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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 332.
~~B.P. No.~~ ~~Press~~
Mis.

Dated 2. 3. 1875-196.

Not to be folded or roughly handled

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*Proceedings of the Madras Government, Revenue Department,
2nd March 1875.*

No. 9. Read the following Proceedings of the Board of Revenue, dated 3rd February 1875, No. 234:—

Read again Proceedings of the Board of Revenue, dated 11th November 1874, No. 3,244.

Read also the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Buguda, 15th December 1874, S. No. 771:—

WITH reference to the Board's Proceedings of the 3rd September and 11th November 1874, Nos. 2,487 and 3,244 respectively, I have the honor to submit copy of a letter, dated 1st instant, from Mr. F. J. V. Minchin, the Abkari Renter of this district. I commend the letter to the most favorable consideration of the Board.

2. Mr. Minchin has touched on every important point, and has consequently left me little to say except that I am of opinion he has conferred no small boon on the thirsty portion of the community; and that, as pointed out by him, in doing so, he has had to encounter many serious difficulties in introducing the recognised benefits of the Excise system into this district.

3. He has ever been most ready to furnish every information in his power regarding Abkari matters; his payments have been punctual; the quality of the liquor is good. I think therefore Mr. Minchin should not be placed on an inferior footing to Mr. Pritchard.

4. For these reasons, and because the difficult task of extending the Excise system throughout the Maliahs has been sanctioned by Government, I think that Mr. Minchin, equally with Mr. Pritchard, should be removed beyond the range of frequently recurring anxiety, by having a lease of six years granted to him on present terms.

5. As already mentioned in my letter of the 11th September last, No. 1,955, I am of opinion that the liquor of this district will not bear an enhanced rate of duty without risk to the revenue. Probably an improved revenue will more surely accrue from increased sales rather from an attempt to enhance the duty.

6. As regards the Board's proposal to require a guaranteed money deposit, as security, I am of opinion that the lien offered by Mr. Minchin on the Dépôt Liquor Stores will equally well answer the purpose.

7. Under these circumstances, I trust the Board will see fit to approve of my recommendation.

8. I enclose the Statement called for in paragraph 2 of the Proceedings, No. 3,244, and submitted by Mr. Minchin.

ENCLOSURE No. 1.

From F. J. V. MINCHIN, Esq., Abkari Renter of Ganjam, to R. DAVIDSON, Esq., Acting Collector of Ganjam, dated S. S. Mecca, 1st December 1874.

I HAVE the honor on behalf of Messrs. Minchin Brothers and Co., to acknowledge the receipt of the Board of Revenue's Proceedings, 3rd September 1874, No. 2,487, and to submit the following observations:—

2. The proposal of selling the Toddy Sub-farms by tenders will, I fear, in Ganjam lead to disappointment. The whole Toddy farm fetches but Rupees 10,000, of which the Chicacole farm

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yields one half. Much of the remainder is usually sold to small ryots in insignificant sums, and whom it will be difficult to make understand what a tender is.

3. The proposal to raise the excise in Ganjam is, I think, a mistake. Already the liquor is double the price it was when I first took up the Abkari. It must not be lost sight of in dealing with Ganjam that its population consists two-thirds of Oriyas, who, like the Rechabites of old, are prohibited from touching strong drink; the remaining one-third is composed largely of non-drinkers, so that the drinkers in Ganjam while few in number, comprise chiefly the lowest and the poorest of the population; hence our sales rise and fall as the prospects of the paddy crop, are good or otherwise. I cannot better illustrate this than by giving the sales of the first four months in last and in this fasli. In these months during last fasli, the Paddy crop was in great danger; in this fasli, the rain-fall was abundant—

Months.	Fasli 1283. RS.	Fasli 1284. RS.
July	10,663	14,345
August	8,933	12,516
September	9,679	12,058
October	11,532	13,534
	40,807	52,453
		40,807

an increase in sales of 11,646 in

four months and these notoriously the four months in which the sales are the lowest in the year. I am of opinion therefore that the extra revenue sought by the proposed raising of the excise will be made up by an increased consumption, while the enhanced excise would lead to a diminished consumption and to an increase of illicit manufacture.

4. We are quite prepared to guarantee the minimum fixed by the Board if the present rate of excise be continued, but ask that as our allowance of the Toddy is but Rupees 2,500, it may not be reduced. In the Southern Districts where the Revenue from toddy is one lakh, the renter's share even at 10 per cent. will be four times ours at 25 per cent., while we have a much larger tract of country to look after, entailing larger establishments and greater risk.

5. Regarding the deposit of one-fourth of 75,000 Rupees as security, I trust this will not be insisted upon as to borrow the money which in our case would be necessary would add materially to the cost of working the Abkari. We are compelled to invest all our available funds in heavy stocks of material and spirit to guard against any failure of supply, and in addition to these we have at all times in our fifty-two depôts scattered throughout the country, liquor to the value of the security demanded. We shall be quite willing if desired to give you by bond the power of summarily disposing of this liquor in case of any failure in our contract.

6. I note that the term of the new Contract in the case of Chingleput is to be six years, while Ganjam is to be but three, because that Distiller has been the most successful of all, has supplied most information and has dealt honorably with Government in the matter of toddy. I can safely appeal to yourself and to your predecessors to say whether I have not at all times been willing to supply any information in my power. If I have not been so successful as Mr. Pritchard, it is because I have a more uncivilized and more difficult country to deal with, and as pointed out above, with a population, the large majority of whom do not drink, whereas in the Southern Districts it is notorious that nearly all are drinkers. When I took up this district, I found in it 1,300 Stills at work, and I have consequently had the greatest difficulty with illicit manufacture. I can claim also to be not only the Pioneer, but under the Honorable D. E. Carmichael to be the originator of the present Excise system, of which I am flattered to observe the Board speak as "the system which most nearly attains the object of Abkari administration." I rest assured

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therefore that the Board and yourself will consider that my claims to consideration are no less than those of Mr. Pritchard, and in your hands I confidently leave the matter.

(True Copy.)

(Signed) R. DAVIDSON,
Acting Collector.

ENCLOSURE No. 2.—Statement showing sale of Abkari liquor for Fasli 1282 or 1872-73.

From H. St. A. GOODRICH, Esq., Acting Collector of Vizagapatam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated 30th November 1874, No. 1,810:—

I HAVE delayed to answer the Proceedings of the Board of Revenue, No 1,375, dated 6th June 1874, for the reason that their subsequent Proceedings, No. 2,487 of 3rd September conveyed to me the views of the Board on the whole question under discussion, and the modifications of system proposed for adoption in these latter Proceedings could not be pronounced feasible or the reverse with confidence until Messrs. Minchin and Co's reception thereof was known to me, and until I had discussed with them the effect of these modifications.

2. I had not, until last week, an opportunity of discussing the matter with them, and I beg to submit, herewith, Messrs. Minchin's letter to me received this day.

I further enclose an earlier letter from that firm to my predecessor, dated 24th August 1874.

