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MADRAS RECORD OFFICE

GOVERNMENT OF MADRAS

Revenue DEPARTMENT

G.O. No. 650 Press

~~B.P. No.~~ ~~Mis.~~

Dated 20-5-1876 ~~196~~ .

Not to be folded or roughly handled

No. 191. From C. A. GALTON, Esq., Acting Secretary to the Board of Revenue, to D. F. CARMICHAEL, Esq., Secretary to Government, Revenue Department, dated Madras, 20th March 1876, No. 781.

I AM instructed to forward herewith the Excise Report for Fasli 1284 in accordance with the orders marginally noted. The report was completed prior to the receipt of the forms prescribed by the Government of India, which accompanied G.O., dated 28th January 1876, No. 233. These forms are so entirely inapplicable to the system prevailing in the Madras Presidency, that no attempt has been made to fill them up, inasmuch as the information given would be so fragmentary as to be almost useless. The amalgamation of the Arrack and Toddy farms which existed up to the current fasli precludes the possibility of exhibiting the revenue derived from each source separately except for excise districts, whilst under the farming system, which prevailed in all districts except five, information as to consumption was not procurable. Such particulars as were available have been embodied in the excise report, which deals fully with the whole subject, and can be readily extracted therefrom and arranged in any shape considered most convenient for the purposes of the Government of India, but any attempt to fill up here forms framed to suit totally different conditions would probably mislead.

G.O., dated 19th July 1875, No. 1,083.
,, ,, 9th Sept. ,, ,, 1,338.

2. The following remarks will show the extent to which the information required for each form is available:—

No. I.—The Arrack and Toddy revenues can be separately given for excise districts only and for the Town of Madras, the Toddy farms not having been separately sub-let elsewhere. The duty on country beer brewed at Bellary and on the Nilgiris is known (*vide* paragraph 80 of the Excise Report), but there is no duty other than Import-duty on wine and beer other than country brewed, and the Customs Returns show the Import-duty only for the official year. The only revenue other than Import-duty derived from the sale of European liquors is realized by license fees, particulars of which are given at paragraph 78. The columns relating to population of each district can be filled up from Dr. Cornish's Census Report, and the total revenue of each district with the incidence thereof per head of population is exhibited in the statement appended to paragraph 79 of the report.

Nos. II. and III.—These statements have reference to a distinction which is not recognized in this Presidency. It appears from the correspondence marginally noted that in Bengal only spirit distilled according to the native method is regarded as country spirit, liquor distilled with English apparatus being separately classed as European. In this Presidency, however, all liquor issued in excise districts is classed as country spirit, whatever the mode of manufacture. The statements cannot therefore be filled up.

Letter from Secretary to Board of Revenue, Lower Provinces, dated 21st January 1876, No. 62-B.
Letter to do., dated 7th February 1876, No. 372.

No. IV.—Particulars can be given only as regards excise districts and the Town of Madras; all available information is contained in the report.

No. V.—This statement is apparently framed with reference to a system prevailing in some parts of India of taxing the materials from which country spirit is distilled. No such system is in force in any part of this Presidency and the return is therefore inapplicable.

Vide G.O., dated 13th May 1875, No. 722, and Board's Proceedings, dated 2nd June 1875, No. 1,489.

No. VI.—In this Presidency licenses are issued for the sale of European liquors and country beer, the fee for a wholesale license being Rupees 25 per annum and for a retail license Rupees 15. The number of licenses and amount of fees realized, which is all the information available, are given at paragraph 78 of the report.

Nos. VII. and VIII.—No revenue is realized from the sources indicated except in the Town of Madras. The number of licenses issued and the fees collected thereon are shown in the margin. The existing law does not make the taking out of a license for the sale of intoxicating drugs compulsory, nor is any penalty attached to sale by unlicensed vendors. It is only when a vendor chooses to apply that a license is granted, the fee for a Chendoo shop being Rupees 2 per annum. None of the Ganja vendors in the inside limits pay any fees, but there are three shops in the outside limits the owners of which pay a daily dowle of from 12 Annas 6 Pies to 14 Annas 6 Pies for the privilege of selling Chendoo and Ganja. This explains the figures given above: no information as to the quantity of drugs sold, &c., can be furnished.

	No. of Licenses.	Fees. Rs.
Chendoo	17	34
Ganja	3	616
Total...	20	650

3. The Board's Proceedings of 21st September 1875, No. 2,639, and the returns therein prescribed for the current Fasli explain the nature of the information which will be available for the purposes of the Annual Administration Report and the extent to which the requirements of the Government of India can be met. A copy is accordingly forwarded herewith.

(True Copy.)

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

Exd. W. J. Lewis.

REVENUE DEPARTMENT,
OOTACAMUND,
20th May 1876.

No. 192.

No. 650.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Separate Revenue, No. 23.
Abkari.

SIR,—With reference to your letter, dated 26th August 1875, No. 2,881, I am directed to submit a full and interesting report received from the Board of Revenue on the excise administration in this Presidency for fasli 1284, *i.e.*, for the revenue year ending 30th June 1875, for which the Abkari farms were rented as usual.

2. I am to request attention to the remarks in the Board's letter* (copy enclosed) in regard to the general inapplicability of the forms prescribed by the Government of India in their Circular, No. 142, dated 12th January 1876, to the peculiar conditions of this Presidency.

* Dated 20th March 1876, No. 781.

I have the honor to be,
Sir,
Your most obedient servant,

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

Exd. F. R. Bantleman.

Financial {1876} Department.

Government of Fort St. George.

Dated 20th May 1876. Received } No. 650. Enclosures. 8 spare copies.

D. No. Progs.

L. No. No.

40. Abkari — The revenue is partly raised by rents, and partly under an excise system. The latter was in force in the five districts noted in the margin, but in all the other districts, except the Town of Madras, the revenue was farmed out to the highest bidder. The revenue of the districts where the excise system prevails has on the whole increased though in North Arcot there has been a decrease owing, it is said, to the entire separation of the toddy contract from the arrack renters during the fasli, which circumstance combined with the rise in the prices of articles of food induced the drinking portion of the public to consume toddy more extensively than arrack. In Madras, where the Abkari Revenue

Ganjam, Vizagapatam, Chingleput, North Arcot and South Arcot.

	Minimum Demand. Rs	Demand. Fasli 1282. Rs	Fasli 1283 Rs
1. Ganjam	66,000	76,359	79,552
2. Vizagapatam	160 000	153,952	163 687
3. Chingleput	125 000	159 424	173 466
4. North Arcot	270 000	312 813	300,159
5. South Arcot	175 000	191 238	194,004
Total	786 000	894,286	910,868

Excise Administration Report of Madras Presidency for the year ending 30th June 1875.— Forwarding to the Government of India —, and requesting attention to the Board's remarks regarding the general inapplicability of certain forms prescribed by that Government to the peculiar conditions of this Presidency.

Revenue is managed under the immediate superintendence of the Revenue Authorities, there was an increase* of Rupees 84,360 in the demand. Of this however, Rupees 49,653 should alone be reckoned as the real increase, as the Dowles have been since reduced and a sum of Rupees 34,707 remitted.

In the other districts of the Presidency, where the revenue is farmed out, the demand of Fasli 1283 is very nearly the same as that of Fasli 1282, the revenue being based on the same leases in both Faslis.

* Fasli 1282 ..... Rs 11,33,743
" 1283 12,18,103
Increase .. 84,360

Board's Proceedings dated 11th March No. 586.

Fasli 1282 ..... Rs 39,94,750
" 1283 39,92,905
Decrease 1845

Enclosure to the
letter to Govt of Bora
about a separate report
on Ab Kaary

5

No. 1084

19 July/75.

To

The Secretary to the Govt of India
Financial Dept.

Sir,

In reply to Offg
Under Secy, Mr. Bourdillon's
letter, of the 18 May 1875,
No. 783, I am directed to
inform you that no
separate Ab Kaary Admn.
report has hitherto been
prepared in this Presi-
dency.

2. A brief record of
the administration of the
Ab Kaary revenue during
the official year is includ-
ed by the Board of Rev.
in their general adminis-
tration Report, and is
incorporated in the
Presidency Administration
Report, but not reviewed.

The

2. The Board of Rev also in their report on the Revenue Settlement and Collections during the Revenue year notice briefly the variations &c. in the Ab Kaary revenues and their causes

3. H. E. the Governor in Council ~~is, I am to say,~~ afraid that the collection of materials for a detailed report on the administration of the Ab Kaary revenue during the year 1873-74 would, at this late period, be a work of time - and would also be likely materially to interfere with the preparation of the report for 1874-75, which should be now undertaken He would therefore suggest that the submission of these reports should date from the year 1874-75

4- I am now directed to forward an extract from the Revenue Board's settlement report for the year ending the 30. June 1874, and to observe that full information regarding the Ab Kaary system in this Presidency up to the year 1873-74 is afforded by the Hon. Wm. Daly's full and detailed report recently submitted for the information of the Govt of India -

I am &c

Rec'd 4th. 2nd Jul/75. Rd 5th Jul/75.
Rec'd 21st June/75. Rd 2nd July/75.

REVENUE DEPARTMENT,
OOTACAMUND,
19*th July* 1875.

No. 1,084.

No. 201.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Separate Revenue, No. 26.
Abkari.

SIR,—In reply to Officiating Under-Secretary Mr. Bourdillon's letter of the 18th May 1875, No. 783, I am directed to inform you that no separate Abkari Administration Report has hitherto been prepared in this Presidency.

2. A brief record of the administration of the Abkari revenue during the official year is included by the Board of Revenue in their General Administration Report, and is incorporated in the Presidency Administration Report, but not reviewed.

The Board of Revenue, also, in their report on the Revenue Settlement and Collections during the *revenue* year notice briefly the variations, &c., in the Abkari revenue and their causes.

3. His Excellency the Governor in Council fears that the collection of materials for a detailed report on the administration of the Abkari revenue during the year 1873-74 would, at this late period, be a work of time, and would also be likely materially to interfere with the preparation of the report for 1874-75, which should be now undertaken. He would, therefore, suggest that the submission of these reports should date from the year 1874-75.

4. I am now directed to forward an extract from the Revenue Board's Settlement Report for the year ending the 30th June 1874, and to observe that full information regarding the Abkari system in this Presidency up to the year 1873-74 is afforded by the Hon. Mr. Dalyell's full and detailed report, recently submitted for the information of the Government of India.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) A. MACGREGOR,
Acting Secretary to Government.

Exd. F. R. Bantleman.

Financial {1875} Department.

I 1

Government of Fort St. George.

Dated 19th July 1875. | No. 1,084 Enclosures.
Received | 8 spare copies

P. No. Progs.

L. No. No.

N-201.

INTIMATING that no separate Abkari Administration Report has hitherto been prepared in this Presidency; suggesting that the submission of these reports should date from the year 1874-75; forwarding an extract from the Revenue Board's Settlement Report for the year ending 30th June 1874; and observing that full information regarding the Abkari system in this Presidency up to 1873-74 is afforded by the Hon. Mr. Dalyell's report already sent to the Government of India.

EXCISE ADMINISTRATION REPORT

FOR FASLI 1284.

EXCISE ADMINISTRATION REPORT FOR FASLI 1284.

DURING the year under report the excise revenue of the Madras Presidency was for the most part managed on the farming system, which, except as regards the town of Madras, had been in force universally, until in the year 1869-70 (Fasli 1279) the "experimental excise" system was first introduced in the district of Ganjam. In 1872-73 that system was extended, under engagements for three years, to four other districts, *viz.*, Vizagapatam, North Arcot, Chingleput, and South Arcot; and the year to which the present report relates was the last of the period for which these engagements were subsisting. The experience gained of the working of this experimental system has led to changes of considerable importance both in the excise districts and in the administration generally, and to the extension of the excise system to more districts, *viz.*, Nellore, Salem, Trichinopoly, Tanjore, Coimbatore, the Nilgiris, and the Cantonment of Bellary, in Fasli 1285 (1875-76); so that the revenue from spirits is now derived from an excise throughout half the Presidency. The details of these changes, though the arrangements were made during the year under review, will properly belong to next year's report; but a summary of them will be given below.

2. The law under which the revenue from intoxicating liquors is managed in the Madras Presidency is Act III. of 1864. It empowers the Government to grant the exclusive privilege of manufacture or of sale, or of both, of liquors of certain kinds, or to take the revenue by way of excise, and contains provisions for the regulation of the liquor traffic in most respects sufficient. Under the farming system the exclusive privilege of manufacturing and selling country spirits and toddy (fermented palm juice) in defined tracts of country, almost invariably taluqs, is assigned to the highest bidder at public auction sale. The manufacture of toddy for domestic consumption used to be allowed till 1st July 1872, when it was forbidden by notification under Section 28 of the Act. Besides the provisions in the Act and orders issued thereunder for the regulation and licensing of shops, the most important restrictions on the privilege of the renters are that no larger quantity than a quart of spirits can be sold at one sale, and that liquor, whether spirits or toddy, cannot be sold below certain minimum prices. Owing however to absence of definition of, or of test as to, the strength of the spirits brought into consumption, and to the low figure at which the minimum price was generally fixed, the stipulation regarding it has been to a great extent inoperatives

3. Under the experimental excise system, the exclusive privilege of manufacture and sale of country spirits and toddy was assigned to certain persons as under the farming system, but for whole districts. The revenue was taken in the shape of an excise duty at fixed rates per gallon of spirits issued from the contractors' distilleries, and the strength of the liquor to be issued and sold was prescribed; but the contractors were required to sub-rent the toddy privileges and to pay over to Government 75 per cent. of their collections, except in Chingleput, where the contractor was permitted to manage the toddy revenue himself, with highly beneficial results. In order to protect the Government from possible loss in the excise experiment, it was stipulated that if the revenue should fall below a certain rate, fixed with reference to sums previously realized, the contract might be terminated at six months' notice. The amounts of the so-called guaranteed revenue for the five excise districts are shown below; and, though these amounts have in some cases not been reached, the advantages of the new system have been found to be so great that in no case has it been thought advisable to enforce the stipulation just referred to. The following table shows the revenue demand in each district on account of excise on spirits and of toddy for each year, during which the system has been in force, under the leases in question :—

——	Guaranteed.	Fasli 1282 (1872-73.)	Fasli 1283 (1873-74.)	Fasli 1284 (1874-75.)	Average.
		Rs.	Rs.	Rs.	Rs.
Ganjam	70,000	76,088	78,467	85,671	80,075
Vizagapatam	150,000	1,19,486	1,28,200	1,15,967	1,21,218
Chingleput	125,000	1,80,557	1,93,570	1,78,403	1,84,177
South Arcot	175,000	1,91,067	1,93,679	1,88,853	1,91,199
North Arcot	150,000	2,76,461	2,81,745	2,76,123	2,78,110
Total...	670,000	8,43,659	8,75,661	8,45,017	8,54,779

4. In the town of Madras the revenue both from arrack and toddy is managed directly by Government officers. The arrack supplied is of two kinds, Colombo arrack distilled from cocoanut toddy, imported through a contractor, and sold in special shops within the limits of the High Court jurisdiction only; and puttai, or 'bark' arrack, which is the name given to the ordinary country spirit distilled from jaggery and acacia bark. This liquor is sold throughout the limits as defined by Act XIX. of 1852, *viz.*, the High Court limits and eight miles beyond them on all sides. The system will be explained in detail below.

5. Besides the sources of revenue above sketched, and which will be found more fully discussed in the Honorable Mr. Dalyell's report on the Madras Abkári systems, a small revenue is derived from license fees in Madras and in the mofussil for shops for the sale of European liquor and of country brewed beer, from brewing licenses, and from the excise which is levied at one anna per gallon on beer brewed.

6. Under the farming system nothing is known of the consumption, of the sufficiency of the supply, or, in fact, of anything connected with the revenue except its amount. By the experimental excise system, some knowledge has been gained of the incidence and working of the revenue and steps have been taken to secure

fuller knowledge in future. The Board will proceed to review the results of the year under report in the five excise districts and the town of Madras, and will then give such facts regarding the farmed districts and the revenue generally as are attainable.

7. Ganjam.—Mr. F. J. V. Minchin was the renter. The agreement referred to the taluqs in the plains only; but, in order to check drunkenness amongst the Khonds in the Hill tracts, the renter was allowed under separate arrangements to extend his operations to these tracts. The distillation and sale of liquor by the Oriya Sundies, the local liquor selling caste, was prohibited, and arrangements were made for supplying liquor from the plains to be sold by the Sundies under license from the renter. Special rates of excise duty as shown in the margin were fixed, due precautions being taken against the sale of this lighter taxed liquor in the plain country. Distillation by the Khonds themselves, and their manufacture of sago palm toddy, were not interfered with. The system was not introduced in view to raising a revenue but to reduce drunkenness, and to prevent the supply of noxious liquor to the Khonds, and in securing these objects it is reported to have been successful. The quantity of liquor sent to the hills from the distillery at Aska was gallons 4,001 in Fasli 1283 and in Fasli 1284, gallons 3,478.

	As.
Pongoo, 30° under proof per gallon	10
Cutcha 60° do. do.	4

8. The rates of excise duty in the plain country in Ganjam were—

	Per Imperial Gallon. Rs. A. P.
Proof rum	2 0 0
30° under proof	1 8 0
60° do.	0 12 0
Milk punch (about 50° under proof)	1 0 0

And the issues and duty thereon in Fasli 1283 and Fasli 1284 were as follows:—

——	Fasli 1283.	Per cent.	Fasli 1284.	Per cent.
	Gallons.		Gallons.	
Proof rum	1,348·4	1·5	1,581·	1·6
30° under proof	6,894	7·7	7,754·3	7·9
60° do.	80,945·7	90·3	88,382·	90·0
Milk punch	392	·5	459·5	·5
	89,580·1	100·0	98,176·8	100·0
Deduct 5 per cent. allowed for wastage ...	4,479 0	...	4,908·8	...
	85,101·1	...	93,268·0	...
	Rs. A. P.		Rs. A. P.	
Duty thereon	70,432 2 1	...	77,464 8 7	...

9. From these figures it will be seen that the consumption increased in Fasli 1284 by 9,167 gallons, or 9·6 per cent. The bulk of the consumption in the district is of liquor at the very low strength of 60° under proof.

10. The issues were distributed throughout the year as follows :—

	Actual Gallons.	Per cent.	Gallons reduced to 30° under proof.	Per cent.
July to Sep., 1874	25,822·5	27·7	15,116·3	26·1
Oct. to Dec., ,, ...	18,439·7	19·8	12,751·0	22·0
Jan. to Mar., 1875	25,771·6	27·6	15,734·3	27·2
April to June, ,, ...	23,234·2	24 9	14,325·9	24·7
Total ...	93,268·0	100·0	57,927·5	100·0

11. The differences here shown are probably due not to variation in the consumption, but to issues having been reduced to a minimum during the second quarter and at the end of the first, when carriage was difficult. Also to save cost of carriage the liquor was issued in the second or monsoon quarter for the most part at higher strength to be afterwards diluted.

12. The minimum price prescribed was Rupees 3 at 30° under proof, and the prices at which the liquor was actually sold are given as follows :—

	RS. A. P.		RS. A. P.
Proof rum	4 8 0	to	5 4 0 per gallon.
30° under proof	3 0 0		
60° do.	2 0 0		
Milk punch	4 8 0		

13. The price at which the 60° under proof liquor is sold is in excess of the proportionate price by Annas 3-10. Arrack 30° under proof can certainly be made in Madras for 12 Annas a gallon, and it should cost less in Ganjam, where fuel and labor and probably also materials are cheaper. Proof spirit will then cost Rupees 1-1-2 and 60° under proof Annas 6 10. Milk punch costs Rupees 2 per gallon. The following then is an estimate of the results of the year to the renter :—

	Net issues.	Sale proceeds.	Cost of liquor.	Duty.	Shopkeeper's commission, cartage, &c., at 10 Annas a Gallon*.	Total, Columns 4 to 6.	Balance; Profit, Columns 3—7.
1	2	3	4	5	6	7	8
	Gallons.	RS.					
Proof	1,502	6,759	1,578·6	3,004			
30° under proof ...	7,366·5	22,099 5	5,524 9	11,049·8			
60° do.	83,963	167,926	35,852·6	62,974 3	58,292·5	1,79,586·2	1,9162·6
Milk punch	436·5	1,964 3	873·0	436 5			
	93,268 0	1,98,748·8	43,829·1	77,464·6			
	Average per gallon.	RS. A. P. 2 2 1	RS. A. P. 0 7 6	RS. A. P. 0 13 6	RS. A. P. 0 10 0	RS. A. P. 1 14 10	RS. A. P. 0 3 3

* In November 1874, the renter returned these items as Annas 13·0 at proof. In Vizagapatam, where shipping charges, but not shopkeepers' commission, are included, the rate is 11 Annas 4 Pies per gallon as issued and Rs. 1-2-10 per gallon at proof. The rate above taken for Ganjam would seem to be a fair estimate.

14. The Board believe the profit to be somewhat more than shown by this estimate, though possibly not materially so. The toddy revenue was sub-leased, 75 per cent. of the collections being payable to Government. The sums so realized were :—

	Total rent. RS.	Govt. share. RS.
Fasli 1283	10,712	8,034
Do. 1284	10,941	8,206

15. The selling price of toddy was 3 annas a gallon. The entire revenue from arrack and toddy under the rent was Rupees 85,670-8-0. The population of excluding the Hill Maliahs was in the district 1871, 13,88,976, of whom 8,80,650 were adults and 4,18,906 adult males. There were 943 arrack shops and 253 toddy shops. Hence—

To each arrack shop there were 1,472 people.

Do. toddy shop do. 5,489 do.

Consumption in actual gallons per head was ·067

The returns are not in a shape which enables the Board to give figures illustrating the consumption, &c., by taluqs.

16. VIZAGAPATAM.—The renters of this district are Messrs. Minchin and Co., who manufacture the rum issued in the district at Aska in Ganjam. The principal depôt for the district is at Bimlipatam whither the rum is sent by sea ; but small quantities are also sometimes issued from the depôt at Chicacole, which is on the borders of the district. The abkári of the Jeypore country, with the exception of the taluqs of Gunupur and Rayagadda, is farmed to separate renters under the ordinary system, and the current demand in the year under review seems to have been Rupees 33,700.

17. The liquor consumed in the rest of the district under Messrs. Minchin's rent is not all excised. In Gunupur and Rayagadda and in other hilly portions of the district, the people had been accustomed to use liquor distilled from the *mohwa*, or, as they are there called, *vippa* flowers. Attempts were made by Messrs. Minchin in the first year of the lease to supersede this liquor by excised rum, but the attempts were unsuccessful as the people refused the liquor. It was impossible to suppress distillation to which all the shopkeepers were accustomed ; and, after a very short period, it was found necessary to permit the renter to sub-lease the whole abkári of the taluqs of Gunupur and Rayagadda. Subsequently the concession was extended to the hilly portions of Salur, Palconda, and Parvatipur. The marginal statement shows the sums which these sub-rents fetched during Fasli 1284. There were 855 vippa shops and 651 stills. The liquor is sold at 9 Pies per seer or about Rupees 2-4-0 per gallon. Its strength is about 50° under proof. The revenue is very precarious and difficult of collection. The district renters were bound to pay to Government 75 per cent. of their collections, not of the amount of the sub-rents, and the full demand of the latter has never been realized.

	RS.
Gunupur	32,455
Rayagudda	14,780
Palconda	6,875
Parvatipur	17,661
Salur	1,905
Total...	73,676
75 per cent. payable to Government...	55,257

At the close of Fasli 1284, Rupees 26,378-8-4, as the Government share of the outstandings, were still uncollected. Of this, a considerable portion has since been got in, and arrangements have been made regarding the rest, with a view of closing the renters' accounts for the lease just expired. There is no information as to the quantity of vippa liquor made or consumed.

18. The rates of duty and minimum price for excised liquor in Vizagapatam were the same as in Ganjam. The issues for the last two faslis and the demand for duty were as follows:—

—	Fasli 1283.	Per cent.	Fasli 1284.	Per cent.
Proof rum	2,148·5	5·5	1,415·	5·1
30° under proof	22,734	58·2	18,561·1	65·8
60° do.	14,047	35·9	8,005·7	28·7
Milk punch	140·2	·4	110·6	·4
	39,069·7	100·0	28,092·4	100·0
Deduct 5 per cent. for wastage ...	1,953·5	...	1,404·6	...
	37,116·2	...	26,687·8	...
Duty...	Rs. 46,619 12 2	...	Rs. 34,949 0 4	...

