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TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

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GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

12th February 1878, No. 206.

Read the following paper :—

No. 104. Proceedings of the Board of Revenue, dated 31st January 1878, No. 258.

Read the following papers :—

Proceedings of the Madras Government, dated 22nd January 1878, No. 113, Revenue Department.

Abstract.—Passing orders on Board's recommendations in connection with the regulation of the New Abkári Leases, &c.

Telegram from	Collector	of Vizagapatam,	dated	26th	Jan.	1878,	No.	—.
Letter from	,,	of Godavery,	,,	7th	,,	,,	,,	6.
,,	,,	of Kistna,	,,	11th	,,	,,	,,	114.
,,	,,	of Cuddapah,	,,	15th	,,	,,	,,	32.
,,	,,	of Kurnool,	,,	23rd	,,	,,	,,	36.
,,	,,	of Bellary,	,,	14th	,,	,,	,,	13.
,,	,,	of South Arcot,	,,	15th	,,	,,	,,	13.
Tel. from Spl.	Asst. Collr.	of South Arcot,	,,	30th	,,	,,	,,	—.
Letter from	Collector	of Trichinopoly,	,,	24th	,,	,,	,,	19.
,,	,,	of Tanjore,	,,	24th	,,	,,	,,	216.
,,	,,	of Madura,	,,	25th	,,	,,	,,	25.
,,	,,	of Tinnevelly,	,,	19th	,,	,,	,,	52.
,,	,,	of Coimbatore,	,,	22nd	,,	,,	,,	11.
,,	,,	of Salem,	,,	24th	,,	,,	,,	28.
,,	,,	of South Canara,	,,	16th	,,	,,	,,	129.
,,	,,	of Malabar,	,,	25th	,,	,,	,,	22.

In the foregoing Government Order, Government pass orders on the Board's proposals for the readjustment of the terms of the Abkári leases. They accept most of the proposals, but direct certain modifications, and suggest others. The changes imperatively ordered will of course be carried out, but as regards those suggested and with reference to detached observations of Government, the Board submit the following remarks.

2. *Paragraph* 2.—It is decided that the toddy shall be rented by taluq farms throughout the whole Presidency, as the taluq lease is better for the people and for the State, in that it brings the rent within the capabilities of residents in the tract concerned and limits the intrusion of outsiders. The Board admit this fact, but observe that it amounts to limiting competition and facilitating combination amongst bidders, and to excluding men of large capital and business experience who might seek the larger contracts; and that from this point of view it is decidedly against the interests of the State. It may be true that local knowledge possessed by residents will enable them to bring more of the consumption under taxation; but the increase realized goes for the time at any rate into the renters' pockets, as the Government share is fixed at

the auction. The prospect of the rent being enhanced to an equal degree at the next sale is an uncertain one, as the profits made are never exactly known. The Board wished to test the matter by a few large farms such as those which have worked well in Chingleput and South Arcot. All districts will however now be rented taluqwar.

3. *Paragraph* 3.—The Board would certainly permit District Renters to pass out liquor excised at import rates like other distillers; but if a dram of such liquor were proved to have been sold in a monopoly shop they would at once cancel the renter's license. The freely excised liquor should be sold only in Europe liquor shops, as they are called. There is no objection to an increase in the number of these shops. There is a considerable demand for liquors such as is sold in them, and it is better that this should be met by licensed shops than surreptitiously. A Tahsildar has been caught carrying on a wholesale and unlicensed trade in imported liquor, and the fact is significant.

4. With reference to paragraph 4 of the Government Order, the Board observe that under the excise system no liquor is licit except what passes the Government gauger; and the excise system certainly secures a full knowledge of that quantity, *i.e.*, of the licit consumption.

5. *Paragraph* 6.—The Board beg to explain, with reference to the remark, "The Board expect to raise the revenue slightly (about a lakh of rupees) by advancing the guarantees," that the amount of guarantee will be fixed by the tenders, and that in summing up their proposals they estimated the probable guarantees as low as possible, in order to show that their proposals did not tend to sacrifice revenue. The Board hope that guarantees to an amount larger than their estimate will be obtained.

6. In paragraph 8 Government suggest three important modifications of general principle, to be applied to the Board's proposals, but the specific rents to which they are to be applied are not indicated, except in one instance. The suggestions are that the number of contract districts might be increased by sub-division so as to secure increased attention to smaller areas (and the sub-division of Cuddapah is ordered); that large towns and Municipalities might occasionally be leased separately with somewhat higher duty and prices and proportionate guarantee; and that in outlying taluqs where consumption per head is low, indicating neglected working, greater inducements might be offered by raising duty, or lowering price or both.

