

(1) Number of Pages 14
(2) Date of repair 13/11/67
(3) Initials of the Referencer W. J. 13

MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue

DEPARTMENT

G.O. No.	<u>958</u>	Press
B.P. No.		Mis.
Dated	<u>24/6/1871</u>	196

Not to be folded or roughly handled

938

*Proceedings of the Madras Government, Revenue Department,
24th June 1875.*

No. 203. Read the following Proceedings of the Board of Revenue, dated 14th June 1875, No. 1,606:—

Read—

Proceedings of the Madras Government, dated 18th May 1875, No. 752.

Do. do. „ 5th April „ „ 537.

Do. do. „ 31st March „ „ 439.

COMMUNICATED to all Collectors who will observe that the sale of country-brewed beer from 1st July next is to be restricted to such as is manufactured from malt, hops, and sugar only, and is of alcoholic strength not exceeding 8 per cent. A condition to this effect should be introduced into the beer shop licenses. No new shops are to be licensed pending further orders.

2. As for the testing of the beer, it is difficult to devise arrangements which shall be effective in practice. The constituents of the beer can be ascertained only by chemical analysis, and the alcoholic strength cannot be found directly by means of a hydrometer, but must be obtained by distillation and test of the distillate. These are not simple processes, and the requisite agency and apparatus for carrying them on throughout the country are wanting. The only thing to be done is to direct Collectors to obtain specimens occasionally, taking care that they are not selected but are really representative samples of the stuff ordinarily sold at the shops whence they come, and to send them to Madras for analysis. With the present number of shops this system will fall far short of a satisfactory test; but if it be finally decided to allow as many licenses as have been proposed, some arrangements for testing the liquor in the districts must be made.

3. With reference to Mr. Honeywell's assertions as to the materials used by him, the Board find that according to the Trade Statistics no concentrated wort has been imported into the Presidency since 1866-67. The duty upon it under

	lbs.
1872-73	7,392
1873-74	4,732
1874-75	840
	12,964

Act XIII. of 1871 would be not 5 but $7\frac{1}{2}$ per cent. The imports of hops for the past three years are given in the margin. The following figures show the excise paid, and the quantity of beer excised at one Anna per gallon on the Nilgiri Hills,

and the quantity of hops which would be required if the statements reported in Mr. Cockerell's letter were true:—

		1872-73.	1873-74.	1874-75.	Total.
Excise	Rs.	3,183	5,951	5,803	14,937
Quantity	Gallons.	50,928	95,210	92,848	2,38,992
Hops required at 4 lbs. per 54 gallons	lbs.	3,772	7,053	6,876	17,701

4. Thus it is apparent that the whole quantity of hops imported into the Presidency during the last three years would not have sufficed for three-fourths

*Proceedings of the Madras Government, Revenue Department,
24th June 1875.*

of the beer of Messrs. Honeywell and Friend's brewing which paid excise. The very great decrease in the imports of hops is also significant. But there are in addition breweries at Bellary and Bangalore; and at the former place 82,324 gallons were excised in the last three years and for these 6,091 lbs. of hops would have been required. The Board have no information as to the quantity brewed and locally consumed in Bangalore, but there is reason to believe that much of the Bangalore beer now finds its way into the Madras territory, and, as it pays no excise, it will compete on unduly favorable terms with toddy and Madras excised beer. The Board will address the Chief Commissioner with a view to obtaining information on the subject.

5. The Board will defer making any proposals as to the duty to be imposed on country beer until they are in possession of this information, and of the results of the analysis of the specimens which have been sent to the Chemical Examiner.

(A true Extract.)

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

No. 204.

ORDER THEREON, 24th June 1875, No. 958.

Separate Revenue, No. 18.

Alwar.

GOVERNMENT await the further communication of the Board.

(True Extract.)

(Signed) A. MACGREGOR,
Acting Secretary to Government.

To the Board of Revenue.

File No. 4036/75

Handing

983/3

No. 1,606.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 14th June 1875.
Read the following Proceedings of the Madras Government, dated 18th May 1875

" " of the Board of Revenue, dated 20th April 1875, No. 971.

