

Proceedings of the Madras Government, Revenue Department,
18th August 1873.

No. 135. Read the following letter from J. GROSE, Esq., Secretary to the Board of Revenue, to the Hon. R. A. DALYELL, Acting Secretary to Government, Revenue Department, dated Madras, 30th April 1873, No. 688:—

WITH reference to the Government endorsement on Petition No. 996 of 1873, in which Mr. Pritchard requests that his application "to introduce the excise system for collecting revenue on arrack and sale of toddy in the town and suburbs of Madras," I am directed to submit a copy of Board's Proceedings, dated 2nd April 1873, No. 513.

2. Mr. Pritchard requests that the entire management of the whole Abkari revenue of the town, whether proceeding from Colombo Arrack, Puttai Arrack, or Toddy, may be handed over to him for two years from the 1st July 1873, on his agreeing to pay Rupees 3,00,000 a year for toddy and the following rates of excise on arrack:—

Colombo Arrack or a liquor like it, Rupees 3-7-8 per Imperial gallon.
Puttai Arrack sold inside the High Court limits, Rupees 3.
Do. sold outside those limits, Rupees 1-12-0.

3. He states that he is now distilling a liquor which is quite equal, if not superior, to Colombo Arrack, and undertakes to supply it at present rates instead of Colombo Arrack, or if he is unable to supply enough of it in the first year to import from Ceylon.

4. He declares it to be his intention to raise the selling price of Puttai Arrack from 1 Anna and 5 Pies to 1 Anna and 6 Pies a dram, and believes this can be done without reducing the consumption. In justification of this proposal he avers that his arrack is superior to what was formerly manufactured; that the appliances used, etc., are more expensive; and that the price now paid by Government, viz., 10 Annas a common gallon, leaves him little or no profit and is less than is deemed sufficient by competent judges.

5. With regard to toddy he intends to inquire in the first year whether more revenue can be realized by levying duty on the number of trees allotted to, or on the quantity of toddy sold by each shopkeeper, and to report his conclusions in the second year.

6. He argues that because the excise system under his management has caused an increase of revenue in Chingleput, and because the town Abkari revenue has increased since what he calls "my scheme" was introduced in 1869-70, the proposals now made would probably "be attended with greater advantage to Government than the present system affords." He calculates the immediate saving to Government thus—

	RS.
Establishment dismissed	24,000
Interest on cost of Colombo Arrack kept in stock ...	8,000
Wastage and cartage	8,000
Interest on cost of Puttai Arrack	6,000
Total...	46,000

7. In making this application, as on a former occasion, Mr. Pritchard lays considerable stress on the claim which he seems to think he has on Government because of the changes made in Board's Proceedings, dated 28th June 1869, No. 4,634, when the issuing price and selling price and the dowles for arrack of both sorts and the toddy dowles were raised all round and the Government Distillery was rented to Saravanamuttu Pillai. A glance at Mr. Fane's letter of the 9th June 1869, No. 175, which is the one said to have been prompted by Mr. Pritchard, will show that he is not entitled to so great a share in the scheme as he asserts. If, as Mr. Fane proposed, the Abkari monopoly had been handed over to Mr. Mergler there would undoubtedly have been a great loss of revenue. Nor is the large increase which followed the Board's orders altogether a subject for congratulation, for subsequent events showed that the dowles were fixed far too high and that much of the revenue was obtained from shopkeepers who were ruined by the exaction, so that the dowles had to be reduced again and again.