19. Though the liquors issued are of the same description as in Ganjam, the greater portion of the consumption is at 30° under proof, whereas the weaker liquor is preferred by consumers in Ganjam. There has apparently been a considerable decline in the consumption during the fasli under review, the issues having fallen off by 10,977·3 gallons; but this decrease is only apparent, and arises from the depôts having been over-stocked in the previous years. In the first fasli of the lease unsuccessful attempts were made as already stated to introduce rum in lieu of vippa liquor in Gunupur and Rayagadda; the consumption of the district generally was also over-estimated, and the issues were therefore excessive at first. The issues and actual sales for the three years are given in the margin. The consumption of rum in the district may be roughly stated at 39,000 gallons of various strengths.

—	Actual gallons issued.	Equal to proof.	Sales equal to proof.	Actual gallons sold.
Fasli 1282...	48,332	27,802	22,221	38,564
Do. 1283...	39,070	24,779	23,045	38,696
Do. 1284...	28,092	17,684	23,026	...
	1,15,494	70,265	68,292	77,260
Average ...	38,498	23,422	22,764	38,630

	Per cent.
1st Quarter	30·5
2nd do.	19·4
3rd do.	25·1
4th do.	25·0
	100·0

20. The distribution of the issues throughout the year is shown in the margin. These however are not any index to the consumption for the reasons above stated, and it is useless to comment upon them.

21. The renters furnished to the Collector in October 1874 statements of receipts and charges, and profit and loss, in connection with their rent for Faslis

1282 and 1283, from which, though they are not completely intelligible, some valuable facts have been gleaned. Taking the two years together —

	Per Gallon. RS. A. P.
The average receipt from the sale of rum at the various strengths was*...	2 8 6
The cost of rum at proof was	1 0 3
The cost of milk punch was	2 0 0
The average charge for distribution, &c., (*viz.*, the total of establishment, cartage and sundry charges of all kinds† divided by the number of gallons issued, less 5 per cent. wasted,) was ...	0 11 4

22. Taking the issues of 1874-75, the cost and sale proceeds according to the retail rates quoted are as follows:—

—	Gross issues.		Cost gross.	Sale proceeds without wastage.	Sale proceeds allowing for wastage.
	GALS.		RS.	RS.	RS.
Proof	1,415·	at Rs. 1 0 3 =	1,435·	6,064·8	5,761·6
30° under proof ...	18,561·1	at ,, 0 11 4 =	13,200·8	55,953·8	53,156 1
60° do. ...	8,005·7	at ,, 0 6 6 =	3,253·2	12,251·0	11,638·4
Milk Punch	110·6	at ,, 2 0 0 =	221·2	540·6	513·6
	28,092·4		18,110·2	74,810·2	71,069·7
Average	...		Rs. 0 10 4	2 10 7	2 8 6

23. In computing the sale proceeds, the rates quoted for each taluq have been applied to the quantities shown as issued thereto. It will be seen that the average retail price on the net issues is exactly the same as the renters' average receipt per gallon. Hence there is no margin for retailers' profit; and the conclusion is inevitable, either that the allowance of 5 per cent. for wastage is excessive, or that the shopkeepers give short measure or dilute the liquor. Without allowance for wastage, the shopkeepers' profit would be 2 Annas 1 Pie, or, say, 2 Annas per gallon, which would still be low.

24. The average duty was Rupees 1-4-11. The cost of liquor being 10 Annas 4 Pies, and sundry charges 11 Annas 4 Pies per gallon, the charge to the renters would be Rupees 2-10-7, and it appears to be true as alleged by them that there is a loss on the rum contract, which has to be recouped by the share of the collections from toddy and vippa liquor which is allowed them. This probably need not be the case; the sundry charges against the rum are very high, and the consumption in the district is low, indicating illicit supply. Whether enhanced prices are possible is however doubtful.

25. The following statement shows particulars of the consumption, &c., in the several taluqs where rum is consumed. The average issues for three Faslies, 1282—

* A small sum shown as rum sellers' commission in Fasli 1282 and equivalent to about 2 Pies per gallon on the two years is excluded here.

† Agent's commission omitted. This in the particular case represents rather a division of the profit than a real charge.

1284, are taken as those of Fasli 1284 are obviously less than the real consumption :—

Taluqs.	Population.	Area.	Issues, Net.	Shops.	Consumption per head gallons.	Sales per shop gallons.	Square miles to each shop.	People per shop.
		SQ. M.						
Golgonda	93,942	540	1,229·6	33	·013	37·3	16·3	2,847
Sarvasidhi	134,708	960	713·5	22	·005	32·4	43·6	6,123
Ankapilly	165,346	597	1,330 3	25	·008	53·2	24·0	6,618
Viravilly	161,194	522	1,830·3	63	·011	22 8	9 3	2,559
Vizagapatam	79,195	216	8,419·2	66	·106	127·5	3·3	1,200
Bimlipatam	106,113	243	5,089·0	36	·048	141·3	6·7	2,948
Srungavarapukota	134,244	318	951 8	36	·007	26·5	8·8	3,729
Chepurpilli	201,985	615	924 4	33	·005	28·0	18·6	6,121
Vizianagaram	136,839	333	6,001 3	43	·044	177·5	7·7	3,182
Gajapatinagram	107,008	276	755·0	22	·007	34 3	12·5	4,864
Salur	76,324	222	2,628·4	35	·034	75·1	6·3	2,181
Bobbili	137,146	333	1,087·7	7	·008	155·4	47 9	19,592
Palconda	168,369	432	2,954·7	49	·018	60·3	10 3	3,334
Parvatipur	135,201	402	2,249·4	42	017	53·7	9 6	3,219
Total...	1,832,614	6,009	36,164·6	512	·020	70·6	11·8	3,560

26. The consumption for the whole district is thus very low, and there are differences which are inexplicable save on the assumption that in some taluqs illicit practices are rife. In Vizagapatam only does the administration seem to be approximately healthy. It has been shown above from a consideration of the retail prices and the renters' charges that the shopkeepers' profit is probably derived from dilution, or is at all events extremely low. Supposing it, however, to be even 4 Annas per gallon, which is allowed in some other districts, it is apparent from the figures showing the average sales per shop that selling licit liquor is not a profitable occupation. In Viravilly the shopkeeper would earn on the average Rupees 5-12-0 *per annum*; in Srungavarapukota, Rupees-6-10-0; and in Chepurpilli, Rupees 7. Where, as in Viravilli and Srungavarapukota, there are found a dense population, low licit consumption per head, shops very numerous, and shopkeepers' licit profit very low, it cannot be doubted that the shopkeepers either manufacture or sell illicit liquor. Illicit vippa liquor is no doubt largely consumed in these taluqs. Where again population is dense, shops very few and consumption low, as in Bobbili, it is probable that the people get their liquor elsewhere than at sanctioned shops. Explanation is needed why there are so few shops allowed in Bobbili. In Salur, Palconda, and Parvatipure there are, respectively, besides the rum shops shown in the above table, 78, 36 and 201 shops for the sale of vippa liquor. Yet the consumption of rum and the average sales per shop are better in these than in many other parts of the district. It would seem therefore that increasing the number of licit shops has effect in checking illicit consumption.

Taluqs.	Fasli 1283.	Fasli 1284.
	RS.	RS.
Vizagapatam	11,500	
Ankapilli	1,850	14,350
Viravilli	800	
Bimlipatam	2,950	3,050
Vizianagram	5,025	5,025
Gajapatinagram	1,025	800
Chipurpilli	3,655	3,760
Salur...	1,400	
Palconda	2,875	5,175
Parvatipur	800	
Srungavarapukota	700	600
Yelamanchili	1,100	900
Narsapatam	400	420
	34,080	34,080
Payable to Government ...	25,560	25,560

27. The toddy rents disposed of by the renters at auction amounted to Rupees 34,080, and the three-fourths payable to Government were Rs. 25,560. For convenience to themselves, the renters made themselves responsible for this amount, so that as regards the toddy revenue, they were contractors, not agents. There were 583 toddy shops in Fasli 1284. The minimum price of toddy was 3 Annas per gallon, but it was sold as high as 4½ Annas in some taluqs.

28. The abkári demand of the district was Rupees 1,50,216 including Jeypore. For the country under Messrs. Minchin and Co's. rent the following are the chief results :—

	People.
To each rum or vippa shop there were	1,817
Do. rum shop where vippa is not consumed...	3,776
Do. toddy shop	3,144
Average consumption of rum where consumed was in actual gallons per head	·020

29. NORTH ARCOT.—The renters were Messrs. Corbett and Morison. The liquor was issued chiefly at a strength of 20° under proof. It was manufactured at distilleries at Palmanair and Ranipet. From the former 24,028·5 gallons and from the latter 95,714·5 gallons were issued in Fasli 1284. Deducting 5 per cent. for wastage, the net issues were therefore 113,756 gallons, against 116,612 in Fasli 1283 and 130,963 in Fasli 1282. The duty was Rupees 2 per gallon, and the strengths of, and duty on, the quantity issued were as follows :—

	Gallons.	Duty.
At proof	75	187·5
20° under proof	114,750	239,336·0
25° do.	4,917	
26° do.		
	119,742	239,523·5
Deduct 5 per cent...	5,987	11,976·1
	113,755	227,547·4
Add duty on liquor issued for special purposes over proof	...	126·
		227,673·4

30. The renters have furnished statements showing the actual quantities issued to shops in the several taluqs and zemindaries, and the following statistics as to consumption in Fasli 1284 are thence taken :—

Taluqs.	Population.	Area.	Shops in Fasli 1284.	Sales in Fasli 1284. Gallons 26° under proof.	Consumption per head.	Sales per Shop.	Square miles to each Shop.	Population to each Shop.
		SQ. M.						
Chittoor	213,045	887	44	8,409	·039	191	19·9	4,842
Palmanair	60,211	484	36	4,272	·071	119	13·4	1,673
Chendragiri	99,628	531	55	8,597	·086	156	9·6	1,811
Guriattam	162,980	318	73	10,668	·065	146	4·4	2,232
Vellore	179,156	471	104	24,288	·135	233	4·5	1,723
Polcor	109,150	456	45	6,416	·059	143	10·1	2,425
Arcot	157,391	414	60	4,700	·029	78	6·7	2,623
Wandewash	153,307	431	22	2,415	·016	110	19·6	6,978
Wallajah	216,204	419	109	18,453	·085	169	3·8	1,984
Arnee	77,679	169	50	9,634	·124	193	3·4	1,554
Kangundi	52,047	330	18	1,840	·035	102	12·8	2,891
Kalasri	135,104	736	45	3,564	·026	79	16·4	3,003
Karvetnuggar	269,894	922	98	9,678	·033	99	9·4	2,958
Punganoor	109,282	634	42	3,751	·034	89	16·1	2,602
Total...	2,015,378	7,152	801	116,630	·058	146	8·9	2,516

31. The consumption in the district is thus considerably higher than in Vizagapatam, and the figures do not show such unmistakeable evidence of the prevalence of smuggling as those for that district.

1284, are taken as those of Fasli 1284 are obviously less than the real consumption :—

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Vizagapatam	79,195	216	8,419·2	66	·106	127·5	3·3	1,200
Bimlipatam	106,113	243	5,089·0	36	·048	141·3	6·7	2,948
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Average consumption of rum where consumed was in actual gallons per head	·020

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Guriattam	162,980	318	73	10,668	·065	146	4·4	2,232
Vellore	179,156	471	104	24,238	·135	233	4·5	1,723
Poloor	109,150	456	45	6,416	·059	143	10·1	2,425
Arcot	157,391	414	60	4,700	·029	78	6·7	2,623
Wandewash	153,507	431	22	2,415	·016	110	19·6	6,978
Wallajah	216,204	419	109	18,453	·085	169	3·8	1,984
Arnee	77,679	169	50	9,634	·124	193	3·4	1,554
Kangundi	52,047	330	18	1,840	·035	102	12·8	2,891
Kalastri	135,104	736	45	3,564	·026	79	16·4	3,003
Karvetnuggar	269,894	922	98	9,678	·033	99	9·4	2,958
Punganoor	109,282	634	42	3,751	·034	89	16·1	2,602
Total...	2,015,278	7,152	801	116,639	·058	146	8·9	2,516

31. The consumption in the district is thus considerably higher than in Vizagapatam, and the figures do not show such unmistakeable evidence of the prevalence of smuggling as those for that district.

32. There are however some remarkable variations. The consumption is highest in Vellore, which contains the large town of that name, and next highest in the Arnee Jaghire. It seems possible from the way in which the statistics have been rendered, that some of the issues and sales for the adjoining taluq of Wandewash, where the consumption is shown as very low, have been charged to Arnee; but, on looking at the proportion of shops and population to each, it will be seen that the difference cannot be thus fully accounted for. Wandewash is a thriving and densely populated taluq, and ought not to fall below Wallajah in point of consumption. It is probable that illicit practices take place there, and the remedy would probably be to increase the number of licensed shops which, compared to area and population, seems now insufficient. The same remarks apply to Chittoor and perhaps to Kalastri also. The consumption in the hilly tracts on the north-west of the district is higher than in the plain taluqs. It is very low in the south-east taluqs—too low apparently in Wandewash.

33. The system adopted by the renters is to allow the shopkeepers a commission of 4 Annas per gallon sold. The liquor was sold to the public at Rupees 5 per gallon in 166 shops and at Rupees 3-12-0 and Rupees 3 in the remainder. The minimum price prescribed was Rupees 2-4-0 per gallon. The total sale proceeds were Rupees 4,58,081, whence the average retail price is found to be Rupees 3-14-10 per gallon. The expenses are returned by the renters as follows :—

	Rs.	Rs.	Per Gallon sold. Rs. A. P.
Cost of materials for distillation, distribution, and establishment	1,30,753		
Sundries	7,794		
		1,38,547	1 3 0
Commisson to Shopkeepers		29,158	0 4 0
Duty (less wastage) on issues of the year ...		2,27,548	1 15 2
Profit...		62,828	0 8 8
Total...		4,58,081	3 14 10

34. Of the sum of Rupees 62,828 shown as profit, the renters realized during the year Rupees 56,760. From this however some deduction must be made on account of interest on fixed capital and depreciation.

35. The figures which have been furnished year by year by Messrs. Corbett and Morison give ground for an important deduction as to the rate of wastage which is allowed. At present 5 per cent. of the gross issues are permitted to pass free of duty to meet wastage; but the actual sales compared with the actual issues show only 3 per cent. as follows :—

	Gross Issues. Gallons.	Sales. Gallons.
Fasli 1282	1,37,854	1,28,942
Do. 1283	1,22,759	1,19,698
Do. 1284	1,19,743	1,16,630
Total ...	3,80,356	3,65,270
Balance left in depôts on 30th June 1875 ...		3,672
		3,68,942
Actual wastage		11,414
		3,80,356

36. The wastage at the assumed rate of 5 per cent. was 19,018 gallons. The renters have sold in Fasli 1284, 2,795 gallons free of duty, and at Rupees 2 per gallon they cleared Rupees 5,590. If the ordinary profit at 8 Annas 8 Pie per gallon be added, the amount becomes Rupees 6,886, which accounts for more than a tenth of their whole profit. It seems that the rate to be allowed in future leases ought to be 3 per cent. Assuming wastage at 3 per cent. and working back from the balance of stock known to exist at the close of Fasli 1284, the following figures are obtained :—

——	Closing Balance.	Wastage on issues at 3 per cent.	Sales.	Total.	Issues.	Opening balance.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fasli 1284	3,672	3,593	1,16,630	1,23,894	1,19,743	4,152
Do. 1283	4,152	3,684	1,19,698	1,27,534	1,22,759	4,775
Do. 1282	4,775	4,137	1,28,942	1,37,854	1,37,854	...
	12,599					
Average ...	4,199					

37. Thus it seems that the district can be worked with an average stock of about 4,200 gallons or 3·3 per cent. of the average issues. Hence it is apparent that the capital is turned over many times in the year, and consequently that a very small capital is needed to work the business. Doubtless half a lakh would suffice and allowing one-sixth for depreciation and interest, the renters' profit for the year would be reduced to Rupees 54,495 or 7½ Annas per gallon.

	Per cent.	
July	8·99	
August	7·63	26·46
September ...	9·84	
October... ...	8·50	
November ...	11·12	28·32
December ...	8·70	
January ...	10·11	
February ...	5·98	22·51
March	6·42	
April	6·53	
May	7·94	22·71
June	8·24	
	100·00	100·00

38. The distribution of the issues monthly is shown in the margin. It will be seen that they are much lower in the second half of the fasli (January to June), which is of course due to the fact that this is the toddy season.

39. The toddy revenue of North Arcot was farmed out to a sub-renter for Rupees 64,600, of which 25 per cent. was payable to Messrs. Corbett and Morison. The number of toddy shops was 953.

40. Chingleput.—The renter of this district was Mr. Thomas Pritchard. His management has been extremely successful and has resulted in a considerable increase of revenue to Government as well as profit to himself. He has paid especial

attention to the development of the toddy revenue, as the following figures showing actual revenue realized will show :—

——	Arrack.	Toddy.	Total.
	Rs.	Rs.	Rs.
Fasli 1282	1,00,303	80,253	1,80,556
Do. 1283	88,515	1,05,055	1,93,670
Do. 1284	71,218	1,07,185	1,78,403

Fasli 1284 was a bad year, and hence the great decline in arrack consumption.

41. The previous rent of the district was Rupees 1,58,000, and the amount guaranteed by Mr. Pritchard was Rupees 1,50,000. Very complete information as to the working of the contract has been placed at the disposal of Government, and the experimental excise system has in this district proved an unqualified success.

42. The liquor was sold at 30° under proof. It was manufactured at the Government distillery in Madras which was occupied by Mr. Pritchard as contractor for the supply of puttai arrack for the town. It was sent thence under proper precautions to a large depôt at Poonamallee outside the Madras Town Abkari limits, whence it was distributed to twenty-eight depots or godowns throughout the district of Chingleput.

43. The following statement shows the principal facts regarding arrack consumption :—

Taluqs.	Population.	Area.	Shops in Fasli 1284.	Sales, Gallons 30° under proof, Fasli 1281.	Consumption per head, Fasli 1284.	Sales per Shop, Fasli 1284.	Square miles to each Shop.	Population to each Shop.
Sydapet*	65,869	152	44	7,375	·112	167	3·5	1,497
Trivellore	149,898	508	75	7,589	·051	101	6·8	1,999
Ponneri*	97,196	330	45	4,570	·047	102	7·3	2,160
Conjeveram	168,036	514	78	10,084	·060	129	6·6	2,154
Chingleput	132,328	436	36	6,319	·048	176	12·1	3,676
Madurantacum	197,308	696	41	3,429	·017	84	17·0	4,813
	810,635	2,636	319	39,366	·049	123	8·5	2,541
	.....	...	300	47,653	·059	158	8·0	2,702
Fasli 1283	.....	...	328	53,550	·066	163	8·0	2,472
Fasli 1282								

* The area and population of the tract outside Madras, which is under the Madras Abkari, is deducted as follows :—

	Area. Sq. miles.	Population.
Sydapet	190	120,535
Ponneri	17	7,014
Total...	207	127,549

44, The high consumption in Conjeveram and Trivellore is believed to be due to the festivals which take place frequently in the towns so named. No satisfactory explanation has been given of the low consumption in Madurantakam.

It is said to be due to cheaper liquor being available over the border in North and South Arcot Districts, but in so large a taluq this could not have produced so great an effect. It is also stated that there is a large consumption of toddy on the coast. But it will be seen below that the consumption of toddy is not especially high. That of arrack in the adjoining taluqs of North and South Arcot however is also low. The arrack shops in Madurantakam are very few in proportion to the area and population.

45. A peculiarity of Mr. Pritchard's management seems to be the maintaining of very large stocks of arrack in the godowns. This will be apparent from the following figures showing gallons in stock, &c.—

——	Opening balance.	Issues.	Excess by dilution.	Total.	Wasted.	Sold.	Balance.	Total.
Fasli 1282 ...	...	60,333	1,398	61,731	1,341	53,550	6,840	61,731
Do. 1283 ...	6,840	53,242	...	60,082	2,492	47,653	9,937	60,082
Do. 1284 ...	9,937	42,838	6	52,781	2,992	39,366	10.423	52,781
Total ...	...	1,56,413	...	1,74,594	...	1,40,569	27,200	...
Average ...	...	52,138	...	58,198	...	46,856	9,067	...

46. The average balance is about 17½ per cent. of the average issues. There is no return of wastage for Fasli 1283; that entered above is estimated on the average of the other two years. The wastage in the first year was only 2·2 per cent., but in Fasli 1284 it was 5.8 per cent., and on the average of the two years 3·8 per cent. The difference is doubtless due to the unnecessary maintenance of a large stock throughout the year.

47. The receipts and charges of the renter are returned as follows :—

The prices at which arrack was sold to the shopkeepers ranged from Rupees 2-11-0 to Rupees 4 per gallon, and the total demand on account of it, it was Rupees 1,46,695. The shopkeepers sold it by retail for Rupees 1,55,697. The average retail price is made up as follows :—

	Rs.	A.	P.
Cost of manufacture	0	10	6
Cost of distribution, management, &c....	0	4	2
Duty net	1	10	7
Shopkeepers' remuneration...	0	3	8
Profit	1	2	4
Total ...	3	15	3

The renter's profits have thus been very great The minimum price was Rupees 2-4-0 per gallon.

48. The toddy revenue is managed on the following plan :—The toddy shopkeepers accept certain "dowles" or agree to sell certain quantities of toddy,

which they procure at their own expense, and to pay the renter on the quantity specified in the "dowle" at the rate of Rupees 2* for every 24 measures, equivalent almost exactly to nine gallons. The shopkeepers have nothing to pay on sales in excess of their dowles. The total dowle was 7,18,395 gallons for 473 shops, and the demand Rupees 1,58,463, of which Rupees 1,52,391 were collected within the year, besides arrears and sundry receipts Rupees 1,662. The charges set against these gross collections were Rupees 11,139. The net collections were Rupeees 1,42,914, of which 75 per cent. or Rupees 1,07,185 were paid to Government, and Rupees 35,728 constituted the renters' share. It may be assumed that the consumption was at least equivalent to the dowles, and it is shown by taluqs in the following table :—

Taluqs.	Population.	Area. Square miles.	Shops.	Dowles. Gallons.	Consumption per head Gallons.	Sale per shop Gallons.	Square miles per shop.	Population per Shop.
Sydapet	65,869	152	63	120,291	1·839	1,911	2·4	1,046
Trivellore	149,898	508	47	61,215	.408	1,302	10·8	3,192
Pouneri	97,196	330	102	121,257	1·248	1,188	3·3	953
Conjeveram	168,036	514	80	175,149	1·041	2,190	6·4	2,100
Chingleput	132,328	436	100	137,385	1·038	1,374	4·4	1,323
Madurantakam	197,308	696	81	103,098	·522	1,278	8·8	2,436
Total ...	810,635	2,636	473	718,395	·885	1,518	5·6	1,713

49. The retail price of toddy was every where 2 Annas a measure, which is equivalent to 5 Annas 4 Pie per gallon. Of this, 3 Annas 2 Pies were excise.

50. South Arcot.—The renters of the South Arcot District were Messrs. Parry and Co. The rate of excise on arrack was Rupees 1-12-0 per gallon at 30° under proof, except on liquor for frontier shops, which, as explained below, was excised at Rupee 1 per gallon at the same strength. The minimum price was Rupees 2-4-0 per gallon. The toddy was sub-rented for a sum of Rupees 84,000 per annum, of which 75 per cent. or Rupees 63,000 was payable to Government.