Read the following papers.—

Proceedings of the Madras Government, dated 5th April 1875.

Read Proceedings of the Board of Revenue, dated 24th March 1875, No. 722, submitting to Government, Reports of Collectors regarding the number of Beer-shops and breweries to be established in their districts.

Read also Proceedings of the Board of Revenue, dated 2nd April 1875, No. — on letter from the Collector of the Kistna District, regarding the number of Beer-shops, &c., to be established.

ORDER THEREON, 5th April 1875, No. 537.

Separate Revenue, No. 5.
Abkari.

The proposals of the Board as to the number of breweries and shops and the excise duty are approved. But the Government do not wish the Board (as they propose) to restrict the grant of licenses to liquor made from malt and hops, and the grant of a license need not be refused on account of the quality of the liquor. The consumer should be left to protect himself against bad liquor by refusing to purchase it.

(True Extract)

(Signed) D. T. CARMICHAEL,

Secretary to Government.

Proceedings of the Madras Government, dated 31st March 1875.

Read the following endorsement of the Secretary to Government, Military Department, dated Fort St. George, 18th March 1875, No. 1,301.

Read also the following letter from Surgeon-Major W. R. CORNISH, F.R.C.S., Sanitary Commissioner for Madras, to the Surgeon-General, British Medical Service, dated Madras, 15th March 1875, No. 269:—

With reference to my letter as per margin, I have the honor to forward, herewith, the memorandum referred to by Surgeon-Major Nicholson, with a request that in disposing of the application made by Government for that gentleman's services, you will be so good as to have the memorandum sent to Government.

No. 269 of 12th March 1875.

Enclosure No. 1.

MEMORANDUM ON COUNTRY BEER.

In countries where the spirit duty is light or where the beer duty is levied on the beer itself, not on its materials, the excise has little interest in controlling the operations of brewing, and accordingly partial substitutes for malt, especially glucose, are frequently used.

2. But in England where the excise levies duty, not upon the beer, but upon the malt and hops, the employment of other materials is restrained; and in any country where an advantage is given to beer against spirits, it is necessary to see that the revenue is not defrauded by specious imitations of beer which are in reality mere spirit-washes. In England, alcohol in beer pays much less duty than the same quantity of alcohol in the spirit (whiskey) which could be separated from the beer by distillation; this difference is made on the ground of beer being a wholesome and a national beverage, and care is taken that the beer is made from malt and not from non-excisable materials, such as steeped grain, molasses, or glucose.

3. In India, beer is admitted by the Customs at one Anna per gallon, a duty only one-fortieth (1/40) that on brandy or gin, though beer is about one-sixth the strength of those spirits. If under the name of beer, alcoholic drinks of the same strength were imported from Pondicherry or other foreign territory, the revenue would lose seven-eighths of the duty which the alcohol should have paid.

4. The same argument is applicable to the case of country-brewed beer. It is evidently necessary either to tax all alcoholic liquors according to their strength, or else to draw a line between *beer* and the beer and specious imitations of it made to under sell Abkari arrack in the bazaar.

5. From observations I have made of the brewery system in Bangalore, I can state that the so-called beer belongs to the latter category. It is made from steeped or sprouted wheat (or other grain) with perhaps a little imported malt-extract or hops added in order to give a colorable claim to the name of "beer." It is consumed within a fortnight after the commencement of the brewing; it is of about the same strength as imported beer (7 to 8 per cent. of alcohol) and of most disagreeable taste.

6. It is said to have stupefying properties; these may arise from the large quantity of fusel oil produced in the fermentation of unmalted grain, or, as it is said, from adulteration in the retail shops.

7. The price of the beer is 8 Annas per gallon at the brewery, the duty paid is 2 Annas per gallon. The strength of the beer being 2 to 1 that of Abkari arrack, 1 to 1 that of proof spirit, it is evident that alcohol in the form of country beer is favored as compared with that in the form of arrack.