8. The only other reason alleged for making this very dangerous change of system is that it will be profitable to Government. First, with regard to the immediate profit. Leaving out the items which erroneously imply that Government would get five per cent. on money now locked up if it were not so locked up, the profit is calculated at Rs. 2,000. Nearly the whole of this might be obtained by Government without any change of system if Mr. Pritchard is right in thinking that the selling price of Puttai Arrack can be increased without affecting consumption by 1 Pie. a dram or Rupees 0.3-4 a gallon, for this, taking the sales of Fasli 1281, viz., 117,827 gallons, would amount to Rupees 24,547. Rupees 24,000 of it is to accrue through the dismissal of the Abkari establishment *en masse*, and this seems to the Board to infuse an enormous element of risk into the matter. Considering that Mr. Pritchard is a mere speculator with but little capital of his own and moral, and that he would have Chingleput with an area of 2,362 square miles and a revenue of say Rupees 1,75,000, as well as Madras with an area of 23 square miles and a revenue of 11 lakhs to supervise—a charge so enormous that the Board know of no person or firm to whom it could safely be entrusted—the possibility that a failure or lapse will take place within the period of the contract cannot be overlooked, and an establishment must be kept ready to reintroduce the present system if necessary. Moreover, some establishment will be necessary in any case to prevent liquor excised for Chingleput from being consumed in Madras, and Government cannot turn adrift a large body of their employés without considerable expenditure on pensions and gratuities.

9. Next, with regard to the indirect profit or profit by better management and increased consumption. Mr. Arbutnott has sufficiently dealt with the averment that the liquor distilled by Mr. Pritchard is better than the liquor distilled by the former contractor and that sales have increased in consequence. Mr. Pritchard's figures are far above the correct figures, *e. g.*, in 1871-72 Mr. Pritchard says that the gross revenue, *i. e.*, receipts, were as follow,

	RS.
Colombo Arrack	5,30,521
Puttai do. (within limits)	2,62,271
Do. do. (without limits)	1,05,389

whilst the correct figures for the Fasli and the Official year (Mr. Pritchard does not say which he takes) are as follow :—

	Fasli.	Official year.
	RS.	RS.
Colombo Arrack	4,88,899	4,73,725
Puttai do. (within limits)	2,29,411	2,23,636
Do. do. (without limits)	82,365	85,418

10. There has been an increase of revenue on Puttai Arrack but it is not so great as Mr. Pritchard makes out, and it is due, not to the supply of better liquor, but to the circumstances of the people. The quantity of arrack sold in Fasli 1281 was less than it was in Faslies 1268, 1269, and 1270. The excise rates offered by Mr. Pritchard per Imperial gallon correspond to the rates of profit now obtained by Government per common gallon, and the sum he offers for toddy is equal to the present value of that branch of the revenue; but it does not follow that the same revenue will be realized, because the consumption of arrack may be diminished either by Mr. Pritchard's substituting for Colombo Arrack a liquor which is less liked by the people or by his raising prices. In Chingleput, where Mr. Pritchard rents the district on the excise system, he says he is

Fasli	RS.	Fasli	RS.
1271 ...	1,16,477	1276 ...	1,45,950
1272 ...	1,33,193	1277 ...	1,57,610
1273 ...	1,34,896	1278 ...	1,36,177
1274 ...	1,25,819	1279 ...	1,84,561
1275 ...	2,15,356	1280 ...	1,52,120

certain that the revenue for the first year of management will not be less than Rupees 1,75,000. The revenue for the last 10 years of the old renting system was as shown in the margin. If more revenue is realized under the excise system than under the renting system it may show that Government did not obtain a fair rent in Chingleput, but it will not show that its direct monopoly in Madras is badly managed. Mr. Pritchard is allowed by his excise contract to charge all expenses of toddy management to the toddy revenue in determining the net proceeds to be divided between him and Government.

A late return shows that those expenses are declared to amount to 17 per cent. of the total toddy revenue and to 64 per cent. of the total Abkari expenditure; if so, the toddy management cannot be economical.

11. The Board agree with Mr. Arbutnott in believing that the Abkari revenue of Madras has reached its normal height, so that there is nothing in general considerations, whilst it has been shown that there is nothing in the special grounds urged by Mr. Pritchard which induces a belief that the revenue will be raised by the proposed change in management.