51. The issues of arrack (gross) and the revenue thereon for Faslis 1282-1284 in gallons 30° under proof were as follows :—

	Issues.	Duty.
		Rs.
Fasli 1282	79,396	1,28,067
Do. 1283	84,567	1,30,679
Do. 1284	77,623	1,25,853

52. The existence of the French Settlement of Pondicherry and the straggling and intricate character of the frontier, together with the low price at which under the French excise arrangements liquor can be sold in French villages, were found to lead not only to considerable smuggling of liquor across the frontier, but also

* This is the usual rate, but in Conjeveram there were six shops with a dowle of 1,974 gallons at Rupees 1-11-0 per 3 gallons, and seven shops with a dowle of 3,648 gallons at Rupees 1-4-0.

to the resort of British subjects to French liquor shops. In order to counteract these evils, and to enable the renters to compete with the the French shops by selling liquor at a price more nearly approaching that for which the French liquor is obtainable, they were allowed to issue liquor at a reduced rate of excise of Rupee 1 per gallon 30° under proof, and were relieved from restrictions as to strength and price at which it should be sold in shops situated on or near the frontier. The number of shops which the renters were originally allowed by the Collector to class as frontier shops was 198, but these were not all open. In March 1874, the number in operation was 117, and in July 1874, 103 only ; but these numbers being considered altogether excessive, and shops having been included which were situated at long distances from the frontier, the number was in October 1874 reduced to twenty-two. There are indications however that the reduction made was too great, and that the measure may lead to loss of revenue, and the matter is again under consideration. The following are the gross quantities issued in Fasli 1282 from February 1873, and in Faslis 1283 and 1284 at the reduced rate :—

	Gallons 30° under proof.
Fasli 1282 (five months)	5,551
,, 1283	13,912
,, 1284	5,301

53. The liquor is diluted before issue to 38° and 44° under proof, and duty proportionate to the rate of Rupee 1 at 30° under proof is levied. The following statement shows the actual consumption, &c., in each taluq in Fasli 1284, according to the returns made by the renter :—

Taluqs.	Population.	Area Sq. Miles.	Number of Shops open.	Consumption, actual Gallons.	Consumption per Head.	Sales per Shop.	Square Miles per Shop.	Population per Shop.
Cuddalore... ...	284,849	418	136	19,463	·068	143	3·1	2,094
Chidambram ...	239,133	381	90	13,413	·056	139	4·2	2,657
Virdachalam ...	178,504	540	54	6,082	·034	113	10·0	3,306
Kullakurchi ...	196,566	805	85	5,389	·027	63	8·5	1,837
Trikalore	216,246	487	89	10,557	·049	119	5·5	2,430
Trinomalai ...	164,657	887	118	11,068	·068	94	7·5	1,395
Tindivanam ...	239,754	734	99	7,360	·031	74	7·4	2,422
Villapuram ...	236,108	618	124	9,816	·042	79	5·0	1,903
Total ...	1,755,817	4,870	795	* 83,148	·047	105	6·1	2,209

54. The consumption is nowhere very high. It has been alleged by the renters that unexcised liquor from Salem and Trichinopoly penetrated into Virdachalam and Kullacurchi ; and though the influence of this cause is probably overrated, the figures above shown for those taluqsand for Tindivanam, which adjoins the

* At 30° under proof	77,034
At 38° do.	3,001
At 44° do.	3,113
	83,148

Pondicherry territory, give some indication of smuggling. The high consumption in Trinomalai is remarkable. It is probably due to the great festival which is annually clebrated there, and to the hilly character of portions of the taluq.

55. The retail prices of arrack ranged from Rupees 1-8-0 in the frontier shops in Cuddalore to Rupees 4, and that of toddy from 3 Annas to 7 Annas 6 Pies per gallon. There is no information on which an estimate of the gross receipts, expenses and profits of the arrack or toddy renters, or the consumption of toddy, can be framed. There is little doubt, however, that the arrack renters have realized a handsome profit.

56. Madras Town.—The Abkári of the Madras Town is, as has been already stated, managed on a peculiar system entirely by Government officers.

57. There is a special Abkári law, *viz.*, Act XIX. of 1852, under which the town Abkári is worked. The area to which it applies is defined as extending eight miles beyond the limits of the High Court's original jurisdiction. The tract outside these limits, which bound the town proper, is known as the "outside limits," and that within them as the "inside limits." The area and population of each are as follows:—

	Area. SQ. M.	Population.
Inside limits	27	3,97,552
Outside limits	207	1,27,549
	234	5,25,101

58. There is no material difference as regards the toddy administration between the two tracts, but the arrack revenue is managed very differently, the prices and excise of liquor being lower, and the interference of Government officers being much less direct in the outer limits. The forty shops within them are subordinate to five large depôts or godowns* which are rented with the shops belonging to them, whereas in the inside limits, the Government officers deal direct with every shopkeeper. Only country, or puttai arrack is sold in the outside limits, while Colombo arrack, a superior liquor manufactured in Ceylon from cocoanut toddy, is sold as well as puttai in the inner tract. The outer tract was intended to interpose between the highly-priced and highly-taxed liquor consumed in the inside limits and the cheap and more lightly-taxed liquor sold in the surrounding district of Chingleput, a belt of country in which the prices and taxation should be higher than in the one and lower than in the other, so as to diminish the incentive to smuggle liquor. This was of great importance when the price of arrack in the Chingleput District was as low as Rupees 1-14-0 a gallon; but now the separation of the two tracts is scarcely necessary, as under the management of Mr. Pritchard the prices of liquor in Chingleput have been raised, so that it has actually become necessary to enhance the price in the outside limits to equalize it with his rates.

* St. Thomas' Mount, Palaveram, Papanchavadi, Maduravayal and Madavaram.

59. In the inside limits, Colombo and puttai arrack are never sold in the same shop, since they attract an entirely different class of customers. The Colombo arrack is supplied by a contractor, and is received and issued for sale at 25° under proof. The contractor S. Sarawana Muttu Pillai receives Rupees 154-15-2 per leaguer of 125 gallons or Rupees 1-3-10 per gallon. The stock for current consumption is kept under the joint lock and key of the contractor and the Deputy Collector of Madras. Between twenty and thirty thousand gallons, the property of Government, are kept as reserve to meet a failure of the supply. The puttai arrack is distilled under contract. Mr. Pritchard, the renter of the Chingleput District, was the contractor in the year under review, at the rate of 12 Annas per gallon. He has the use of the Government distillery at Tondiarpett, paying rent for it at Rupees 130 per mensem. The liquor is brought as required from the godowns and distillery to the Deputy-Collector's office, Mount Road, whence it is issued to the shopkeepers.

60. The mode of dealing with the shopkeepers is somewhat complicated. Each shopkeeper enters into an agreement called a "dowle" by which he is bound to sell a certain number of gallons per diem, and has to pay for the quantity at a fixed price. If he fails to sell the quantity, he returns what he cannot sell into stock, and is allowed credit for the cost price of the liquor; and the difference between this and the price at which it was issued, *i.e.*, the excise, is maintained as a demand against him. If he does not draw out the amount of his dowle, the excise on the quantity short is realized from him.

61. This system is supposed to secure on the one hand a certain and settled revenue to Government, and on the other, to make it the interest of the shopkeepers to do all they can to prevent smuggling and adulteration or dilution, since they are obliged to sell a certain number of gallons of a certain strength. It is however objected to the plan that it tends to stimulate consumption; which would be true if the dowles were fixed too high but not otherwise. The whole efficacy depends upon the nicety with which the dowles are adjusted; for if they are too high, the shopkeepers must be ruined and the advantages which the system is to secure to Government will be lost; and in proportion as they are too low a door is opened for malpractices. The settlement of the dowles is a very difficult matter. Originally they used to be settled by competition, but the reckless bidding which followed caused the adoption of a system of settlement by the Deputy Collector, by agreement for each shop, with reference to past sales and other considerations. Under this arrangement, and with the constant efforts of the shopkeepers, the dowles had been gradually so reduced that, in 1869, the system had become almost ineffectual for the purposes it was intended to secure, and a sudden increase was ordered from 176,227 to 229,835 gallons per annum. Ever since there has been a continual struggle to retain or enhance the increases then put on. In Fasli 1284, the experiment was tried of settling the arrack dowles in the inside limits by public auction, but the outside godowns were disposed of by tender as has been usual for some years. The result was a considerable enhancement of dowles owing to excessive bidding; but after a few months of the fasli, the dowles, which in the case of shops thrown up or attached were settled by tender, had considerably decreased and the Board resolved to revert

to the old individual settlement system. The daily dowles at the beginning and the end of the fasli stood as follows:—

		July 1874. GALS.	June 1875. GALS.
Colombo		324	272
Puttai	Inside	205	162
	Outside	122	122
		651	556
	Per annum...	237,615	202,940

62. The shopkeepers are forced by competition to retail the arrack at the minimum price fixed for each kind, and at no higher rate. Indeed one effect of the provision that the cost price only is allowed on liquor returned into store is that the shopkeepers are induced to sell below the minimum price notwithstanding that they thus render themselves liable to punishment; since it is their interest rather to forego a portion of their profit than to incur in addition heavy loss by paying the excise. It is evident however that liquor cannot in any case, unless diluted, be sold below the price of issue. The distribution of the price by retail of the several descriptions of liquor, and the excise payable to Government, is shown in the statement appended for Fasli 1284. The charges for establishment of the Abkári Department, Saderwarid, &c., amounted to 24,757 Rupees, and distributing this in shares proportionate to arrack, toddy and miscellaneous revenue, and dividing the share due to arrack by the number of gallons actually issued, the rate per gallon for cost of distribution and supervision is arrived at. Besides the actual cost of the liquor there are certain charges for wastage, &c., debited separately to each liquor, and the sum to set aside out of the issue price as cost of liquor is therefore greater than the actual rates paid to the contractors:—

—	Colombo.	Puttai, Inside.	Puttai, Outside.
	RS. A. P.	RS. A. P.	RS. A. P.
Cost and Charges for liquor ...	1 4 10	0 12 7	0 12 7
Distribution and Management...	0 1 5	0 1 5	0 1 5
Excise	3 6 7	2 14 0	1 10 10
Issue Price	4 12 10	3 12 0	2 8 10
Shopkeepers Profit	0 7 2	0 8 0	0 7 2
Minimum Selling Price	5 4 0	4 4 0	3 0 0

63. The excise shown in the above statement is equivalent to the following rates at proof:—

	RS. A. P.
Colombo	4 8 9
Puttai Inside	4 1 9
Puttai Outside	2 3 6

In Fasli 1285, the issue price of puttai outside has been raised to Rupees 3-2-0, and as the cost price under the new contract is 2 Annas less per gallon, the excise on puttai is now considerably raised. The selling price outside is now Rupees 3-8-0.

64. The following statement shows consumption &c., of arrack according to divisions of the town:—

Division.	Population.	Area.	Shops. Colombo.	Shops. Puttai.	Shops. Total.	Issues. Colombo.	Issues. Puttai.	Issues. Total.	Consumption per head. Colombo.	Consumption per head. Puttai.	Consumption per head. Total.	Sales per Shop. Colombo.	Sales per Shop. Puttai.	Square Miles per Shop.	Population per Shop.
		sq. m.				GALS.	GALS	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.		
1st Municipal Division.....	65,547	5·3	3	8	11	6,489	8,318	14,807	·099	·127	·226	2,163	1,851	·46	5,959
2nd do.	75,326	·7	11	6	17	28,505	11,974	40,479	·378	·159	·537	3,591	6,747	·64	4,431
3rd do.	50,957	·7	10	5	15	22,397	7,670	30,067	·439	·151	·590	2,240	1,534	·05	3,397
4th do.	2,791	3·9	1	2	3	1,376	2,249	3,625	·140	·870	·510	1,376	1,125	1·30	3,264
5th do.	65,491	2·8	12	11	23	20,715	11,120	31,835	·316	·169	·485	1,726	2,647	·12	2,839
6th do.	19,390	5·4	...	2	2	...	2,782	2,782	...	·144	·144	...	1,391	2·70	9,695
7th do.	69,568	1·5	9	11	20	15,960	9,256	25,216	·330	·133	·363	1,773	2,292	·75	3,478
8th do.	41,482	6·5	2	8	10	4,971	6,040	9,011	·120	·097	·217	2,020	505	·65	4,148
Outside limits	397,552	26·8	48	63	101	100,413	57,409	157,822	·253	·144	·397	2,092	1,083	·27	3,847
	127,549	207·0	...	40	40	...	47,241	*47,241	...	·370	·370	...	1,181	5·18	3,189
Total...	525,101	233·8	48	98	146	100,413	104,650	205,063	·191	·200	·391	2,092	1,125	1·66	3,734

* See note infra paragraph 67.

65. The consumption in the outside limits is but little less than that in the town itself, and three times the rate per head which was found for the remaining portion of the Sydapet Taluq. The high consumption in this tract is due to

drinking by followers attached to the military stations of Palaveram and the Mount, and to drinking by carters and travellers passing through on their way to the Presidency town. In the town itself the Colombo attracts more people than the puttai, the higher price notwithstanding. From the statement it will be noticed that the taste of consumers as to the description of liquor preferred, and as to the quantity taken, varies considerably in different quarters of the town. All that can be said in explanation of these differences is, that the 1st Division is thinly peopled, the 2nd and 3rd (Black town) have a dense population of Hindus; the 6th and 8th are chiefly occupied by European houses and compounds, of which there are also a few in the 5th; and that the 7th Division embraces the Muhammadan quarter. The consumption in the 4th Division is very high, considering the smallness of the population.

66. The average remuneration of the shopkeepers on the quantities actually sold, and at the rates allowed in the selling price, are as follows:—

	Rs.	A.	P.	Per mensem.		
Colombo	937	0	3	78	1	4
Puttai Inside	584	0	0	48	10	8
Puttai Outside	478	8	4	38	3	4

These rates are unduly high, and as the limit of consumption at present prices has apparently been reached or nearly so,* it is evident that the town arrack revenue can be raised only by subtracting from the shopkeepers profits. Enhancement of the dowles, which has been so strenuously sought after during the last few years, merely means that the excise on liquor undrawn or returned into store is so subtracted; but this plan is open to the objection that in clamouring for a reduction of dowles, the shopkeepers can appeal to the actual number of gallons sold. A more direct and satisfactory method of appropriating to revenue a portion of the shopkeeper's profit would be to increase the issuing prices by a small sum, the retail prices being retained as at present. The dowles should be only slightly in excess of the possible sales.

67. The season of the year does not seem to exercise much influence upon the consumption, except of Colombo which rises in the rains. The following figures show the sales:—

——	Colombo.	Puttai, Inside.	Puttai, Outside.
	GALS.	GALS.	GALS.
July to September	24,353	15,611	9,727
October to December ...	27,049	15,850	11,493
January to March	24,288	15,242	11,044
April to June	24,723	15,214	10,469
Total ...	1,00,413	61,917*	42,733

68. The toddy sold in the Town is of two kinds, cocoanut and palmyra. The palmyra tree yields toddy only for about four months, from January to April; but

* The average consumption for 10 years, ending Fasli 1280, was 191,723 gallons. The enhancement of the selling and issuing price in the outter limits in the current fasli has decreased consumption very considerably.

the cocoanut toddy can be had all the year round, though a tree will yield only for six months, and must have rest for the remaining six. The cocoanut toddy is alone sold in the inner limits, and during the palmyra season palmyra toddy is alone sold in the outside limits.

69. The shops are divided into four classes according to the number of trees assigned to each, and there is a fixed rent for each class. Besides the regulated number of trees, any shopkeeper is allowed to use additional trees without limit, on payment of 1 Anna for every eight trees per diem. The trees from which toddy is allowed to be drawn are all stamped and registered by the Abkari Department. During the palmyra season a large proportion (about 100) of the outside toddy shops obtain leave to sell palmyra toddy and have trees assigned to them; and extra shops are also licensed as 3rd or 4th-class shops. Bakers are allowed to draw toddy on payment of Annas 2-4 per gallon, or per twelve trees. The following statement shows particulars of classes and rates:—

Class.	Daily Dowle or Rent.	Nominal number of Trees.	Number of Shops in Fasli 1284. Inside.	Outside.	Temporary Palmyra Shops.	Remarks.
	Rs. A. P.					
1st	3 4 0	331	55	2	...	The toddy shops at the Mount and Sydapet, which are exceptionally situated, and three other shops in the inside limits, are let at special rates. Palmyra toddy is allowed to be drawn at one time only from one-third of the trees assigned to a shop. The palmyra trees are registered but not stamped.
2nd	2 8 0	247	46	...	...	
3rd ... {	1 8 0	165	198	39	...	
	1 5 0*	300	...	...	112	
4th ... {	1 0 0	110	...	97	...	
	0 12 0*	180	...	...	...	
			299	138	112	

* Palmyra only.

70. The system does not afford the means of exactly stating the quantity of toddy consumed. The number of trees to each shop was assigned on the assumption that twelve trees produce a gallon a day; but estimates have been made of a yield as high as 2½ gallons, and it has accordingly been argued that the toddy shopkeepers make enormous profits and ought to have their dowles raised. Taking the number of cocoanut trees assigned to each class of shop, and multiplying by the shops, it is found that the total number assigned, exclusive of those granted on extra payment and of palmyra trees, is 79,947. The trees yield only half the year, and therefore the produce of toddy from the fixed number of trees may be taken at 3,331 gallons daily, or in the year 1,215,815 gallons. The quantity drawn from extra trees may be estimated thus: The rents at the fixed dowles

*This total differs from that for inside puttai in the statement of consumption above given; because four shops situated just outside the Municipal boundary receive liquor and pay excise at inside rates. Except for calculating the rate of consumption per head, these shops, which took in Fasli 1284 gallons 4,508, are considered as inside shops.

above stated amount to Rupees 2,73,212, and the balance of toddy revenue, or Rupees 41,172, may be taken as payments for extra trees, and for palmyra toddy shops. At 1 Anna per diem for eight trees,* and one-twelfth of a gallon for each tree per diem, this excess gives 439,501 gallons, and therefore the consumption may be estimated at 1,655,316 gallons. This gives 3·15 gallons per head in the whole tract under the Madras Abkári, which is nearly double the rate in the remainder of the taluq of Sydapet, and four times that in the whole district of Chingleput. The consumption can hardly be higher than this, and the standard estimate of the yield of the trees is probably not too low, on the average of all the trees used, and of varying seasons.

* The rate for palmyra shops amounts to five trees for an anna, but it is believed that the quantity of toddy yielded by palmyra trees at a time is greater than by cocoanut trees.

71. The above estimate may be checked by comparing the revenue per gallon, realized according to it with the retail prices of toddy. The revenue per gallon comes to $(\frac{\text{Rs. } 3,14,384}{\text{Rs. } 16,55,316})$=Annas 3, which agrees closely with the result arrived at for the Chingleput District. The retail prices are from 1 Anna 6 Pies to 3 Annas for cocoanut toddy, and 6 Pies to 1 Anna for palmyra per Madras measure, or from 4 Annas 2 Pies to 8 Annas 3 Pies and from 1 Anna 5 Pies to 2 Annas 8 Pies per gallon, respectively. The average for cocoanut toddy is stated to be 2 Annas per measure, or 5 Annas 4 Pies per gallon. The shopkeepers have therefore 2 Annas 4 Pies per gallon, from which all charges (cost of toddy, shop rents, &c.) have to be met; and assuming that 1½ Annas per gallon is profit, they would make Rupees 1,55,186. This divided by 474 (the fixed shops *plus* one-third of the temporary shops open for four months) gives Rupees 328 to each, or say Rupees 27 per mensem, which is a high rate of remuneration. An enhancement of the fixed dowles is perhaps possible.

72. The following statement shows the gross Abkári revenue, the charges and the net revenue for Fasli 1284 —:

Receipts.		Charges.	
	Rs.		Rs.
Colombo	4,82,441	Colombo	1,30,592
Puttai Inside	2,32,099	Puttai	82,559
Do. Outside	1,09,057	Saderward, &c...	2,310
Toddy	3,14,384	Establishment	22,447
License Fees	5,384*		2,37,908
Miscellaneous	2,448		
Arrears	12,296	Net Revenue	9,20,201
Total ...	11,58,109	Total ...	11,58,109

73. There was a balance of Rs. 9,499 outstanding at the end of the year; since however recovered, except Rupees 330 The Abkári establishment which is maintained for distribution of liquor, inspection of shops and toddy trees, and prevention of illicit and forbidden practices on the part of shopkeepers, consists of 160 persons. The offences detected and punished with fine under the stipulations of the licenses are shown in the margin. They are singularly few, and argue, it is feared, want of vigilance or corruption in the Abkári establishment.

	No.	Fines. Rs.
Adulteration	14	223
Selling below minimum	33	674
Transport of liquor without a permit	4	108†
Using unstamped trees	141	754⅓
Selling liquor in unlicensed places	9	43‡
Selling after hours	1	5
	202	1,807½

† Liquor also confiscated.
‡ License withdrawn in four cases.

74. For comparison, the consumption of spirits per head, reduced to a common standard of gallons 30° under proof in the excise districts and in Madras is given below :—

—	Population.	Gallons 30° Under-proof.	Consumption per head.
Ganjam	1,388,976	57,928	·042
Vizagapatam	1,832,614	32,520	·018
North Arcot	2,015,278	129,694	·065
South Arcot	1,755,817	77,623	·044
Chingleput...	810,635	39,366	·049
Madras Town	525,101	219,508	·414
Total ...	8,328,421	556,639	·067

75. The arrangements for the new excise leases were made during the year under review, and the Board proceed to give a summary of the principal changes and the reasons for them.

ARRACK—*Excise Districts*—(1) The excise system was extended to seven more farms, *viz*:—Tanjore, Trichinopoly, Salem, Coimbatore, Nilgiri Hills, Nellore and the Bellary cantonment; so that now quite half the arrack revenue is levied by means of an excise on each gallon issued.

(2.) The rates of excise in the old excise districts were generally raised, advantage being taken, as far as was deemed safe and reasonable, of the knowledge of the excessive profits realized by some of the contractors under the tentative leases, hitherto in force, to secure for the exchequer a larger portion of the payments made by the people for their liquor. The experience gained was turned into account in fixing the rates in the new excise farms.

(3.) The stipulation empowering Government to terminate the lease if the revenue fell short of a certain sum was converted into a real guarantee, whereby the renters bind themselves to supplement the payment of excise at the fixed rates so that the revenue shall not fall below a certain sum, to one-fourth of the value of which realizable security is deposited.

* Includes Rupees 1,984 collected in advance on account of licenses for Fasli 1285.

(4.) They are bound to keep, and to allow the officers of Government access to, correct accounts of all their receipts and charges under the rents, and of the consumption of liquor; so that full statistical information will hereafter be available. All premises are open to visits by Revenue officers.

(5.) The rents are allotted by the Board of Revenue on tenders publicly invited. These specify the amount of revenue the tenderers will guarantee; but regard is had as much to the respectability and solvency of the tenderer as to the amount offered.

(6.) The renters are bound to make their shopkeepers keep and pay for hydrometers of a simple form to be supplied by Government, and to be available always for a test against the dilution of the liquor. Twenty-four thousand suitable hydrometers have been ordered from England, and the cost will be about Rs. 4 each.

(7.) ARRACK—*Farmed Districts.*—In farmed districts which are let by taluqs, the "Amani" system was introduced as far as possible; that is to say, the renters are forbidden to sub-rent the exclusive privileges assigned to them, and agree to maintain not more than two distilleries in a taluq. This is intended to do away with distillation by the shopkeepers themselves, a practice objectionable and fruitful of irregularities; and by concentrating the manufacture, to prepare the tracts for the excise system.

(8.) Stipulations as to the strengths at which liquor is to be distilled, issued and sold, similar to those in force in excise districts, were introduced into the engagements. Provision was also made for keeping similar accounts, for the use of hydrometers in shops, and for inspection of premises.

(9.) TODDY.—The most important change was the entire separation of the toddy and arrack rents throughout the country. This measure was resolved on because it was known that the consumption of toddy, which is a beverage more suitable to the tastes of the people and more wholesome than arrack, had been suppressed to a great extent by renters under the old system, who found it more profitable to stimulate the consumption of arrack. It is believed that the toddy revenue is capable of very considerable development under careful administration, perhaps more so than the arrack revenue; and the prices which the toddy contracts fetched at auction was so far in excess of anticipation as to justify this belief. The toddy administration is, however, more difficult of control under a renting system than the arrack; the sale of the liquor when not fit for consumption can hardly be prevented, and there are indications that other malpractices go on. The rival interests of the arrack renters afford at present the most valuable security against these. The only exception to the complete separation of the arrack and toddy rents was in the district of Chingleput, where Mr. Pritchard had shown every desire to restore the consumption of toddy, and where both rents were left to him. But instead of 75 per cent. he now pays 90 per cent. of his net collections.

(10.) The toddy engagements also provide for accounts of consumption, &c., being kept; but owing to the illiterateness of the shopkeepers, it is apprehended that it will take some time before these can be systematically rendered.

(11.) PRICES.—Besides the minimum price which has always been prescribed as directed by law, maximum prices for retail sale have now been introduced in the case of arrack. It was found that the renters in some cases used to content themselves with the profits, which they secured by charging very high prices in towns and on special occasions, and that they neglected to attempt to introduce taxed liquor into outlying or rural tracts where the consumption was less and lower prices and profits alone obtainable; which tracts were accordingly left to a great extent to illicit supply. In excise districts, the contractors in such circumstances might make the same profit on a smaller number of gallons, but the Government would lose the excise on the additional number which he ought to sell, and must sell to realize the same profit. The satisfactory adjustment of the range of price allowed is a delicate matter, and requires more ample statistical information and experience than is yet available. A difference of 1 Rupee per gallon between the maximum and minimum prices has been as a rule allowed. It is apprehended that this is too small, but time will show.