8. There is little doubt that, without some fiscal advantage, genuine beer could never compete with distilled alcoholic drinks, especially in India where spirit can be made chiefly from grain or from natural saccharine juices, while malt and hops are dear. Is it desirable to give beer the great advantage it must have in order to compete with spirits? And, if so, should the advantage be extended to any alcoholic beverage which the producer chooses to call "beer"?

9. Some line must be drawn, or the revenue will suffer from the advantages intended for beer being used by other undistilled spirituous liquors.

10. Until the subject is thoroughly investigated, I would suggest that the brewers be induced to improve their manufacture by continuing to it the advantages of a low rate of duty, provided that it be fairly entitled to the name of beer. For the present I would require—

Similar appearance and smell to beer.

Taste like that of beer, not that of arrack.

Pure quality.

Evidence that hops are *bona fide* used.

Evidence that no deleterious effect is produced by a moderate quantity, say an imperial pint.

11. Country-brewed liquor not coming up to this standard might be charged an increased duty proportionate with its alcoholic strength, say 6 Annas per gallon against 3 or 4 Annas for standard beer.

Mander,
21st March 1875.

(Signed) EDWARD NICHOLSON,
Surgeon-Major, B. M. S.

No. 71/75.

MEMORANDUM.

Submitted with reference to this Office Memorandum, No. 67, dated 13th instant.

(Signed) C. A. GORDON,
Surgeon-General, B. M. S.

TRANSFERRED to the Revenue Department.

(Signed) A. C. SILVER, Colonel,
Secretary to Government.

ORDER THEREON, 31st March 1875, No. 489.

Separate Revenue, No. 39.

Abkary.

COMMUNICATED to the Board of Revenue in continuation of G. O., No. 432, dated 16th March 1875.

(True Extract.)

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

The Government Order of the 5th April above read is so entirely opposed to the recent orders issued on the subject of country beer that the Board hesitate to accept it as final or to act upon it without respectfully calling the attention of Government to the fact of the discrepancy. They also feel bound to point out the evil consequences which will in their opinion follow if this order is enforced.

2. In G. O., dated 2nd February 1875, No. 170, Government decided that the manufacture of beer *from barley and hops* should be encouraged; that licenses for its sale should be freely issued, and that arrangements should be made for testing the beer as to its ingredients and wholesome quality, as well as its alcoholic strength. The wish of Government was declared to be to test the possibility of making good malt liquor on the plains; and they remarked that the liquor described by the Collector of North Arcot was not really beer but virtually a country spirit which ought properly to be charged according to its alcoholic strength.

3. In their Proceedings, dated 5th March 1875, No. 542, the Board, expressing grave doubts as to the wholesomeness of the liquor called country beer, asked for the services of a competent officer to investigate the qualities of the liquor; and Government, approving of the proposal, endeavored to procure the services of Surgeon-Major Nicholson, but having failed referred the Board to the Professor of Physical Science.

4. In G. O., dated 31st March 1875, No. 489, Government communicated to the Board a very able paper by Surgeon-Major Nicholson, in which he has shown

unanswerably that "it is necessary to tax all alcoholic liquors according to their strength, or else to draw a line between *bona fide* beer and specious imitations of it made to undersell Abkari arrack in the bazaar;" and stated of his own knowledge that the so-called beer belongs to the latter category, and is really a mere spirit wash.

5. The correspondence thus summarized having taken place so very recently, the Board are taken by surprise when they find that it is ordered that the grant of licenses is not to be restricted to liquor made from malt and hops, and is not to be refused on account of the quality of the liquor, as to which the consumers should be left to protect themselves. It seems to follow from the order that the investigation into the qualities of so-called country beer is to be abandoned, and that there is to be no test as to the quality or ingredients of any stuff which persons holding licenses for the sale of beer can induce the people to buy.