7. The Board observe that one of the objects of the excise system is to secure better liquor by obtaining as contractors European firms or large native traders, who will appreciate the advantages of, and will introduce, superior distillation, who can be trusted to avoid the noxious adulteration practised by the petty distillers, and who will bring intelligence and business capacity of a high order to bear on the management. Men of this class would not touch small contracts. The administrative capacity which such contractors would bring would be so far superior to that of men of the small contractor class as to turn the scale as respects efficient management in favor of the large contracts if only the contractors can by regulation of terms be forced to work them in a certain way. The Board have aimed at such regulation, and hope that they will be found to have attained it in some degree. Further, a small contract cannot be so cheaply conducted. The cost of every item, struck *per gallon*, will be very considerably increased; and therefore the Government cannot get the same duty. The Board for these reasons would be very reluctant to form an excise farm in which the consumption would be less than 50,000 gallons. There is no district which can be conveniently divided so as to secure farms above this limit. There is no avoiding a small contract in the case of the coast taluqs of Vizagapatam; the Bellary cantonment is an exceptional farm, but even it has 47,000 gallons; and it was chiefly to secure this limit that the Board suggested that the Wynaad should be let with the Nilgiris, whereby the joint contract would amount to 56,000 gallons. The Board are unable to see why the Nilgiri system should not suit South-East Wynaad, or any other part of the taluq; but as Government object to any part of the Wynaad being jointed with the Nilgiris, notwithstanding the amalgamation which affects more important interests, the whole of the taluq had better be farmed in one lot and under the Collector of Malabar as hitherto, and excise postponed. The Board would much prefer that the Hills and the whole of Wynaad should be put under excise in one contract.

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8. The Board earnestly deprecate the sub-division of the Cuddapah contract. The marginal figures show the present consumption in the four taluqs proposed to be separately let, and in the rest of the district. The sub-division farm would be too small, and there is too large a proportion of weak liquor consumed in it. The division of Bellary is approved by Government, but the Board consider that the farms will be better arranged if the Adoni and Alur Taluqs are thrown in with the western division. The farms will then be respectively 77,788 and 92,748 gallons on the consumption of Fasli 1285, instead of 42,180 and 128,356 gallons. The notice will be modified accordingly; but even as regards Bellary the Board would, to secure a desirable contractor, be prepared to give both divisions to the same contractor. The Board do not think any other farm big enough to be advantageously divided. Increase in the number of distilleries is unobjectionable, and the notice does not limit the number. The matter is one for the renters to settle in their own interest.

——	30° under proof.	60° under proof.	Total.	Equivalent at 30° under proof.
Kadiri	...	17,862	17,862	10,207
Royachoti ...	192	6,786	6,978	4,070
Madanapalli ...	9,523	...	9,523	9,523
Voilpaud... ...	9,145	...	9,145	9,145
	18,860	24,648	43,508	32,945
Other Taluqs ...	52,204	17,605	69,809	62,264
Total ...	71,064	42,253	113,317	95,209

9. The suggestion that large towns should be separately let is open to the same objection as the Board have urged against division of districts. The Board have not full information as to the consumption of all towns, but they believe the Bellary and Trichinopoly Cantonments to be quite exceptional, and they consider the latter to be too small, having a consumption of 30,000 gallons only. The town of Trichinopoly cannot be let separately from the district, as the latter takes only 25,000 gallons (at least under Messrs. Parry and Co.) Many of the objects which Government desire to secure are attained by the surcharging system which the Board have suggested for Trichinopoly, and which they would have extended further but for its novelty and the uncertainty whether it will work. It is practically a separate rent, and if the separate guarantee for the town is fixed with reference to ascertained and real consumption, it is almost absolutely safe, for if the sales in the town are in excess of the quantity represented by the guaranteed surcharge the district rate at any rate will be obtained. The principle seems to the Board to contain the remedy for the faults of the excise system. They would be glad to see it further extended, and they anticipate the approval of Government to the suggestion that it be tried also in Madura, Tinnevelly *cum* Palamcottah, Vellore, and Salem. They are not aware of any other town where the consumption is big enough to make the trial worth the trouble. The Madura, Tinnevelly, and Salem surcharges should be 8 Annas a gallon at 30° under proof, and prices should be raised by the like amount. The orders as to open competition necessitate a reduction of the duty proposed for North Arcot. The Board would fix it at Rupees 2-6-0 at 30° under proof with a surcharge of 6 Annas in Vellore. There would be no tenders at Rupees 2-7-0. The prices should be as per margin. It may prove to be necessary to reduce the district rate to Rupees 2-4-0 and make the surcharge 8 Annas; but this will depend upon the tenders received. When forwarding the tenders, the Collectors concerned will report to the Board the quantities sold in Fasli 1285 and Fasli 1286, according to the present renters' returns in shops situated within the limits of the towns named. This would enable the Board to judge as to the suitability of the separate guarantees offered.