12. But even if it be conceded that the revenue may increase, the proposal seems to the Board to be inadmissible as contrary to the principles of right policy and good government. It is to be a monopoly of spirit in so large a town it must be a State monopoly regulated by Government with due regard to the interests of the people, not a monopoly by which the people are placed at the mercy of a private individual whose object is to obtain a profit. It cannot be maintained that the dangers which always attend the grant of monopolies to private individuals can be prevented by the terms of the contract, however carefully it may be drawn. Written guarantees can always be evaded to a considerable extent, and in this case the danger will be greater than in most, for it will be difficult, if not impossible, to cancel the contract and restore the old system when the Abkari establishment or much of it has been disbanded.

13. As an instance of the dangers to which I have referred the Board wish me to call attention to Mr. Pritchard's complacent avowal, when proposing to increase the price of Puttai Arrack by six per cent., that he has raised it in Chingleput from Rupees 3 to Rupees 4 a gallon, or by 33 1/3 per cent. Such an increase as this though suffered patiently in Chingleput would cause an outbreak in Madras. One of the faults in the admittedly imperfect excise system which is now under trial in five districts, and which Mr. Pritchard wishes to introduce into Madras, is that no maximum price is prescribed. The result of this is that Mr. Pritchard, supposing the cost of his arrack (including cartage, establishment, etc.), to be 14 Annas a gallon, which is near the mark, gets a profit of Rupees 1-6-0 a gallon, which is excessive. It is positively to his interest (though loss is thereby caused to Government) to check consumption by raising prices after the revenue demanded by Government has once been reached. The limit on failing to attain which the Chingleput contract may be cancelled is Rupees 1,25,000. Supposing Rupees 60,000 of this is realized from toddy as Mr. Pritchard offered to guarantee (Board's Proceedings, dated 17th June 1852, No. 1,026), the rest will be made up by the duty at Rupees 1-12-0 a gallon on 37,143 gallons. It is obvious that it is Mr. Pritchard's interest to raise the price to the highest sum at which this quantity can be sold. On the other hand, it is to the interest of Government and the people that prices should be moderate. Thus if 60,000 gallons can be sold at 3 Rupees a gallon and only 40,000 gallons if the price is raised to 4 Rupees the gain to Mr. Pritchard and to Government will be—

	Mr. Pritchard.	Government.
	RS.	RS.
60,000 gallons at Rupees 3 ...	22,500	1,05,000
40,000 „ at „ 4 ...	55,000	70,000

14. One insuperable objection to Mr. Pritchard's being entrusted with the Abkari monopoly of Madras is that he is already entrusted with the Abkari of Chingleput. The excise duty which he has to pay on liquor issued for Chingleput is Rupees 1-12-0 a gallon; that which he engages to pay on Puttai Arrack issued for consumption within the High Court limits is Rupees 3 a gallon. The temptation to effect a gain of Rupees 1-4-0 a gallon by declaring liquor which is to be sold in Madras to be liquor for Chingleput would be enormous, and unless a considerable establishment is entertained the substitution could not be prevented.

15. Government have more than once expressed a strong opinion that the Colombo Arrack contract and the Puttai Arrack contract should not be in the hands of the same person because it is to his interest to substitute Colombo Arrack (which yields a higher profit) for Puttai Arrack. The same reason applies to the toddy and arrack contracts. Toddy being a wholesomer drink than arrack and one within the means of the poorest it behoves the Government, which controls the sale of both, to see that the former is not kept out of the reach of the people, and the induce-

*Proceedings of the Madras Government, Revenue Department,
18th August 1873.*

ment for a contractor who is getting a large and certain profit on every gallon of arrack which he sells to substitute it where he can for toddy, which yields a smaller and more uncertain profit, is far too strong.