6. The Board fear that the worst consequences will result from this order, both to the people and the revenue. The people will drink anything which is cheap, strong, and stupifying; and by the addition of drugs the so-called country beer might easily be made as intoxicating as the Abkari arrack at 60° under proof and sold at a far less price. It would be more deleterious, and would pay only one-fourth as much to the revenue, supposing that all the liquor sold in the shops will have paid beer excise at all. It has always been, and is still, the policy of Government to take precautions against adulterated or deleterious arrack being brought into consumption, and the Board are of opinion that the same policy should be followed as regards country beer. Even in highly civilized countries, it is found that, without interference by the executive, consumers are unable to protect themselves against adulteration.

7. The Abkari contracts for the ensuing three faslia have been sold under the instructions issued by the Board, for which, they submit, there was full warrant in the previous orders of Government; and under the understanding that the licenses which would be issued would be for the sale of beer, and that precautions would be taken to secure that what was to be sold was to be really beer. If no such precautions are taken, the beer shop-keepers will be able to sell anything they please under that name. The process for testing the beer even for alcoholic strength is not a simple one, and the Board fear that in practice it will be very inefficiently applied. Unless the beer is very carefully and constantly tested, both as to strength and ingredients, there will be a distinct breach of faith with the purchasers of Abkari contracts, and the revenue must suffer.

(True Extract.)

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

Proceedings of the Board of Revenue, dated 27th April 1875, No. 1,059.

Read the following letter from J. R. COCKERELL, Esq., Commissioner of the Nilgiris, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated Ootacamund, 17th April 1875, No. 35.

Government Order, Revenue Department, dated 2nd February 1875, No. 170, upon the subject of the manufacture and sale of beer, at paragraph 9, calls for

reports from Collectors upon the number of beer-houses it is desirable to establish in their districts under the new Abkari licenses.

2. The order reached my office while I was absent on privilege leave. Proceedings of the Board of Revenue, No. 722, dated 24th March 1875, contain the replies of certain Collectors upon the subject of beer licenses.

3. My attention to the Government Order is called by Official Memorandum, No. 464, dated 1st April 1875.

4. The Board accepted the tender of the Astagrama Company for the Abkari contract for the three years following the 1st July next, on the 12th ultimo. The Company did not, on tendering, make any inquiries as to the number of beer shops in the Nilgiri District, and it had no official information on the subject.

5. There are two brewers on the Hills, Mr. Honeywell and Mr. Frend. I annex a list of their respective shops:—

Mr. S. Honeywell.			Mr. A. Frend.		
1. Ootacamund	...	Retail.	1. Ootacamund	...	Wholesale.
1. Do.	...	do.	1. Do.	...	Retail.
1. Kotergherry	...	do.	1. Do.	...	do.
1. Coonoor	...	do.	1. Kandul	...	do.
1. Wellington	...	do.	1. Yellamully	...	do.
1. Kandul	...	do.	1. Wellington	...	do.
1. Burlbar	...	do.	1. Coonoor	...	do.
1. Kartairy	...	do.	1. Marapallum	...	do.
1. Ouchterlony Valley	...	do.	1. Kotergherry	...	do.
1. Do.	...	do.	1. Neddittum	...	do.
			1. Masnicott	...	do.

6. A Mr. Davis was the first brewer on the Nilgiris. He established a small brewery at the head of the Beggar Ghat, which was washed away in a flood in 1837, and was never resumed. Captain Ouchterlony was the next person who experimented in brewing. In 1851, Mr. James and Mr. Honeywell established a brewery in partnership. At that time, brewers were not required to take out licenses and paid no duty of any sort. Messrs. James and Honeywell sold their bottled beer which had an alcoholic strength of 8 per cent. at Rupees 4-12-0 per dozen, and draught beer with the same alcoholic strength at 4 Annas per bottle. By the Abkari Act III. of 1854, licenses for brewing were required to be taken out, and Mr. Honeywell, who had separated from Mr. James and bought the business, took out a license to manufacture, for which he paid 25 Rupees per annum, and licenses for his shops, for which he paid annually 15 Rupees each. By G. O. No. 814, dated 21st May 1872, an excise duty of 1 Anna per gallon was imposed in lieu of the license to manufacture, and this duty still subsists.