76. As already stated no information can be given as regards the districts the Abkári of which was in Fasli 1284 farmed out to the highest bidder, except as to the amount of the revenue. The following demand, collection, and balance statement for the fasli shows the whole Abkári revenue at one view, and gives also the revenue per head in each district:—

Statement showing the Demand, Collection, and Balance of "Excise on Spirits and Drugs" for Fasli 1284, (1874-75.)

—	Districts.	Arrears at the beginning of the Fasli.	Current Demand.	Total.	Collections. Balance. Arrears.	Collections. Balance. Current.	Collections. Balance. Total.	Collections. Remissions.	Collections. Total.	Population.	Total Collections per head.
1	2	3	4	5	6	7	8	9	10	11	12
		Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs. a. p.
Under Excise.	1. Ganjam	10,223	87,347	97,570	10,223	13,017	13,017	...	84,553	1,520,088	0 0 11
	2. Vizagapatam ...	42,231	1,50,216	1,92,447	32,015	26,378	26,593	10,315	1,55,864	2,159,199	0 1 2
	3. Chingleput	...	2,20,147a	2,20,147	...	35,048	35,048	...	1,85,099	810,6356	0 3 3
	4. North Arcot ...	33,552	2,93,062c	3,26,614	25,785	31,892	39,709	7,817	2,86,905	2,016,278	0 2 3
	5. South Arcot ...	13,656	1,89,762	2,03,418	13,656	18,257	18,257	...	1,85,191	1,765,817	0 1 8
	Total ...	99,693	9,40,534	10,40,226	81,679	2,79,104	42,85,975	18,132	8,97,603	8,261,017	0 1 0
Under Farming system.	1. Godavery	19,743	2,50,089	2,69,832	18,461	24,693	24,018	986	2,43,928	1,592,939	0 2 5
	2. Kistna	7,049	2,26,001	2,33,050	7,049	14,232	14,232	...	2,18,818	1,452,374	0 2 5
	3. Nellore... ...	7,297	84,791	92,088	4,635	7,324	9,986	2,662	82,102	1,576,811	0 1 0
	4. Cuddapah ...	22,190	2,41,618	2,63,808	22,190	39,269	39,269	...	2,24,539	1,801,194	0 2 8
	5. Bellary... ...	67,127	7,02,731	7,69,858	67,127	1,28,958	1,28,958	...	6,40,900	1,653,0106	0 6 8
	6. Kurnool	32,494	2,26,700	2,59,194	32,494	26,941	26,941	...	2,32,253	914,4322	0 5 10
	7. Tanjore... ...	59,394	4,90,878	5,50,272	59,394	81,255	81,255	...	4,90,878	1,978,781	0 4 3
	8. Trichinopoly ...	503	1,40,884	1,41,387	503	14,573	14,573	...	1,26,311	1,200,408	0 1 6
	9. Madura... ...	19,541	1,87,255	2,06,796	13,904	27,051	32,688	5,637	1,74,108	2,466,615	0 1 3
	10. Tinnevelly ...	26,384	2,03,385	2,29,769	26,384	24,899	24,899	...	2,03,086	1,693,959	0 2 0
	11. Coimbatore ...	18,642	2,83,990	3,02,632	18,643	2,000	2,000	...	2,84,090	1,763,374	0 2 9
	12. Salem	10	3,71,943	3,71,953	10	23,964	23,964	...	3,47,989	49,501	0 7 1
	13. Nilgiris... ...	1,900	73,947	75,847	1,900	...	...	...	73,947	1,966,995	0 0 6
	14. South Canara ...	6,371	1,34,923	1,31,294	6,371	22,374	22,374	...	1,08,920	918,862	0 1 11
	15. Malabar	40	2,82,555	2,82,595	40	7,890	7,890	...	2,74,705	2,261,250	0 2 0
	Total ...	2,83,685	39,97,390	42,85,975	2,79,104	11,68,468	11,68,468	11,295	29,06,212	22,434,855	0 2 9
Under Government Agent.	Madras...	13,164	11,55,304	11,68,468	12,295	...	...	...	11,56,173	525,101	0 8 10
	Grand Total ...	4,01,541	60,93,128	64,94,669	3,73,078	5,29,435	5,56,070	1,847	59,36,752	31,220,978	0 3 0

a This includes demand on account of 1874 which fell due on 25th July 1874 or during Fasli 1284.
b Corrected for Madras (outside limits.)
c This includes the gross toddy rental, which is realized by the Collector and 25 per cent. of which was paid to Messrs. Corbett and Morison.
d Sandoor (14,996) and Bungarapilly (40,308) omitted in Bellary and Kurnool.

77. The minimum prices prescribed for liquor sold in the town of Madras and in excise districts have been already given. In other places, they were as follows. For country arrack, the rate was Rupees 2-4-0 per gallon in Godavery, Kistna, Nellore, Kurnool, Tanjore, Trichinopoly, Madura, Tinnevelly, Coimbatore, the Nilgiris, South Canara and Malabar. In Cuddapah, there were further rates, Rupees 1-2-0 for second sort arrack made from jaggry, and Rupees 1-8-0 and Annas 12 for first and second sorts made from toddy. In Bellary the rate was Rupees 3 per Imperial gallon; in Salem Rupees 1-7-2. In Malabar, a special rate of Rupees 3-12-0 was fixed for Colombo arrack. The minimum price of toddy was generally 3 Annas a gallon, but in Bellary 6 Annas.

78. In the figures given in para. 76 are included as miscellaneous revenue the sums realized as fees for licenses for the sale of European liquors, wholesale and retail, and as excise duty at one anna per gallon levied on country beer brewed on the Nilgiris and at Bellary. The fee for a wholesale license is 25 Rupees per annum and for a retail license Rupees 15, and the same rates are applied to brewing and sale licenses for country beer. The following statement shows the number of such licenses in each district and the fees realized for Fasli 1284. It would seem that it is usually the practice for the same dealer to take out both wholesale and retail licenses. The quantity of European spirits which is disseminated by means of these shops is unknown, but it is undoubtedly considerable:—

Districts.	Names of Places	European Liquors. Wholesale. Number of Licenses.	European Liquors. Wholesale. Amount of Fees.	European Liquors. Retail Sale. Number of Licenses.	European Liquors. Retail Sale. Amount of Fees.	European Liquors. Total. Number of Licenses.	European Liquors. Total. Amount of Fees.	Country Brewed Beer. Wholesale. Number of Licenses.	Country Brewed Beer. Wholesale. Amount of Fees.	Country Brewed Beer. Retail Sale. Number of Licenses.	Country Brewed Beer. Retail Sale. Amount of Fees.	Country Brewed Beer. Total. Number of Licenses.	Country Brewed Beer. Total. Amount of Fees.	Grand Total. Number of Licenses.	Grand Total. Amount of Fees.
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
1	Ganjam	7	175	5	75	12	250	...	...	...	...	...	...	12	250
2	Vizagapatam	17	425	17	255	34	680	...	...	...	...	...	...	34	680
3	Godavery	26	650	41	615	67	1,265	...	...	...	...	...	...	67	1,265
4	Kistna.....	11	275	17	255	28	530	...	...	...	...	...	...	28	530
5	Nellore	6	150	6	90	12	240	...	...	...	...	...	...	12	240
6	Cuddapah	4	100	*8	120	12	220	...	...	...	...	...	...	12	220
7	Bellary	9	225	11	165	20	390	2	50	23	345	25	395	45	785
8	Kurnool	3	75	1	15	4	90	...	...	...	...	...	...	4	90
9	Madras	...	...	98	2,750	98	2,750	...	...	...	...	...	...	98	2,750
10	Chingleput	2	50	8	120	10	170	...	...	...	...	...	...	10	170
11	North Arcot	†11	262½	34	502½	45	765	...	...	...	...	...	...	45	765
12	South Arcot	4	100	9	135	13	235	...	...	...	...	...	...	13	235
13	Tanjore	16	400	11	165	27	565	...	...	...	...	...	...	27	565
14	Trichinopoly	9	225	11	165	20	390	...	...	...	...	...	...	20	390
15	Madura	12	300	15	225	27	525	...	...	...	...	...	...	27	525
16	Tinnevelly	11	275	4	60	15	335	...	...	...	...	...	...	15	335
17	Coimbatore	7	175	14	210	21	385	...	...	2	30	2	30	23	415
18	Nilgiris	24	600	29	435	53	1,035	1	25	21	315	22	340	75	1,375
19	Salem	14	350	25	375	39	725	...	...	3	45	3	45	42	770
20	South Canara	9	225	7	105	16	330	...	...	...	...	...	...	16	330
21	Malabar	64	1,600	98	1,470	162	3,070	...	...	2	30	2	30	164	3,100
	Total...	256	6,637½	469	8,307½	735	14,945	3	75	51	765	54	840	789	15,785

79. In the following statement are entered the quantities of spirits which, according to the Trade Returns, seem to have been received and retained in each district. The inland districts are of course mainly supplied from Madras and partly from Malabar; and the figures merely indicate in a very general way where the spirits go to. The subject of the trade in European liquors is engaging attention.

* In three of these shops country beer is also sold.
† One of the wholesale licenses and one of the retail were granted only for the half-year ending 30th June 1875.

Spirits Imported and Re-exported during 1874-75.

Districts.	Imports from					Re-exports to					Balance of Columns 6 and 11.
		Coastwise.					Coastwise.				
	Foreign Ports.	British Indian Ports in other Presidencies.	Indian French Ports.	Total.	Total Foreign and Coastwise.	Foreign Ports.	British Indian Ports in other Presidencies.	Indian French Ports.	Total.	Total Foreign and Coastwise.	
1	2	3	4	5	6	7	8	9	10	11	12
	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.
1. Ganjam	80 3/8	619	...	619	699 3/8	...	...	...	...	...	699 1/4
2. Vizagapatam ...	30 3/8	...	90 7/12	90 7/12	121 1/12	...	...	...	...	...	121 1/12
3. Godavery { Sea ...	126 3/8	166	422 4/8	588 4/8	715 1/8	...	300	...	300	300	415 1/8
{ Land.	2 1/8	...	...	...	2 1/8	...	...	...	...	...	2 1/8
4. Kistna...	...	...	...	...	...	...	...	...	...	...	...
5. Nellore	...	...	...	...	...	...	...	...	...	...	...
6. Madras	54,482 1/12	8	1 1/8	9 1/8	54,491 5/12	...	494	48	542	542	53,949 1/12
7. South Ar- { Sea ...	0 1/8	...	...	...	0 1/8	...	...	...	...	...	0 1/8
cot. { Land.	303 3/8	...	...	...	303 3/8	...	...	...	...	...	303 3/8
8. Tanjore... { Sea ...	65	...	33	33	98	30	40	...	40	70	28
{ Land.	234 1/8	...	...	...	234 1/8	...	...	...	...	...	234 1/8
9. Madura	9 3/8	...	...	...	9 3/8	...	...	...	...	...	9 1/8
10. Tinnevelly	863 1/12	20	27 3/8	47 3/8	910 7/12	...	...	...	...	...	910 7/12
11. Malabar... { Sea ...	4,012 1/8	2,653 3/12	1,059 1/8	3,712 5/12	7,724 7/12	...	10	15	25	25	7,699 1/12
{ Land.	5,752 4/8	..	...	...	5,752 4/8	...	...	...	...	...	5,752 1/4
12. South Canara ...	4,221 1/8	562 3/8	...	562 3/8	4,783 4/8	...	41 4/8	...	41 4/8	41 4/8	4,742
Total .. { Sea ...	63,890 4/8	4,028 9/12	1,634 1/12	5,662 10/12	69,553 3/8	30	885 4/8	63	948 4/8	978 4/8	68,574 1/4
{ Land.	6,292 3/8	...	...	...	6,292 3/8	...	...	...	...	...	6,292 1/4

80. Country beer was brewed in Fasli 1284 by Messrs. Honeywell and Co. and Mr. Frend on the Nilgiri Hills; and by Messrs. D. Abraham and Co. and Norton and Co. at Bellary. The excise was one Anna per gallon, but the only check as to the levy was the counterfoils of permits issued in blank by the Collector, and the accounts kept by the brewers on whose respectability, the excise being very low, reliance has been placed. For beer destined for places within the district, books containing the permits under the Collector's signature, in which place is provided for all particulars as to the consignment, were issued, and the counterfoils examined once a month for the calculation of duty payable. Special permits were issued on application to cover consignments sent to places beyond the district limits. It was one of the conditions of the licenses that the alcoholic strength should not exceed 8 per cent. In 1874-75, 92,848 gallons paid excise on the Nilgiris and 20,196 at Bellary. About 120,000 gallons are brewed annually at Bangalore; but the beer is almost all consumed locally, and but a very small portion finds its way into Madras territory. It is much more highly taxed than Madras beer.

81. It was at first intended to encourage the brewing industry and to assist the brewers in introducing what was believed to be a wholesome and nutritious beverage. It was found, however, that the beer actually brewed, or at least that sold, was a very noxious liquid, into the composition of which malt and hops scarcely entered, which was made almost entirely from sugar, and contained sometimes as much as 11 per cent. of alcohol. The liquor has been described by competent chemists as a mere spirit wash. It has now been resolved to insist, under suitable precautions and securities, that the beer shall be brewed from malt and hops only, and that the alcoholic strength shall be strictly kept within the prescribed limit, *viz.*, 8 per cent. The excise has also been raised to four Annas a gallon.

82. In conclusion the Board beg to apologize for the delay in submitting this report. The call for it was not made till after the close of the Fasli; and no special steps had been taken beforehand to collect information from Collectors, or to obtain reports from them. This report has been compiled from materials in the Board's office.

(A true Extract.)

(Signed) C. A. GAITON,
Acting Secretary.

Rev. Ch: 1234/96.

Rec: 20 May /96

L. 191

QUARTERLY.

EXCISE DISTRICTS.

Statement No. 1 *showing realization of Guaranteed Abkâri Revenue for the* *Quarter, Fasli* 128 .

Spirits excised.	QUANTITY ISSUED FROM DISTILLERIES.				DUTY.		Remarks.
	Month of	Month of	Month of	Total.	Rate per Gallon.	Amount.	
	GALLONS.	GALLONS.	GALLONS.	GALLONS.	RS. A. P.	RS. A. P.	Where, as in South Arcot, there are special rates of duty for liquor of certain strengths, the quantity excised at each strength should be separately given.
At proof							
20° Under-proof...							
30° Do. ...							
60° Do. ...							
&c., &c.							
Milk-punch							
Total...							
Deduct 5 per cent. for wastage...							
Net duty payable to Government							
Toddy or Vippa collections, gross							
Deduct expenses claimed by renter...							
Net collections							
Amount payable to Government at per cent.							
Grand total payable to Government							
Amount guaranteed for the quarter...							
Amount paid into the treasury to date							
Balance on the quarter							
Balance on previous quarters							
Total balance							

EXCISE DISTRICT.

Statement No. 2.—*Stock Account of Spirits for the District of* *for the Half-year ending* *Fasli* 128 (*Quantities reduced to Gallons* 30° *Under-proof*).

Months.	Balance on the 1st of each Month in Distilleries and Depôts.	Manufactured.	Total.	Issued to Shop-keepers.	Wastage.	Balance.
	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.

EXCISE DISTRICTS.

Statement No. 3 showing Receipts and Issues of Liquor in Depôts for the Half-year ending Fasli 128 .

No.	Name of Depôt.	Balance of Stock. Strengths.			Received from Distillery. Strengths.			Total. Strengths.			Issued to Shops. Strengths.			Wastage. Strengths.			Balance. Strengths.		
											20° Under-proof.	30° Under-proof.	60° Under-proof.						
		GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.

NOTE 1. When a distillery, as is usually the case, supplies shops, the transactions should be entered in this statement, the distillery being entered as a depôt. But in such case the balance columns need not be filled up, and the same figures should appear in the columns headed "Received from Distillery" and "Issued to Shops."

2. When a depôt is also a shop, the sales from it to the public should be entered under "Issued to Shops."

EXCISE DISTRICTS.

Statement No. 4—Receipts and Disbursements of the Abkári Renters of the *District for Fasli* 128 .

Receipts.	——	——	Disbursements.	——	——
	RS. A. P.	RS. A. P.		RS. A. P.	RS. A. P.
1. Gross sale proceeds of liquor sold on commission on account of the renter at distilleries, depôts, or shops			1. Interest and depreciation at per cent. on Rupees amount of capital sunk in buildings, plant, and dead stock.		
2. Payments made by shopkeepers for liquor supplied—			2. Cost of materials for distillation		
Gallons at per Gallon.			3. Cost of distillation		
Gallons at per Gallon.			4. Cost of distribution of liquor—		
&c. &c.			(*a.*) Casks, &c.		
3. Payments by shopkeepers as shop-rents, or other lump sums for privilege of sale ...			(*b.*) Cartage		
4. Collections from toddy or vippa—			(*c.*) Charges at depôts		
(*a.*) Liquor sold on account of renter ...			5. Commission on liquor sold on account of the renter		
(*b.*) Payments by shopkeepers for liquor supplied.			6. Inspecting and collecting staff		
(*c.*) Shop-rents, &c....			7. Stamps and law charges		
(*d.*)			9. Vippa or toddy charges		
5. Other receipts			(*a.*) Cost of liquor manufactured... ...		
(*a.*)			(*b.*) Cartage		
(*b.*)			(*c.*) &c.		
(*c.*)			10. Excise duty on spirits		
(*d.*)			11. Payments to Government to make up guaranteed revenue		
			12. Payments to Government on account of per cent. of net collections from vippa or toddy		
			13. Other items—		
			(*a.*)		
			(*b.*)		
			(*c.*)		
			14. Balance, profit		

ALL DISTRICTS.

Statement No. 5.—Shop Return for the Month of *Fasli* 128 . *Shop No.* at

	STRENGTHS.		
	20° Under-proof.	30° Under-proof.	60° Under-proof.
	GALLONS.	GALLONS.	GALLONS.
Balance of liquor at the beginning of the month			
Received or manufactured			
Total ...			
Sold...			
Balance remaining			
	RS. A. P.	RS. A. P.	RS. A. P.
Amount received			

ALL DISTRICTS.

Statement No. 6 showing Quantity of Liquor sold in each Taluq of the District of *Fasli* 128 .

Taluqs.	Number of Shops.	Strengths sold.	JULY.		AUGUST.		&c.
			Quantity.	Sale Proceeds.	Quantity.	Sale Proceeds.	
			GALS.	RS. A. P.	GALS.	RS. A. P.	
1.		20° Under-proof...					
		30° Do. ...					
		60° Do. ...					
2.		20° Do. ...					
		30° Do. ...					
		60° Do. ...					
&c.							
Total for the district.		20° Under-proof...					
		30° Do. ...					
		60° Do. ...					

ALL DISTRICTS.

Statement No. 7 showing Average Prices of Liquor sold in the District of *Fasli* 128 .

	Taluqs.	August.	September.	&c.	
1.	20° Under-proof ...				
	30° Do. ...				
	60° Do. ...				
2.	20° Do. ...				
	30° Do. ...				
	60° Do. ...				

FARMED DISTRICTS.

Statement No. 8 showing Quantities of Liquor manufactured and issued to Shops in the District of *Fasli* 128 .

Taluq or Part of Taluq separately rented or sub-rented.	Strength.	Manufactured.	Issued to Shops.

No. 2,639.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 21st September 1875.

IN Board's Proceedings, dated 6th February 1874, No. 231, Collectors of districts into which the excise system had been introduced were directed to submit quarterly reports on the working of the system, and forms were prescribed for showing the details of issues of spirits and of collections.

2. The excise system may now be considered to have passed the experimental stage, and in the new leases, in excise as well as in other districts, the changes which experience suggested as desirable have been carried out, and provisions have been made enabling the Board to insist on full statistical and financial information being furnished by the several renters. It is now necessary for the Board to issue fresh instructions as to the returns and reports which are to be furnished to them under the new system.

3. The Government of India have lately directed that a special administration report on the excise shall be submitted each year, and Government have instructed the Board to prepare it for the fasli year. For the past fasli the Board will prepare this from the materials available, but in future all Collectors will submit, in the month of August, special reports on the excise of their districts during the fasli last past. In addition to the information which will be supplied by the returns hereinafter prescribed as regards country spirits and toddy, the number of shops licensed for the sale of beer and European liquors, the consumption of such liquors, and the sums realised in license fees should be noticed. The Board have recently directed that clauses should be inserted in country beer shop licenses providing for accounts being kept, and information being furnished, as to the sales, and similar provisions will be inserted in all licenses for the sale of European liquors issued hereafter. Forms will be issued in separate Proceedings.

4. In their administration reports Collectors will give all the information they can as to the working of the abkári, the quality of the liquor, the way in which the needs of the public are met, the prevalence of smuggling, and the extent to which the criminal provisions of the law have been enforced, as well as any other special matters which may strike them as important.

5. Special quarterly reports from excise districts will be required no longer; but to enable the Board to see whether the guaranteed revenue is being realized, and whether it is necessary to estreat the securities of the renters, the Form No. 1 annexed to these Proceedings should be sent to the Board duly filled up on the 1st November, 1st February, 1st May, and 1st August in each year, and, if balances are outstanding, explanation must be furnished. These dates are named because the last kists for the several quarters fall due on the 25th of each preceding month.

6. Forms Nos. 2, 3, and 5 relate to excise districts. Form 2 is intended to show whether the stipulation as to the maintenance of a sufficient stock is complied with, and it also shows the quantity manufactured for the purposes of the contract. The monthly issues from the distillery at the several strengths can be got from Statement 1, but for Statement 2 the quantities are to be reduced to liquor 30° under-proof.

7. Statement 3 shows the transactions in the depôts and needs no explanation. Statement 4 is the account of receipts and disbursements of the renter, whence the profits are to be arrived at. It is a very important statement, and the Collectors are requested to see that it is prepared with care and completeness, insisting on the production of all accounts and books if necessary for its verification or elucidation. The headings inserted in it are intended to meet the different circumstances which are believed to exist, and some will apply in some districts and not in others. In some cases liquor is sold on account of the renter, the shopkeeper receiving commission; in others the shopkeeper pays a lump sum for the shop and pays for the liquor supplied at certain rates. The items relating to toddy and vippa apply respectively to Chingleput and Vizagapatam. Item 1 on the disbursement side, *viz.*, interest and depreciation of stock, must be, to some extent, a matter of estimate, especially when the arrack contract of the district is only part of a large business. Under item 3, "Cost of Distillation," should be grouped all the charges, other than cost of materials, incurred in the distilleries so far as they appertain to the contract. A note should be added to this statement, giving the amount of cash deposits or realizable securities taken from shopkeepers or subordinates of the renter. Sometimes, the Board believe, such deposits furnish the working capital or a considerable portion of it.

8. These statements, the Board believe, are sufficient as regards the renters' administration in excise districts. As regards shop sales an account must be kept in each shop showing the daily receipts and sales of liquor and the sums realized, and a monthly return in Form 5 must be obtained from each shop. It will not at present be possible to insist on great strictness as regards the entry of the several strengths sold, but the strengths issued will be known, and the strengths sold can be roughly checked from the depot returns, and probably the shopkeepers can distribute the liquor into first sort, second sort, and so on, which will give the strengths and prices sufficiently closely for the present until arrangements are made for testing the liquor by hydrometers. The renters' depôt agencies can assist in the collection of these returns and their transmission to the Collector's Office, where they should be compiled in Statement 6, which is intended to show the sales and shop receipts taluqwar. From it should be compiled Statement No. 7 showing the average prices taluqwar. Forms of Statement No. 5 in the vernacular should be struck off at the district presses and distributed to the shopkeepers.

9. The renters of districts in which the farming system prevails are also bound to furnish accounts, but the Board do not think it necessary to require returns of the same complexity as in the case of renters on the excise system. Shop and price returns in the case of arrack similar to those prescribed for excise districts should be obtained and compiled in all cases, and with statements, Form 8, showing quantities manufactured and issued to shops—when these operations are carried on by the renters or sub-renters—will suffice. What is wanted in these cases is information as to the consumption and the prices at which liquor is sold, as preliminary to the introduction of the excise system.

10. As to toddy, the Board will prescribe no returns at present. They will wait until some experience has been gained in the collection of statistics as to arrack. The matter will be again taken up after the receipt of the first half-yearly reports.

11. As directed above, Statement 1 should be sent quarterly from excise districts, and all the other statements, except Statement 4, which should accompany the annual administration report, should be sent for the half-year ending December 1875 in January next. For the annual report these statements should be filled up for the entire year. The imperial gallon is to be used throughout. Collectors will take steps at once to get the returns of sales, &c., for July, August, and September, and see that the returns are duly collected each month in future.