——		Duty.			Maximum price.			Minimum price.		
		RS.	A.	P.	RS.	A.	P.	RS.	A.	P.
In Vellore.	30° under proof ..	2	12	0	4	8	0	4	0	0
	60° do ..	1	9	0	3	4	0	2	12	0
District..	30° under proof ..	2	6	0	4	0	0	3	8	0
	60° do. ..	1	6	0	2	12	0	2	4	0

10. The third suggestion made by Government, viz., that in outlying and neglected taluqs special inducements should be offered by raising prices or lowering duty or both, is the Board respectfully submit impracticable. To raise the prices

above those elsewhere would defeat the object in view, as higher prices would tend to diminish the licit consumption. A differential duty (the only alternative) must be worked either by refunding the excess in the district rate which all liquor must pay when it leaves the distillery, for the quantity sold as shown in the renters' or shop returns; or by issuing all liquor from the distillery at the special taluq rate, and surcharging the consumption in the others. The former plan would be altogether too dangerous, as trustworthy returns could not be obtained and the principle of the guarantee system is inapplicable. The other plan will work only when there is a well ascertained, concentrated, and tolerably unvarying consumption—in short, only under the conditions presented by a large town when the separate guarantee can be settled with some certainty. It could not be applied to a number of taluqs.

11. In paragraph 10 of the Government Order it is ordered that there shall be no restriction on public competition. The Board will therefore include Ganjam and North Arcot in the advertisement, the rate of duty in the latter district being modified as stated above.

12. The Collector of Madras has brought to notice that Act XIX of 1852, Section 2, provides that the collection of revenue from spirituous or fermented liquors in the Madras Abkári limits must be under the charge of the Collector of Madras. In order to get over this difficulty and those regarding recovery of arrears, both by Government from renters, and by renters from their shopkeepers, the Board recommend that, when the other changes in the Act are being made as promised in paragraph 15 of the Government Order it be enacted that so far as spirituous liquors are concerned the limits of the Madras Abkári shall be held not to include the tract outside the High Court limits. Act III of 1864 will then apply. There will be no difficulty in arranging for the continuance of the existing system, even under Act III of 1864, as regards the four shops which it is proposed to retain under the Madras system.

13. The Board will not be in a position to issue the notices relating to arrack in Cuddapah, the Nilgiris, and in Malabar (Wynaad) until the definite orders of Government on these Proceedings are received. They proceed to deal with the district notices, some of which have been received with the letters above recorded.

Ganjam.—Tenders will be called for the excise rent on the terms noted in the margin. The toddy notices have not been received from the Collector. The Board will issue the advertisement with upset prices about two-thirds of the amounts realized at the last sale. Collectors will understand that if bids equal to the upset prices are not obtained, they are at liberty to start the bidding irrespective of the nominal upset prices.

	Duty.			Maximum Price.			Minimum Price.		
				RS.	A.	P.	RS.	A.	P.
30° Under proof	1	12	0	3	8	0	3	0	0
60° Do.	1	0	0	2	8	0	2	0	0

Vizagapatam.—The Board's proposals for the excise tract are accepted. In the telegram above recorded the Collector asks whether the present renters are to be excluded from competition. The Board reply, certainly not. The guarantee obtainable remains to be seen. The Collector also states that Rupees 35,000 are offered by a contractor of repute for the whole of the toddy contract. The Board are precluded by the orders of Government from considering this offer. Mr. Goodrich makes some further remarks regarding the Vippa rents which the Board do not quite understand. They resolve therefore to await his promised letter before issuing the advertisement for rented arrack (Vippa). The taluqwar upset prices for toddy will be entered in the notice.

Godavery.—In the letter above recorded, the Collector recommends that the arrack contractor shall be entirely prohibited from drawing or obtaining toddy on his own account and be left to purchase toddy from the toddy contractor at a proper price. This would, in the Board's opinion, involve too great a sacrifice of arrack revenue; but with reference to Condition 5 in the arrack and toddy notices, the Collector should understand that he is not bound to divide the trees on Government waste

between the two contractors. As a rule, toddy trees should be enjoyed by the toddy renter; but the clauses in question have been introduced to give the Collectors full power to see fair play between the two renters, and when the arrack renter finds it impossible to get toddy requisite for distillation, or is improperly impeded by the toddy renter, to give the former the redress wanted. The words "manufacturing and" will be omitted in the first line of the toddy notice, and the wording of Condition 5 regarding arrangements with private owners, of trees will be slightly altered. The deposit required from bidders is, as proposed, too high. The Board will insert Rupees 250 for arrack and Rupees 150 for toddy.

Kistna.—The Collector has further remarks on Condition 5 of the notices, and considers that the contract as proposed will be void as indeterminate. The Board do not think so, and observe that the Collector's arguments equally apply to the assignment of waste for cultivation. The understanding is clear enough; the arrack renter is to be allowed trees on waste only as a matter of grace, and where it is necessary and can fairly be done, but may make any arrangements he pleases with private owners. The Collector approves the Board's proposal to put the whole district under the Amani system, and this will be done. The deposits required before bidding are too high. The amount on last occasion, viz., 5 per cent. of the upset price or Rupees 1,000, whichever is the least, will be entered. Rupees 200 will be a sufficient limit for the toddy sale.

