annum. I procured the attendance of the gumastah of the person who had the contract of the taluq during the past three years at a somewhat reduced rent, and t that although 40 shops had been sub-rented the average daily issues during the currency eir contract had been in excess of 200 bottles. As the present renter had no sub-rents, he ated his issues at from 250 to 270 bottles per day. The late renter himself stated that his wles," or agreements with the shopkeepers were for 221 bottles per day, though they had een fulfilled, and from private enquiries I ascertained that the consumption of the town of mpoory alone was 50 bottles per day, or not quite half a gallon per head per annum. On sideration and comparison of the information I have obtained on the subject from several ent quarters, I should fix the daily issues of the renter at not less than 270 bottles or 45 ns. This rate gives an annual consumption of 16,425 gallons, or say 17,000 gallons, per annum, a little more than one-twelfth of a gallon per head of the population. Probably about 5,000 ns for Darampoory and the immediate neighbourhood may be put down at a cost of produc- of 12 Annas per gallon, and 12,000 gallons at 14 Annas including distribution and estab- ent. This would give the renter a net collection of Rupees 36,750, and adding Rupees as net collections from toddy, would leave him a net profit of Rupees 2,000 per annum payment of his rent. There are only 99 arrack shops opened out of 196 sanctioned, and ddy shops at present, and there are thus about 1,928 people to each arrack shop.

. Kistnagherry Taluq.—The rental of this taluq was only Rupees 4,847 in 1819-20. 49-50 it had only risen to Rupees 6,322, and in 1859-60 to Rupees 9,250 only, though the nt rental is Rupees 30,500, or Annas 2-10 per head, as the population is 170,395. Like arampoory taluq, it is managed by the renter himself on the so-called "amany" system. hopkeepers are supplied chiefly from the distillery at Dowlatabad, in the close vicinity of agerry, where there are two large copper stills and three small ones capable of turning out llons per day. There are also two stills at Royacottah capable of producing 18 gallons, ne at Yeccasamoodram of a productive capacity of 5 gallons. The arrack is supplied to hopkeepers at a strength of 23° under-proof and at rates of Rupees 3-4-6, Rupees 3-2-4, s. 2-12-4 per gallon according to the locality of the shop. The shopkeepers make a profit of Annas to 4½ Annas per gallon, and even more, according to the dram they use, and the extent ich they dilute the liquor. As a rule, however, the drams in this taluq are nine to the bottle oz. There is a considerable quantity of date toddy consumed in parts of the taluq. It is drawn count of the renter by the toddy-drawers who are in his pay, and he also maintains an lishment of watchers to preserve his monopoly. It is sold at 6 Pies the measure (a little in s of an ordinary wine bottle in size) in the large villages and at 4 Pies the measure in the out- villages. The renter estimates that he obtains and sells about 50,000 gallons of date toddy per n, and he places the sale value of this at Rs. 9,000. As he receives a rent of Rupees 500 for almyra toddy, his total net receipts from toddy may be fixed at Rupees 6,000, thus allowing s 3,500 as his expenses in connection with the date toddy. The renter's account of his of arrack fixes them at 27 gallons per day, or a little under 10,000 gallons per annum. If, er, his profit on the sale of this spirit is Rupees 2-2-0 per gallon thus allowing 14 annas llon as cost all round considering the superiority of his liquor over that of Salem and poory, and taking his average selling price at Rupees 3 per gallon, his annual receipts be only Rupees 21,250 or Rupees 27,250 with his toddy collections, being upwards of s 3,000 less than his rent. I am disposed, therefore, to fix his issues at 13,000 gallons would place the consumption of the taluq somewhat on a par with that of the outlying portion Bangalore district, being a little over one-thirteenth of a gallon per head. This rate of ption is equal to a daily issue of about 35½ gallons, being only half the productive power of r's distilleries. His net receipts on this quantity would reach Rupees 27,625, or with ay collections Rupees 33,625, being Rupees 3,125 in excess of his rent. There are only 8 orked though 193 are sanctioned, and of 228 arrack shops entered in the renter's license,

only 140 have been opened for sales, while there are only 14 toddy shops at work out of a sanctioned number of 224. There are thus about 1,217 persons to each arrack shop opened.