7. Mr. Frend pays the same duties as Mr. Honeywell. He started as a brewer in 1872.

8. Mr. Honeywell has accordingly been in business as a brewer on the Hills for twenty-four years, and Mr. Frend for three years.

9. The matting grains obtainable in this country are barley, bear, and bearded wheat on the Hills, and rice and paddy on the plains.

10. Dr. Short in his pamphlet on the Hill Ranges of Southern India (Hugginbotham and Co., 1870) states at page 19: "The barley grown on the Nilgiris is so poor in quality that the malt made from it yields in the mash but a very dispro-

portionate quantity of saccharine matter, rendering it necessary to employ raw sugar as an adjunct to produce a wort of sufficient strength." Captain Ouchterlony in his pamphlet on the Hills makes the same statement. Unfortunately I cannot lay my hand on a copy of the pamphlet.

11. Mr. Honeywell and Mr. Frend employ similar processes of brewing. Each use 1 cwt. of concentrated wort and 1 cwt. of the first sort of brown sugar which is obtained from Mysore, and 8 lbs. of hops in brewing two hogsheads of beer containing 108 gallons. This beer is sold at $3\frac{1}{2}$ Rupees per dozen containing two gallons. The concentrated wort and the hops are both imported from England, and 5 per cent. *ad valorem* customs duty is paid on them. The reason why the beer is cheaper than English beer by Baas, Dawkes, Flowers, and the other great brewers, is on account of less carriage. One cwt. of concentrated wort and 1 cwt. of sugar can be brewed into two hogsheads of beer and each hogshead weighs one-fourth of a ton.

12. The draught beer brewed by both Messrs. Honeywell and Frend is made from country wort, that is to say, the wort from barley, bear, and bearded wheat grown on the Hills and sugar, 1 cwt. of each and 8 lbs. of hops to two hogsheads of beer. This beer is sold at 2 Annas per bottle and 25 Rupees the hogshead. The sole difference between the bottled and draught beer is that the former is made of English concentrated wort which is richer than wort from country grains.

13. Prior to 1848, beer in England was brewed of malt and hops only under a penalty of £500 for every breach of the law. In 1848, an Act was passed permitting the use of sugar in brewing beer, and the Act is still in force. Beer made from malt and hops only will not bear export. This beer has a specific gravity of 15. Beer exported to India is brewed, on the other hand, from malt and hops and sugar and the specific gravity is about 6. The use of the sugar is to reduce the specific gravity. Beer of a high specific gravity would burst the casks directly it entered the tropics.

14. Brewers in England take out a brewing license for which about £15 per annum is paid. The duty on malt is 20s. 8d. per quarter of eight bushels, and a quarter with 2 cwt. of sugar will brew four hogsheads of beer for export of 8 per cent. alcoholic strength. The duty per hogshead is thus 5s. 2d.

15. These details demonstrate that as the Government desire beer on the Hills to be brewed from *malt and hops* only, the country beer will be at a disadvantage as compared with imported beer and a restriction will be imposed not thought necessary in England. They also demonstrate that excluding the import duties paid on concentrated wort and hops, the present duty of 1 Anna per gallon amounts on a hogshead of 54 gallons to 6s. 9d. against 5s. 2d. the duty paid on a hogshead in England, and that the proposed duty of 4 Annas per gallon will be 27s. per hogshead or upwards of five times the duty levied in England.

16. It does not appear to me that brewing on the Hills will be able to survive if the proposed restrictions be maintained, and hence the shops will disappear of themselves. I apprehend the Government do not desire this result. Mr. Honeywell informs me he has sunk 60,000 Rupees in his business. He paid in excise duty last year Rupees 3,484-6-11. A large quantity of his beer was exported to the plains. Mr. Frend states he has sunk 9,000 Rupees in his business.

He paid in excise duty last year Rupees 2,318-10-0. The consumption of Mr. Frend's beer is entirely local.