3. The complete results for the two Faslies (1282 and 1283) and the first quarter of Fasli 1284* are herewith, submitted, as desired in Proceedings of

* Appendix A.

the Board of Revenue of 6th June. In those Proceedings the Collector is desired to report particularly (a) on certain points raised in paragraphs 7 and 8 of the G. O., dated 6th May, Revenue Department, No. 561, also on Messrs. Minchin's remarks; (b) with regard to illicit trade; and (c) the restriction of sales to the larger towns and villages; and (d) on the terms on which the Abkari should be managed in future.

4. With respect to (a) I am of opinion, after inquiry, that Gunapur and Rayaghedda cannot be removed from the Renter's hands. Great quantities of Vippa liquor are there distilled in the 407 Stills of the Sub-renters, and from the character of the country it would be well nigh impossible to prevent the liquor there distilled invading Parvatipore and Palcondah to the Renter's great loss. I am, however, of opinion that Messrs. Minchin might manage the Vippa Stills themselves, distilling at two or three places where the Mohwa tree is abundant. The liquor made from the Mohwa flower by the local Sundees is bad, fiery, and unwholesome, and will not keep well. The Mohwa spirit distilled at Aska which I have tasted resembles good whiskey, rather sweetened.

(b). With respect to illicit trade, I believe that the Sub-Magistrates as well as the Police sided with the people at the first introduction of the new system. A consensus of testimony supports the Renters' assertion that by the minimum limit of price prescribed is disregarded; and toddy (and, formerly, arrack) sold far

cheaper than the law allowed. Convictions for offences against the Abkari Laws are on the increase, but the Renters should employ more trustworthy, itinerant Inspectors to test quality. The retailers in my belief are given to dilute and to adulterate the liquor they receive. Palcondah was the worst taluq for illicit distillation. Sub-Magistrates have been enjoined to pay very close attention to the working of the laws.

(c). The issue of a great number of fresh licenses has remedied the evil complained of in some degree. There is now an Arrack shop for each ten square miles, and four Toddy shops to each thirty square miles. I enclose a Form showing the statistics of supply as compared with population and area (Appendix B). It seems that the present demand requires an Arrack shop to each 3,360 persons and a Toddy shop to each 2,300; in Municipalities the demand for shops is double that of rural localities.

(d). The report which the Collector was ordered to submit as to the conditions under which the rents should be continued if so continued, seems to be no longer called for, since the Board have found themselves in a position to prescribe the conditions which they will accept. I will, however, in commenting on Messrs.

* Enclosures A and B.

Minchin's letter* insert such remarks as my limited experience of the district has supplied me with the means of making.

5. The decrease in the number of Toddy shops does not, as has been thought, imply a falling off in the supply. I have heard from other sources of the effect of the enforcement of the Stamp Law. Messrs. Minchin point out how that Law operated in paragraph 5 of their letter of 24th August. They advert in the same place to the disregard of the minimum prescribed under former renters and to the great dissatisfaction felt in consequence with present prices by the drinkers who are of the poorest classes. This evasion of the law would be easier to practice in a Zemindari district where Government are represented in the taluqs by officers who possess power, influence, and local knowledge in much less degree than Tahsildars of Ryotwari taluqs.

6. Messrs. Minchin do not in their letters notice the dislike which is professed for their liquor by the consumers. The rum supplied looks extremely good, and the arrangements at the Aska factory are very complete. The retailers may adulterate as well as dilute, and I have little doubt they do both. Considering the great increase of price due to the new system, I think that complaints from consumers need occasion no surprise. I do not know what the opinion of the Commissariat Officers upon the quality of Aska Rum is. That department must be in a position to speak to its character. Ill-founded however, as the complaints of the bibulous section of the community may be, I think the renters will do well to supply Rice Arrack in addition to or instead of Rum. Mr. G. L. Narsing Row, Mr. Elsworthy (of Messrs. Arbuthnot and Company) Mr. Willock (Senior Assistant Collector), Mr. Irvine (Principal Assistant Collector) Jaganadha Raz, (Diwan of Vizianagram) and Captain Wilton (Assistant Superintendent of Police) have all favored me with letters on the subject. From their opinion, it may be gathered that the Rum supplied is believed to be unwholesome, and that Arrack

was preferred to it as being cheaper and more palatable as well as more wholesome. I think the causes I have mentioned above reasonably account for the prevalence of this belief. A man usually feels uncomfortable the morning after a big drink, and if he has prejudices against the liquor he has indulged in, lays his sensations to its account and readily believes them peculiarly alarming. Mr. Narsing Row, (in his letter) very graphically describes the effect of the intoxication produced by Rum "as rendering a man drunk and boisterous leading him to the horrors."

7. To proceed to Messrs. Minchin's last letter, the complete accounts which they have submitted and which I enclose, appear to me to bear out their deductions therefrom. I do not think that the price can here be raised without a loss of Revenue. In paragraph 7 Messrs. Minchin state that this country is poorer than the "districts of the South." This in my opinion is not strictly accurate. The habits however of the people will account for an abstemiousness which in the eyes of a renter poverty alone can justify. I received lately a remarkable illustration of the very small demand for liquor among the main body of the people here. During the ten days of the Dasera, I was at Vizianagram. The feast was kept with great rejoicing. The entertainments and shows were lavish and splendid. In the course of the week, I gave a kureeta to His Highness who invited all and sundry to visit his town. The crowds were enormous, after careful enquiry as to the rations supplied and observation of the camps of visitors, I estimated at least 3,00,000 people were in and around Vizianagram daily. The villages for forty miles round and the town of Bimlipatam were almost deserted. The local traders said that a whole year's business as ordinary years go was done by them in those ten days. The wholesales of liquor in and around the town were 300 gallons of Rum or Arrack and 500 of Toddy during the ten days. Such a result shows, I think, that the consumers of excised liquor are singularly few. The prospects of the season are excellent, work is plentiful, and some rainy nights furnished a good excuse for a dram to the visitors, nearly all of whom were ill-sheltered.

8. Messrs. Minchin in their 9th paragraph discuss the sum as revenue, they will undertake to guarantee. The amount which the Board propose is Rupees 1,25,000. Messrs. Minchin point out that an average of 1,17,000, will be realized for this and two Faslis (1282 and 1283). This is true, but the trade appears likely to expand, we are blessed now with a bountiful harvest, and I think 1,25,000, may fairly be assumed as the amount for which a guarantee may be exacted. I enclose for comparison a Statement (Appendix C.) of collections in Fasli 1277@1281. Much of the most expensive and troublesome work has been accomplished, much of the opposition of the old renters has been defeated, and finally Messrs. Minchin (paragraph 11) assent to the terms with a condition as to their exercising a veto over the tenders for toddy farms which it appears it was the intention of the Board that they should exercise.

9. The allowance of 25 per cent. to the renters appears to me after a comparison of the Accounts here with those of the Chingleput renter, to be as necessary here as it is unnecessary there. If my suggestion that the renters erect distilleries and gradually supplant the inferior liquor used throughout the "Veppa

Farm" tract of Gunapur, Rayagedda, Parvatipore, Palcondah and Salur by the introduction of the fine spirit which they have proved can be made, the difficulty will be got over. The matter is a delicate one: an attempt is even now being made to drive the Sundies out of the neighbouring hills,* and they will no doubt struggle for existence. The area of country over which the Ganjam and Vizagapatam renters must maintain some kind of inspecting Agency alone explains when compared with the area of Chingleput that difference in the cost of distribution in supervision must exist. Excluding Jeypore, but including Gunapur and Rayaghedda and the Khond Hills of Ganjam, the renters' contract covers 17,000 square miles, only one-third of which is easy open country.