5. Tripatore Taluq.—This taluq as well as the adjoining one of Ootangherry is rented by a Tanjore contractor of the Shanar caste, and his two farms appeared to me to be better managed than any other farm in the district. The rental of the taluq is now Rupees 45,100, or, excluding the hill population who consume neither arrack nor toddy, Annas 3-9 per head, a higher rate of contribution than in any other farm in the district. In 1829-30 the rent was only Rupees 3,600, and as recently as 1859-60 only Rupees 12,000 This as well as the adjoining taluq of Ootangherry is almost entirely supplied with arrack from the renter's central distillery at Tripatore where stills of a superior description to any others in the district and capable of turning out 160 gallons per day are at work. The district round Vaniembady is, however, supplied from a still at that place with a capacity of 12 gallons. The arrack is now supplied to the shopkeepers, as a rule, at Rupees 3-6-0 per gallon, or 9 Annas a bottle, though in some localities, favourable for sales they are charged Rupees 3-7-6, and in some out of the way villages, and on the frontiers of the taluq, only Rupees 3-3-0 and Rupees 3. They are invariably supposed to sell to the public at 10 Annas per bottle or Rupees 3-12-0 per gallon, but at a few shops I visited I found that the liquor had been reduced from the strength of 36° under proof at which it is issued, to 40° and 43° under-proof, and that the one-anna dram was not invariably $2\frac{1}{2}$ ounces as it should have been. There is a considerable quantity of palmyra toddy consumed in this taluq during the season, and probably during the late rent, from all the information I have been able to obtain, the contractor made a net collection of about Rupees 5,000 on this article. According to his last year's books his issues of arrack for the taluq were 21,214 gallons in the year, and during the first three months of the present rent his issues were in excess of 5,000 gallons. He also informed me that though he had increased his issuing rate from 8 Annas to 9 Annas a bottle to cover the increased price he paid for the farm, he did not find that the consumption had been in any way affected. The probable consumption of the taluq may therefore safely be put down at 21,000 gallons, which gives only a little under one-ninth of a gallon per head. On this quantity his profits may be estimated at Rupees 2-8-0 on, say, 11,000 gallons and Rupees 2-6-0 on 10,000 gallons, in all Rupees 51,250. Allowing Rupees 5,000 as the net toddy collections, the contractor will probably realize a sum of Rupees 56,250 to meet his rent of Rupees 45,100. There are about 1,555 people to each arrack shop, and of 162 sanctioned only 110 have been opened. Of 180 toddy shops sanctioned, licenses have been taken out for only 13.

6. Utenghebry Taluq.—As already stated, this taluq is rented by the same contractor as the Tripatore taluq and is supplied with arrack by him from his Tripatore distillery. In 1829-30 the rent was only Rupees 2,650, and in 1859-60 it had only risen to Rupees 6,560. The present rent is, however, Rupees 26,100 or Annas 2-9 per head, and the rent, under the late three years contract, was Rupees 18,050. There are a considerable number of palmyra trees in this farm, and the toddy drawn from them is largely consumed during the season; the net toddy profits are estimated at fully Rupees 3,000. The arrack at the same strength as that issued for the Tripatore taluq is conveyed from the distillery to five depôts which the renter has established at the chief places in the taluq. The liquor is supplied to the shop-keepers from these depôts on precisely the same terms as in the Tripatore taluq, but they increase their profits very considerably by dilution, and are also stated by the Tahsildar to use incorrect measures in many places. The shops which I examined, however, had a dram of $2\frac{1}{2}$ ounces in use for which they charged one Anna, being exactly 10 drams to the bottle, but the liquor was, from 50° to 56° under-proof instead of only 36° under-proof at which it is issued. The issues according to the renter's own account from these five depôts to the shopkeepers during the first three months of the present contract were 15,679 bottles or 2,613 gallons. I tested his figures by enquiries at one of the depôts where I was informed that the average issue was 1,000 bottles per mensem, but according to his detailed account the issue in three months from this depôt was 3,841 bottles or nearly 1,300 bottles per mensem. I think, therefore, his figures may be accepted, and the consumption of the taluq be put down at, say, 10,500 gallons per annum, or a little over than one-fifteenth of a gallon per head. The cost may be put down at 14 annas per gallon to cover cost of carriage, etc., from Tripatore and the net collections at Rupees 2-6-0 per gallon will be Rupees 24,937, or with toddy net collections Rupees 27,937, or a profit of Rupees 1,837 on the rent. Of 178 arrack shops sanctioned only 103 are opened, and of 173 toddy shops sanctioned not one is yet opened. There are thus 1,486 people to each arrack shop.