16. In Mr. Pritchard's case there is a special reason why the supply of Colombo Arrack should not be entrusted to the Puttai Arrack Contractor. He is endeavouring to distil a liquor equal to Colombo Arrack, and believes he has succeeded in doing so on the strength of letters from Messrs. Sabapathy Chetty and Co. and Messrs. Pharoah and Co. informing him that the liquor is better than that sold in the bazaar, and from Dr. King declaring that it is "pure spirit" and the flavour "good." Mr. Arbuthnot reports that he believes Mr. Pritchard only distilled 500 gallons or not much more than a day's consumption last year, and as this fasli is nearly at an end he has very properly renewed the contract under which Colombo Arrack is supplied for next fasli. There is nothing before the Board which justifies them in anticipating either that the new liquor will equal Colombo Arrack in the popular favour or that it can be distilled in sufficient quantities to be made a substitute for it. The revenue derived by Government from Colombo Arrack is no less than Rupees 2-14-5 per common gallon. As matters now stand the sales are checked by cheap brandies, the import duty on which is Rupees 2-8-0 the common gallon at proof (Colombo Arrack is 20° below proof) and which are sold at nearly the same price as Colombo Arrack. If an opportunity is given to Mr. Pritchard of withdrawing Colombo Arrack from the market and forcing his own manufacture on an unwilling public, a falling off in sales and a disastrous loss of revenue may be surely anticipated.

17. With regard to toddy the Board believe that its management is so delicate a matter, and the people whose interests are involved are for the most part so defenceless, that the interference of a middleman between Government and the shopkeepers would be oppressive and inquisitorial, whilst the change would be a change of masters only, not an improvement in system.

18. Mr. Pritchard proposes to pay in his collections to the Treasury fortnightly. He does not say when or how he will pay the 3 lakhs for toddy. He is responsible for heavy payments to the Chingleput Collector. It would be rash in the extreme to leave so much revenue in Mr. Pritchard's hands even if he could find ample security.

19. If Government decide upon overruling the opinion of the Board and changing the Alkari system of the town, the position applied for by Mr. Pritchard should be thrown open to public competition. The same or better terms might undoubtedly be obtained from persons quite as reliable in every way and able to proffer full security.

20. In conclusion, I am to point out that the cogent reasoning of Government in favour of the present system, as compared with the renting system in paragraph 18 of their Order of the 21st June 1871, No. 1,093, completely disposes of all arguments that can be raised in favour of Mr. Pritchard's proposals.

No. 136.

ORDER THEREON, 18th August 1873, No. 866.

Separate Revenue, No. 8.
Abkari.

THE Governor in Council deems it unadvisable at present to comply with the request made by Mr. Pritchard, to transfer to him the management of

the Abkari of the town of Madras on the "so-called" Excise-system, which has lately been adopted in the three home and two northern districts of the Presidency.

2. The Government, however, attach much importance to the substitution for town-consumption of a superior country-made spirit for Colombo Arrack, and they see no reason whatever to suppose that this need result in any loss of revenue. The Board of Revenue will accordingly be good enough to issue instructions to the

*Proceedings of the Madras Government, Revenue Department,
18th August 1873.*

Collector of Madras to afford Mr. Pritchard every facility for this purpose, allotting him special shops for the sale of the liquor, if necessary, or adopting any other means for bringing it to the favourable notice of consumers which he may deem expedient. The price to be charged to the public and to the shop-keepers, as well as that to be paid to Mr. Pritchard for this superior liquor, may be determined between him and the Collector, with the proviso that it is to be issued to the shop-keepers at such a rate per gallon in excess of the price allowed to Mr. Pritchard as will provide for the payment to Government of a duty equal to that now obtained on the Colombo spirit.

(True Extract.)

(Signed)

R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

49

	July		August		Sept
	1870	1871	1870	1871	1870
Number of Gallons of Colambos arrack sold	7905	9052	9753	9346	10093
Do of Pattai arrack sold within the limits	4938	5047	5391	5777	5397
Do Do without the limits	2927	3482	3387	3331	3506
Revenue from Colambos arrack	31620	36209	39011	37417	40293
Do from Pattai within the limits	14806	15771	16846	18053	16866
Do Do without the limits	5488	6528	6355	6246	6573
Do from Toddy	21253	23006	23642	22911	22583
Do from Miscellaneous	66	74	118	17	62