10. The proposal that rum and liquor in store shall be held sufficient security for the fulfilment of the renters' contract, is submitted for favorable consideration as it appears to me reasonable.

11. The renters object to the unlimited grant of fresh licenses for toddy-shops, and think that the number specified in the contract with the sub-renter should only be exceeded on the payment of a sum enhanced *prorata* by the sub-renter.

12. I think that herein the renters are right. The extension of shops should keep up with increase of demand, but there is no reason why the Government should not derive benefit from the expansion of the trade.

13. Toddy is most in demand on the sea-board, and is little produced in the neighbourhood of the hill ranges. The table given in Appendix B will enable the Board, if so disposed, to name the proportion which shall subsist between toddy-shops and population. I regret that the tabulated Census Returns have not been furnished to me. I received those of Ganjam in October 1873, and those of this district would be necessary for reference when deciding which villages should and which should not have a liquor shop.

ENCLOSURE No. 1.—Copy of letter from Messrs. Minchin Brothers and Co., to Collector, dated 24th August 1874, No. 272.

ENCLOSURE No. 2.—Copy of letter from Messrs. Minchin Brothers and Co., to Collector, dated 26th November 1874, No. 325.

ENCLOSURE No. 3.—Copies of replies to Collector's Circular, dated 16th September 1874, No. 481.

ENCLOSURES Nos. 4 to 10.—Statements.

In Board's Proceedings, dated 3rd September 1874, No. 2,487, it was calculated that arrack in Ganjam and Vizagapatam could be sold at a minimum price of Rupees 3-2-0 per gallon, 30° under proof made up as follows:—

	RS.	A.	P.
Making and distributing...	1	4	0
Retailer's profit	0	2	0
Duty	1	12	0
Total	3	2	0

2. The Collectors submit reasons against raising duty or price. With regard to price, the Board agree with them. There was a great increase in Ganjam in Fasli 1279, and in Vizagapatam in Fasli 1282, when the new system was introduced. The rate of consumption per head in both districts is very low,* and there would no doubt be an undue falling off if the price were now raised again.

3. As regards the rate of the duty, it is observed in the first place that this decision as to the price makes it impossible to raise it to the extent proposed as mentioned above. The question whether it can be raised at all or not must be settled with reference to the facts which are now before the Board.

4. *Ganjam*.—The figures printed with Board's Proceedings, 11th November 1874, No. 3,244, show that Messrs. Minchin Brothers and Co. spend more than is usually necessary on "Superintendence, Cartage etc.," but this is accounted for by the fact shown in the Collector's letter of the 15th December, that no less than 75,468½ gallons out of a total of 83,268 gallons were sold (in Fasli 1282) at 60° under proof, so that the charges for Cartage, etc., must have been greater than if the liquor which had to be carried about and sold had been 30° under proof, and therefore 4ths of the bulk of liquor 60° under proof. The Board see no reason to doubt the accuracy of these figures, which the Collector says he has verified by a careful scrutiny of the books and accounts kept by Messrs. Minchin Brothers and Co. They show that the Distiller's profit after paying the existing rates of duty, supposing that the manufacture of rum costs them 15 Annas a gallon of proof liquor, was in Fasli 1282 Rupees 7,127. The duty at the existing and proposed rates would have been as follows:—

	Present.	
1,369 Gallons at Proof	at Rs. 2 0 0 = Rs. 2,738	at Rs. 2 8 0 = Rs. 3,423
6,192 " 30° U. P. at "	1 8 0 = " 9,288	at " 1 12 0 = " 10,836
75,468½ " 60° U. P. at "	0 12 0 = " 56,601	at " 1 0 0 = " 75,469
240 " Milk Punch at "	1 0 0 = " 240	at " 1 4 0 = " 300
	68,867	90,028

5. The difference is Rupees 21,161, so that if the proposed rates had been in force in Fasli 1282, there would have been a great loss instead of a small profit.

6. After careful consideration, the Board think that the duty cannot be fixed so high, and that it must be raised only slightly and with special reference to liquor 60° under proof, which is the bulk of the consumption. The opportunity must be taken of proportioning rates to strengths. Hitherto the proportion has not been strictly observed. The duty corresponding to Rupees 2-0-0 per gallon at proof is Rupees 1-6-5 per gallon at 30° under proof, and Rupees 0-12-10 at 60° under proof. The difference has been too small to make any evasion of dues by issuing one strength instead of another and altering it outside the distillery, but no difference should exist.

7. The rates the Board think should be adopted are—

	RS. A. P.		RS. A. P.
Proof... ..	2 0 6	a gallon instead of	2 0 0
30° Under Proof	1 6 9	"	1 8 0
60° Under Proof	0 13 0	"	0 12 0
Milk Punch	1 0 3	"	1 0 0

8. This scale shows a slight increase as regards liquor at proof and 60° under proof, and a slight diminution as regards liquor at 30° under proof which is of no importance because so little liquor is sold at this strength.

9. At these rates the total duty in Fasli 1282 would have been Rs. 73,306, and Messrs. Minchin Brothers and Co. would, according to the figures referred to above, have realized a small profit. By this time, however, they must have learnt by experience to curtail their charges, and at the Aska Distillery the Board have no doubt but what spirit can be manufactured at a little less than 15 Annas a gallon at proof, so that the profit at the new rates will be sufficient.

10. The corresponding prices will be—

	Gallon.	Dram.
Proof Maximum	5 0 0	0 1 8
Minimum	3 12 0	0 1 3
30° Under Proof Maximum	3 8 0	0 1 2
Minimum	2 12 0	0 0 11
60° Under Proof Maximum	2 0 0	0 0 8
Minimum	1 8 0	0 0 6

11. The Abkari on the Khond Maliahs should continue to be managed under the same conditions as at present.

12. *Vizagapatam*.—In Vizagapatam, the consumption at 30° under proof is in excess of that at 60° under proof. From the enclosures to the Collector's letter of the 30th November, it appears that the issues from the Bimlipatam Depot were (deducting for ullage and leakage).

	Gallons.
Proof	2,286
30° Under Proof	21,597
60° Under Proof	13,345
Milk Punch	133

From a statement of actual sales which is before the Board they were—

	Gallons.
Proof	2,167
30° Under Proof	21,125
60° Under Proof	15,284
Milk Punch... ..	119

13. It is evident, therefore, that a decrease in the duty on liquor 30° under proof, such as the Board have proposed for Ganjam, would cause a loss of revenue (so far as the rates of duty are concerned).