7. Ahtoor Taluq.—This taluq like the two last mentioned is rented by a Tanjore contractor and managed on the "amani" system. The rent in 1819-20 was only Rupees 845, and in 1859-60 had only risen to Rupees 3,000. The present rent is, however, Rupees 24,100, or Annas 2-4 per head, and the late rent was Rupees 22,250. There is a small consumption of palmyra toddy in the season which is managed on the sharing system, the price charged being 9 Pies and 1 Anna the measure according to locality. The net collections from this source are estimated not to exceed Rupees 1,200 or Rupees 1,500. The arrack shops are all supplied from a Central distillery at Ahtoor where liquor is issued at 35° under-proof. The price charged by the distiller to shopkeepers in populous places is Rupees 3-7-0 per gallon and in other places Rupees 2-13-0 or 11 and 9 Pies per dram of ten to the bottle. The shopkeepers again sell to the public at 1 Anna and 10 Pies per dram, or Rupees 3-12-0 and Rupees 3-2-0 per gallon. The dram is said to be of a regular capacity of $2\frac{1}{2}$ ounce or ten to the ordinary bottle. The Tahsildar reports the manufacture at the distillery to be 5,520 bottles per mensem and the average issue to be only 4,520 bottles. At this rate the annual issue would be 9,040 gallons. As only twenty-four shops out of eighty-one in the taluq take liquor at the lower rate, the average price at which the renter supplies it may be fixed at Rupees 3-6-0 per gallon, and allowing 14 annas for cost of manufacture and transport on the whole quantity, his net collections will be at Rupees 2-8-0 on 9,040 gallons Rupees 22,600, or with toddy receipts say Rupees 24,000, being something less than his rent. I am disposed to think that the probable consumption is 10,000 gallons, or a little under one-sixteenth of a gallon per head, which would give the renter a moderate profit of about Rupees 2,500. Of a total number of 122 arrack shops sanctioned only 81 have been opened, or one to every 2,018 people, and only three toddy shops have taken out licenses out of 42, but of course others will be opened during the palmyra toddy season. It is to be noted that the profits allowed to shopkeepers this taluq are unnecessarily large being no less than 10 Pies per bottle or 5 Annas per gallon.