October	November	December		January		Total of December		February		March		April		2
1870	1871	1870	1871	1870	1871	1871	1872	1871	1872	1871	1872	1871	1872	1871
10332	10182	10824	10935	11627	10574	10167	11650	70681	71697	8656	9778	9319	10337	8821
5877	6187	6055	6984	5925	6831	5885	7669	39298	44414	4930	6339	5280	6163	4622
5	3885	3635	3982	4405	4116	4321	5285	25758	27496	3732	3146	3740	2705	3598
41328	40780	43397	43763	46508	42331	40669	46693	282726	287063	34662	39112	37313	41363	35319
18366	19334	18996	21826	18574	21347	18391	22967	122787	138796	15405	19809	16498	19266	14444
7284	6815	6324	7467	8257	7717	8102	9909	48295	57553	6998	5899	7012	5072	6745
22680	24302	24474	23957	24413	24922	23522	25125	162597	167256	23150	25742	27100	28904	27572
61	216	71	64	86	123	80	57	544	658	53	84	59	87	503

Memo for Order on No 1244

41D

June			Total of 12 months	
1872	1871	1870	1870/71	1871/72
9914	10403	10403	115226	121262
5812	5483	5483	64297	74039
3775	5533	5533	45625	45988
39672	41453	41453	460889	485211
18161	17627	17627	201462	230927
7078	10029	10029	85199	85881
29440	25202	25202	295296	305146
50	57	57	1275	983

74,039
 45,988
 20,017
 365
 118
 20
 365
 43070

R. Nagarajah
 Dy
 18/6/72

I do not think
 Mr. Pitchard would be
 justified in setting
 aside this urgent
 recommendation of
 the Board of Rev.
 especially in the
 face of some what
 similar views ex-
 pressed by themselves
 on former occa-
 sions - and especially
 as the sudden dis-
 tillation system is
 still on its trial
 and he has not
 been one year ex-

1. In these Proceedings
 the Board of Revenue report
 on an application from Mr
 Pitchard (at present Lessee
 of the Chingleput District, on
 the experimental Excise system,
 and Contractor for the supply
 of Country Arrack to Govt. for
 sale in the town of Madras)
 to be permitted to undertake
 the Atkarry of the Madras
 Town for the coming two years
 on a system similar to that
 under which he now manages
 the Atkarry of the surrounding
 District (Chingleput).

2. Mr. Pitchard supposes
 that there will be a saving
 to Govt. under this arrangement
 by

by the abolition of the present establishment, which is entertained by Govt for the direct management of this source of revenue, and he also seems to expect to be able to increase the revenue by exercising a more effectual supervision than now takes place, and is evidently desirous of substituting a superior country spirit for the Colombo arrack

3. The Board in their first Proceedings on the subject (2 Apr 1863 No 573) reject Mr. Pritchard's application on grounds, stating that the objections to the present experimental excise system

which

Experience of it - The agent as present used by the Govt is based on the differential rates in the Madras & Bangalore ports - I believe Mr. P. is capable of his self of fraudulent work in the contract - but he is mortal - his successors or future contractors may be less scrupulous & may let "run" the cheaper liquor of Chingleput into the Madras - and certainly the Campbellton would be considerable.

I think the Government

that facilities should be afforded to Mr. Pritchard to introduce a superior kind of arrack of Indian manufacture, which will displace Colombo arrack - and he should be allowed to open a certain number of shops for the exclusive sale of this improved liquor, in competition with Colombo Arrack

L.D.L.

6D
which is in force in a few Districts, are obvious even in rural tracts, and would be greatly intensified in a large and populous town. It is, however, to be observed that the objections to the Indian Distillery system (of which our experimental excise system is a modification) are found, after ten years trial in the lower provinces of Bengal to exist in rural Districts only, and the system is reported to have worked successfully in all the populous towns.

4. In their letter now under consideration the Board enter into a full detail of their

their objections to Mr. Pritchard's proposal. In para 7 they remark that Mr. Pritchard in his application alludes to the advantage which Govt. has already derived from his investigation into the Town Abkarny, and observe that if Mr. Fane's proposals (prompted by Mr. Pritchard) had been carried out there would have been undoubted loss instead of gain to the Revenue. They forget, however, that the pith of Mr. Fane's proposal was the transfer to Govt. of a proportion of the large profits of the spirit shopkeepers, a measure which was adopted by the Board and resulted in a considerable increase

I think the Board of Revenue have shown good reasons why Mr. Pritchard's application should not be complied with. I wish they had more generously acknowledged the important merits which Mr. Pritchard has rendered to the Govt. in pointing out the means of increasing our Abkarny Revenue -

I would instruct the Board to afford Mr. Pritchard every facility for introducing into Madras the system he proposes to introduce in Calcutta.