14. From the figures given in the papers disposed of in G. O., dated 6th May 1874, No. 561, it appears that the expense of making and distributing liquor at 30° under proof is Rupees 1-5-6 a gallon. Adding to this a duty of Rupees 1-8-6 and keeping the price at Rupees 3-0-0, Annas 2 are left for the profit of the

holder of the license, which seems to the Board to be at the same time moderate and sufficient. An enclosure to one of the Collector's letters purports to show that Messrs. Minchin and Co. have so far lost on arrack, and though the loss seems to be the other than real, it is clear that the duty cannot be much raised. The Board think the duty should be fixed:—

	RS. A. P.		RS. A. P.
Proof	2 3 0	a Gallon instead of	2 0 0
30° Under Proof	1 8 6	"	1 8 0
60°	0 14 0	"	0 12 0
Milk Punch	1 1 6	"	1 0 0

15. The corresponding prices will be—

	Per Gallon.	Per Dram.
	RS. A. P.	RS. A. P.
Proof Maximum	5 8 0	0 1 10
Minimum	4 8 0	0 1 6
30° Under Proof Maximum	3 12 0	0 1 3
Minimum	3 0 0	0 1 0
60° Under Proof Maximum	2 4 0	0 0 9
Minimum	1 12 0	0 0 7
Milk Punch. (No Maximum nor Minimum.)		

16. As regards the *Veppu Farms*, the reasons given by Mr. Goodrich in paragraphs 4 and 7 of his letter to the Board that they had better be left in the way great difficulties in the way of smuggling, etc., will be avoided, and the arrack renter will be able gradually to introduce rum and close the scattered stills to some extent. Mr. Goodrich thinks that 25 per cent. of the collections is not too much to give, but the Board think 20 per cent. will be enough. Considering the riskiness of the business, less ought not to be allowed, and Government will probably get more in this way than if the farms are placed in other hands. At all events the total revenue will be guaranteed.

17. The revenue which the Board think should be guaranteed is the total revenue named in Board's Proceedings, dated 3rd September 1874, No. 2,487, minus the portion expected from toddy, being 90 per cent. of the total receipts. In Ganjam, the toddy revenue payable to Government is about Rupees 7,500, and in Vizagapatam it was, in Fasli 1283, Rupees 26,184, so that the revenue guaranteed should be—

	RS.		RS.
Ganjam	75,000	Vizagapatam... ..	1,25,000
	0,000		24,000
	66,000		93,580

or, say Rupees 1,59,600 altogether.

18. For one-fourth of this amount, viz., Rupees 39,900, security must be given. Messrs. Minchin Brothers and Co. propose to give a lien on the liquor in store, and the Collectors support the proposal; but the Board do not think this security would be satisfactory. The Collector has no control over these stocks. He would find it difficult to attach them, located as they are in numerous depôts distant from one another, and they would be at a low ebb under the precise

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circumstances in which the security would be wanted. The Board understand that there is no existing mortgage on the Aska Factory, and that Messrs. Minchin Brothers and Co. are willing to deposit the Title-deeds with the Collector of Ganjam. The Board will

19. The representation to continuing the agreement with Messrs. Minchin Brothers and Co., for more than three years, and leaving the toddy in their hands, have been negatived by recent orders of Government.

20. These Proceedings will be submitted for the approval of Government with reference to G. O., dated 19th December 1874, No. 1,600, Revenue Department.

(True Copies and Extract.)

(Signed) H. E. STOKES,
Acting Secretary.

No. 10.

ORDER THEREON, 2nd March 1875, No. 332.

Separate Revenue, No. 1.

Abkari.

THE proposals made by the Board of Revenue in these Proceedings are

Secretary to Government.

To the Board of Revenue.

Exd. W. H. French.

332/7

No. 3,244.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 11th November 1874

Read the following letter from R. DAVIDSON, Esq., Acting Collector of Ganjam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Chatterpore, 28th September 1874, No. 1,955 :—

I HAVE the honor to inform you that on receipt of the Board's Proceedings, No. 1,530, dated 22nd June 1874, a copy thereof was sent to Messrs. Minchin Brothers and Co. for their information.

2. On the 3rd August, I received a letter from them enclosing a comparative statement showing sales, cost, charges and profit on arrack sold in the Chingleput and Ganjam Districts, and I enclose copies of them.

3. In their letter in question, Messrs. Minchin Brothers and Co. remarked that "The contrast between Mr. Pritchard's profits and ours (theirs) is so startling that we shall be much obliged if you will, at your convenience, inspect our books and satisfy yourself, for the information of the Board, of the correctness of our statement."

4. I have complied with that request by carefully scrutinizing their books and accounts, and I am perfectly satisfied of the correctness of their statements. to the Board's Proceedings, dated 22nd June 1874, No. 1,530, and its subsequent proceedings, to communicate this information for the consideration of the Board, as it seems to be very questionable whether the spirit manufactured here will bear any enhancement in the rate of duty.

ENCLOSURE No. 1.

From Messrs. MINCHIN BROTHERS and Co., Abkari Renters, to R. DAVIDSON, Esq., Acting Collector of Ganjam, dated Aska, 31st July 1874, No. —.

With reference to paragraph 10 of Board's Proceedings, dated 22nd June 1874, No. 1,530, we have carefully analysed the arrack sales of Mr. Pritchard for the year ending 30th June 1873, as compared with ours for the same period, and in order to make such comparison easy, we have reduced his and our figures to the equivalent in gallons proof, from which you will observe that his selling rate is Rupees 5-4-0 per gallon proof, while ours is only Rupees 3-13-9, his charges Rupees 4, while ours are 3-10-7, and his profit per gallon Rupees 1-4-0, while ours is only Rupees 0-3-2! Should the Board increase Mr. Pritchard's duty, as proposed, by 8 Annas a gallon 30° under proof—Annas 15-5 per gallon proof, it will still leave him by his own showing a profit of Annas 8-7 or more than nearly three times ours. You will observe, our superintendence and charges are more than double his; this is owing to the large number of our depôts (49), at the smallest of which, one Gumastah, one Peon, and one Measurer must be retained, however small the sales, to the great distances the liquor has to be conveyed, and to the wild and unhealthy nature of parts of this district, necessitating constant changes of the establishment and so enhancing the cost.

We observe, further, Mr. Pritchard's share of the toddy kists is Rupees 26,751-4-9, or more than ten times ours, which amounts only to Rupees 2,615-7-10.

Handwritten: 1500/1000
1874
1503.

Boat. of 1875
REVENUE.

THE BOARD OF REVENUE

Date March 2nd

O. O. 2nd March 1875, No. 332

MARCH
Nos 9, 10.

Abkari of Ganjam and Panchagiri Districts
approving the proposals of the Board of Revenue
regarding matters relating to the



The contrast between Mr. Pritchard's profits and ours is so startling that we shall be much obliged if you will, at your convenience, inspect our books and satisfy yourself, for the information of the Board, of the correctness of our statement.

(True Copy.)

(Signed) R. DAVIDSON,
Acting Collector.

ENCLOSURE No. 2.

Comparative Statement showing Sales, Cost, Charges, and Profit on Arrack sold in Chingleput and Ganjam Districts.

CHINGLEPUT DISTRICT, FASLI 1282.				GANJAM, FASLI 1282.			
Mr. Pritchard's sale of Arrack, 60,000 Gallons 30° Under Proof=42,000 Gallons Proof.				Sales in Ganjam District of various strengths=36,010½ Gallons Proof.			
Charges.	30° Under Proof per Gallon.	Proof per Gallon.	Percentage on selling rate.	Proof per Gallon.	Percentage on selling rate.		
	RS. A. P.	RS. A. P.		RS. A. P.			
Commission	0 3 0	0 4 3	5.06	0 3 2	5.12		
Duty	1 12 0	2 8 0	47.62	1 14 7	49.52		
Cost of liquor	0 10 6	0 15 0	17.85	0 15 0	24.29		
Superintendence, cartage, etc., ...	0 3 4	0 4 9	5.65	0 9 10	15.87		
Average selling rate	2 12 10	4 0 0	76.18	3 10 7	94.80		
Profit per Gallon	3 10 10	5 4 0	23.82	3 13 9	5.90		
	0 14	4					

(True Copy.)