8. Oossoor Taluq—*System of Management.*—This taluq, owing to the large consumption of date toddy by the people, is one of the most productive as regards Abkári revenue. The total rental was nearly Rupees 18,000 in 1823-24, of which no less than Rupees 12,000 was for the toddy contract. In 1839-40 the rental had risen to Rupees 21,600 and in 1859-60 to Rs. 35,000. The late contractor paid Rupees 63,000 during the past three years, and the present contractor pays Rupees 71,000 or Annas 5-11 per head. Upwards of four-fifths of the taluq have been sub-rented into fourteen farms, and many of these are again sub-rented to under-renters. The most important of the sub-contracts is that of Oossoor and surrounding villages, supplying a population of about 25,000 from 25 arrack and 26 toddy shops. The sub-rental is Rupees 1,786-12-0 per mensem, being an annual rate of no less than Annas 13-9 per head on the population of the farm. The next in importance is the farm of Kilamangalam, with a population of equal amount and an equal number of arrack and toddy shops. The sub-rental, however, is only Rupees 884 per mensem, being an annual rate of only Annas 6-10 per head. Kemputty and Baugalore are also important sub-rents in the neighbourhood of the Mysore frontier, with rentals of Rupees 390 and 344 per mensem, giving rates per head of Annas 9-3, and Annas 4-5. The total payment by the sub-renters for farms aggregating a population of 152,047, or four-fifths of the whole taluq, is Rupees 57,663 per annum, and supposing the remaining one-fifth (being Denkanacottah and 33 shops both for arrack and toddy which the renter has still in his own hands) to be only of equal value, the receipts from it would be only Rupees 14,416, so that there would be left a profit of barely 1,000 Rupees to the renter over the amount of the rental. It is only natural, however, that the renter should retain under his own management a profitable part of the district, and supposing the population of it to pay at the rate of 8 Annas per head, which would be considerably lower than the amount paid in two of the sub-rented farms, the renter's receipt from the shops retained under his own management would be Rupees 19,190, so that his total

collections would be Rupees 76,853, being a profit of nearly Rupees 6,000 beyond the rent payable by him. I was assured, however, by a resident at Denkanacottah who professed a positive knowledge of the fact, that the renters fully expected to realize a profit of Rupees 9,000, as the sub-rentals which had been agreed to were already Rupees 3,000 in excess of the proper proportions of the rent of the whole district, and that Rupees 6,000 would certainly be cleared in the "amani" management of locality round Denkanacottah. There are only 166 arrack shops opened of 206 sanctioned, giving a rate of 1,175 persons to each, and 199 toddy shops out of 262 sanctioned, for the whole taluq.

9. *Prices charged and evasion of the Minimum* —In the amani portion of the taluq the arrack is all made at a distillery at Denkanacottah under the renter's own superintendence, and thirty-three shops are supplied thence with liquor of 26° under-proof at an average cost of Rs. 2-13-0 per gallon, they are supposed to sell at 8 annas per bottle, but owing to inaccurate measures, and largely diluting the liquor, their profits are very much more considerable. The shopkeepers are also supplied with toddy by the renter who maintains a large establishment for the purpose, of 50 toddy-drawers and 45 watchers, 10 bullock bandies and 15 ponies for transporting the toddy from the topes, besides 6 gumastahs and 12 peons to look after his interests both as regards toddy and arrack, and to make his collections from the shopkeepers. He supplies the toddy in large pots of 24 measures, or about 4½ gallons each for which he charges 8 annas or 12 annas according to locality. The shopkeepers sell at 4 Pies and 6 Pies per measure, so that they obtain a profit of from 1 Anna to 2½ Annas per pot. In the sub-rented portions of the taluq, the actual retail prices of arrack vary considerably, being as high as Annas 9-4 per bottle, or Rs. 3-8-0 per gallon, at Maddaghery, one of the shops in the Oossoor farm, and as low as 6 Annas per bottle or Rupees 2-4-0 per gallon, in the Baugalore farm, and in the sub-rented portion of the Oossoor farm which lies within the Mysore frontier. The liquor is, however, everywhere throughout this taluq of a very superior description being rarely issued below 25° under-proof and the restriction as to minimum price is to a great extent rendered nugatory at one of the frontier shops where liquor of a strength of 16° under-proof is sold at 6 Annas a bottle or Rs. 2-4-0 the gallon being the precise minimum. I have however, dealt with this subject in the body of the report and will only here observe that there is probably good reason for the complaint of the Mysore authorities that the population of all their frontier villages prefer to walk over the border and obtain their liquor in Madras Territory instead of consuming the home-made article, and that it could hardly be otherwise so long as the Mysore liquor is issued to shopkeepers at a strength of 20° under proof, and sold by them at Rupees 3-8-0 per gallon, and so long as our sub-renters, have it in their power, under their licenses, to distil liquor of any strength they please, and to sell it at Rupees 2-4-0 per gallon. The toddy in the sub-rents of this taluq is managed much on the same plan as is adopted by the renter at Denkanacottah, each sub-renter having had a certain proportion of the date trees on waste land allotted to him by the renter, and being at liberty to make his own arrangements in regard to trees growing on lands which are private property. It is very largely consumed in all parts of the taluq and is usually sold at 4 pies, 6 pies, or 9 pies, per measure, according to the importance of the locality and the demand for the beverage.