(A true Extract.)

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

(True Copy.)

(Signed) M. JORDAN,
First Assistant.

To all Collectors, with eight forms of statements to each.

Exd. J. W. Fischer.

1875.

Board of Revenue,

MADRAS.

PROCEEDINGS, 21st SEPTEMBER 1875, No. 2,639.

Encl.

Received

SEPTEMBER.

No. 2,639.

Abkári.—Issuing instructions as to returns and reports which are to be furnished to Board under the new excise system.

3

Rev 1234/76

Read the following letter from W. H. GRIMLEY, Esq., Officiating Secretary to the Board of Revenue, Lower Provinces, Bengal, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated Fort William, 21st January 1876, No. 62-B :—

I AM desired by the Member in charge of the Excise Department, Bengal, (A. Money, Esq., C.B.) to consult your Board on the following point.

2. Mr. Minchin, owner of a distillery at Aska in Ganjam, has applied to be allowed to sell his spirit in Orissa at the same rate of duty as is paid on spirits distilled by the common methods of the country.

3. Mr. Minchin distills from molasses, from rice, and from mowah, according to the English method, and with the best appliances.

4. Mr. Money wishes to know whether Mr. Minchin is allowed to sell in Ganjam all or any of the three kinds of liquor above specified at low rates of duty; and, if so, how the difficulty of competition with English rum, paying a higher rate of duty, is avoided.

5. The recent increase of duty on imported spirits has raised the whole question of the duty on country spirits. Hitherto, in Bengal, the rates of duty on country spirits have been raised according to the circumstances of each district, but the practice has been to keep them generally a good deal below the rate levied on imported spirit, except in Calcutta and a few other districts where they pay the same duty. Rum, however, distilled according to the English method in any part of the country has paid the full duty like imported spirit.

6. The distinction hitherto has, therefore, been a clear and definite one between imported spirit, country rum, and all spirits consumed in Calcutta and a few other districts on the one hand, and spirit distilled in the Mofussil according to native method on the other. But this distinction becomes a difficult one to maintain when an English distiller offers to supply an article manufactured from the same material as the common country spirit, but better in quality as being more scientifically distilled. If it is desirable to let the people in Orissa drink spirit made from rice or mowah at a cheap price, there seems no reason why they should be debarred from getting it of the best quality procurable; but, if so, two difficulties present themselves. Is a distinction to be made between the different liquors distilled by Mr. Minchin according to the nature of the raw material? In other words, is the spirit which he distills from molasses to pay the full duty paid by English and country rum and the spirit distilled from rice and mowah to pay the lower rate. The grounds for a difference of treatment are not apparent. But if no difference be made, each class of spirit being assessed at the lower rate of duty, then Mr. Minchin's cheap rum will come into direct competition with English or other country-made rum imported into Orissa, which has already paid full duty. Even if the difference be maintained, the difficulty of competition is not got rid of, for the mowah liquor made by Mr. Minchin is a very superior article to the common country spirit and does practically compete with rum. It would not be an easy matter to explain to the English importer of rum, why the country-made spirit of equal strength and quality is favored. Clearly, also, if Mr. Minchin's liquor be admitted at low rates of duty, similar liquor distilled by distillers in Calcutta must be allowed sale in the province at similar rates.

7. All these difficulties must have presented themselves in the Madras Presidency, at any rate in Ganjam, if nowhere else; and Mr. Money would feel much obliged if you would inform him how they have been met.

1
Rev 1234/76

No. 372.

From C. A. GALTON, Esq.,
Acting Secretary to the Board of Revenue,
To W. H. GRIMLEY, Esq.,
Officiating Secretary to the Board of Revenue, Lower Provinces, Bengal.

Sir,

I am directed to acknowledge the receipt of your letter, No. 62-B, dated 21st January 1876, referring to an application made by Mr. Minchin of Aska, to be allowed to sell his liquor in Orissa on payment of the excise there in force, stating certain difficulties in the way of permission being given, and inquiring how these difficulties have been met in Ganjam.

2. The difficulties are said to be two, *viz.*, that Mr. Minchin is allowed to sell a liquor similar to European rum at an excise lower than the duty on imported spirits, and that the latter spirits are thus subjected to unfair competition. The second, however, seems to merge in the first.

3. I am to say that it has never been considered that the spirit manufactured by Mr. Minchin from molasses is not in all strictness country spirits, the manufacture and sale of which in the district of Ganjam has, under the Madras Abkári law, been assigned to him as an exclusive privilege. The holders of similar privileges in other districts of the Presidency also distil from molasses, some of them with English apparatus of the most improved kind. The term "country spirits" has always been held to include spirits made in the country from molasses; and it appears to the Board that the use of superior apparatus, so far from constituting an infringement of the privilege assigned, is a thing most desirable and to be encouraged. The term "country spirits" has not been defined by the law, and in practice it simply means spirits manufactured in the country.

4. Whatever doubt there might be as to rum, *i.e.*, spirits distilled from molasses, being entitled to the designation of country spirits there can, in the Board's opinion, be none as to the propriety of so classing spirits made in the country from rice or mohwa, by whatever process obtained.

5. The rates of excise now levied upon Mr. Minchin's liquor in the district of Ganjam are noted in the margin. They are of course much lower than the duty on imported spirits, but that is unavoidable. In the case of a liquor in general consumption only a certain rate of excise, *viz.*, the difference between what the people (without resorting to illicit manufacture) will pay for liquor and what it costs, is possible. The rates now existing in Ganjam are as high as they can possibly be raised, without affording a stimulus to illicit distillation, which is, the Board hear, already too prevalent. The internal excise duties cannot be raised, and if the imported spirits of the same kinds as those made in the country are to be freed from the competition—the import duties must be lowered.

	Rs.	A.	P.	
Proof	2	0	6	per gallon.
30° Under proof	1	6	9	,,
60° Under proof	0	13	0	,,
Milk punch	1	0	3	,,

6. The Sudder distillery system is, the Board presume, in force in Orissa; and it appears to them that Mr. Minchin's request is not distinguishable from an application, which, it is apprehended, could not be denied, to be allowed to set up a European still in the Sudder distillery enclosure, and to pass out the liquor therein made at the fixed rates.

7. I am to request that the Board may be informed of the orders passed on Mr. Minchin's application; and if it is acceded to, that the details of the arrangements made for the levy of the duty, and the rates of excise, may be communicated to this Board; as it will be necessary for them to see that sufficient security shall exist that the liquor declared by Mr. Minchin for Orissa shall not be consumed in Ganjam, to the injury of the Madras, and it may be of the Imperial, revenue.

REVENUE BOARD OFFICE,
Madras,
7th February 1876.

I have the honor to be,
Sir,
Your most obedient servant,
(Signed) C. A. GALTON,
Acting Secretary.

To the Offg. Secretary to the Board of Revenue, Lower Provinces, Bengal.
,, Copy to the Acting Collector, Ganjam, with copy of Bengal Revenue Secretary's letter.

Exd. W. H. French.

Rev 2 1234/76

EXCISE ADMINISTRATION REPORT

FOR FASLI 1284.

EXCISE ADMINISTRATION REPORT FOR FASLI 1284.

During the year under report the excise revenue of the Madras Presidency was for the most part managed on the farming system, which, except as regards the town of Madras, had been in force universally, until in the year 1869-70 (Fasli 1279) the "experimental excise" system was first introduced in the district of Ganjam. In 1872-73 that system was extended, under engagements for three years, to four other districts, *viz.*, Vizagapatam, North Arcot, Chingleput, and South Arcot; and the year to which the present report relates was the last of the period for which these engagements were subsisting. The experience gained of the working of this experimental system has led to changes of considerable importance both in the excise districts and in the administration generally, and to the extension of the excise system to more districts, *viz.*, Nellore, Salem, Trichinopoly, Tanjore, Coimbatore, the Nilgiris, and the Cantonment of Bellary, in Fasli 1285 (1875-76); so that the revenue from spirits is now derived from an excise throughout half the Presidency. The details of these changes, though the arrangements were made during the year under review, will properly belong to next year's report; but a summary of them will be given below.

2. The law under which the revenue from intoxicating liquors is managed in the Madras Presidency is Act III. of 1864. It empowers the Government to grant the exclusive privilege of manufacture or of sale, or of both, of liquors of certain kinds, or to take the revenue by way of excise, and contains provisions for the regulation of the liquor traffic in most respects sufficient. Under the farming system the exclusive privilege of manufacturing and selling country spirits and toddy (fermented palm juice) in defined tracts of country, almost invariably taluqs, is assigned to the highest bidder at public auction sale. The manufacture of toddy for domestic consumption used to be allowed till 1st July 1872, when it was forbidden by notification under Section 28 of the Act. Besides the provisions in the Act and orders issued thereunder for the regulation and licensing of shops, the most important restrictions on the privilege of the renters are that no larger quantity than a quart of spirits can be sold at one sale, and that liquor, whether spirits or toddy, cannot be sold below certain minimum prices. Owing however to absence of definition of, or of test as to, the strength of the spirits brought into consumption, and to the low figure at which the minimum price was generally fixed, the stipulation regarding it has been to a great extent inoperatives

3. Under the experimental excise system, the exclusive privilege of manufacture and sale of country spirits and toddy was assigned to certain persons as under the farming system, but for whole districts. The revenue was taken in the shape of an excise duty at fixed rates per gallon of spirits issued from the contractors' distilleries, and the strength of the liquor to be issued and sold was prescribed; but the contractors were required to sub-rent the toddy privileges and to pay over to Government 75 per cent. of their collections, except in Chingleput, where the contractor was permitted to manage the toddy revenue himself, with highly beneficial results. In order to protect the Government from possible loss in the excise experiment, it was stipulated that if the revenue should fall below a certain rate, fixed with reference to sums previously realized, the contract might be terminated at six months' notice. The amounts of the so-called guaranteed revenue for the five excise districts are shown below; and, though these amounts have in some cases not been reached, the advantages of the new system have been found to be so great that in no case has it been thought advisable to enforce the stipulation just referred to. The following table shows the revenue demand in each district on account of excise on spirits and of toddy for each year, during which the system has been in force, under the leases in question :—

—	Guaranteed.	Fasli 1282 (1872-73.)	Fasli 1283 (1873-74.)	Fasli 1284 (1874-75.)	Average.
		Rs.	Rs.	Rs.	Rs.
Ganjam	70,000	76,088	78,467	85,671	80,075
Vizagapatam	150,000	1,19,486	1,28,200	1,15,967	1,21,218
Chingleput	125,000	1,80,557	1,93,570	1,78,403	1,84,177
South Arcot	175,000	1,91,067	1,93,679	1,88,853	1,91,199
North Arcot	150,000	2,76,461	2,81,745	2,76,123	2,78,110
Total...	670,000	8,43,659	8,75,661	8,45,017	8,54,779

4. In the town of Madras the revenue both from arrack and toddy is managed directly by Government officers. The arrack supplied is of two kinds, Colombo arrack distilled from cocoanut toddy, imported through a contractor, and sold in special shops within the limits of the High Court jurisdiction only; and puttai, or 'bark' arrack, which is the name given to the ordinary country spirit distilled from jaggery and acacia bark. This liquor is sold throughout the limits as defined by Act XIX. of 1852, *viz.*, the High Court limits and eight miles beyond them on all sides. The system will be explained in detail below.

5. Besides the sources of revenue above sketched, and which will be found more fully discussed in the Honorable Mr. Dalyell's report on the Madras Abkári systems, a small revenue is derived from license fees in Madras and in the mofussil for shops for the sale of European liquor and of country brewed beer, from brewing licenses, and from the excise which is levied at one anna per gallon on beer brewed.

6. Under the farming system nothing is known of the consumption, of the sufficiency of the supply, or, in fact, of anything connected with the revenue except its amount. By the experimental excise system, some knowledge has been gained of the incidence and working of the revenue and steps have been taken to secure

fuller knowledge in future. The Board will proceed to review the results of the year under report in the five excise districts and the town of Madras, and will then give such facts regarding the farmed districts and the revenue generally as are attainable.

7. Ganjam.—Mr. F. J. V. Minchin was the renter. The agreement referred to the taluqs in the plains only; but, in order to check drunkenness amongst the Khonds in the Hill tracts, the renter was allowed under separate arrangements to extend his operations to these tracts. The distillation and sale of liquor by the Oriya Sundies, the local liquor selling caste, was prohibited, and arrangements were made for supplying liquor from the plains to be sold by the Sundies under license from the renter. Special rates of excise duty as shown in the margin were fixed, due precautions being taken against the sale of this lighter taxed liquor in the plain country. Distillation by the Khonds themselves, and their manufacture of sago palm toddy, were not interfered with. The system was not introduced in view to raising a revenue but to reduce drunkenness, and to prevent the supply of noxious liquor to the Khonds, and in securing these objects it is reported to have been successful. The quantity of liquor sent to the hills from the distillery at Aska was gallons 4,001 in Fasli 1283 and in Fasli 1284, gallons 3,478.

	As.
Pongoo, 30° under proof per gallon	10
Cutcha 60° do. do.	4

8. The rates of excise duty in the plain country in Ganjam were—

	Per Imperial Gallon. Rs. A. P.
Proof rum	2 0 0
30° under proof	1 8 0
60° do.	0 12 0
Milk punch (about 50° under proof)	1 0 0

And the issues and duty thereon in Fasli 1283 and Fasli 1284 were as follows :—

—	Fasli 1283.	Per cent.	Fasli 1284.	Per cent.
	Gallons.		Gallons.	
Proof rum	1,348·4	1·5	1,581·	1·6
30° under proof	6,894	7·7	7,754·3	7·9
60° do.	80,945·7	90·3	88,382·	90·0
Milk punch	392	·5	459·5	·5
	89,580·1	100·0	98,176·8	100·0
Deduct 5 per cent. allowed for wastage ...	4,479 0	...	4,908·8	...
	85,101·1	...	93,268·0	...
	Rs. A. P.		Rs. A. P.	
Duty thereon	70,432 2 1	...	77,464 8 7	...

9. From these figures it will be seen that the consumption increased in Fasli 1284 by 9,167 gallons, or 9·6 per cent. The bulk of the consumption in the district is of liquor at the very low strength of 60° under proof.

10. The issues were distributed throughout the year as follows :—

——	Actual Gallons.	Per cent.	Gallons reduced to 30° under proof.	Per cent.
July to Sep., 1874	25,822·5	27·7	15,116·3	26·1
Oct. to Dec., ,, ...	18,439·7	19·8	12,751·0	22·0
Jan. to Mar., 1875	25,771·6	27·6	15,734·3	27·2
April to June, ,, ...	23,234·2	24·9	14,325·9	24·7
Total ...	93,268·0	100·0	57,927·5	100·0

11. The differences here shown are probably due not to variation in the consumption, but to issues having been reduced to a minimum during the second quarter and at the end of the first, when carriage was difficult. Also to save cost of carriage the liquor was issued in the second or monsoon quarter for the most part at higher strength to be afterwards diluted.

12. The minimum price prescribed was Rupees 3 at 30° under proof, and the prices at which the liquor was actually sold are given as follows :—

	Rs. A. P.		Rs. A. P.
Proof rum	4 8 0	to	5 4 0 per gallon.
30° under proof	3 0 0		
60° do.	2 0 0		
Milk punch	4 8 0		

13. The price at which the 60° under proof liquor is sold is in excess of the proportionate price by Annas 3-10. Arrack 30° under proof can certainly be made in Madras for 12 Annas a gallon, and it should cost less in Ganjam, where fuel and labor and probably also materials are cheaper. Proof spirit will then cost Rupees 1-1-2 and 60° under proof Annas 6 10. Milk punch costs Rupees 2 per gallon. The following then is an estimate of the results of the year to the renter:—

	Net issues.	Sale proceeds.	Cost of liquor.	Duty.	Shopkeeper's commission, cartage, &c., at 10 Annas a Gallon*.	Total, Columns 4 to 6.	Balance; Profit, Columns 3—7.
1	2	3	4	5	6	7	8
	Gallons.	Rs					
Proof	1,502	6,759	1,578·6	3,004			
30° under proof ...	7,366·5	22,099 5	5,524·9	11,049·8			
60° do.	83,963	167,926	35,852·6	62,974 3	58,292·5	1,79,586·2	1,9162·6
Milk punch	436·5	1,964 3	873 0	436 5			
	93,268·0	1,98,748·8	43,829·1	77,464·6			
	Average per gallon.	Rs. A. P. 2 2 1	Rs. A. P. 0 7 6	Rs. A. P 0 13 6	Rs. A. P. 0 10 0	Rs. A. P. 1 14 10	Rs. A. P. 0 3 3

* In November 1874, the renter returned these items as Annas 13·0 at proof. In Vizagapatam, where shipping charges, but not shopkeepers' commission, are included, the rate is 11 Annas 4 Pies per gallon as issued and Rs. 1-2-10 per gallon at proof. The rate above taken for Ganjam would seem to be a fair estimate.

14. The Board believe the profit to be somewhat more than shown by this estimate, though possibly not materially so. The toddy revenue was sub-leased, 75 per cent. of the collections being payable to Government. The sums so realized were :—

	Total rent. Rs.	Govt. share. Rs.
Fasli 1283	10,712	8,034
Do. 1284	10,941	8,206

15. The selling price of toddy was 3 annas a gallon. The entire revenue from arrack and toddy under the rent was Rupees 85,670-8-0. The population of excluding the Hill Maliahs was in the district 1871, 13,88,976, of whom 8,80,650 were adults and 4,18,906 adult males. There were 943 arrack shops and 253 toddy shops. Hence—

To each arrack shop there were 1,472 people.

Do. toddy shop do. 5,489 do.

Consumption in actual gallons per head was ·067

The returns are not in a shape which enables the Board to give figures illustrating the consumption, &c., by taluqs.

16. Vizagapatam.—The renters of this district are Messrs. Minchin and Co., who manufacture the rum issued in the district at Aska in Ganjam. The principal depôt for the district is at Bimlipatam whither the rum is sent by sea ; but small quantities are also sometimes issued from the depôt at Chicacole, which is on the borders of the district. The abkári of the Jeypore country, with the exception of the taluqs of Gunupur and Rayagadda, is farmed to separate renters under the ordinary system, and the current demand in the year under review seems to have been Rupees 33,700.

17. The liquor consumed in the rest of the district under Messrs. Minchin's rent is not all excised. In Gunupur and Rayagadda and in other hilly portions of the district, the people had been accustomed to use liquor distilled from the *mohwa*, or, as they are there called, *vippa* flowers. Attempts were made by Messrs. Minchin in the first year of the lease to supersede this liquor by excised rum, but the attempts were unsuccessful as the people refused the liquor. It was impossible to suppress distillation to which all the shopkeepers were accustomed ; and, after a very short period, it was found necessary to permit the renter to sub-lease the whole abkári of the taluqs of Gunupur and Rayagadda. Subsequently the concession was extended to the hilly portions of Salur, Palconda, and Parvatipur. The marginal statement shows the sums which these sub-rents fetched during Fasli 1284. There were 855 vippa shops and 651 stills. The liquor is sold at 9 Pies per seer or about Rupees 2-4-0 per gallon. Its strength is about 50° under proof. The revenue is very precarious and difficult of collection. The district renters were bound to pay to Government 75 per cent. of their collections, not of the amount of the sub-rents, and the full demand of the latter has never been realized.

	Rs.
Gunupur	32,455
Rayagudda	14,780
Palconda	6,875
Parvatipur	17,661
Salur	1,905
Total...	73,676
75 per cent. payable to Government...	55,257

At the close of Fasli 1284, Rupees 26,378-8-4, as the Government share of the outstandings, were still uncollected. Of this, a considerable portion has since been got in, and arrangements have been made regarding the rest, with a view of closing the renters' accounts for the lease just expired. There is no information as to the quantity of vippa liquor made or consumed.

18. The rates of duty and minimum price for excised liquor in Vizagapatam were the same as in Ganjam. The issues for the last two faslis and the demand for duty were as follows :—

——	Fasli 1283.	Per cent.	Fasli 1284.	Per cent.
Proof rum	2,148·5	5·5	1,415·	5·1
30° under proof	22,734	58·2	18,561·1	65·8
60° do.	14,047	35·9	8,005·7	28·7
Milk punch	140·2	·4	110·6	·4
	39,069·7	100·0	28,092·4	100·0
Deduct 5 per cent. for wastage ...	1,953·5	...	1,404·6	...
Duty...	37,116·2 Rs. 46,619 12 2	... ...	26,687·8 Rs. 34,949 0 4	... ...

19. Though the liquors issued are of the same description as in Ganjam, the greater portion of the consumption is at 30° under proof, whereas the weaker liquor is preferred by consumers in Ganjam. There has apparently been a considerable decline in the consumption during the fasli under review, the issues having fallen off by 10,977·3 gallons; but this decrease is only apparent, and arises from the depôts having been over-stocked in the previous years. In the first fasli of the lease unsuccessful attempts were made as already stated to introduce rum in lieu of vippa liquor in Gunupur and Rayagadda; the consumption of the district generally was also over-estimated, and the issues were therefore excessive at first. The issues and actual sales for the three years are given in the margin. The consumption of rum in the district may be roughly stated at 39,000 gallons of various strengths.

——	Actual gallons issued.	Equal to proof.	Sales equal to proof.	Actual gallons sold.
Fasli 1282...	48,332	27,802	22,221	38,564
Do. 1283...	39,070	24,779	23,045	38,696
Do. 1284...	28,092	17,684	23,026	...
	1,15,494	70,265	68,292	77,260
Average ...	38,498	23,422	22,764	38,630

	Per cent.
1st Quarter	30·5
2nd do.	19·4
3rd do.	25·1
4th do.	25·0
	100·0

20. The distribution of the issues throughout the year is shown in the margin. These however are not any index to the consumption for the reasons above stated, and it is useless to comment upon them.

21. The renters furnished to the Collector in October 1874 statements of receipts and charges, and profit and loss, in connection with their rent for Faslis

1282 and 1283, from which, though they are not completely intelligible, some valuable facts have been gleaned. Taking the two years together —

	Per Gallon. RS. A. P.
The average receipt from the sale of rum at the various strengths was*...	2 8 6
The cost of rum at proof was	1 0 3
The cost of milk punch was	2 0 0
The average charge for distribution, &c., (*viz.*, the total of establishment, cartage and sundry charges of all kinds† divided by the number of gallons issued, less 5 per cent. wasted,) was ...	0 11 4

22. Taking the issues of 1874-75, the cost and sale proceeds according to the retail rates quoted are as follows :—

——	Gross issues.		Cost gross.	Sale proceeds without wastage.	Sale proceeds allowing for wastage.
	GALS.		RS.	RS.	RS
Proof	1,415·	at Rs. 1 0 3 =	1,435·	6,064·8	5,761·6
30° under proof ...	18,561·1	at ,, 0 11 4 =	13,200·8	55,953·8	53,156 1
60° do ...	8,005·7	at ,, 0 6 6 =	3,253·2	12,251·0	11,638·4
Milk Punch	110·6	at ,, 2 0 0 =	221·2	510·6	513·6
	28,092·4		18,110·2	74,810·2	71,069·7
Average	...		Rs. 0 10 4	2 10 7	2 8 6

23. In computing the sale proceeds, the rates quoted for each taluq have been applied to the quantities shown as issued thereto. It will be seen that the average retail price on the net issues is exactly the same as the renters' average receipt per gallon. Hence there is no margin for retailers' profit; and the conclusion is inevitable, either that the allowance of 5 per cent. for wastage is excessive, or that the shopkeepers give short measure or dilute the liquor. Without allowance for wastage, the shopkeepers' profit would be 2 Annas 1 Pie, or, say, 2 Annas per gallon, which would still be low.

24. The average duty was Rupees 1-4-11. The cost of liquor being 10 Annas 4 Pies, and sundry charges 11 Annas 4 Pies per gallon, the charge to the renters would be Rupees 2-10-7, and it appears to be true as alleged by them that there is a loss on the rum contract, which has to be recouped by the share of the collections from toddy and vippa liquor which is allowed them. This probably need not be the case; the sundry charges against the rum are very high, and the consumption in the district is low, indicating illicit supply. Whether enhanced prices are possible is however doubtful.

25. The following statement shows particulars of the consumption, &c., in the several taluqs where rum is consumed. The average issues for three Faslies, 1282—

* A small sum shown as rum sellers' commission in Fasli 1282 and equivalent to about 2 Pies per gallon on the two years is excluded here.

† Agent's commission omitted: This in the particular case represents rather a division of the profit than a real charge.