Chingleput.—The Collector has not sent the toddy notice called for. Under the orders of Gevernment the toddy is to be let Taluqwar. The Board fix upset prices at 2 Annas a gallon on the dowles of Fasli 1285 given at paragraph 45 of their Proceedings, 11th December 1877.

Kurnool.—The Board gather that the distillation of arrack from toddy in the Cumbum and Markapur Taluqs, if now practised, may, in the Collector's opinion, be stopped. It is not suited to the Amani system which is to be there introduced.

Bellary.—The deposits required at the auction will be fixed at Rupees 250 each.

North Arcot.—The Collector has not forwarded the notices. The upset prices will be entered by the Board at two-thirds of the amounts bid on the last occasion.

South Arcot.—The question whether frontier shops should be retained has to be decided. The Board are disposed to agree with Messrs. Garstin and Sharp that the system has not proved successful and that it should be abandoned. The reference to it will therefore be struck out of the excise notice. As regards the toddy, the district is to be let by taluqs. The upset prices given in the Collector's telegram of the 30th January will be adopted, and the deposits proposed in the draft notice, which relates to a single farm, will be modified.

Tanjore.—The orders quoted in paragraph 2 of the Collector's letter remain in force, and the Board do not think that it is necessary to embody them in the notices and agreements. The district must, under the orders of Government, be let by taluqs. The Board adopt the upset prices proposed by the Collector, though they seem rather high; and if there are no bids at the sale, they must be lowered. With reference to paragraph 4, it seems to the Board that the power retained by the Collector under condition 5 of reserving trees on any particular tract belonging to Government sufficiently meets the case, and that the addition proposed by the Collector is unnecessary.

Madura.—The Collector need not have sent up arrack notices as the arrack revenue of the district is to be managed on the excise system. The Board hope that the toddy-rents will not fall to the extent anticipated. They have slightly modified the notice as regards deposits by bidders.

Coimbatore.—The Collector has taken the present toddy-rents as the upset prices except for Collegal. Of course, if there are no bids above these prices, they will not be adhered to. The Board have slightly modified the deposits proposed.

Salem.—The Board's proposal to let the toddy of the district in two tracts is disallowed. The upset prices proposed by the Collector are therefore unsuitable. The Board have fixed upset prices roughly equal to two-thirds of present rents and readjusted the bidder's deposits.

Malabar.—The Collector sends notices for the arrack and toddy rents of the plain country and the arrack rent of the Wynaad. There is no objection to the former issuing at present.

	Gallons.
Cherakal	135
Cannanore Cantonment	2,240
Kotteyom	128
Kurumbranad	107
Wynaad	13,386
Calicut	4,919
Ernad	952
Walluvanad	...
Palghaut	...
Ponani	42
Cochin	...
Total ...	21,909

Mr. Logan points out that a considerable quantity of Colombo arrack has always been sold under the district arrack rents at 20° under proof. The Board believe that this is not imported arrack but spirit locally manufactured by redistillation and known as first sort arrack. It closely resembles Colombo, whence the name. It has hitherto been sold at Rupees 4-12-0 per gallon, and the Collector recommends that its sale be still allowed. On referring to the report for Fasli 1285, the Board find that the sale of 20° under proof amounted to 21,909 gallons or about one-fifth of the consumption. The distribution is given in the margin, and it will be observed that except in Wynaad, Calicut, and the Cannanore Cantonment hardly any of this liquor is consumed. The Wynaad will be separately dealt with. The consumption in Calicut no doubt belongs to the town population, as does that of Cannanore. In these places sufficient special shops where liquor of this strength either imported or fairly excised is sold exist or will be opened to meet the demand, and those who wish to consume such liquor will be able to obtain it without trouble at proper prices and duty. For the sake of these places therefore the Board see no reason to depart from the principle, which they regard as very important, that the sale of 20° under proof liquor at less than import rates of duty ought not to be allowed under the monopolies. For the rest of the Malabar District the demand is very trifling, and is probably also confined to towns where there are Europe liquor shops. The Board for these reasons decline to adopt the Collector's suggestion. They regret that by oversight the matter was not noticed at length in their Proceedings of the 11th December. With reference to paragraphs 32 and 33 of those Proceedings, the Collector is requested to carefully draw up a list of stills to be allowed and to explain fully to bidders the alterations of system which are to be made under the new rents.

South Canara.—The Board cannot recommend any return to the old system of joint arrack and toddy rents as proposed by the Acting Collector. There will be no Amani farms in the district.

14. In the excise notice, the Board have added a condition making the premises to be used as distilleries subject to the Collector's approval; have provided for the new surcharges proposed; and have struck out all references to Cuddapah, the Nilgiris, and Wynaad. As suggested by several officers the 11th has been substituted for the 10th March, which falls on a Sunday.