10. *Estimate of Consumption.*—In a sub-rented taluq it must always be especially difficult to arrive at any reliable estimate of the consumption, but a rough calculation may be attempted which may prove sufficiently correct for practical purposes. To commence with the consumption of those portions of the district under the renter's own immediate management, I should fix the issues of arrack from his central distillery at 4,000 gallons per annum. His still has a capacity of 13 gallons per day or 4,745 gallons per annum, but the consumption of arrack is hardly likely to be much in excess of one-tenth of a gallon per head as the population consume a large quantity of toddy, and at this rate the consumption would be 3,800 gallons. As the cost of carriage is entirely borne by the shopkeepers, a sum of 12 Annas per gallon will be sufficient to deduct from the price realized by the renter as his cost of production. His collections will therefore be Rupees 2-1-0 per gallon on 4,000 gallons, or Rupees 8,250, and I would fix his toddy profits at Rupees 10,000. His realizations from the portions of the taluq immediately under his

Proceedings of the Madras Government, Revenue Department,
21st January 1873.

own management would thus be Rupees 18,250, or a little under 8 Annas per head on the population, a rate, as already observed, considerably below the collections in the Oossoor farm of the taluq, and not much in excess of those in several other sub-rents. This rate of consumption and collection will, with the amount of the sub-rents, give a gross collection of Rupees 75,913 or a profit of only Rupees 4,913 on the rent, instead of Rupees 9,000 which was reported to be the amount of his profits. The estimate is probably therefore rather below than above the mark. To proceed to the sub-rented portions of the district, it has already been stated that the amount of the sub-rents is Rupees 57,663, and supposing the consumption of arrack to be one-tenth of a gallon per head, as in the non-rented parts, the quantity of arrack consumed would be about 15,000 gallons. As the average rate at which the renters supply the shopkeepers is Rs. 2-14-0 per gallon, Rs. 2 per gallon may be put down as net receipts, as owing to the superior strength and quality of liquor sold in their farms, I would estimate the cost of production at 14 Annas instead of 12 Annas per gallon. This rate would give a net collection of Rupees 30,000 and I would estimate the toddy profits at Rupees 33,000, giving a total collection of Rupees 63,000, or about the amount of rent paid by them plus 10 per cent. for profits of management. It will be observed that I have estimated the net collections on the sale of toddy in the whole Taluq at Rupees 43,000, and I am quite satisfied that this is, if anything, somewhat below the actuals. I have obtained access to a former renter's detailed accounts for the year 1868-69, and I find that in the old Oossoor farm, which then consisted of the town and surrounding villages with a population of less than 20,000, the net collections from toddy were about Rupees 6,000 or at the rate of nearly 5 Annas per head, whereas my estimate for the whole district is less than Annas 3-8 per head. Similarly, during the contract referred to, the consumption of arrack in the same farm was 6,000 gallons or nearly one-third of a gallon per head, whereas my estimate is only one-tenth of a gallon per head for the whole district. In favour of the correctness of this latter figure it may also be stated that the consumption in the outlying parts of the Bangalore district is one-fourteenth of a gallon per head, which may well be raised to one-tenth when the large towns of Oossoor, Denkannacottah, Kelamangalam, etc., are taken into account.