I need not record the views of the Board, and of the undecided question

as to the advantage of the Sudder Distillery system, I would decline to comply with Mr. Pritchard's application.

J.P.

increase of revenue. They also have apparently overlooked that in their Prof. of May 1871, No. 1637 they expressed their appreciation of the "services which Mr. Pritchard" had rendered Messrs. Fane and Blair" both of whom had been successively in charge of the Town Abkarny.

5. In para 8 the Board object to placing in the hands of one person so large an item of revenue as the Abkarny of the Town and the Winged District, and advert to the necessity of retaining the present Abkarny establishment in case it should be necessary to revert to the present system of management.

The

The risk, however, under any excise system can never be so great as under the pure farming system; and the Bellary District is now farmed to a single firm for upwards of 7 lacs per annum.

6. In para 9 & 10, whilst admitting that the sale of Puttai Arrack has increased, the Board deny that this is owing to Mr. Pritchard having supplied a better liquor than the former Contractor, and refer to the present Collector's statement that the sales of this kind of arrack were larger in 1858-59 & 1860 than in 1871-72. It has been overlooked, however, that

81
that between 1858-59 the Colombo Arrack was steadily displacing the Puttai, and that it is only of late that the latter liquor has been regaining its position. The sales of Colombo arrack rose from a little over 60,000 gallons in 1858-59 to 138,000 gallons in 1868-69. Whereas the Puttai spirit sales were 118,000 gallons in the former year and only 105,000 gallons in the latter. In 1871-72 the Colombo sales were 121,282 gallons and the Puttai very nearly the same (120,027) as given in a return sent to the Undersigned last year by the Deputy Collector of the Town. It is also to be noted, with reference to the Board's remark that the increased consumption during the year Mr. Pritchard held

hold the Distillery is owing
to the improved circumstances
of the population, that the
increase in the consumption
of Colombo Arrack was little
over 6 per cent, whereas the
Puttani Arrack sales increased
by more than 10 per cent.
The difference of 4 per cent
may therefore, it seems be
fairly ascribed to an im-
provement in the quality
of the liquor. The Collector's
Enclosure showing that the
strength of the liquor issued
by the former Contractor was
equal to that of the liquor
issued by Mr. Pritchard
can hardly be said to
have disposed of the question,
as it is perfectly practicable

for

9D
for spirits to be of superior
quality without recording
a higher hydrometric strength.
7. In paras 12 & 13 the
Board comment upon the
general impolicy of granting
monopolies and upon the
special defects of the ex-
perimental excise system,
which have been already
brought to notice in the
reports submitted by the
undersigned. There is
much force in the Board's
observations, but it is sub-
mitted that these in para 12
are equally applicable to
the entire Alkany system
of the Country which has
been in existence since
the

the commencement of the century, and that a modification of the terms on which the experimental excise system would, of course, be made before entering into any further contracts of this nature.

8. In para 14 the Board allude to the difficulty of preventing liquor excised at Rs 1.12-0 per gallon, for the Chingleput Dist. being brought into consumption in the town where the duty is Rs 3.0-0 per gallon. But this difficulty must exist at present, and it is believed, it is provided against by requiring a Certificate from a Chingleput Revenue Officer at the depot

of receipt, showing the quantity received at each place. Moreover it cannot be by any means insuperable as in all those parts of India where the Distillery system is in force it is usual to issue liquor for Town Consumption at higher rates of duty than is charged on that intended for rural consumption.

9. The objection taken in para 15 to placing the arrack and Toddy in the same hands was raised by the Under-signed last year when it was proposed to introduce the experimental excise system in a few Districts, but it was eventually withdrawn, as the arrangement was only temporary

and

experimental. The same arguments would apply to Mr. Pritchard's present proposals.