1284, are taken as those of Fasli 1284 are obviously less than the real consumption :—

Taluqs.	Population.	Area.	Issues, Net.	Shops.	Consumption per head gallons.	Sales per shop gallons.	Square miles to each shop.	People per shop.
		SQ. M.						
Golgonda	93,942	540	1,229·6	33	·013	37·3	16·3	2,847
Sarvasidhi	134,708	960	713·5	22	·005	32·4	43·6	6,123
Ankapilly	165,346	597	1,330·3	25	·008	53·2	24·0	6,618
Viravilly	161,194	522	1,830·3	63	·011	22·8	9·3	2,559
Vizagapatam	79,195	216	8,419·2	66	·106	127·5	3·3	1,200
Bimlipatam	106,113	243	5,089·0	36	·048	141·3	6·7	2,948
Srungavarapukota	134,244	318	951·8	36	·007	26·5	8·8	3,729
Chepurpilli	201,985	615	924·4	33	·005	28·0	18·6	6,121
Vizianagaram	136,839	333	6,001·3	43	·044	177·5	7·7	3,182
Gajapatinagram	107,008	276	755·0	22	·007	34·3	12·5	4,864
Salur	76,824	222	2,628·4	35	·034	75·1	6·3	2,181
Bobbili	137,146	333	1,087·7	7	·008	155·4	47·9	19,592
Palconda	163,369	482	2,954·7	49	·018	60·3	10·3	3,334
Parvatipur	135,201	402	2,249·4	42	017	53·7	9·6	3,219
Total...	1,832,614	6,009	36,164·6	512	·020	70·6	11·8	3,560

26. The consumption for the whole district is thus very low, and there are differences which are inexplicable save on the assumption that in some taluqs illicit practices are rife. In Vizagapatam only does the administration seem to be approximately healthy. It has been shown above from a consideration of the retail prices and the renters' charges that the shopkeepers' profit is probably derived from dilution, or is at all events extremely low. Supposing it, however, to be even 4 Annas per gallon, which is allowed in some other districts, it is apparent from the figures showing the average sales per shop that selling licit liquor is not a profitable occupation. In Viravilly the shopkeeper would earn on the average Rupees 5-12-0 *per annum*; in Srungavarapukota, Rupees-6-10-0; and in Chepurpilli, Rupees 7. Where, as in Viravilli and Srungavarapukota, there are found a dense population, low licit consumption per head, shops very numerous, and shopkeepers' licit profit very low, it cannot be doubted that the shopkeepers either manufacture or sell illicit liquor. Illicit vippa liquor is no doubt largely consumed in these taluqs. Where again population is dense, shops very few and consumption low, as in Bobbili, it is probable that the people get their liquor elsewhere than at sanctioned shops. Explanation is needed why there are so few shops allowed in Bobbili. In Salur, Palconda, and Parvatipure there are, respectively, besides the rum shops shown in the above table, 78, 36 and 201 shops for the sale of vippa liquor. Yet the consumption of rum and the average sales per shop are better in these than in many other parts of the district. It would seem therefore that increasing the number of licit shops has effect in checking illicit consumption.

Taluqs.	Fasli 1283.	Fasli 1284.
	Rs.	Rs.
Vizagapatam	11,500	14,350
Ankapilli	1,850	
Viravilli	800	
Bimlipatam	2,950	3,050
Vizianagram	5,025	5,025
Gajapatinagram	1,025	800
Chipurpilli	3,655	3,760
Salur	1,400	5,175
Palconda	2,875	
Parvatipur	800	
Srungavarapukota	700	600
Yelamanchili	1,100	900
Narsapatam	400	420
	34,080	34,080
Payable to Government	25,560	25,560

27. The toddy rents disposed of by the renters at auction amounted to Rupees 34,080, and the three-fourths payable to Government were Rs. 25,560. For convenience to themselves, the renters made themselves responsible for this amount, so that as regards the toddy revenue, they were contractors, not agents. There were 583 toddy shops in Fasli 1284. The minimum price of toddy was 3 Annas per gallon, but it was sold as high as 4½ Annas in some taluqs.

28. The abkári demand of the district was Rupees 1,50,216 including Jeypore. For the country under Messrs. Minchin and Co's. rent the following are the chief results :—

	People.
To each rum or vippa shop there were	1,817
Do. rum shop where vippa is not consumed	3,776
Do. toddy shop	3,144
Average consumption of rum where consumed was in actual gallons per head	·020

29. North Arcot.—The renters were Messrs. Corbett and Morison. The liquor was issued chiefly at a strength of 20° under proof. It was manufactured at distilleries at Palmanair and Ranipet. From the former 24,028·5 gallons and from the latter 95,714·5 gallons were issued in Fasli 1284. Deducting 5 per cent. for wastage, the net issues were therefore 113,756 gallons, against 116,612 in Fasli 1283 and 130,963 in Fasli 1282. The duty was Rupees 2 per gallon, and the strengths of, and duty on, the quantity issued were as follows :—

	Gallons.	Duty.
At proof	75	187·5
20° under proof	114,750	239,336·0
25° do.	4,917	
26° do.		
	119,742	239,523·5
Deduct 5 per cent.	5,987	11,976·1
	113,755	227,547·4
Add duty on liquor issued for special purposes over proof	...	126·
		227,673·4

30. The renters have furnished statements showing the actual quantities issued to shops in the several taluqs and zemindaries, and the following statistics as to consumption in Fasli 1284 are thence taken :—

Taluqs.	Population.	Area.	Shops in Fasli 1284.	Sales in Fasli 1284. Gallons 26° under proof.	Consumption per head.	Sales per Shop.	Square miles to each Shop.	Population to each Shop.
		SQ. M.						
Chittoor	213,045	837	44	8,409	·039	191	19·0	4,842
Palmanair	60,211	484	36	4,272	·071	119	13·4	1,673
Chendragiri	99,628	531	55	8,597	·086	156	9·6	1,811
Guriattam	162,980	318	73	10,663	·065	146	4·4	2,232
Vellore	179,156	471	104	24,238	·135	233	4·5	1,723
Poloor	109,159	456	45	6,416	·059	143	10·1	2,425
Arcot	157,391	414	60	4,700	·029	78	6·7	2,623
Wandewash	153,507	431	22	2,415	·016	110	19·6	6,978
Wallajah	216,204	419	109	18,453	·085	169	3·8	1,984
Arnee	77,679	169	50	9,634	·124	193	3·4	1,554
Kangundi	52,047	330	18	1,840	·035	102	12·8	2,891
Kalastri	135,104	736	45	3,564	·026	79	16·4	3,003
Karvetnuggar	289,894	922	98	9,678	·033	99	9·4	2,958
Punganoor	109,282	634	42	3,751	·034	89	16·1	2,602
Total...	2,015,278	7,152	801	116,630	·058	146	8·9	2,516

31. The consumption in the district is thus considerably higher than in Vizagapatam, and the figures do not show such unmistakeable evidence of the prevalence of smuggling as those for that district.

32. There are however some remarkable variations. The consumption is highest in Vellore, which contains the large town of that name, and next highest in the Arnee Jaghire. It seems possible from the way in which the statistics have been rendered, that some of the issues and sales for the adjoining taluq of Wandewash, where the consumption is shown as very low, have been charged to Arnee; but, on looking at the proportion of shops and population to each, it will be seen that the difference cannot be thus fully accounted for. Wandewash is a thriving and densely populated taluq, and ought not to fall below Wallajah in point of consumption. It is probable that illicit practices take place there, and the remedy would probably be to increase the number of licensed shops which, compared to area and population, seems now insufficient. The same remarks apply to Chittoor and perhaps to Kalastri also. The consumption in the hilly tracts on the north-west of the district is higher than in the plain taluqs. It is very low in the south-east taluqs—too low apparently in Wandewash.

33. The system adopted by the renters is to allow the shopkeepers a commission of 4 Annas per gallon sold. The liquor was sold to the public at Rupees 5 per gallon in 166 shops and at Rupees 3-12-0 and Rupees 3 in the remainder. The minimum price prescribed was Rupees 2-4-0 per gallon. The total sale proceeds were Rupees 4,58,081, whence the average retail price is found to be Rupees 3-14-10 per gallon. The expenses are returned by the renters as follows :—

	Rs.	Rs.	Per Gallon sold. Rs. A. P.
Cost of materials for distillation, distribution, and establishment	1,30,753		
Sundries	7,794		
		1,38,547	1 3 0
Commisson to Shopkeepers		29,158	0 4 0
Duty (less wastage) on issues of the year ...		2,27,548	1 15 2
Profit...		62,828	0 8 8
Total...		4,58,081	3 14 10

34. Of the sum of Rupees 62,828 shown as profit, the renters realized during the year Rupees 56,760. From this however some deduction must be made on account of interest on fixed capital and depreciation.

35. The figures which have been furnished year by year by Messrs. Corbett and Morison give ground for an important deduction as to the rate of wastage which is allowed. At present 5 per cent. of the gross issues are permitted to pass free of duty to meet wastage; but the actual sales compared with the actual issues show only 3 per cent. as follows:—

	Gross Issues. Gallons.	Sales. Gallons.
Fasli 1282	1,37,854	1,28,942
Do. 1283	1,22,759	1,19,698
Do. 1284	1,19,743	1,16,630
Total ...	3,80,356	3,65,270
Balance left in depôts on 30th June 1875 ...		3,672
		3,68,942
Actual wastage		11,414
		3,80,356

36. The wastage at the assumed rate of 5 per cent. was 19,018 gallons. The renters have sold in Fasli 1284, 2,795 gallons free of duty, and at Rupees 2 per gallon they cleared Rupees 5,590. If the ordinary profit at 8 Annas 8 Pie per gallon be added, the amount becomes Rupees 6,886, which accounts for more than a tenth of their whole profit. It seems that the rate to be allowed in future leases ought to be 3 per cent. Assuming wastage at 3 per cent. and working back from the balance of stock known to exist at the close of Fasli 1284, the following figures are obtained :—

—	Closing Balance.	Wastage on issues at 3 per cent.	Sales.	Total.	Issues.	Opening balance.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fasli 1284	3,672	3,593	1,16,630	1,23,894	1,19,743	4,152
Do. 1283	4,152	3,684	1,19,698	1,27,534	1,22,759	4,775
Do. 1282	4,775	4,137	1,28,942	1,37,854	1,37,854	...
	12,599					
Average ...	4,199					

37. Thus it seems that the district can be worked with an average stock of about 4,200 gallons or 3·3 per cent. of the average issues. Hence it is apparent that the capital is turned over many times in the year, and consequently that a very small capital is needed to work the business. Doubtless half a lakh would suffice and allowing one-sixth for depreciation and interest, the renters' profit for the year would be reduced to Rupees 54,495 or 7½ Annas per gallon.

	Per cent.	
July	8·99	
August	7·63	26·46
September ...	9·84	
October... ...	8·59	
November ...	11·12	28·32
December ...	8·70	
January ...	10·11	
February ...	5·98	22·51
March	6·42	
April	6·53	
May	7·94	22·71
June	8·24	
	100·00	100·00

38. The distribution of the issues monthly is shown in the margin. It will be seen that they are much lower in the second half of the fasli (January to June), which is of course due to the fact that this is the toddy season.

39. The toddy revenue of North Arcot was farmed out to a sub-renter for Rupees 64,600, of which 25 per cent. was payable to Messrs. Corbett and Morison. The number of toddy shops was 953.

40. Chingleput.—The renter of this district was Mr. Thomas Pritchard. His management has been extremely successful and has resulted in a considerable increase of revenue to Government as well as profit to himself. He has paid especial

attention to the development of the toddy revenue, as the following figures showing actual revenue realized will show :—

—	Arrack.	Toddy.	Total.
	RS.	RS.	RS.
Fasli 1282	1,00,303	80,253	1,80,556
Do. 1283	88,515	1,05,055	1,93,670
Do. 1284	71,218	1,07,185	1,78,403

Fasli 1284 was a bad year, and hence the great decline in arrack consumption.

41. The previous rent of the district was Rupees 1,58,000, and the amount guaranteed by Mr. Pritchard was Rupees 1,50,000. Very complete information as to the working of the contract has been placed at the disposal of Government, and the experimental excise system has in this district proved an unqualified success.

42. The liquor was sold at 30° under proof. It was manufactured at the Government distillery in Madras which was occupied by Mr. Pritchard as contractor for the supply of puttai arrack for the town. It was sent thence under proper precautions to a large depôt at Poonamallee outside the Madras Town Abkari limits, whence it was distributed to twenty-eight depots or godowns throughout the district of Chingleput.

43. The following statement shows the principal facts regarding arrack consumption :—

Taluqs.	Population.	Area.	Shops in Fasli 1284.	Sales, Gallons 30° under proof, Fasli 1284.	Consumption per head, Fasli 1284.	Sales per Shop, Fasli 1284.	Square miles to each Shop.	Population to each Shop.
Sydapet*	65,869	152	44	7,375	·112	167	3·5	1,497
Trivellore	149,898	508	75	7,589	·051	101	6·8	1,999
Ponneri*	97,196	330	45	4,570	·047	102	7·3	2,160
Conjeveram	168,036	514	78	10,084	·060	129	6·6	2,154
Chingleput	132,328	436	36	6,319	·048	176	12·1	3,676
Madurantacum	197,308	696	41	3,429	·017	84	17·0	4,813
	810,635	2,636	319	39,366	·049	123	8·5	2,541
Fasli 1283	... ..	...	300	47,653	·059	158	8·0	2,702
Fasli 1282	.....	...	328	53,550	·066	163	8·0	2,472

* The area and population of the tract outside Madras, which is under the Madras Abkari, is deducted as follows :—

	Area. Sq. miles.	Population.
Sydapet.....	190	120,535
Ponneri	17	7,014
Total...	207	127,549

44, The high consumption in Conjeveram and Trivellore is believed to be due to the festivals which take place frequently in the towns so named. No satisfactory explanation has been given of the low consumption in Madurantakam.

It is said to be due to cheaper liquor being available over the border in North and South Arcot Districts, but in so large a taluq this could not have produced so great an effect. It is also stated that there is a large consumption of toddy on the coast. But it will be seen below that the consumption of toddy is not especially high. That of arrack in the adjoining taluqs of North and South Arcot however is also low. The arrack shops in Madurantakam are very few in proportion to the area and population.

45. A peculiarity of Mr. Pritchard's management seems to be the maintaining of very large stocks of arrack in the godowns. This will be apparent from the following figures showing gallons in stock, &c.—

—	Opening balance.	Issues.	Excess by dilution.	Total.	Wasted.	Sold.	Balance.	Total.
Fasli 1282 ...	...	60,333	1,398	61,731	1,341	53,550	6,840	61,731
Do. 1283 ...	6,840	53,242	...	60,082	2,492	47,653	9,937	60,082
Do. 1284 ...	9,937	42,838	6	52,781	2,992	39,366	10.423	52,781
Total ...	...	1,56,413	...	1,74,594	...	1,40,569	27,200	...
Average ...	...	52,138	...	58,198	...	46,856	9,067	...

46. The average balance is about 17½ per cent. of the average issues. There is no return of wastage for Fasli 1283; that entered above is estimated on the average of the other two years. The wastage in the first year was only 2·2 per cent., but in Fasli 1284 it was 5.8 per cent., and on the average of the two years 3·8 per cent. The difference is doubtless due to the unnecessary maintenance of a large stock throughout the year.

47. The receipts and charges of the renter are returned as follows :—

The prices at which arrack was sold to the shopkeepers ranged from Rupees 2-11-0 to Rupees 4 per gallon, and the total demand on account of it, it was Rupees 1,46,695. The shopkeepers sold it by retail for Rupees 1,55,697. The average retail price is made up as follows :—

	RS.	A.	P.
Cost of manufacture	0	10	6
Cost of distribution, management, &c....	0	4	2
Duty net	1	10	7
Shopkeepers' remuneration...	0	3	8
Profit	1	2	4
Total ...	3	15	3

The renter's profits have thus been very great The minimum price was Rupees 2-4-0 per gallon.

48. The toddy revenue is managed on the following plan :—The toddy shopkeepers accept certain "dowles" or agree to sell certain quantities of toddy,

which they procure at their own expense, and to pay the renter on the quantity specified in the "dowle" at the rate of Rupees 2* for every 24 measures, equivalent almost exactly to nine gallons. The shopkeepers have nothing to pay on sales in excess of their dowles. The total dowle was 7,18,395 gallons for 473 shops, and the demand Rupees 1,58,453, of which Rupees 1,52,391 were collected within the year, besides arrears and sundry receipts Rupees 1,662. The charges set against these gross collections were Rupees 11,139. The net collections were Rupeees 1,42,914, of which 75 per cent. or Rupees 1,07,185 were paid to Government, and Rupees 35,728 constituted the renters' share. It may be assumed that the consumption was at least equivalent to the dowles, and it is shown by taluqs in the following table :—

Taluqs.	Population.	Area. Square miles.	Shops.	Dowles. Gallons.	Consumption per head Gallons.	Sale per shop Gallons.	Square miles per shop.	Population per Shop.
Sydapet	65,869	152	63	120,291	1·839	1,911	2·4	1,046
Trivellore	149,898	508	47	61,215	·408	1,302	10·8	3,192
Pouneri	97,196	330	102	121,257	1·248	1,188	3·3	953
Conjeveram	168,036	514	80	175,149	1·041	2,190	6·4	2,100
Chingleput	132,328	436	100	137,385	1 038	1,374	4·4	1,323
Madurantakam	197,308	696	81	103,098	·522	1,278	8·8	2,436
Total ...	810,635	2,636	473.	718,395	·885	1,518	5·6	1,713

49. The retail price of toddy was every where 2 Annas a measure, which is equivalent to 5 Annas 4 Pie per gallon. Of this, 3 Annas 2 Pies were excise.

50. South Arcot.—The renters of the South Arcot District were Messrs. Parry and Co. The rate of excise on arrack was Rupees 1-12-0 per gallon at 30° under proof, except on liquor for frontier shops, which, as explained below, was excised at Rupee 1 per gallon at the same strength. The minimum price was Rupees 2-4-0 per gallon. The toddy was sub-rented for a sum of Rupees 84,000 per annum, of which 75 per cent. or Rupees 63,000 was payable to Government.

51. The issues of arrack (gross) and the revenue thereon for Faslis 1282-1284 in gallons 30° under proof were as follows :—

	Issues.	Duty.
		Rs.
Fasli 1282	79,396	1,28,067
Do. 1283	84,567	1,30,679
Do. 1284	77,623	1,25,853

52. The existence of the French Settlement of Pondicherry and the straggling and intricate character of the frontier, together with the low price at which under the French excise arrangements liquor can be sold in French villages, were found to lead not only to considerable smuggling of liquor across the frontier, but also

* This is the usual rate, but in Conjeveram there were six shops with a dowle of 1,974 gallons at Rupees 1-11-0 er 8 gallons, and seven shops with a dowle of 3,648 gallons at Rupees 1-4-0.

to the resort of British subjects to French liquor shops. In order to counteract these evils, and to enable the renters to compete with the the French shops by selling liquor at a price more nearly approaching that for which the French liquor is obtainable, they were allowed to issue liquor at a reduced rate of excise of Rupee 1 per gallon 30° under proof, and were relieved from restrictions as to strength and price at which it should be sold in shops situated on or near the frontier. The number of shops which the renters were originally allowed by the Collector to class as frontier shops was 198, but these were not all open. In March 1874, the number in operation was 117, and in July 1874, 103 only; but these numbers being considered altogether excessive, and shops having been included which were situated at long distances from the frontier, the number was in October 1874 reduced to twenty-two. There are indications however that the reduction made was too great, and that the measure may lead to loss of revenue, and the matter is again under consideration. The following are the gross quantities issued in Fasli 1282 from February 1873, and in Faslis 1283 and 1284 at the reduced rate :—

	Gallons 30° under proof.
Fasli 1282 (five months)	5,551
,, 1283	13,912
,, 1284	5,301

53. The liquor is diluted before issue to 38° and 44° under proof, and duty proportionate to the rate of Rupee 1 at 30° under proof is levied. The following statement shows the actual consumption, &c., in each taluq in Fasli 1284, according to the returns made by the renter :—

Taluqs.	Population.	Area Sq. Miles.	Number of Shops open.	Consumption, actual Gallons.	Consumption per Head.	Sales per Shop.	Square Miles per Shop.	Population per Shop.
Cuddalore... ...	284,849	418	136	19,463	·068	143	3·1	2,094
Chidambram ...	239,133	381	90	13,413	·056	139	4·2	2,657
Virdachalam ...	178,504	540	54	6,082	·034	113	10·0	3,306
Kullakurchi ...	196,566	805	85	5,389	·027	63	8·5	1,837
Trikalore	216,246	487	89	10,557	·049	119	5·5	2,430
Trinomalai ...	164,657	887	118	11,068	·068	94	7·5	1,395
Tindivanam ...	239,754	734	99	7,360	·031	74	7·4	2,422
Villapuram ...	236,108	618	124	9,816	·042	79	5·0	1,903
Total ...	1,755,817	4,870	795	* 83,148	·047	105	6·1	2,209

54. The consumption is nowhere very high. It has been alleged by the renters that unexcised liquor from Salem and Trichinopoly penetrated into Virdachalam and Kullacurchi; and though the influence of this cause is probably over-rated, the figures above shown for those taluqs and for Tindivanam, which adjoins the

* At 30° under proof	77,034
At 38° do.	3,001
At 44° do.	3,113
	83,148

Pondicherry territory, give some indication of smuggling. The high consumption in Trinomalai is remarkable. It is probably due to the great festival which is annually clebrated there, and to the hilly character of portions of the taluq.

55. The retail prices of arrack ranged from Rupees 1-8-0 in the frontier shops in Cuddalore to Rupees 4, and that of toddy from 3 Annas to 7 Annas 6 Pies per gallon. There is no information on which an estimate of the gross receipts, expenses and profits of the arrack or toddy renters, or the consumption of toddy, can be framed. There is little doubt, however, that the arrack renters have realized a handsome profit.

56. MADRAS TOWN.—The Abkári of the Madras Town is, as has been already stated, managed on a peculiar system entirely by Government officers.

57. There is a special Abkári law, *viz.*, Act XIX. of 1852, under which the town Abkári is worked. The area to which it applies is defined as extending eight miles beyond the limits of the High Court's original jurisdiction. The tract outside these limits, which bound the town proper, is known as the "outside limits," and that within them as the "inside limits." The area and population of each are as follows :—

	Area. SQ. M.	Population.
Inside limits	27	3,97,552
Outside limits	207	1,27,549
	234	5,25,101

58. There is no material difference as regards the toddy administration between the two tracts, but the arrack revenue is managed very differently, the prices and excise of liquor being lower, and the interference of Government officers being much less direct in the outer limits. The forty shops within them are subordinate to five large depôts or godowns* which are rented with the shops belonging to them, whereas in the inside limits, the Government officers deal direct with every shopkeeper. Only country, or puttai arrack is sold in the outside limits, while Colombo arrack, a superior liquor manufactured in Ceylon from cocoanut toddy, is sold as well as puttai in the inner tract. The outer tract was intended to interpose between the highly-priced and highly-taxed liquor consumed in the inside limits and the cheap and more lightly-taxed liquor sold in the surrounding district of Chingleput, a belt of country in which the prices and taxation should be higher than in the one and lower than in the other, so as to diminish the incentive to smuggle liquor. This was of great importance when the price of arrack in the Chingleput District was as low as Rupees 1-14-0 a gallon ; but now the separation of the two tracts is scarcely necessary, as under the management of Mr. Pritchard the prices of liquor in Chingleput have been raised, so that it has actually become necessary to enhance the price in the outside limits to equalize it with his rates.

* St. Thomas' Mount, Palaveram, Papanchavadi, Maduravayal and Madavaram.

59. In the inside limits, Colombo and puttai arrack are never sold in the same shop, since they attract an entirely different class of customers. The Colombo arrack is supplied by a contractor, and is received and issued for sale at 25° under proof. The contractor S. Sarawana Muttu Pillai receives Rupees 154-15-2 per leaguer of 125 gallons or Rupees 1-3-10 per gallon. The stock for current consumption is kept under the joint lock and key of the contractor and the Deputy Collector of Madras. Between twenty and thirty thousand gallons, the property of Government, are kept as reserve to meet a failure of the supply. The puttai arrack is distilled under contract. Mr. Pritchard, the renter of the Chingleput District, was the contractor in the year under review, at the rate of 12 Annas per gallon. He has the use of the Government distillery at Tondiarpett, paying rent for it at Rupees 130 per mensem. The liquor is brought as required from the godowns and distillery to the Deputy-Collector's office, Mount Road, whence it is issued to the shopkeepers.