15. The notices thus modified will be sent to the Superintendent, Government Press, for publication in the *Fort St. George Gazette*, and Collectors will be instructed to republish them immediately on receipt, so far as they relate to their districts, in the District Gazettes, exactly as they appear with the Board's corrections in the *Fort St. George Gazette.*

(A true Extract.)

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

206/4

No. 105. ORDER THEREON, 12th Fel uary 1878, No. 206.

Separate Revenue, No. 10.
Abkari.

HIS GRACE the Governor in Council has considered the further observations which, in their Proceedings recorded above, the Board of Revenue have offered on the subject of the new Abkari leases.

2. He remains of opinion that the Toddy should be rented Taluqwar as already settled. The greatest success has ollowed the change so far, and there is no reasonable doubt that the continuance the system will lessen the probability of collusion.

3. The Board will exercise their iscretion in increasing the number of "Europe liquor shops" (paragraph 3).

4. The Government, while believi that the division of some large districts would be desirable, will not, in tl face of the Board's decided opinion, insist on any immediate change in this dire n. As to Cuddapah and the Wynaad the Board will act upon their own judgme Their proposal regarding the Adoni and Alur Taluqs is approved.

5. On the suggestion to let large tov rately, the Board adhere to their proposal of "surcharges," and would ext e system to certain specified towns other than Trichinopoly. The Governme ill not press their view of the case, and will leave the Board free to carry out t rangements proposed in paragraph 9 of the Proceedings under review.

6. His Grace in Council does not e ly follow the Board's argument in paragraph 10. He resolves, however, to l e matter lie over for the present.

7. The legal difficulty adverted to i agraph 12 can be considered by the oard in connection with the Bill now nder preparation with reference to the arginally noted order.

Proceedings of Government, 2nd February 1878, No. 167.

8. The district details in paragrapl 13 call for no remarks on the part of Government.

(True E c.)

ned) C. G. MASTER,
Secretary to Government.

To the Board of Revenue.

Exd. F. R. Bantleman.

VCP 9661/78

206/6

No. 258.

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Royachoti ...	192	6,786	6,978	4,070
Madanapalli ...	9,523	...	9,523	9,523
Voilpaud... ...	9,145	...	9,145	9,145
	18,860	24,648	43,508	32,945
Other Taluqs ...	52,204	17,605	69,809	62,264
Total ...	71,064	42,253	113,317	95,209

8. The Board earnestly deprecate the sub-division of the Cuddapah contract. The marginal figures show the present consumption in the four taluqs proposed to be separately let, and in the rest of the district. The sub-division farm would be too small, and there is too large a proportion of weak liquor consumed in it. The division of Bellary is approved by Government, but the Board consider that the farms will be better arranged if the Adoni and Alur Taluqs are thrown in with the western division. The farms will then be respectively 77,788 and

92,748 gallons on the consumption of Fasli 1285, instead of 42,180 and 128,356 gallons. The notice will be modified accordingly; but even as regards Bellary the Board would, to secure a desirable contractor, be prepared to give both divisions to the same contractor. The Board do not think any other farm big enough to be advantageously divided. Increase in the number of distilleries is unobjectionable, and the notice does not limit the number. The matter is one for the renters to settle in their own interest.

9. The suggestion that large towns should be separately let is open to the same objection as the Board have urged against division of districts. The Board have not full information as to the consumption of all towns, but they believe the Bellary and Trichinopoly Cantonments to be quite exceptional, and they consider the latter to be too small, having a consumption of 30,000 gallons only. The town of Trichinopoly cannot be let separately from the district, as the latter takes only 25,000 gallons (at least under Messrs. Parry and Co.) Many of the objects which Government desire to secure are attained by the surcharging system which the Board have suggested for Trichinopoly, and which they would have extended further but for its novelty and the uncertainty whether it will work. It is practically a separate rent, and if the separate guarantee for the town is fixed with reference to ascertained and real consumption, it is almost absolutely safe, for if the sales in the town are in excess of the quantity represented by the guaranteed surcharge the district rate at any rate will be obtained. The principle seems to the Board to contain the remedy for the faults of the excise system. They would be glad to see it further extended, and they anticipate the approval of Government to the suggestion that it be tried also in Madura, Tinnevelly *cum* Palamcottah, Vellore, and Salem. They are not aware of any other town where the consumption is big enough to make the trial worth the trouble. The Madura, Tinnevelly, and Salem surcharges should be 8 Annas a gallon at 30° under proof, and prices should be raised by the like amount. The orders as to open competition necessitate a reduction of the duty proposed for North Arcot. The Board would fix it at Rupees 2-6-0 at 30° under proof with a surcharge of 6 Annas in Vellore. There would be no tenders at Rupees 2-7-0. The prices should be as per margin. It may prove to be necessary to reduce the district rate to Rupees 2-4-0 and make the surcharge 8 Annas; but this will depend upon the tenders received. When forwarding the tenders, the Collectors concerned will report to the Board the quantities sold in Fasli 1285 and Fasli 1286, according to the present renters' returns in shops situated within the limits of the towns named. This would enable the Board to judge as to the suitability of the separate guarantees offered.