11. Trichengode Taluq.—This taluq like that of Oosscor is managed on the sub-renting system. In 1829-30 the rental was only Rupees 5,450, and in 1859-60 only Rupees 12,400. In 1865-66 it rose to Rupees 24,000 but in 1868-69 it again fell to Rupees 18,500. In 1869-70, however, it was taken by the father of the present renter for Rupees 25,250 and on his executor's representation to the Board was secured to the present renter at Rupees 20,000, or a rate of only Annas 1-3 per head. It has been sublet in 36 farms, one of which consists of 162 villages with a population of 55,000, and 47 arrack shops, and pays a rent of Rupees 7,380 per annum. There are four other farms paying upwards of Rupees 2,000 per annum each, three upwards of Rupees 1,000, and the remainder smaller sums. The total amount of the sub-rents is Rupees 27,469-8-0, giving a clear profit to the renter of Rupees 7,469-8-0, and there were still 13 shops for which no offers had been received when I visited the taluq, so that the renter's profits will be still further increased when these are let; in fact the renter's gumastah admitted to me that when all the shops were let their collections would probably amount to Rupees 30,000, so that the eventual profits may well be fixed at Rupees 9,000. At the shops I visited the liquor was from 40° to 50° under-proof and was sold at one Anna the dram of 4½ onuces, being at the rate of about 5½ Annas per bottle or Rupees 2-1-0 per gallon, a rate below the minimum price; and in a statement prepared by the Tasildar it is stated that the retail price of the liquor is from 4 Annas to 6 Annas the ordinary bottle. This matter has been brought to the notice of the Collector and the necessary orders have, I believe, already been issued. There is a very small consumption of palmyra toddy in this taluq during the season, for which 14 toddy shops are sanctioned, but as yet none of them have been opened. There are 229 stills sanctioned in the renter's license, and of these 214 are already at work and 168 arrack shops are opened out of 229 entered in the license, being a shop to every 1,480 people. The renter's manager estimated the gross consumption of arrack in the taluq at 60 gallons per day, or about 22,000 gallons per annum, being one-eleventh of a gallon

per head. The process of manufacture is of the simplest and most inexpensive nature, and the cost can barely amount to 12 Annas per gallon ; so, if the liquor is sold at the minimum price Rupees 2-4-0, the collections of the sub-renter will amount to Rupees 1-8-0 per gallon on 22,000 gallons or Rupees 33,000 giving them a handsome profit in addition to any collection from toddy which, however, will not probably realize more than Rupees 700 or 800.

12. NAMACUL TALUQ.—The revenue of this taluq was Rupees 4,600 in 1819-20. In 1849-50 it had risen to Rupees 6,600, and in 1859-60 to Rupees 13,500. During the late contract the rental was Rupees 31,400, but at the recent auction the present contract was purchased by a new renter at Rupees 27,200 only, or at a rate of Annas 1-8 per head on the population. It is managed on the sub-renting system, like the taluqs of Oossoor and Trichengode, but the farms are much smaller, being 69 in number, and consisting of 168 arrack shops and 13 toddy shops in all. There are 13 arrack shops and one toddy shop, supplying a population of about 10,000 people, still undisposed by the renter. In no case do the sub-rents consist of more than seven arrack shops, and they are frequently confined to one. The highest sub-rent is Rupees 243 per mensem with seven arrack shops from which 15 villages with a population of 17,206 are supplied. The average number of people to each arrack shop opened is 1,673 and the amount of rent payable to the renter is in all Rupees 29,931-12-0 per annum, which will probably be increased to say, Rupees 31,000 when the remaining thirteen shops are sub-rented. The profits of the farm will then be Rupees 3,800 if the sub-renters pay the sums agreed upon. The sub-renters are of course in many cases the shopkeepers themselves and they are reported to sell at from 7 Annas to 8 Annas the bottle. They distil the liquor for themselves by the most primitive process and it is usually of wretched quality from 45° to 50° under-proof. At a few shops which I visited however in out-of-the-way localities, I found them selling at 4 Annas and 5 Annas per bottle, considerably below the minumum price, and at one shop the rate of sale was posted up as Rupees 1-4-0 per gallon or 4 Annas the bottle and 9 Pies the dram. The gallon referred to was of course the ordinary gallon of five bottles, which is in invariable use throughout the district between renters and shopkeepers, though the Abkári Act deals only with the Imperial gallon of six bottles. I may here state that in the present report the figures refer exclusively to the latter measure. There are only 14 toddy shops sanctioned for the taluq and the sale is very trifling during the palmyra toddy season and will not probably amount to more than Rupees 500. The consumption of the taluq is estimated by the local officers at 25,000 small gallons, or nearly 20,800 imperial gallons, being about one-thirteenth of a gallon per head. If the sub-renters sold this quantity at Rupees 2-4-0 the minimum price, their collections, exclusive of toddy, would amount allowing 12 Annas per gallon on account of cost of production, to Rupees 31,200.