60. The mode of dealing with the shopkeepers is somewhat complicated. Each shopkeeper enters into an agreement called a "dowle" by which he is bound to sell a certain number of gallons per diem, and has to pay for the quantity at a fixed price. If he fails to sell the quantity, he returns what he cannot sell into stock, and is allowed credit for the cost price of the liquor ; and the difference between this and the price at which it was issued, *i.e.*, the excise, is maintained as a demand against him. If he does not draw out the amount of his dowle, the excise on the quantity short is realized from him.

61. This system is supposed to secure on the one hand a certain and settled revenue to Government, and on the other, to make it the interest of the shopkeepers to do all they can to prevent smuggling and adulteration or dilution, since they are obliged to sell a certain number of gallons of a certain strength. It is however objected to the plan that it tends to stimulate consumption ; which would be true if the dowles were fixed too high but not otherwise. The whole efficacy depends upon the nicety with which the dowles are adjusted ; for if they are too high, the shopkeepers must be ruined and the advantages which the system is to secure to Government will be lost ; and in proportion as they are too low a door is opened for malpractices. The settlement of the dowles is a very difficult matter. Originally they used to be settled by competition, but the reckless bidding which followed caused the adoption of a system of settlement by the Deputy Collector, by agreement for each shop, with reference to past sales and other considerations. Under this arrangement, and with the constant efforts of the shopkeepers, the dowles had been gradually so reduced that, in 1869, the system had become almost ineffectual for the purposes it was intended to secure, and a sudden increase was ordered from 176,227 to 229,835 gallons per annum. Ever since there has been a continual struggle to retain or enhance the increases then put on. In Fasli 1284, the experiment was tried of settling the arrack dowles in the inside limits by public auction, but the outside godowns were disposed of by tender as has been usual for some years. The result was a considerable enhancement of dowles owing to excessive bidding ; but after a few months of the fasli, the dowles, which in the case of shops thrown up or attached were settled by tender, had considerably decreased and the Board resolved to revert

to the old individual settlement system. The daily dowles at the beginning and the end of the fasli stood as follows:—

	July 1874. GALS.	June 1875. GALS.
Colombo	324	272
Puttai { Inside	205	162
Puttai { Outside	122	122
	651	556
Per annum...	237,615	202,940

62. The shopkeepers are forced by competition to retail the arrack at the minimum price fixed for each kind, and at no higher rate. Indeed one effect of the provision that the cost price only is allowed on liquor returned into store is that the shopkeepers are induced to sell below the minimum price notwithstanding that they thus render themselves liable to punishment; since it is their interest rather to forego a portion of their profit than to incur in addition heavy loss by paying the excise. It is evident however that liquor cannot in any case, unless diluted, be sold below the price of issue. The distribution of the price by retail of the several descriptions of liquor, and the excise payable to Government, is shown in the statement appended for Fasli 1284. The charges for establishment of the Abkári Department, Saderwarid, &c., amounted to 24,757 Rupees, and distributing this in shares proportionate to arrack, toddy and miscellaneous revenue, and dividing the share due to arrack by the number of gallons actually issued, the rate per gallon for cost of distribution and supervision is arrived at. Besides the actual cost of the liquor there are certain charges for wastage, &c., debited separately to each liquor, and the sum to set aside out of the issue price as cost of liquor is therefore greater than the actual rates paid to the contractors:—

—	Colombo.			Puttai, Inside.			Puttai, Outside.		
	RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
Cost and Charges for liquor ...	1	4	10	0	12	7	0	12	7
Distribution and Management...	0	1	5	0	1	5	0	1	5
Excise	3	6	7	2	14	0	1	10	10
Issue Price	4	12	10	3	12	0	2	8	10
Shopkeepers Profit	0	7	2	0	8	0	0	7	2
Minimum Selling Price	5	4	0	4	4	0	3	0	0

63. The excise shown in the above statement is equivalent to the following rates at proof:—

	RS.	A.	P.
Colombo	4	8	9
Puttai Inside	4	1	9
Puttai Outside	2	3	6

In Fasli 1285, the issue price of puttai outside has been raised to Rupees 3-2-0, and as the cost price under the new contract is 2 Annas less per gallon, the excise on puttai is now considerably raised. The selling price outside is now Rupees 3-8-0.

64. The following statement shows consumption &c., of arrack according to divisions of the town:—

Division.	Population.	Area.	Shops. Colombo.	Shops. Puttai.	Shops. Total.	Issues. Colombo.	Issues. Puttai.	Issues. Total.	Consumption per head. Colombo.	Consumption per head. Puttai.	Consumption per head. Total.	Sales per Shop. Colombo.	Sales per Shop. Puttai.	Square Miles per Shop.	Population per Shop.
		SQ. M.				GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.	GALS.		
1st Municipal Division.....	65,547	5·3	3	8	11	6,489	8,318	14,807	·099	·127	·226	2,163	1,851	·46	5,959
2nd do.	75,326	·7	11	6	17	28,505	11,974	40,479	·378	·159	·537	2,591	6,747	·04	4,431
3rd do.	50,957	·7	10	5	15	22,397	7,670	30,067	·439	·151	·590	2,240	1,534	·05	3,397
4th do.	9,791	3·9	1	5	3	1,376	2,249	3,625	·140	·370	·510	1,376	1,125	1·30	3,264
5th do.	65,491	2·8	12	11	23	20,715	11,120	31,835	·316	·169	·485	1,726	2,647	·12	2,859
6th do.	19,390	5·4	...	2	2	...	2,782	2,782	...	·144	·144	...	1,391	2·70	9,695
7th do.	69,568	1·5	9	11	20	15,960	9,256	25,216	·230	·133	·363	1,773	2,292	·75	3,478
8th do.	41,492	6·5	2	8	10	4,971	4,049	9,011	·120	·097	·217	2,020	505	·65	4,148
	397,552	26·8	48	53	101	100,413	57,422	157,822	·253	·144	·397	2,092	1,083	·27	3,847
Outside limits	127,549	*207·0	...	40	40	...	47,409	47,409	...	·370	·370	...	1,181	5·18	3,189
Total...	525,101	233·8	48	93	141	100,413	104,650	205,063	·191	·200	·391	2,092	1,125	1·66	3,724

* See note *infra* paragraph 67.

65. The consumption in the outside limits is but little less than that in the town itself, and three times the rate per head which was found for the remaining portion of the Sydapet Taluq. The high consumption in this tract is due to

drinking by followers attached to the military stations of Palaveram and the Mount, and to drinking by carters and travellers passing through on their way to the Presidency town. In the town itself the Colombo attracts more people than the puttai, the higher price notwithstanding. From the statement it will be noticed that the taste of consumers as to the description of liquor preferred, and as to the quantity taken, varies considerably in different quarters of the town. All that can be said in explanation of these differences is, that the 1st Division is thinly peopled, the 2nd and 3rd (Black town) have a dense population of Hindus; the 6th and 8th are chiefly occupied by European houses and compounds, of which there are also a few in the 5th; and that the 7th Division embraces the Muhammadan quarter. The consumption in the 4th Division is very high, considering the smallness of the population.

66. The average remuneration of the shopkeepers on the quantities actually sold, and at the rates allowed in the selling price, are as follows:—

	Rs.	A.	P.	Per mensem.		
Colombo	937	0	3	78	1	4
Puttai Inside	584	0	0	48	10	8
Puttai Outside	478	8	4	38	3	4

These rates are unduly high, and as the limit of consumption at present prices has apparently been reached or nearly so,* it is evident that the town arrack revenue can be raised only by subtracting from the shopkeepers profits. Enhancement of the dowles, which has been so strenuously sought after during the last few years, merely means that the excise on liquor undrawn or returned into store is so subtracted; but this plan is open to the objection that in clamouring for a reduction of dowles, the shopkeepers can appeal to the actual number of gallons sold. A more direct and satisfactory method of appropriating to revenue a portion of the shopkeeper's profit would be to increase the issuing prices by a small sum, the retail prices being retained as at present. The dowles should be only slightly in excess of the possible sales.

67. The season of the year does not seem to exercise much influence upon the consumption, except of Colombo which rises in the rains. The following figures show the sales:—

——	Colombo.	Puttai, Inside.	Puttai, Outside.
	Gals.	Gals.	Gals.
July to September	24,353	15,611	9,727
October to December ...	27,049	15,850	11,493
January to March	24,288	15,242	11,044
April to June	24,723	15,214	10,469
Total ...	1,00,413	61,917*	42,733

68. The toddy sold in the Town is of two kinds, cocoanut and palmyra. The palmyra tree yields toddy only for about four months, from January to April; but

* The average consumption for 10 years, ending Fasli 1280, was 191,723 gallons. The enhancement of the selling and issuing price in the outter limits in the current fasli has decreased consumption very considerably.

the cocoanut toddy can be had all the year round, though a tree will yield only for six months, and must have rest for the remaining six. The cocoanut toddy is alone sold in the inner limits, and during the palmyra season palmyra toddy is alone sold in the outside limits.

69. The shops are divided into four classes according to the number of trees assigned to each, and there is a fixed rent for each class. Besides the regulated number of trees, any shopkeeper is allowed to use additional trees without limit, on payment of 1 Anna for every eight trees per diem. The trees from which toddy is allowed to be drawn are all stamped and registered by the Abkari Department. During the palmyra season a large proportion (about 100) of the outside toddy shops obtain leave to sell palmyra toddy and have trees assigned to them; and extra shops are also licensed as 3rd or 4th-class shops. Bakers are allowed to draw toddy on payment of Annas 2-4 per gallon, or per twelve trees. The following statement shows particulars of classes and rates:—

Class.	Daily Dowle or Rent.	Nominal number of Trees.	Number of Shops in Fasli 1284.			Remarks.
			Inside.	Outside.	Temporary Palmyra Shops.	
	Rs A. P.					The toddy shops at the Mount and Sydapet, which are exceptionally situated, and three other shops in the inside limits, are let at special rates. Palmyra toddy is allowed to be drawn at one time only from one-third of the trees assigned to a shop. The palmyra trees are registered but not stamped.
1st	3 4 0	330	55	2	...	
2nd	2 8 0	247	46	...	...	
3rd ... {	1 8 0	165	198	39	...	
	1 5 0*	300	...	...	112	
4th ... {	1 0 0	110	...	97	...	
	0 12 0*	180	...	...	...	
			299	138	112	

* Palmyra only.

70. The system does not afford the means of exactly stating the quantity of toddy consumed. The number of trees to each shop was assigned on the assumption that twelve trees produce a gallon a day; but estimates have been made of a yield as high as 2½ gallons, and it has accordingly been argued that the toddy shopkeepers make enormous profits and ought to have their dowles raised. Taking the number of cocoanut trees assigned to each class of shop, and multiplying by the shops, it is found that the total number assigned, exclusive of those granted on extra payment and of palmyra trees, is 79,947. The trees yield only half the year, and therefore the produce of toddy from the fixed number of trees may be taken at 3,331 gallons daily, or in the year 1,215,815 gallons. The quantity drawn from extra trees may be estimated thus: The rents at the fixed dowles

* This total differs from that for inside puttai in the statement of consumption above given; because four shops situated just outside the Municipal boundary receive liquor and pay excise at inside rates. Except for calculating the rate of consumption per head, these shops, which took in Fasli 1284 gallons 4,508, are considered as inside shops.

above stated amount to Rupees 2,73,212, and the balance of toddy revenue, or Rupees 41,172, may be taken as payments for extra trees, and for palmyra toddy shops. At 1 Anna per diem for eight trees,* and one-twelfth of a gallon for each tree per diem, this excess gives 439,501 gallons, and therefore the consumption may be estimated at 1,655,316 gallons. This gives 3·15 gallons per head in the whole tract under the Madras Abkári, which is nearly double the rate in the remainder of the taluq of Sydapet, and four times that in the whole district of Chingleput. The consumption can hardly be higher than this, and the standard estimate of the yield of the trees is probably not too low, on the average of all the trees used, and of varying seasons.

* The rate for palmyra shops amounts to five trees for an anna, but it is believed that the quantity of toddy yielded by palmyra trees at a time is greater than by cocoanut trees.

71. The above estimate may be checked by comparing the revenue per gallon, realized according to it with the retail prices of toddy. The revenue per gallon comes to $(\frac{\text{Rs. } 3,14,384}{\text{Rs. } 16,55,316})$=Annas 3, which agrees closely with the result arrived at for the Chingleput District. The retail prices are from 1 Anna 6 Pies to 3 Annas for cocoanut toddy, and 6 Pies to 1 Anna for palmyra per Madras measure, or from 4 Annas 2 Pies to 8 Annas 3 Pies and from 1 Anna 5 Pies to 2 Annas 8 Pies per gallon, respectively. The average for cocoanut toddy is stated to be 2 Annas per measure, or 5 Annas 4 Pies per gallon. The shopkeepers have therefore 2 Annas 4 Pies per gallon, from which all charges (cost of toddy, shop rents, &c.) have to be met; and assuming that 1½ Annas per gallon is profit, they would make Rupees 1,55,186. This divided by 474 (the fixed shops *plus* one-third of the temporary shops open for four months) gives Rupees 328 to each, or say Rupees 27 per mensem, which is a high rate of remuneration. An enhancement of the fixed dowles is perhaps possible.

72. The following statement shows the gross Abkári revenue, the charges and the net revenue for Fasli 1284 —:

Receipts.		Charges.	
	Rs.		Rs.
Colombo	4,82,441	Colombo	1,30,592
Puttai Inside	2,32,099	Puttai	82,559
Do. Outside	1,09,057	Saderward, &c...	2,310
Toddy	3,14,384	Establishment	22,447
License Fees	5,384*		2,37,908
Miscellaneous	2,448	Net Revenue	9,20,201
Arrears	12,296		
Total ...	11,58,109	Total ...	11,58,109

73. There was a balance of Rs. 9,499 outstanding at the end of the year; since however recovered, except Rupees 330 The Abkári establishment which is maintained for distribution of liquor, inspection of shops and toddy trees, and prevention of illicit and forbidden practices on the part of shopkeepers, consists of 160 persons. The offences detected and punished with fine under the stipulations of the licenses are shown in the margin. They are singularly few, and argue, it is feared, want of vigilance or corruption in the Abkári establishment.

	No.	Fines. Rs.
Adulteration	14	223
Selling below minimum	33	674
Transport of liquor without a permit	4	108†
Using unstamped trees	141	754½
Selling liquor in unlicensed places	9	43‡
Selling after hours	1	5
	202	1,807½

† Liquor also confiscated.
‡ License withdrawn in four cases.

74. For comparison, the consumption of spirits per head, reduced to a common standard of gallons 30° under proof in the excise districts and in Madras is given below :—

—	Population.	Gallons 30° Under-proof.	Consumption per head.
Ganjam	1,388,976	57,928	·042
Vizagapatam	1,832,614	32,520	·018
North Arcot	2,015,278	129,694	·065
South Arcot	1,755,817	77,623	·044
Chingleput...	810,635	39,366	·049
Madras Town	525,101	219,508	·414
Total ...	8,328,421	556,639	·067

75. The arrangements for the new excise leases were made during the year under review, and the Board proceed to give a summary of the principal changes and the reasons for them.

ARRACK—*Excise Districts*—(1) The excise system was extended to seven more farms, *viz*:—Tanjore, Trichinopoly, Salem, Coimbatore, Nilgiri Hills, Nellore and the Bellary cantonment; so that now quite half the arrack revenue is levied by means of an excise on each gallon issued.

(2.) The rates of excise in the old excise districts were generally raised, advantage being taken, as far as was deemed safe and reasonable, of the knowledge of the excessive profits realized by some of the contractors under the tentative leases, hitherto in force, to secure for the exchequer a larger portion of the payments made by the people for their liquor. The experience gained was turned into account in fixing the rates in the new excise farms.

(3.) The stipulation empowering Government to terminate the lease if the revenue fell short of a certain sum was converted into a real guarantee, whereby the renters bind themselves to supplement the payment of excise at the fixed rates so that the revenue shall not fall below a certain sum, to one-fourth of the value of which realizable security is deposited.

* Includes Rupees 1,984 collected in advance on account of licenses for Fasli 1285.

(4.) They are bound to keep, and to allow the officers of Government access to, correct accounts of all their receipts and charges under the rents, and of the consumption of liquor; so that full statistical information will hereafter be available. All premises are open to visits by Revenue officers.

(5.) The rents are allotted by the Board of Revenue on tenders publicly invited. These specify the amount of revenue the tenderers will guarantee; but regard is had as much to the respectability and solvency of the tenderer as to the amount offered.

(6.) The renters are bound to make their shopkeepers keep and pay for hydrometers of a simple form to be supplied by Government, and to be available always for a test against the dilution of the liquor. Twenty-four thousand suitable hydrometers have been ordered from England, and the cost will be about Rs. 4 each.

(7.) ARRACK—*Farmed Districts.*—In farmed districts which are let by taluqs, the "Amani" system was introduced as far as possible; that is to say, the renters are forbidden to sub-rent the exclusive privileges assigned to them, and agree to maintain not more than two distilleries in a taluq. This is intended to do away with distillation by the shopkeepers themselves, a practice objectionable and fruitful of irregularities; and by concentrating the manufacture, to prepare the tracts for the excise system.

(8.) Stipulations as to the strengths at which liquor is to be distilled, issued and sold, similar to those in force in excise districts, were introduced into the engagements. Provision was also made for keeping similar accounts, for the use of hydrometers in shops, and for inspection of premises.

(9.) TODDY.—The most important change was the entire separation of the toddy and arrack rents throughout the country. This measure was resolved on because it was known that the consumption of toddy, which is a beverage more suitable to the tastes of the people and more wholesome than arrack, had been suppressed to a great extent by renters under the old system, who found it more profitable to stimulate the consumption of arrack. It is believed that the toddy revenue is capable of very considerable development under careful administration, perhaps more so than the arrack revenue; and the prices which the toddy contracts fetched at auction was so far in excess of anticipation as to justify this belief. The toddy administration is, however, more difficult of control under a renting system than the arrack; the sale of the liquor when not fit for consumption can hardly be prevented, and there are indications that other malpractices go on. The rival interests of the arrack renters afford at present the most valuable security against these. The only exception to the complete separation of the arrack and toddy rents was in the district of Chingleput, where Mr. Pritchard had shown every desire to restore the consumption of toddy, and where both rents were left to him. But instead of 75 per cent. he now pays 90 per cent. of his net collections.

(10.) The toddy engagements also provide for accounts of consumption, &c., being kept; but owing to the illiterateness of the shopkeepers, it is apprehended that it will take some time before these can be systematically rendered.

(11.) PRICES.—Besides the minimum price which has always been prescribed as directed by law, maximum prices for retail sale have now been introduced in the case of arrack. It was found that the renters in some cases used to content themselves with the profits, which they secured by charging very high prices in towns and on special occasions, and that they neglected to attempt to introduce taxed liquor into outlying or rural tracts where the consumption was less and lower prices and profits alone obtainable; which tracts were accordingly left to a great extent to illicit supply. In excise districts, the contractors in such circumstances might make the same profit on a smaller number of gallons, but the Government would lose the excise on the additional number which he ought to sell, and must sell to realize the same profit. The satisfactory adjustment of the range of price allowed is a delicate matter, and requires more ample statistical information and experience than is yet available. A difference of 1 Rupee per gallon between the maximum and minimum prices has been as a rule allowed. It is apprehended that this is too small, but time will show.

76. As already stated no information can be given as regards the districts the Abkári of which was in Fasli 1284 farmed out to the highest bidder, except as to the amount of the revenue. The following demand, collection, and balance statement for the fasli shows the whole Abkári revenue at one view, and gives also the revenue per head in each district:—

Statement showing the Demand, Collection, and Balance of "Excise on Spirits and Drugs" for Fasli 1284, (1874-75.)

—	Districts.	Arrears at the beginning of the Fasli.	Current Demand.	Total.	Collections. Remissions.	Collections. Balance. Arrears.	Collections. Balance. Current.	Collections. Balance. Total.	Population.	Total Collections per head.
1	2	3	4	5	9	10	11	12	13	14
		Rs.	Rs	Rs.	Rs.	Rs.	Rs.	Rs.		Rs. A. P.
Under Rules.	1. Ganjam	10,223	87,347	97,570	...	...	13,017	13,017	1,520,088	0 0 11
	2. Vizagapatam ...	48,231	1,50,216	1,02,447	...	10,215	26,378	36,593	2,159,199	0 1 2
	3. Chingleput ...	...	3,20,147a	3,20,147	...	...	35,048	35,048	810,635b	0 3 8
	4. North Arcot ...	83,552	2,93,062c	3,26,614	...	7,817	81,892	39,709	2,015,278	0 2 3
	5. South Arcot ...	13,686	1,89,762	2,03,448	...	...	18,257	18,257	1,755,817	0 1 8
	Total ...	99,692	9,40,554	10,40,226	...	18,032	1,24,592	1,42,624	8,261,017	0 1 9
Under Farming system.	1. Godavery	19,743	2,50,089	2,69,832	966	296	24,622	24,918	1,592,089	0 2 5
	2. Kistna	7,049	2,35,050	2,42,099	...	14,232	14,232	14,232	1,452,374	0 2 5
	3. Nellore	7,297	84,701	92,098	...	2,662	7,324	9,986	1,376,811	0 1 0
	4. Cuddapah	23,190	2,41,618	2,65,808	...	...	39,269	39,269	1,361,194	0 2 8
	5. Bellary	67,127	7,02,731	7,69,858	...	...	1,28,958	1,28,958	1,763,274	0 6 3
	6. Kurnool	32,494	3,26,700	3,59,194	...	...	26,941	26,941	914,436c	0 5 10
	7. Tanjore	59,394	4,90,878	5,50,272	...	...	31,255	31,255	1,973,731	0 4 2
	8. Trichinopoly ...	503	1,40,884	1,41,387	...	...	14,573	14,573	1,390,408	0 1 8
	9. Madura	19,511	1,87,255	2,06,796	5,637	27,051	32,688	32,688	2,566,615	0 1 3
	10. Tinnevelly	26,284	2,08,985	2,35,269	...	24,899	24,899	24,899	1,693,959	0 2 0
	11. Coimbatore	18,643	2,83,990	3,02,633	...	...	2,000	2,000	1,763,274	0 2 9
	12. Salem	10	3,71,943	3,71,953	...	...	28,964	28,964	49,501	0 1 1
	13. Nilgiris	1,900	73,947	75,847	...	...	...	...	1,966,905	0 6 2
	14. South Canara ...	6,371	1,31,923	1,31,294	...	22,874	22,874	22,874	918,862	0 1 11
	15. Malabar	40	2,82,595	2,82,595	...	...	7,880	7,880	2,261,250	0 2 0
	Total ...	2,88,685	39,97,290	42,85,975	986	8,595	4,03,947	4,03,947	22,454,855	0 2 9
Under Government Agent.	Madras	18,164	11,55,304	11,68,468	861	8	9,491	9,499	525,101	0 3 10
	Total ...	18,164	11,55,304	11,68,468	861	8	9,491	9,499	525,101	0 3 10
	Grand Total ...	4,01,541	60,93,128	64,94,669	1,847	26,635	5,29,435	5,56,070	31,220,973	0 3 6

a This includes demand on account of 1874 which fell due on 15th July 1874 or during Fasli 1284.
b Corrected for Madras (outside limits.)
c This includes the gross toddy rental, which is realized by the Collector and 25 per cent. of which was paid to Messrs. Corbett and Morison.
d Sandoor (14,996) and Burgamgilly (45,208) omitted in Bellary and Kurnool.

77. The minimum prices prescribed for liquor sold in the town of Madra and in excise districts have been already given. In other places, they were as follows. For country arrack, the rate was Rupees 2-4-0 per gallon in Godavery, Kistna, Nellore, Kurnool, Tanjore, Trichinopoly, Madura, Tinnevelly, Coimbatore, the Nilgiris, South Canara and Malabar. In Cuddapah, there were further rates, Rupees 1-2-0 for second sort arrack made from jaggry, and Rupees 1-8-0 and Annas 12 for first and second sorts made from toddy. In Bellary the rate was Rupees 3 per Imperial gallon; in Salem Rupees 1-7-2. In Malabar, a special rate of Rupees 3-12-0 was fixed for Colombo arrack. The minimum price of toddy was generally 3 Annas a gallon, but in Bellary 6 Annas.