(Signed) R. DAVIDSON,
Acting Collector.

The figures submitted by Messrs. Minchin Brothers and Co. show an immense difference between their profits and Mr. Pritchard's. It is stated that Messrs. Minchin Brothers and Co. obtained a profit of £714 only on their Abkari dealings so far as regards arrack in Fasli 1282.

2. One point requires explanation. The selling price is said to have been Rupees 3-13-9 per gallon at proof. This corresponds to Rupees 2-11-2 per gallon at 30° under proof. Adding the commission paid to shopkeepers, the selling price is obtained, and this is less than the Board supposed it to be. The Collector will request Messrs. Minchin and Co. to report the prices at which liquor was sold in Fasli 1282, and the quantity sold at each price.

3. The expenditure on superintendence, cartage, etc., seems to be unduly great even for such a district as Ganjam.

4. The conversion of the figures for liquor at various strengths into figures for liquor at proof makes it difficult to compare them with those given in the Proceedings to which the Collector refers. As regards the extent to which the duty can be raised, this all depends on the price at which the liquor can be sold. The Board have expressed an opinion that the price should be from Rupees 3-2-0 to Rupees 3-12-0 per gallon at 30° under proof. The Collector will be good enough to report his views on this point.

Erd. W. H. French.

To the Acting Collector of Ganjam.

5. The charges stated by Mr. Minchin, excluding duty, are at the rate of Rupees 1-12-0 a gallon at proof. This corresponds to Rupees 1-3-7 a gallon at 30° under proof. Adding the duty proposed in the Board's memorandum, viz., Rupees 1-12-0 a gallon at 30° under proof, the cost of the liquor will be Rupees 2-15-7 a gallon, and the difference between this and the price at which the liquor is sold will be the distiller's profit.

(True Copies and Extract.)

(Signed) J. GROSE,
Secretary.

$\frac{23}{9}$

No. 463

From B.^d of Rev.

Dated 3rd February

FOR ORDERS,

Not accept the proposals
of the Board in respect to
duty-price & guarantee
- also security

14/2

Board of Revenue
MADRAS.

PROCEEDINGS, 11TH NOVEMBER 1874, No. 3, 24

Encl.

1
Dec 463/5

NOVEMBER.
No. 2944

No. 3,244.

Arrack—sold by Messrs. Minchin Brothers and Co., Akbari Contractors of Ganjam District. —Collector to request these Gentlemen to report the prices at which the arrack was sold in Fasli 1282, and the quantity sold at each time. Collector also requested to report his views regarding price to be fixed for arrack.

FOR ORDERS.

No. 234.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 3rd February 1875.
Read again Proceedings of the Board of Revenue, dated 11th November 1874,
No. 3,244.

Read also the following letter from R. DAVIDSON, Esq., Acting Collector of
Ganjam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated
Buguda, 15th December 1874, S. No. 771:—

With reference to the Board's Proceedings of the 3rd September and 11th
November 1874, Nos. 2,487 and 3,244 respectively, I have the honor to submit
copy of a letter, dated 1st instant, from Mr. F. J. V. Minchin, the Abkari Renter
of this district. I commend the letter to the most favorable consideration of the
Board.

2. Mr. Minchin has touched on every important point, and has consequently
left me little to say except that I am of opinion he has conferred no small boon
on the thirsty portion of the community; and that, as pointed out by him, in
doing so, he has had to encounter many serious difficulties in introducing the
recognised benefits of the Excise system into this district.

3. He has ever been most ready to furnish every information in his power
regarding Abkari matters; his payments have been punctual; the quality of the
liquor is good. I think therefore Mr. Minchin should not be placed on an inferior
footing to Mr. Pritchard.

4. For these reasons, and because the difficult task of extending the Excise
system throughout the Maliahs has been sanctioned by Government, I think that
Mr. Minchin, equally with Mr. Pritchard, should be removed beyond the range
of frequently recurring anxiety, by having a lease of six years granted to him on
present terms.

5. As already mentioned in my letter of the 11th September last, No. 1,955,
I am of opinion that the liquor of this district will not bear an enhanced rate of
duty without risk to the revenue. Probably an improved revenue will more surely
accrue from increased sales rather from an attempt to enhance the duty.

6. As regards the Board's proposal to require a guaranteed money deposit,
as security, I am of opinion that the lien offered by Mr. Minchin on the Dépôt
Liquor Stores will equally well answer the purpose.

7. Under these circumstances, I trust the Board will see fit to approve of
my recommendation.

8. I enclose the Statement called for in paragraph 2 of the Proceedings,
No. 3,244, and submitted by Mr. Minchin.

ENCLOSURE No. 1.

From F. J. V. MINCHIN, Esq., Abkari Renter of Ganjam, to R. DAVIDSON, Esq., Acting Col-
lector of Ganjam, dated S. S. Mecca, 1st December 1874.

I HAVE the honor on behalf of Messrs. Minchin Brothers and Co., to acknowledge the receipt
of the Board of Revenue's Proceedings, 3rd September 1874, No. 2,487, and to submit the following
observations:—

2. The proposal of selling the Toddy Sub-farms by tenders will, I fear, in Ganjam lead to
disappointment. The whole Toddy farm fetches but Rupees 10,000, of which the Chicacole farm

yields one half. Much of the remainder is usually sold to small ryots in insignificant sums, and whom it will be difficult to make understand what a tender is.

3. The proposal to raise the excise in Ganjam is, I think, a mistake. Already the liquor is double the price it was when I first took up the Abkari. It must not be lost sight of in dealing with Ganjam that its population consists two-thirds of Oriyas, who, like the Rechabites of old, are prohibited from touching strong drink; the remaining one-third is composed largely of non-drinkers, so that the drinkers in Ganjam while few in number, comprise chiefly the lowest and the poorest of the population; hence our sales rise and fall as the prospects of the paddy crop, are good or otherwise. I cannot better illustrate this than by giving the sales of the first four months in last and in this fasli. In these months during last fasli, the Paddy crop was in great danger; in this fasli, the rain-fall was abundant—

Months.	Fasli 1283. RS.	Fasli 1284. RS.
July	10,663	14,345
August	8,933	12,516
September	9,679	12,058
October	11,532	13,534
	40,807	52,453
		40,807

an increase in sales of 11,646 in

four months and these notoriously the four months in which the sales are the lowest in the year. I am of opinion therefore that the extra revenue sought by the proposed raising of the excise will be made up by an increased consumption, while the enhanced excise would lead to a diminished consumption and to an increase of illicit manufacture.

4. We are quite prepared to guarantee the minimum fixed by the Board if the present rate of excise be continued, but ask that as our allowance of the Toddy is but Rupees 2,500. it may not be reduced. In the Southern Districts where the Revenue from toddy is one lakh, the renter's share even at 10 per cent. will be four times ours at 25 per cent., while we have a much larger tract of country to look after, entailing larger establishments and greater risk.