10. In para 16 a decrease of sales and consequent loss of revenue is anticipated from Mr. Pritchard substituting an inferior liquor for Colombo arrack, but it will be seen that Mr. Pritchard proposes to supply Colombo arrack until he is in a position to issue an equally good home made spirit. The contingency found

by

112
by the Board might be provided against in the contract with Mr. Pritchard, and the Govt. have on former occasions urged the propriety of using every endeavour to introduce a good home made spirit as a substitute for the Colombo Arrack. 11. As to the defencelessness of the Toddy Shopkeepers which is urged in para 17, it is submitted that the inhabitants of the remote parts of the country must be much more defenceless, and yet it has never been thought necessary to defend them from the incursion of a native Middletonian in the shape of the District

District Alkavy Instructors

12. It is also submitted that the objection taken in paras 18 & 19 would no doubt apply if it was proposed to nominate Mr. Pritchard to be the ordinary Alkavy Renter of the Town, but are by no means of the same force when the system under which he proposes to undertake the business is considered. The same remark applies to the Board's observations in para 20, as the comparison made by Govt in the order quoted was between the present system of Town Alkavy management, and the ordinary farming or renting system.

13. The undersigned has endeavoured in the foregoing paragraphs to meet the objections tabled by the Board to Mr. Pritchard's proposals before giving consideration to the scheme itself, as on a perusal of the Board's letter he could not but feel that the Board are not disposed to admit Mr. Pritchard's success both as a distiller and as manager of the Churefent District, under the experimental excise system. Their objections to him

as Govt. Distiller were ex-
pressed in 1871, but the
Govt. deemed it advisable
to appoint him, and
he has had nearly two
years of undoubted suc-
cess in spite of serious
difficulties and some
opposition. Again last
year, the majority of the
Board were opposed
to his being permitted to
undertake the manage-
ment of the Chingleput
District, but were again
overruled by Govt., and
it is within the knowledge
of the undersigned that
he has been more successful

134 14
in his management, and by
Each
so far as revenue is con-
cerned, than any of the
other three firms to whom
the experiments in other
Districts were committed.
If his statement that the
revenue of the
Chingleput District
will reach Rs 1,80,000
is correct, this fact
will be abundantly
proved at the expiration
of the first year
of the experiment, in
July next.
At the same time
whether or not it is advis-
able to make over to
Mr.

Mr. Pritchard the ma-
nagement of the Town
Abkari is a matter
which requires the very
gravest consideration
of Govt. The revenue
involved is large, up-
wards of Rs 11,00,000
per annum. It is
now managed by Govt
directly, that is to say
the Colombo arrack
is obtained by Govt
from a contractor
at Rs 1-1-4 the com-
mon gallon and is
issued to 45 shopkeepers
(all within the Town
Proper) at Rs 4-0-0
per

As it is presumed that the
consumption at any given shop
cannot be kept secret, and that
therefore, as the profit of 5 as per
gallon is liberal, unless a 'dowle'
equal to the total consumption
is offered by the holder of the shop
some other person will do so. Then
if the 'dowle' equals the total
consumption, anything which
reduces consumption, such as
smuggling or dilution, causes
direct loss to the 'Dowldan' or
shopkeeper, as he must pay
the Govt for the full quantity
of his dowle, and may have
some left on his hands.

per gallon and sold by
them at Rs 4-6-0. Each
year these shopkeepers agree
to take a certain quantity
styled their 'dowle', and are
liable to lose their shops
if any one offers a larger
dowle. This system turns
each ~~shopkeeper~~ into a
detective officer against
smuggling and prevents his
diluting the liquor taken.
The same system is fol-
lowed with the puttai
arrack which is obtained
by Govt from Mr. Pritchard
at 10 annas per gallon,
but it is supplied
to the shopkeeper
at

at Rs. 3.2-- per gallon
within town limits proper,
and at Rs. 2.2-0 in
that locality called the
Alkarry limits which
surrounds the town proper
and divides it from the
Chingleput District
Alkarry. The Diddy
shops are closed accord-
ing to the number of
bars from which they
obtain the liquor and
pay daily rates of duty
ranging from 12 Annas
to Rs. 3.4-- per shop.