—		Duty.	Maximum price.	Minimum price.
		RS. A. P.	RS. A. P.	RS. A. P.
In Vellore.	30° under proof ..	2 12 0	4 8 0	4 0 0
	60° do ..	1 9 0	3 4 0	2 12 0
District..	30° under proof ..	2 6 0	4 0 0	3 8 0
	60° do. ..	1 6 0	2 12 0	2 4 0

10. The third suggestion made by Government, viz., that in outlying and neglected taluqs special inducements should be offered by raising prices or lowering duty or both, is the Board respectfully submit impracticable. To raise the prices above those elsewhere would defeat the object in view, as higher prices would tend to diminish the licit consumption. A differential duty (the only alternative) must be worked either by refunding the excess in the district rate which all liquor must pay when it leaves the distillery, for the quantity sold as shown in the renters' or shop returns; or by issuing all liquor from the distillery at the special taluq rate, and surcharging the consumption in the others. The former plan would be altogether too dangerous, as trustworthy returns could not be obtained and the principle of the guarantee system is inapplicable. The other plan will work only when there is a well ascertained, concentrated, and tolerably unvarying consumption—in short, only under the conditions presented by a large town when the separate guarantee can be settled with some certainty. It could not be applied to a number of taluqs.

11. In paragraph 10 of the Government Order it is ordered that there shall be no restriction on public competition. The Board will therefore include Ganjam and North Arcot in the advertisement, the rate of duty in the latter district being modified as stated above.

12. The Collector of Madras has brought to notice that Act XIX of 1852, Section 2, provides that the collection of revenue from spirituous or fermented liquors in the Madras Abkári limits must be under the charge of the Collector of Madras. In order to get over this difficulty and those regarding recovery of arrears, both by Government from renters, and by renters from their shopkeepers, the Board recommend that, when the other changes in the Act are being made as promised in paragraph 15 of the Government Order it be enacted that so far as spirituous liquors are concerned the limits of the Madras Abkári shall be held not to include the tract outside the High Court limits. Act III of 1864 will then apply. There will be no difficulty in arranging for the continuance of the existing system, even under Act III of 1864, as regards the four shops which it is proposed to retain under the Madras system.

13. The Board will not be in a position to issue the notices relating to arrack in Cuddapah, the Nilgiris, and in Malabar (Wynaad) until the definite orders of Government on these Proceedings are received. They proceed to deal with the district notices, some of which have been received with the letters above recorded.

	Duty.			Maximum Price.			Minimum Price		
				RS.	A.	P.	RS.	A.	P.
30° Under proof	1	12	0	3	8	0	3	0	0
60° Do.	1	0	0	2	8	0	2	0	0

Ganjam.—Tenders will be called for the excise rent on the terms noted in the margin. The toddy notices have not been received from the Collector. The Board will issue the advertisement with upset prices about two-thirds of the amounts realized at the last sale. Collectors will understand that if bids equal to the upset prices are not obtained, they are at liberty to start the bidding irrespective of the nominal upset prices.

Vizagapatam.—The Board's proposals for the excise tract are accepted. In the telegram above recorded the Collector asks whether the present renters are to be excluded from competition. The Board reply, certainly not. The guarantee obtainable remains to be seen. The Collector also states that Rupees 35,000 are offered by a contractor of repute for the whole of the toddy contract. The Board are precluded by the orders of Government from considering this offer. Mr. Goodrich makes some further remarks regarding the Vippa rents which the Board do not quite understand. They resolve therefore to await his promised letter before issuing the advertisement for rented arrack (Vippa). The taluqwar upset prices for toddy will be entered in the notice.

Godavery.—In the letter above recorded, the Collector recommends that the arrack contractor shall be entirely prohibited from drawing or obtaining toddy on his own account and be left to purchase toddy from the toddy contractor at a proper price. This would, in the Board's opinion, involve too great a sacrifice of arrack revenue; but with reference to Condition 5 in the arrack and toddy notices, the Collector should understand that he is not bound to divide the trees on Government waste between the two contractors. As a rule, toddy trees should be enjoyed by the toddy renter; but the clauses in question have been introduced to give the Collectors full power to see fair play between the two renters, and when the arrack renter finds it impossible to get toddy requisite for distillation, or is improperly impeded by the toddy renter, to give the former the redress wanted. The words "manufacturing and" will be omitted in the first line of the toddy notice, and the wording of Condition 5 regarding arrangements with private owners, of trees will be slightly altered. The deposit required from bidders is, as proposed, too high. The Board will insert Rupees 250 for arrack and Rupees 150 for toddy.