5. Regarding the deposit of one-fourth of 75,000 Rupees as security, I trust this will not be insisted upon as to borrow the money which in our case would be necessary would add materially to the cost of working the Abkari. We are compelled to invest all our available funds in heavy stocks of material and spirit to guard against any failure of supply, and in addition to these we have at all times in our fifty-two depôts scattered throughout the country, liquor to the value of the security demanded. We shall be quite willing if desired to give you by bond the power of summarily disposing of this liquor in case of any failure in our contract.

6. I note that the term of the new Contract in the case of Chingleput is to be six years, while Ganjam is to be but three, because that Distiller has been the most successful of all, has supplied most information and has dealt honorably with Government in the matter of toddy. I can safely appeal to yourself and to your predecessors to say whether I have not at all times been willing to supply any information in my power. If I have not been so successful as Mr. Pritchard, it is because I have a more uncivilized and more difficult country to deal with, and as pointed out above, with a population, the large majority of whom do not drink, whereas in the Southern Districts it is notorious that nearly all are drinkers. When I took up this district, I found in it 1,300 Stills at work, and I have consequently had the greatest difficulty with illicit manufacture. I can claim also to be not only the Pioneer, but under the Honorable D. F. Carmichael to be the originator of the present Excise system, of which I am flattered to observe the Board speak as "the system which most nearly attains the object of Abkari administration." I rest assured

therefore that the Board and yourself will consider that my claims to consideration are no less than those of Mr. Pritchard, and in your hands I confidently leave the matter.

(True Copy.)

(Signed) R. DAVIDSON,
Acting Collector.

ENCLOSURE No. 2.—Statement showing sale of Abkari liquor for Fasli 1282 or 1872-73.

From H. Sr. A. GOODRICH, Esq., Acting Collector of Vizagapatam, to J. GROSE, Esq., Secretary to the Board of Revenue, dated 30th November 1874, No. 1,810:—

I HAVE delayed to answer the Proceedings of the Board of Revenue, No 1,375, dated 6th June 1874, for the reason that their subsequent Proceedings, No. 2,487 of 3rd September conveyed to me the views of the Board on the whole question under discussion, and the modifications of system proposed for adoption in these latter Proceedings could not be pronounced feasible or the reverse with confidence until Messrs. Minchin and Co's reception thereof was known to me, and until I had discussed with them the effect of these modifications.

2. I had not, until last week, an opportunity of discussing the matter with them, and I beg to submit, herewith, Messrs. Minchin's letter to me received this day.

I further enclose an earlier letter from that firm to my predecessor, dated 24th August 1874.

3. The complete results for the two Faslies (1282 and 1283) and the first quarter of Fasli 1284* are herewith, submitted, as desired in Proceedings of

* Appendix A.

the Board of Revenue of 6th June. In those Proceedings the Collector is desired to report particularly (a) on certain points raised in paragraphs 7 and 8 of the G. O., dated 6th May, Revenue Department, No. 561, also on Messrs. Minchin's remarks; (b) with regard to illicit trade; and (c) the restriction of sales to the larger towns and villages; and (d) on the terms on which the Abkari should be managed in future.

4. With respect to (a) I am of opinion, after inquiry, that Gunapur and Rayaghedda cannot be removed from the Renter's hands. Great quantities of Vippa liquor are there distilled in the 407 Stills of the Sub-renters, and from the character of the country it would be well nigh impossible to prevent the liquor there distilled invading Parvatipore and Palcondah to the Renter's great loss. I am, however, of opinion that Messrs. Minchin might manage the Vippa Stills themselves, distilling at two or three places where the Mohwa tree is abundant. The liquor made from the Mohwa flower by the local Sundees is bad, fiery, and unwholesome, and will not keep well. The Mohwa spirit distilled at Aska which I have tasted resembles good whiskey, rather sweetened.

(b). With respect to illicit trade, I believe that the Sub-Magistrates as well as the Police sided with the people at the first introduction of the new system. A consensus of testimony supports the Renters' assertion that by the minimum limit of price prescribed is disregarded; and toddy (and, formerly, arrack) sold far

cheaper than the law allowed. Convictions for offences against the Abkari Laws are on the increase, but the Renters should employ more trustworthy, itinerant Inspectors to test quality. The retailers in my belief are given to dilute and to adulterate the liquor they receive. Palcondah was the worst taluq for illicit distillation. Sub-Magistrates have been enjoined to pay very close attention to the working of the laws.

(c). The issue of a great number of fresh licenses has remedied the evil complained of in some degree. There is now an Arrack shop for each ten square miles, and four Toddy shops to each thirty square miles. I enclose a Form showing the statistics of supply as compared with population and area (Appendix B). It seems that the present demand requires an Arrack shop to each 3,360 persons and a Toddy shop to each 2,300; in Municipalities the demand for shops is double that of rural localities.

(d). The report which the Collector was ordered to submit as to the conditions under which the rents should be continued if so continued, seems to be no longer called for, since the Board have found themselves in a position to prescribe the conditions which they will accept. I will, however, in commenting on Messrs.

* Enclosures A and B.

Minchin's letter* insert such remarks as my limited experience of the district

has supplied me with the means of making.

5. The decrease in the number of Toddy shops does not, as has been thought, imply a falling off in the supply. I have heard from other sources of the effect of the enforcement of the Stamp Law. Messrs. Minchin point out how that Law operated in paragraph 5 of their letter of 24th August. They advert in the same place to the disregard of the minimum prescribed under former renters and to the great dissatisfaction felt in consequence with present prices by the drinkers who are of the poorest classes. This evasion of the law would be easier to practice in a Zemindari district where Government are represented in the taluqs by officers who possess power, influence, and local knowledge in much less degree than Tahsildars of Ryotwari taluqs.

6. Messrs. Minchin do not in their letters notice the dislike which is professed for their liquor by the consumers. The rum supplied looks extremely good, and the arrangements at the Aska factory are very complete. The retailers may adulterate as well as dilute, and I have little doubt they do both. Considering the great increase of price due to the new system, I think that complaints from consumers need occasion no surprise. I do not know what the opinion of the Commissariat Officers upon the quality of Aska Rum is. That department must be in a position to speak to its character. Ill-founded however, as the complaints of the bibulous section of the community may be, I think the renters will do well to supply Rice Arrack in addition to or instead of Rum. Mr. G. L. Narsing Row, Mr. Elsworthy (of Messrs. Arbuthnot and Company) Mr. Willock (Senior Assistant Collector), Mr. Irvine (Principal Assistant Collector) Jaganadha Raz, (Diwan of Vizianagram) and Captain Wilton (Assistant Superintendent of Police) have all favored me with letters on the subject. From their opinion, it may be gathered that the Rum supplied is believed to be unwholesome, and that Arrack

was preferred to it as being cheaper and more palatable as well as more wholesome. I think the causes I have mentioned above reasonably account for the prevalence of this belief. A man usually feels uncomfortable the morning after a big drink, and if he has prejudices against the liquor he has indulged in, lays his sensations to its account and readily believes them peculiarly alarming. Mr. Narsing Row, (in his letter) very graphically describes the effect of the intoxication produced by Rum "as rendering a man drunk and boisterous leading him to the horrors."