15. The Board concern
with Mr. Arbuthnot
(late Collector) in thinking
that the maximum of
the town Alkarry revenue
has been reached, but this
was not their view in
1869 when they observed
that while the receipts
from the Mofussil had
more than doubled during
the previous ten years those
within the town had remained
almost stationary (Board's
Pro 28 June 1869 recorded
in G.O. 1 Nov 1869) nor is it
the opinion of the perma-
nent Collector, Mr. Hunter
Blair, who has paid much
attention to the subject.
It is certainly not fitting
or becoming to the Government
to let the spirit sellers (wholesale)
in their principal
town

town, and in all probability
the Dudder (Distillery system)
could be easily introduced
and successfully worked
as has been done in the
principal towns of the
other Provinces of India.

Before doing so however, it
would certainly be desirable
to ascertain whether the
port excise revenue capacity
of the city has been reached.
Further it is undoubtedly
desirable if possible to
replace the Columbo Aerack
by a Home made spirit.
If it is thought by the
Members of Government
that these desiderata are
likely to be obtained by
allowing Mr. Pritchard to
manage the Eson Abkarry
for the two years for which
he applies for it, the under-
signed is of opinion that
he might be permitted to
do so under the immediate
superintendence of Mr. Blair,
who

who returns in June, and
that an arrangement might
be entered into with him
of such a nature as to obviate
most of the objections which
the Board have taken to
his proposal.

16. The undersigned
will be prepared to submit
hereafter, if desired, the
heads of such a contract
which, however, will need
to be very carefully drawn,
as there are many difficulties,
legal and others, to be
provided against.

RAH

12/5/73

JP

Memo for Orders

Application of Mr. Pritchard
for entire management
of Abkari of Madras

866

Cine

5/10/73

N^o 866

Revenue Dept.

17D

Govt of the Madras Govt
Under date the 18 August 1873

Read the following letter
from the Secy. to the Bd. of Revenue

Submitting remarks against
the application of Mr. Pritchard
for the entire management of
the Abkari of Madras from
1 July 1873.

H.L. 30. April 1873, N^o 688.

The Governor in Council
deems it inadvisable at
present to comply with the
request made by Mr. Pritchard,
to transfer to him the manage-
ment of the Abkari of the town
of Madras, on the "so called"
excise system which has lately
been adopted in the three Home
and two Northern Districts
of the Presidency -

2. The Govt., however,
attach much importance to
the

N.C. 18 Aug 73 R.H. Aug 73

12 May 73 R. 6 June R. 6 July

the substitution, for town con-
-sumption, of a superior country
made spirit, for Colombo Brandy,
and they see no reason, what-
-ever to suppose that this need
result in any loss of revenue.
The Board of Revenue will
accordingly be good enough
to issue instructions to the
Collector of Madras to afford
Mr. Pritchard every facility
for this purpose, allotting
him special shops for the
sale of this liquor, if necessary,
or adopting any other means
for bringing it to the favora-
-ble notice of consumers which
he may deem expedient. The
price to be charged to the
public and to the Shop-keepers,
as well as that to be paid

1817
to Mr. Pritchard, for this superior
liquor, may be determined
between him and the Collector,
with the proviso that it is to
be fixed to the Shop-keepers,
at such a rate, per gallon,
in excess of the price allowed
to Mr. Pritchard, as will
provide for the payment
to Govt. of a duty equal to
that now obtained on the
Colombo spirit.

AM

Let from Mr. Lumsden
advising JMS

to the Bd of Rev only
Despd in U.S. 18 Aug 173

L. B. Pritchard
26/8

3/35

EJ

90

Mr. Pitchard's app^l
for the entire manage^t
of the Madras Abbe

MA

Ex. 135-136

Despatch

1
L. J. P. P.
C. J. P. P.