Kistna.—The Collector has further remarks on Condition 5 of the notices, and considers that the contract as proposed will be void as indeterminate. The Board do not think so, and observe that the Collector's arguments equally apply to the assignment of waste for cultivation. The understanding is clear enough; the arrack renter is to be allowed trees on waste only as a matter of grace, and where it is necessary and can fairly be done, but may make any arrangements he pleases with private owners. The Collector approves the Board's proposal to put the whole district under the Amani system, and this will be done. The deposits required before bidding are too high. The amount on last occasion, viz., 5 per cent. of the upset price or Rupees 1,000, whichever is the least, will be entered. Rupees 200 will be a sufficient limit for the toddy sale.

Chingleput.—The Collector has not sent the toddy notice called for. Under the orders of Government the toddy is to be let Taluqwar. The Board fix upset prices at 2 Annas a gallon on the dowles of Fasli 1285 given at paragraph 45 of their Proceedings, 11th December 1877.

Kurnool.—The Board gather that the distillation of arrack from toddy in the Cumbum and Markapur Taluqs, if now practised, may, in the Collector's opinion, be stopped. It is not suited to the Amani system which is to be there introduced.

Bellary.—The deposits required at the auction will be fixed at Rupees 250 each.

North Arcot.—The Collector has not forwarded the notices. The upset prices will be entered by the Board at two-thirds of the amounts bid on the last occasion.

South Arcot.—The question whether frontier shops should be retained has to be decided. The Board are disposed to agree with Messrs. Garstin and Sharp that the system has not proved successful and that it should be abandoned. The reference to it will therefore be struck out of the excise notice. As regards the toddy, the district is to be let by taluqs. The upset prices given in the Collector's telegram of the 30th January will be adopted, and the deposits proposed in the draft notice, which relates to a single farm, will be modified.

Tanjore.—The orders quoted in paragraph 2 of the Collector's letter remain in force, and the Board do not think that it is necessary to embody them in the notices and agreements. The district must, under the orders of Government, be let by taluqs. The Board adopt the upset prices proposed by the Collector, though they seem rather high; and if there are no bids at the sale, they must be lowered. With reference to paragraph 4, it seems to the Board that the power retained by the Collector under condition 5 of reserving trees on any particular tract belonging to Government sufficiently meets the case, and that the addition proposed by the Collector is unnecessary.

Madura.—The Collector need not have sent up arrack notices as the arrack revenue of the district is to be managed on the excise system. The Board hope that the toddy-rents will not fall to the extent anticipated. They have slightly modified the notice as regards deposits by bidders.

Coimbatore.—The Collector has taken the present toddy-rents as the upset prices except for Collegal. Of course, if there are no bids above these prices, they will not be adhered to. The Board have slightly modified the deposits proposed.

Salem.—The Board's proposal to let the toddy of the district in two tracts is disallowed. The upset prices proposed by the Collector are therefore unsuitable. The Board have fixed upset prices roughly equal to two-thirds of present rents and readjusted the bidder's deposits.

Malabar.—The Collector sends notices for the arrack and toddy rents of the plain country and the arrack rent of the Wynaad. There is no objection to the former issuing at present.

Mr. Logan points out that a considerable quantity of Colombo arrack has always been sold under the district arrack rents at 20° under proof. The Board believe that this is not imported arrack but spirit locally manufactured by redistillation and

	Gallons.
Cherakal	135
Cannanore Cantonment	2,240
Kotteyom	128
Kurumbranad	107
Wynaad	13,386
Calicut	4,919
Ernad	952
Walluvanad	...
Palghaut	...
Ponani	42
Cochin	...
Total ...	21,909

known as first sort arrack. It closely resembles Colombo, whence the name. It has hitherto been sold at Rupees 4-12-0 per gallon, and the Collector recommends that its sale be still allowed. On referring to the report for Fasli 1285, the Board find that the sale of 20° under proof amounted to 21,909 gallons or about one-fifth of the consumption. The distribution is given in the margin, and it will be observed that except in Wynaad, Calicut, and the Cannanore Cantonment hardly any of this liquor is consumed. The Wynaad will be separately dealt with. The consumption in Calicut no doubt belongs to the town population, as does that of Cannanore. In these places sufficient special shops where liquor of this strength either imported or fairly excised is sold exist or will be opened to meet the demand, and those who wish to consume such liquor will be able to obtain it without trouble at proper prices and duty. For the sake of these places therefore the Board see no reason to depart from the principle, which they regard as very important, that the sale of 20° under proof liquor at less than import rates of duty ought not to be allowed under the monopolies. For the rest of the Malabar District the demand is very trifling, and is probably also confined to towns where there are Europe liquor shops. The Board for these reasons decline to adopt the Collector's suggestion. They regret that by oversight the matter was not noticed at length in their Proceedings of the 11th December. With reference to paragraphs 32 and 33 of those Proceedings, the Collector is requested to carefully draw up a list of stills to be allowed and to explain fully to bidders the alterations of system which are to be made under the new rents.