78. In the figures given in para. 76 are included as miscellaneous revenue the sums realized as fees for licenses for the sale of European liquors, wholesale and retail, and as excise duty at one anna per gallon levied on country beer brewed on the Nilgiris and at Bellary. The fee for a wholesale license is 25 Rupees per annum and for a retail license Rupees 15, and the same rates are applied to brewing and sale licenses for country beer. The following statement shows the number of such licenses in each district and the fees realized for Fasli 1284. It would seem that it is usually the practice for the same dealer to take out both wholesale and retail licenses. The quantity of European spirits which is disseminated by means of these shops is unknown, but it is undoubtedly considerable:—

Districts.	Names of Places	European Liquors. Wholesale. Number of Licenses.	European Liquors. Wholesale. Amount of Fees.	European Liquors. Retail Sale. Number of Licenses.	European Liquors. Retail Sale. Amount of Fees.	European Liquors. Total. Number of Licenses.	European Liquors. Total. Amount of Fees.	Country Brewed Beer. Wholesale. Number of Licenses.	Country Brewed Beer. Wholesale. Amount of Fees.	Country Brewed Beer. Retail Sale. Number of Licenses.	Country Brewed Beer. Retail Sale. Amount of Fees.	Country Brewed Beer. Total. Number of Licenses.	Country Brewed Beer. Total. Amount of Fees.	Grand Total. Number of Licenses.	Grand Total. Amount of Fees.
			Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.
1	Ganjam	7	175	5	75	12	250	...	...	...	...	...	...	12	250
2	Vizagapatam	17	425	17	255	34	680	...	...	...	...	...	...	34	680
3	Godavery	26	650	41	615	67	1,265	...	...	...	...	...	...	67	1,265
4	Kistna	11	275	17	255	28	530	...	...	...	...	...	...	28	530
5	Nellore	6	150	6	90	13	240	...	...	...	...	...	...	12	240
6	Cuddapah	4	100	*8	120	13	220	...	...	...	...	...	...	12	220
7	Bellary	9	225	11	165	20	390	2	50	23	345	25	395	45	785
8	Kurnool	3	75	1	15	4	90	...	...	...	...	...	...	4	90
9	Madras	...	...	98	2,750	98	2,750	...	...	...	...	...	...	98	2,750
10	Chingleput	2	50	8	120	10	170	...	...	...	...	...	...	10	170
11	North Arcot	†11	262½	34	502½	45	765	...	...	...	...	...	...	45	765
12	South Arcot	4	100	9	135	13	235	...	...	...	...	...	...	13	235
13	Tanjore	16	400	11	165	27	565	...	...	...	...	...	...	27	565
14	Trichinopoly	9	225	11	165	20	390	...	...	...	...	...	...	20	390
15	Madura	12	300	15	225	27	525	...	...	...	...	...	...	27	525
16	Tinnevelly	11	275	4	60	15	335	...	...	...	...	...	...	15	335
17	Coimbatore	7	175	14	210	21	385	...	...	2	30	2	30	23	415
18	Nilgiris	24	600	29	435	53	1,035	1	25	21	315	22	340	75	1,375
19	Salem	14	350	25	375	39	725	...	...	3	45	3	45	42	770
20	South Canara	9	225	7	105	16	330	...	...	...	...	...	...	16	330
21	Malabar	64	1,600	98	1,470	162	3,070	...	...	2	30	2	30	164	3,100
	Total...	266	6,637½	469	8,307½	735	14,945	3	75	51	765	54	840	789	15,785

79. In the following statement are entered the quantities of spirits which, according to the Trade Returns, seem to have been received and retained in each district. The inland districts are of course mainly supplied from Madras and partly from Malabar; and the figures merely indicate in a very general way where the spirits go to. The subject of the trade in European liquors is engaging attention.

* In three of these shops country beer is also sold.
† One of the wholesale licenses and one of the retail were granted only for the half-year ending 30th June 1875.

Spirits Imported and Re-exported during 1874-75.

Districts.	Imports from Foreign Ports.	Imports from Coastwise. British Indian Ports in other Presidencies.	Imports from Coastwise. Indian French Ports.	Imports from Coastwise. Total.	Total Foreign and Coastwise.	Re-exports to Coastwise. Foreign Ports.	Re-exports to Coastwise. British Indian Ports in other Presidencies.	Re-exports to Coastwise. Indian French Ports.	Re-exports to Coastwise. Total.	Total Foreign and Coastwise.	Balance of Columns 6 and 11.
1	2	3	4	5	6	7	8	9	10	11	12
	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.	GALLONS.
1. Ganjam	80 3/8	619	...	619	699 3/8	...	...	...	...	...	699 3/8
2. Visagapatam ...	30 3/8	...	...	...	121 1/2	...	...	...	...	...	121 1/2
3. Godavery { Sea ...	126 1/4	166	...	90 1/2	715 1/8	...	300	...	300	300	415 1/8
3. Godavery { Land.	2 1/8	...	422 1/8	588 1/8	2 1/8	...	...	...	...	...	2 1/8
4. Kistna...	...	...	...	...	...	...	...	...	...	...	...
5. Nellore	...	...	...	...	...	...	...	...	...	...	...
6. Madras	54,482 1/2	8	1 1/8	9 1/8	54,491 1/2	...	494	48	542	542	53,949 1/2
7. South Ar- { Sea ...	0 1/8	...	...	...	0 1/8	...	...	...	...	...	0 1/8
cot. { Land.	303 3/8	...	...	...	303 3/8	...	...	...	...	...	303 3/8
8. Tanjore ... { Sea ...	65	...	33	98	98	30	40	...	40	70	28
8. Tanjore ... { Land.	234 1/4	...	...	...	234 1/4	...	...	...	...	...	234 1/4
9. Madura	9 3/8	...	...	...	9 3/8	...	...	...	...	...	9 3/8
10. Tinnevelly	863 1/2	20	27 3/8	47 1/8	910 1/2	...	10	15	25	25	910 1/2
11. Malabar... { Sea ...	4,012 3/8	2,653 1/2	1,059 1/8	3,712 1/2	7,724 1/2	...	...	...	...	...	7,699 1/2
11. Malabar... { Land.	5,752 1/8	...	...	...	5,752 1/8	...	...	...	...	...	5,752 1/8
12. South Canara ...	4,221 3/8	562 1/2	...	562 1/2	4,783 3/8	...	41 1/4	...	41 1/4	41 1/4	4,742
Total... { Sea ...	63,890 1/2	4,028 1/2	1,634 1/2	5,662 1/2	69,553 3/8	30	885 1/8	63	948 1/4	978 1/8	68,574 1/8
Total... { Land.	6,292 3/8	...	...	...	6,292 3/8	...	...	...	...	...	6,292 3/8

80. Country beer was brewed in Fasli 1284 by Messrs. Honeywell and Co. and Mr. Frend on the Nilgiri Hills; and by Messrs. D. Abraham and Co. and Norton and Co. at Bellary. The excise was one Anna per gallon, but the only check as to the levy was the counterfoils of permits issued in blank by the Collector, and the accounts kept by the brewers on whose respectability, the excise being very low, reliance has been placed. For beer destined for places within the district, books containing the permits under the Collector's signature, in which place is provided for all particulars as to the consignment, were issued, and the counterfoils examined once a month for the calculation of duty payable. Special permits were issued on application to cover consignments sent to places beyond the district limits. It was one of the conditions of the licenses that the alcoholic strength should not exceed 8 per cent. In 1874-75, 92,848 gallons paid excise on the Nilgiris and 20,196 at Bellary. About 120,000 gallons are brewed annually at Bangalore; but the beer is almost all consumed locally, and but a very small portion finds its way into Madras territory. It is much more highly taxed than Madras beer.

81. It was at first intended to encourage the brewing industry and to assist the brewers in introducing what was believed to be a wholesome and nutritious beverage. It was found, however, that the beer actually brewed, or at least that sold, was a very noxious liquid, into the composition of which malt and hops scarcely entered, which was made almost entirely from sugar, and contained sometimes as much as 11 per cent. of alcohol. The liquor has been described by competent chemists as a mere spirit wash. It has now been resolved to insist, under suitable precautions and securities, that the beer shall be brewed from malt and hops only, and that the alcoholic strength shall be strictly kept within the prescribed limit, *viz.*, 8 per cent. The excise has also been raised to four Annas a gallon.

82. In conclusion the Board beg to apologize for the delay in submitting this report. The call for it was not made till after the close of the Fasli; and no special steps had been taken beforehand to collect information from Collectors, or to obtain reports from them. This report has been compiled from materials in the Board's office.

Revenue Board office
Madras
20 March 1876

(Signed) C. A. GALTON,
Acting Secretary.

4
Rev 1234/76

No. 781.

From C. A. GALTON, Esq., Acting Secretary to the Board of Revenue,

To D. F. CARMICHAEL, Esq., Secretary to Government, Revenue Department.

SIR,

I AM instructed to forward herewith the Excise Report for Fasli 1284 in accordance with the orders marginally noted. The report was completed prior to the receipt of the forms prescribed by the Government of India, which accompanied G.O., dated 28th January 1876, No. 233. These forms are so entirely inapplicable to the system prevailing in the Madras Presidency, that no attempt has been made to fill them up inasmuch as the information given would be so fragmentary as to be almost useless. The amalgamation of the Arrack and Toddy farms which existed up to the current fasli precludes the possibility of exhibiting the revenue derived from each source separately except for excise districts, whilst under the farming system, which prevailed in all districts except five, information as to consumption was not procurable. Such particulars as were available have been embodied in the excise report, which deals fully with the whole subject, and can be readily extracted therefrom and arranged in any shape considered most convenient for the purposes of the Government of India, but any attempt to fill up here forms framed to suit totally different conditions would probably mislead.

G. O., dated 19th July 1875, No. 1,083.
,, ,, 9th Sept. ,, ,, 1,338.

2. The following remarks will show the extent to which the information required for each form is available:—

No. I.—The Arrack and Toddy revenues can be separately given for excise districts only and for the Town of Madras, the Toddy farms not having been separately sublet elsewhere. The duty on country beer brewed at Bellary and on the Nilgiris is known (*vide* paragraph 80 of the Excise report), but there is no duty other than Import duty on wine and beer other than country brewed, and the Customs Returns show the Import duty only for the official year. The only revenue other than import duty derived from the sale of European liquors is realized by license fees, particulars of which are given at paragraph 78. The columns relating to population of each district can be filled up from Dr. Cornish's Census Report, and the total revenue of each district with the incidence thereof per head of population is exhibited in the statement appended to paragraph 79 of the report.

Nos. II. and III.—These statements have reference to a distinction which is not recognized in this Presidency. It appears from the correspondence marginally noted that in Bengal only spirit distilled according to the native method is regarded as country spirit, liquor distilled with English apparatus being separately classed as European. In this Presidency, however, all liquor issued in excise districts is classed as country spirit, whatever the mode of manufacture. The statements cannot therefore be filled up.

Letter from Secretary to Board of Revenue, Lower Provinces, dated 21st January 1876, No. 62-B.
Letter to do. dated 7th February 1876, No. 372.

No. IV.—Particulars can be given only as regards excise districts and the Town of Madras; all available information is contained in the report.

No. V.—This statement is apparently framed with reference to a system prevailing in some parts of India of taxing the materials from which country spirit is distilled. No such system is in force in any part of this Presidency and the return is therefore inapplicable.

Vide G. O., dated 13th May 1875, No. 722, and Board's Proceedings, dated 2nd June 1875, No. 1,489.

No. VI.—In this Presidency licenses are issued for the sale of European liquors and country beer, the fee for a wholesale license being Rupees 25 per annum and for a retail license Rupees 15. The number of licenses and amount of fees realized, which is all the information available, are given at paragraph 78 of the report.

Nos. VII. and VIII.—No revenue is realized from the sources indicated except in the Town of Madras. The number of licenses issued and the fees collected thereon are shown in the margin. The existing law does not make the taking out of a license for the sale of intoxicating drugs compulsory, nor is any penalty attached to sale by unlicensed vendors. It is only when a vendor chooses to apply that a license is granted, the fee for a Chendoo shop being Rupees 2 per annum. None of the Ganja vendors in the inside limits pay any fees, but there are three shops in the outside limits the owners of which pay a daily dowle of from 12 Annas 6 Pies to 14 Annas 6 Pies for the privilege of selling Chendoo and Ganja. This explains the figures given above; no information as to the quantity of drugs sold, &c., can be furnished.

	No. of Licenses.	Fees.
		RS.
Chendoo	17	34
Ganja	3	616
Total...	20	650

3. The Board's Proceedings of 21st September 1875, No. 2,639, and the returns therein prescribed for the current Fasli explain the nature of the information which will be available for the purposes of the Annual Administration Report and the extent to which the requirements of the Government of India can be met. A copy is accordingly forwarded herewith.

I have the honor to be,
Sir,
Your most obedient servant,

Acting Secretary.

REVENUE BOARD OFFICE,
Madras,
20th March 1876.

To the Secretary to Government, Revenue Department,
with copies of Excise Report for Fasli 1284, and of
Board's Proceedings, dated 21st September 1875, No. 2,639,
and letters from and to Bengal Board of Revenue, dated
21st January 1876, No. 62-B., and 7th February 1876, No. 372.

Exd. W. J. Lewis,

13 May 1875 Nos - 101-102
17 July — — 199-201
7 September — — 73-74
7 — — — 77-78.
28 January 1876 — 232 Revn

No. 1234

Revenue 1876. Septo

Board of Revenue,

MADRAS.

FROM THE ACTING SECRETARY TO THE
BOARD OF REVENUE.

TO THE SECRETARY TO GOVERNMENT,
REVENUE DEPARTMENT.

Dep. 24 March 76

Received 25.3.76.

Ltr No. 650. 20 May 1876

Encl. 4

MARCH.

No. 781.

Excise Administration Report—of Madras Presidency for Fasli 1284,—submitted to Government, with remark that certain forms prescribed by Government of India in connection with it are inapplicable to this Presidency.

Sent to Hon. Mr Ellis Hyde 12 May R/17 May
Hyde R 11 June

two throughout the
Country and has
worked the toddy of
his District most
usefully to himself—
without loss to the
revenue as a Whole. This
simply shows that we
have been losing by
allowing the Arrack
distiller to suppress
toddy in the interest
of Arrack. the latter
has gained little and
Govt. have lost heavily
on the former. Had
the two farms been
separate in Chingleput
possibly Each would
have been still better
worked than they
have

have been by
W. Portchard 53
Para 7 & 18 W. Minchin's
mismanagement of
Ganjam & Vizagapatam
is absolutely ludicrous
and should I think
be challenged at once.
In Ganjam, a popu-
-lation of 1½ millions
drink duty paid Spirit
at the rate of one-half
of a pint a year a piece.
There are under 1000 in-
-Arrack Shops and
but 253 Toddy shops (!!)
& 450 Villages
Naturally the Salegwar
distribution is kept out
of sight. It would tell
a serious tale. Government
get

It is the ordinary
Ganjam return. The Ryots
are abstemious.

This is absolutely
correct & faces & is
not as in fact — But Mr.
Bittes misunderstands the
matter in Ganjam recently
& will keep his Re unfortunately

Set Rs: 8,000 for the Toddy Farm of the Entire District!! and under 80,000 for the arrack. The sooner these things are separated and better managed the better for the State

Para 16 to 28 In Vizagapatam we have a steady falling off in issues - and a District of upwards of 1¾ millions of inhabitants are consuming at the rate of about ½ a fill. of arrack a head. Some 6000 Villages have 512 arrack and 583 toddy shops amongst them. And

They are separated from Pauparm & Vizag - from 1st July 1/78 or from current July -/

Reform out - The Note is incorrect as to the real Conditions - Mr M: finds his Sale

Farm	1282 —	48,332
	1283 —	39,070
	1284 —	28,092

was took as the Toddy Contractor undertook him to the Sacrifice of Cost plus 10 & profit interest Toddy properly admi nistered is more profitable than Arrack the Sacrifice is enormous

	Rs:
Arrack —	35,000
Toddy —	25,000
	Rs: 60,000

Nay - it is 1,55,854

which is not true. / See Table p. 26 DG.

It ought to be the Corrected amount

Govt: is called on to be satisfied with a Revenue of Rs: 60,000 for one of the largest Distrys in the Country. Nothing but a Telegraph Rental will answer in both Districts. The renters are neglecting both to the great detriment of the Govt: Revenue.

Paras 29 to 40. In North Arcot, we have the same want of Effective working of inaccessible parts of the District and Consequent loss of Revenue and in their degree the same disastrous Consequences

Consequences of the amalgamation of the Toddy and Arrack Farms is observable. Chingleput with less than a million of inhabitants pays a Toddy Revenue of Rs. 1,07,403. In North Arcot with 2 millions of inhabitants Govt. has to be content with a Sub-let by the Arrack Contractor of Rs. 64,000 (probably nominal) and pays 25 per cent of the gross for its Collection - I have no doubt that when rescued from Messrs. Morrison & Co at least double the amount will be realized for

It is rescued from 1st July/75

for the Toddy Farms

Paras 40-to 49 The results in Chingleput show that doing this injustice done to the people in Sacrificing the wholesome beer-like beverage of the Country - Toddy - to the distillers of ardent Spirits, was deal unfairly by both the Revenue and people.

Para 50 to - In South Arcot the Revenue from arrack is small for a District of 1 3/4 millions. The toddy is sub-rented by the Farmers for 84,000 (possibly nominal) and Govt. pay 25 per cent for its Collection

No longer - from 1st July/75

The

Consequences of the amalgamation of the Toddy and Arrack Farms is observable. Chingleput with less than a million of inhabitants pays a Toddy Revenue of Rs. 1,07,403. In North Arcot with 2 millions of inhabitants Govt. has to be content with a Sub-let by the Arrack Contractor of Rs: 64,000 (Periodically nominal) and pays 25 per cent of the gross for its Collection - I have no doubt that when resumed from Messrs. Morrison & Co at least double the amount will be realized for

It is resumed from 1st July/75

for the Toddy Farms

5A

Paras 40 to 49 The results in Chingleput show that doing away with the monopoly is a boon to the people in Sacrificing the wholesome beer-like beverage of the country - Toddy - to the distillers of ardent spirits, was a deal unfair by both the Revenue and people.

Para 50 to - In South Arcot the revenue from arrack is small for a District of 1 3/4 millions. The toddy is sub-rented by the Farmer for 84,000 (Period nominal) and Govt: pay 25 per cent for its Collection

No longer - from 1st July/75

The

The System pursued in the Town of Madras is effective and highly remunerative; without taking the income of Madras as a Standard for rural Districts, it shows how much there remains to be done everywhere in this behalf.

Para 75 (Cl. 2) I cannot Endorse the Complacence of this Para. I Consider that the redisposition of the old Excise Districts was very faulty and done at an undue loss to the State Everywhere and that the retention (subject

(subject to the nominal condition of subletting in all Districts Except in Chingleput) of the toddy farm in the hands of the Abkari Contractors was objectionable and at Variance with principle Clause 9. I do not understand the closing sentence of this clause. I am under the impression that in North & South Arcot, Ganjam and Vizagapatam, the Distillers kept the Toddy farm subject to Condition

Note - on the contrary Para 5 of all these agreements runs - "I will not hold or have any Interest in the exclusive privilege of vending toddy in any part of the district" in all existing Contracts except Chingleput. The Govt are going a Summary of the new Excise Cases.

of Sub. Coast at their own rates &c. The Revenue Secretary will kindly note in the margin whether this is so or not for information

On the whole I think that - while we are perhaps getting into the right direction as regards the administration of the Abkari Revenue by separating the farms of Toddy and Arrack and by introducing good distillers under Careful Supervision - there is perhaps no branch

935
149
1084

of our Revenue Administration which is in less Satisfactory State, no branch which more requires a thorough overhauling by an Experienced Officer in Each District, if not in Every Taluq. And I am Satisfied that a Special Officer should be appointed to the administration of this Department in Communication with the local Offices.

W. D. Robertson

5½

Arkansas (3)
2d Note by Clerk R

Sent to Hon: Mr Ellis & Gov 12: May 76 R 17th. May

Boards Proceedings 9/10 April 1876 p. 970

Note

See further note on Robinson Report 1874 Vol

The matter here under Consideration is a very serious one, and I would call for further report from Collectors and the Board.

The issues of arrests in a District (monopolized as ours are) depend on the Extent and Efficiency with which the whole - more Especially

outlying parts — is worked by the mono=polist - And it is of the utmost importance to the State that this matter be watched taluq by taluq - Exp: it can never be worth the while of the distillers at Coimbatore to attempt to supply Colegal — perhaps not even Caroor Effectively -

The mere supply wonts Eat up the profits.

If I recollect aright the consumption in

Sent to [illegible]

the rich Madaraotakum Taluq of Chinglepet is smaller than in the poorer Chinglepet Taluq. Thus distillers everywhere are — Content with the profit of a narrower and more Easily & inexpen=sively worked Circle.

I fear that the inefficiency with which Vizagapatam & Ganjam are worked is most serious.

It was this Con=sideration which led the Taluq war forces Some

Mr Stokes has just returned from Nellore & reports most unfavorably

Some years ago - under which a remarkable rise of Revenue was effected. The new System is again causing Contraction.

I would call on the Board and Collectors to report after Examination of the late two years Accounts and other matters bearing on the subject (population &c) fully on the subject as respects each District now under the partial Excise System.

27/4 1902

Abkari

(3)

Sec. Note by Sec. to R

The figures, however, are, actually as under.

64/5	£	39,60,49	
65/6	£	41,42,80	
66/7	£	42,74,52	
67/8	£	50,67,41	
68/9	£	49,08,43	
69/70	£	57,00,21	
70/71	£	58,92,65	
71/2	£	57,08,92	173,01,77 / 57,67
72/3	£	61,68,49	
73/4	£	60,99,46	
74/5	£	60,58,92.	

DH.

183,26,87 / 61,62

The Abkari Admn. Report contains the information Several Distt. Offrs. wd. like to call attention to the matter in 1876 -

Abkari Kindly prepare D/S to 2 Cir. to all Dists -

Sent to Hon. Sec. Govt 12. May R 17. May
C. G. May 76 R 11. May

59

The report should go to Govt. I. without delay & without any expression of opinion -

The report seems to disclose facts requiring investigation & examination

If Mr Dalgetty has made this subject his study & has the

he would I should
think be a very good
Jurior.
Let the matter
receive early examination
Bk. 16/5

R. D

62

✓ Progs. Bod Rev. 10/4/76.
No 970.

✓ Note by Sir W. R. d/27-4-6

✓ Draft letter to Govt India, submitting Bd's "Excise Admin. Report" for the Fasli year 1266 or A.D. 1876-75.

✓ Note by Sir W. R. d/10-5.

The question is, whether the "Abkari" of the Presy is going on tolerably well, or otherwise, as proposed by Sir W. R, it should be thoroughly overhauled, district by district, by an Officer to be specially appointed for the purpose.

I should advise that Mr Dalyell's papers be submitted demi-officially to W. Dalyell the present Acy Chief Comr. of Mysore & a Member of the Board of Revenue. He has made Abkari a special study & is much interested in the subject. I think we shall obtain a valuable review from him. If permitted I shall be happy to write and ask him for a review.

There are some errors in Sir W. R's facts & figures, which I have taken the liberty of noting in the margin. It certainly does not appear to be the case that the general revenue under Abkari is contracting. See my figures for the last decade in the margin of Sir W. R's first Note. Nor that it had fallen in Vizagapatam under Munchin & Co.

It may be noted, in conclusion, that the new arrangements into be Excise Officers from 1st July 75 exclude them from the Toddy & country liquor trade to Arrack.

M L
16/5/76

P.S.

(3)
Abkari

Secretary of State &
Lord Salisbury

Sentence agreed with Khaja & Lan
initialled the Dft. which Khaja
at once - fell out commenting
that Lan consulted Mr Dalyell
& had asked him to visit - some days
- especially Nizam & Jamjam in the
interval between Lahore & Calcutta on R
Bd & returning to Calcutta on 2nd

8744
911 - 935
149
1084

(3)

Abkari

Hon. Sir Seton
his grace.

Council

Hoare offs for H.E
and for Seton

To be returned

GOP
Abkari No 23
Inds Secy with Bombay
Govt 22nd May 1876

20th May 1876

The Secretary to the
Govt of India:
Fin: dept.

Sir

With reference
to your letter dy. 26:
August 1875 No 2881
I am directed to sub-
mit a full & interesting
report* on the Excise
Administration in
the Presidency for Fasli
1284. i.e for the revenue
year ending 30 June 75;
for which the Abkari farms
were rented as usual.

2. I am to request attention
to the remarks in the
Board's Secretary's letter
(copy enclosed) in regard
to the general inapplic-
ability of the forms
[illegible] by the Govt:

* Dated 20 March 1876 No 781

of Africa in
No 142. of 12th January, 96.
peculiar
to the conditions of this
Residency.

DR-
1937

(3)

and the copies

Sent to Hon. Dr. Allen Upton