7. To proceed to Messrs. Minchin's last letter, the complete accounts which they have submitted and which I enclose, appear to me to bear out their deductions therefrom. I do not think that the price can here be raised without a loss of Revenue. In paragraph 7 Messrs. Minchin state that this country is poorer than the "districts of the South." This in my opinion is not strictly accurate. The habits however of the people will account for an abstemiousness which in the eyes of a renter poverty alone can justify. I received lately a remarkable illustration of the very small demand for liquor among the main body of the people here. During the ten days of the Dasera, I was at Vizianagram. The feast was kept with great rejoicing. The entertainments and shows were lavish and splendid. In the course of the week, I gave a kureeta to His Highness who invited all and sundry to visit his town. The crowds were enormous, after careful enquiry as to the rations supplied and observation of the camps of visitors, I estimated at least 3,00,000 people were in and around Vizianagram daily. The villages for forty miles around and the town of Bimlipatam were almost deserted. The local traders said that a whole year's business as ordinary years go was done by them in those ten days. The wholesales of liquor in and around the town were 300 gallons of Rum or Arrack and 500 of Toddy during the ten days. Such a result shows, I think, that the consumers of excised liquor are singularly few. The prospects of the season are excellent, work is plentiful, and some rainy nights furnished a good excuse for a dram to the visitors, nearly all of whom were ill-sheltered.

8. Messrs. Minchin in their 9th paragraph discuss the sum as revenue, they will undertake to guarantee. The amount which the Board propose is Rupees 1,25,000. Messrs. Minchin point out that an average of 1,17,000, will be realized for this and two Faslis (1282 and 1283). This is true, but the trade appears likely to expand, we are blessed now with a bountiful harvest, and I think 1,25,000, may fairly be assumed as the amount for which a guarantee may be exacted. I enclose for comparison a Statement (Appendix C.) of collections in Fasli 1277@1281. Much of the most expensive and troublesome work has been accomplished, much of the opposition of the old renters has been defeated, and finally Messrs. Minchin (paragraph 11) assent to the terms with a condition as to their exercising a veto over the tenders for toddy farms which it appears it was the intention of the Board that they should exercise.

9. The allowance of 25 per cent. to the renters appears to me after a comparison of the Accounts here with those of the Chingleput renter, to be as necessary here as it is unnecessary there. If my suggestion that the renters erect distilleries and gradually supplant the inferior liquor used throughout the "Veppa

Farm" tract of Gunapur, Rayagedda, Parvatipore, Palcondah and Salur by the introduction of the fine spirit which they have proved can be made, the difficulty will be got over. The matter is a delicate one: an attempt is even now being

* G. O., on Hill Tour of Agent in Ganjam, made to drive the Sundies out of the neighbouring hills,* and they will no doubt struggle for existence. The area of country over which the Ganjam and Vizagapatam renters must maintain some kind of inspecting Agency alone explains when compared with the area of Chingleput that difference in the cost of distribution in supervision must exist. Excluding Jeypore, but including Gunapur and Rayaghedda and the Khond Hills of Ganjam, the renters' contract covers 17,000 square miles, only one-third of which is easy open country.

10. The proposal that rum and liquor in store shall be held sufficient security for the fulfilment of the renters' contract, is submitted for favorable consideration as it appears to me reasonable.

11. The renters object to the unlimited grant of fresh licenses for toddy-shops, and think that the number specified in the contract with the sub-renter should only be exceeded on the payment of a sum enhanced *prorata* by the sub-renter.

12. I think that herein the renters are right. The extension of shops should keep up with increase of demand, but there is no reason why the Government should not derive benefit from the expansion of the trade.

13. Toddy is most in demand on the sea-board, and is little produced in the neighbourhood of the hill ranges. The table given in Appendix B will enable the Board, if so disposed, to name the proportion which shall subsist between toddy-shops and population. I regret that the tabulated Census Returns have not been furnished to me. I received those of Ganjam in October 1873, and those of this district would be necessary for reference when deciding which villages should and which should not have a liquor shop.

ENCLOSURE No. 1.—Copy of letter from Messrs. Minchin Brothers and Co., to Collector, dated 24th August 1874, No. 272.

ENCLOSURE No. 2.—Copy of letter from Messrs. Minchin Brothers and Co., to Collector, dated 26th November 1874, No. 325.

ENCLOSURE No. 3.—Copies of replies to Collector's Circular, dated 16th September 1874, No. 481.

ENCLOSURES Nos. 4 to 10.—Statements.

In Board's Proceedings, dated 3rd September 1874, No. 2,487, it was calculated that arrack in Ganjam and Vizagapatam could be sold at a minimum price of Rupees 3-2-0 per gallon, 30° under proof made up as follows:—

	RS	A.	P.
Making and distributing...	1	4	0
Retailer's profit ...	0	2	0
Duty ...	1	12	0
Total...	3	2	0

2. The Collectors submit reasons against raising duty or price. With regard to price, the Board agree with them. There was a great increase in Ganjam in Fasli 1279, and in Vizagapatam in Fasli 1282, when the new system was introduced. The rate of consumption per head in both districts is very low,* and there would no doubt be an undue falling off if the price were now raised again.

* Ganjam 04 gallon a head.
Vizagapatam 018 do.

3. As regards the rate of the duty, it is observed in the first place that this decision as to the price makes it impossible to raise it to the extent proposed as mentioned above. The question whether it can be raised at all or not must be settled with reference to the facts which are now before the Board.

4. *Ganjam*.—The figures printed with Board's Proceedings, 11th November 1874, No. 3,244, show that Messrs. Minchin Brothers and Co. spend more than is usually necessary on "Superintendence, Cartage etc.," but this is accounted for by the fact shown in the Collector's letter of the 15th December, that no less than 75,468½ gallons out of a total of 83,268 gallons were sold (in Fasli 1282) at 60° under proof, so that the charges for Cartage, etc., must have been greater than if the liquor which had to be carried about and sold had been 30° under proof, and therefore 4ths of the bulk of liquor 60° under proof. The Board see no reason to doubt the accuracy of these figures, which the Collector says he has verified by a careful scrutiny of the books and accounts kept by Messrs. Minchin Brothers and Co. They show that the Distiller's profit after paying the existing rates of duty, supposing that the manufacture of rum costs them 15 Annas a gallon of proof liquor, was in Fasli 1282 Rupees 7,127. The duty at the existing and proposed rates would have been as follows:—

	Present.	
1,369 Gallons at Proof at Rs. 2 0 0 = Rs. 2,738	at Rs. 2 8 0 = Rs. 3,423	
6,192 " 30° U. P. at " 1 8 0 = " 9,288	at " 1 12 0 = " 10,836	
75,468½ " 60° U. P. at " 0 12 0 = " 56,601	at " 1 0 0 = " 75,469	
240 " Milk Punch at " 1 0 0 = " 240	at " 1 4 0 = " 300	
	68,867	90,028

5. The difference is Rupees 21,161, so that if the proposed rates had been in force in Fasli 1282, there would have been a great loss instead of a small profit.