17. I am sending two bottles of Mr. Honeywell's draught beer and two bottles of Mr. Frend's draught beer to the Board for analysis. This beer I obtained myself from shops in the Ootacamund Bazaar, at an unexpected visit. I am also sending two bottles, respectively, of Mr. Honeywell's bottled Ale, bottled Cooper, and bottled Porter.

SUBMITTED to Government with reference to Board's Proceedings, dated 20th April 1875, No. 971.

(A true Copy and Extract.)

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

ORDER THEREON, 18th May 1875, No. 752.

Separate Revenue, No. 18.

Ashok

ON reconsideration the Government resolve to direct that the grant of beer-licenses be restricted to beer made of malt, hops, and sugar only, and of an

alcoholic strength not exceeding 8 per cent.

2. The Board of Revenue will report the arrangements which they would propose to make for testing the beer, the process for which is stated not to be a simple one.

3. They will also give Mr. Cockerell's letter detailed consideration, and, after carefully testing the statement therein made, will report whether they would recommend any reduction in the duty of 4 Annas a gallon.

(True Extract.)

(Signed) D. F. CARMICHAEL,
Officiating Chief Secretary.

COMMUNICATED to all Collectors who will observe that the sale of country brewed beer from 1st July next is to be restricted to such as is manufactured from malt, hops, and sugar only, and is of alcoholic strength not exceeding 8 per cent. A condition to this effect should be introduced into the beer shop licenses. No new shops are to be licensed pending further orders.

2. As for the testing of the beer, it is difficult to devise arrangements which shall be effective in practice. The constituents of the beer can be ascertained only by chemical analysis, and the alcoholic strength cannot be found directly by means of a hydrometer, but must be obtained by distillation and test of the distillate. These are not simple processes, and the requisite agency and apparatus for carrying them on throughout the country are wanting. The only thing to be done is to direct Collectors to obtain specimens occasionally, taking care that they are not selected but are really representative samples of the stuff ordinarily sold at the shops whence they come, and to send them to Madras for analysis. With the present number of shops this system will fall far short of a satisfactory test; but if it be finally decided to allow as many licenses as have been proposed, some arrangements for testing the liquor in the districts must be made.

3. With reference to Mr. Honeywell's assertions as to the materials used by him, the Board find that according to the Trade Statistics, no concentrated wort

has been imported into the Presidency since 1866-67. The duty upon it under Act XIII. of 1871 would be not 5 but

1872-73	lbs
1873-74	7,392
1874-75	4,732
	840
	<u>12,964</u>

7½ per cent. The imports of hops for the past three years are given in the margin. The following figures show the excise paid, and the quantity of beer excised at one Anna per gallon on the Nilgiri Hills,

and the quantity of hops which would be required if the statements reported in Mr. Cockerell's letter were true:—

		1872-73.	1873-74.	1874-75.	Total.
Excise	Rs.	3,183	5,951	5,803	14,937
Quantity	Gallons.	50,928	95,216	92,848	2,38,992
Hops required at 4 lbs. per 54 gallons ...	lbs.	3,772	7,053	6,876	17,701

4. From it is apparent that the whole quantity of hops imported into the Presidency during the last three years would not have sufficed for three-fourths of the beer of Messrs. Honeywell and Friend's brewing which paid excise. The very great decrease in the imports of hops is also significant. But there are in addition breweries at Bellary and Bangalore, and at the former place 82,324 gallons were excised in the last three years and for these 6,091 lbs. of hops would have been required. The Board have no information as to the quantity brewed and locally consumed in Bangalore, but there is reason to believe that much of the Bangalore beer now finds its way into the Madras territory, and as it pays no excise, it will compete on unduly favorable terms with toddy and Madras excised beer. The Board will address the Chief Commissioner with a view to obtaining information on the subject.

5. The Board will defer making any proposals as to the duty to be imposed on country beer until they are in possession of this information, and of the results of the analysis of the specimens which have been sent to the Chemical Examiner.

(True Copies and Extract.)

H. L. ...

Acting Secretary.

To all Collectors.

To the Acting Secretary to Government, Revenue Department.

Copy to the Chemical Examiner.