THE foregoing report will be submitted to Government with reference to their Order under date 16th August 1872, No. 1,202A, Revenue Department.

2. Mr. Dalyell brings to notice several serious irregularities and defects in the present system of Abkári administration, but the Board do not deem it necessary to record any lengthened remarks on the subject, at present, as they concur with Mr. Dalyell in considering that a general report of the nature indicated is desirable, and as no effectual remedy can be applied to most of the abuses alluded to until the expiration of the present Abkári contracts in 1875.

3. The Board accordingly beg to recommend that Mr. Dalyell be authorized to continue his investigations in the manner suggested by him, and, if found necessary, to visit two or three other districts in which the Renters' systems of management may differ from those in operation in Salem.

4. In the meantime, his present report will be communicated to the Collector of Salem, whose special attention will be drawn to the remarks made in paragraph 3 respecting the cessation of toddy sales in the Salem taluq. Mr. Longley will inform the Renter that the course

he has adopted is highly disapproved by the Board, and will desire him to re-open a sufficient number of shops for the sale of toddy to meet the wants of the public, and, should he decline to do so, he will submit the matter for the further orders of the Board.

5. The Board much question whether the fact of the Renter having obtained a monopoly of the sale of this liquor gives him any right to decline to issue any licenses for its disposal, though, as shown in paragraph 16 of the report, as he is at liberty to charge what rates he pleases he can virtually stop all consumption of the article by offering it only at prohibitive prices.

6. The Collectors of other districts will be requested in a separate Circular to report whether similar practices are followed by the Renters in other parts of the Presidency.

7. In the event of the Government approving of Mr. Dalyell's further employment on this special duty, the Board recommend that he be authorized temporarily to entertain a person qualified to assist him in the preparation of statistics, etc., on a salary of Rupees 100 per mensem. The cost can be met from the Budget provision for Temporary Establishments.

No. 162. ORDER THEREON, 21st January 1873, No. 81.

Separate Revenue, No. 16.
Abkári.

THE Government concur with the Board that these investigations into the Abkári system should be extended to two or three other districts. On their re-commencement, the Officer engaged on the special duty will be authorized to entertain a Clerk on the salary proposed, the cost to be met from the source indicated by the Board.

(True Extract.)

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

To the Board of Revenue.
,, the Accountant-General.
,, R. A. Dalyell, Esq.

Exd. F. R. Bantleman.

10 19

I would by least concur
here in the the 4th as to
the advisability of putting
Enquiries being made -
But I believe Mr Dalgetty
is likely to leave us soon
& he herd better by
letting that have in
the order. When he returns
he can do write before
then Sir

Yours W. Dalgetty will
be back in April & can
then prosecute such further
Enquiries as may be necessary

W 81.

Read Prop. Bd Rev.
No 56 of 16th Jany 73

The Govt concur with the Bd that
these investigations with the object
system should be extended to two
or three other districts. On their re-
-commencement, the Officers employed
on the special duty will be authorised
to entertain a clerk on the salary pro-
-posed, the cost to be met from the
source indicated by the Board.

H. Lowe 21/1/73

Extract from Min.

14 To the Board of Revenue Dec. 22.
6 . The Accountant General
1 . R. A Dalyell Esqr

429/[illegible]/65

Order on Bde Pro-
Submitting Morbidity
& Alkali Report on Salem