6. After careful consideration, the Board think that the duty cannot be fixed so high, and that it must be raised only slightly and with special reference to liquor 60° under proof, which is the bulk of the consumption. The opportunity must be taken of proportioning rates to strengths. Hitherto the proportion has not been strictly observed. The duty corresponding to Rupees 2-0-0 per gallon at proof is Rupees 1-6-5 per gallon at 30° under proof, and Rupees 0-12-10 at 60° under proof. The difference has been too small to make any evasion of dues by issuing one strength instead of another and altering it outside the distillery, but no difference should exist.

7. The rates the Board think should be adopted are—

	RS. A. P.	RS. A. P.
Proof... ..	2 0 6 a gallon instead of	2 0 0
30° Under Proof	1 6 9	1 8 0
60° Under Proof	0 13 0	0 12 0
Milk Punch	1 0 3	1 0 0

8. This scale shows a slight increase as regards liquor at proof and 60° under proof, and a slight diminution as regards liquor at 30° under proof which is of no importance because so little liquor is sold at this strength.

9. At these rates the total duty in Fasli 1282 would have been Rs. 73,306, and Messrs. Minchin Brothers and Co. would, according to the figures referred to above, have realized a small profit. By this time, however, they must have learnt by experience to curtail their charges, and at the Aska Distillery the Board have no doubt but what spirit can be manufactured at a little less than 15 Annas a gallon at proof, so that the profit at the new rates will be sufficient.

10. The corresponding prices will be—

	Gallon.	Dram.
Proof Maximum	5 0 0	0 1 8
Minimum	3 12 0	0 1 3
30° Under Proof Maximum	3 8 0	0 1 2
Minimum	2 12 0	0 0 11
60° Under Proof Maximum	2 0 0	0 0 8
Minimum	1 8 0	0 0 3

Milk Punch (no maximum nor minimum.)

11. The Abkari on the Khond Maliahs should continue to be managed under the same conditions as at present.

12. *Vizagapatam*.—In *Vizagapatam*, the consumption at 30° under proof is in excess of that at 60° under proof. From the enclosures to the Collector's letter of the 30th November, it appears that the issues from the Bimlipatam Depôt were (deducting for ullage and leakage).

	Gallons.
Proof	2,286
30° Under Proof	21,597
60° Under Proof	13,345
Milk Punch	133

From a statement of actual sales which is before the Board they were—

	Gallons.
Proof	2,167
30° Under Proof	21,125
60° Under Proof	15,284
Milk Punch... ..	119

13. It is evident, therefore, that a decrease in the duty on liquor 30° under proof, such as the Board have proposed for Ganjam, would cause a loss of revenue (so far as the rates of duty are concerned).

14. From the figures given in the papers disposed of in G. O., dated 6th May 1874, No. 561, it appears that the expense of making and distributing liquor at 30° under proof is Rupees 1-5-6 a gallon. Adding to this a duty of Rupees 1-8-6 and keeping the price at Rupees 3-0-0, Annas 2 are left for the profit of the

holder of the license, which seems to the Board to be at the same time moderate and sufficient. An enclosure to one of the Collector's letters purports to show that Messrs. Minchin and Co. have so far lost on arrack, and though the loss seems to be theoretical rather than real, it is clear that the duty cannot be much raised. The Board think that the following rates of duty should be fixed:—

	RS. A. P.	RS. A. P.
Proof	2 3 0 a Gallon instead of	2 0 0
30° Under Proof	1 8 6	1 8 0
60°	0 14 0	0 12 0
Milk Punch	1 1 6	1 0 0

15. The corresponding prices will be—

	Per Gallon.	Per Dram.
	RS. A. P.	RS. A. P.
Proof Maximum... ..	5 8 0	0 1 10
Minimum	4 8 0	0 1 6
30° Under Proof Maximum	3 12 0	0 1 3
Minimum	3 0 0	0 1 0
60° Under Proof Maximum	2 4 0	0 0 9
Minimum	1 12 0	0 0 7
Milk Punch. (No Maximum nor Minimum.)		

16. As regards the *Veppu Farms*, the reasons given by Mr. Goodrich in paragraphs 4 and 7 of his letter convince the Board that they had better be left in the hands of the party who manages the Abkari of the rest of the district. In this way great difficulties in the way of smuggling, etc., will be avoided, and the arrack renter will be able gradually to introduce rum and close the scattered stills to some extent. Mr. Goodrich thinks that 25 per cent. of the collections is not too much to give, but the Board think 20 per cent. will be enough. Considering the riskiness of the business, less ought not to be allowed, and Government will probably get more in this way than if the farms are placed in other hands. At all events the total revenue will be guaranteed.

17. The revenue which the Board think should be guaranteed is the total revenue named in Board's Proceedings, dated 3rd September 1874, No. 2,487, minus the portion expected from toddy; being 90 per cent. of the total receipts. In Ganjam, the toddy revenue payable to Government is about Rupees 7,500, and in *Vizagapatam* it was, in Fasli 1283, Rupees 26,184, so that the revenue guaranteed should be—

	RS.	RS.
Ganjam	75,000	1,25,000
	9,000	31,420
	66,000	93,580

or, say Rupees 1,59,600 altogether.

18. For one-fourth of this amount, viz., Rupees 39,900, security must be given: Messrs. Minchin Brothers and Co. propose to give a lien on the liquor in store, and the Collectors support the proposal; but the Board do not think this security would be satisfactory. The Collector has no control over these stocks. He would find it difficult to attach them, located as they are in numerous depôts

distant from one another, and they would be at a low ebb under the precise circumstances in which the security would be wanted. The Board understand that there is no existing mortgage on the Aska Factory, and that Messrs. Minchin Brothers and Co. are willing to deposit the Title-deeds with the Collector of Ganjam. The Board will accept a lien on the factory.

19. The representations made by the Collectors with regard to continuing the agreement with Messrs. Minchin Brothers and Co., for more than three years, and leaving the toddy in their hands, have been negatived by recent orders of Government.

20. These Proceedings will be submitted for the approval of Government with reference to G. O., dated 19th December 1874, No. 1,600, Revenue Department.

(True Copies and Extract.)

H. P. Evans
Acting Secretary.

To the Acting Secretary to Government, Revenue Department,
with eleven original enclosures and Board's Proceedings,
dated 11th November 1874, No. 3,244,
,, the Collector of Ganjam.
,, the Collector of Vizagapatam,

Ed. W. H. French.

*60 July 1875 - 88-90
60 Aug 74 - 88-90
120-90
8 Dec 91
19 - 252-65*

82 332
The proposals

made by the Bd of Rev.

in this Proc: are approved

*2 March 1875
in Bd of Rev: and Govt: Secy*

Received 8/11/75

FEBRUARY
No. 234.

BOARD OF REVENUE
MADRAS.

PROCEEDINGS, 3RD FEBRUARY 1875, No. 234.

*Order 6 Feb 75 Encl 1/2
with Decr 1100
21002-234 and 1875*

Abkari in Ganjam and Vizagapatam Districts.—Orders passed in regard to the question of raising the minimum price of arrack and duty on it. Opinion expressed that Board will accept a lien on the Aska Factory as a security for one-fourth of the revenue to be guaranteed by Messrs. Minchin Brothers and Co., Abkari Contractors of Ganjam District. These Proceedings submitted for approval of Government.

For order

C 12 Feb 75 104 1674/55