South Canara.—The Board cannot recommend any return to the old system of joint arrack and toddy rents as proposed by the Acting Collector. There will be no Amani farms in the district.

14. In the excise notice, the Board have added a condition making the premises to be used as distilleries subject to the Collector's approval; have provided for the new surcharges proposed; and have struck out all references to Cuddapah, the Nilgiris, and Wynaad. As suggested by several officers the 11th has been substituted for the 10th March, which falls on a Sunday.

15. The notices thus modified will be sent to the Superintendent, Government Press, for publication in the *Fort St. George Gazette*, and Collectors will be instructed to republish them immediately on receipt, so far as they relate to their districts, in the District Gazettes, exactly as they appear with the Board's corrections in the *Fort St. George Gazette.*

(A true Extract.)

for Secretary.

To the Secretary to Government, Revenue Department,
with 16 original letters and their enclosures to be returned.
,, all Collectors.

Exd. W. H. French, A. Grubert and W. J. Lewis.

Spare copies will follow.

206/7

1878.

Board of Revenue,

MADRAS.

PROCEEDINGS, 31ST JANUARY 1878, No. 258.

Recd 31 Jany 78 Encl.

Received 5/2

JANUARY.

No. 258.

Abkári Leases.—Submitting remarks with reference to Government Order on the Board's proposals for the re-adjustment of the terms of the — and directing publication of the district notices as modified by the Board in *Fort St. George* and *District Gazettes.*

Rev Dept

206/8

No. 258

Proceedings of the Board of Revenue
Dated 31st Jany 1878.

Read G. O. dated 22nd Jany 1878.
No 113.

Read also the following letters:-

Telegram from the Collector of Vizagapatam of 26th Jany 1878.

Letter from the Collector of the Godavery Dist. of 7th Jany 1878. No 6.

〃 from the Collector of Kistna of 11th Jany 1878. No 114

〃 from the do of Cuddapah of 15th Jany 1878 No 32

〃 from the do of Kurnool of 23rd Jany 1878 No 36.

〃 from the do of Bellary of 14th Jany 1878. No 13.

〃 from the do of S. Arcot of 15th Jany 1878. No 13.

Telegram from the Spl. Asst. Collr. S. Arcot of 30th Jany 1878.

Letter from the Collector of Trichinopoly of 24th Jany 1878 No 19.

〃 from the do of Tanjore of 24th Jany 1878 No 216.

〃 from the do of Madura of 25th Jany 1878 No 25

〃 from the do of Tinnevelly of 19th Jany 1878 No 52

〃 from the do of Coimbatore of 22d Jany 1878 No 11

〃 from the do of Salem of 24th Jany 1878 No 28

〃 from the do of S. Canara of 16th Jany 1878 No 121.

and letter from the Collector of Malabar
d/25th Jany. 1878. No. 22.

In the foregoing G.O. Govt. pass orders on the Board's proposals for the readjustment of the terms of the abkari leases. They accept most of the proposals, but direct certain modifications and suggest others. The changes imperatively ordered will of course be carried out, but as regards those suggested and with reference to detached observations of Govt. the Board submit the following remarks:-

2. Para 2. It is decided that the toddy shall be rented by taluq farms throughout the whole Presidency - as the taluk lease is better for the people and for the State, in that it brings the rent within the capabilities of residents in the tract concerned and limits the intrusion of outsiders. The Board admit this fact, but observe that it amounts to limiting competition and facilitating combination amongst bidders, and to excluding men of large capital and business experience who might seek the larger contracts; and that from this point of view it is decidedly against the interests of the State. It may be true that local knowledge possessed by

residents

residents will enable them to bring more of the consumption under taxation; but the increase realized goes for the time at any rate into the renters' pockets, as the Govt. share is fixed at the auction. The prospect of the rent being enhanced to an equal degree at the next sale is an uncertain one, as the profits made are never exactly known. The Board wished to test the matter by a few large farms such as those which have worked well in Chingleput and S. Arcot. All districts will however now be rented talukwar.

3. Para 3. The Board would certainly permit district renters to pass out liquor excised at import rates like other distillers; but if a dram of such liquor were proved to have been sold in a monopoly shop they would at once cancel the renters' license. The freely excised liquor should be sold only ~~in~~ Europe liquor shops, as they are called. There is no objection to an increase in the number of these shops. There is a considerable demand for liquors such as is sold in them, and it is better that this should

be met by licensed shops than surreptitiously. A Tahsildar has been caught carrying on a wholesale and unlicensed trade in imported liquor, and the fact is significant.

4. With reference to para 5 of the G.O. the Board observe that under the Excise System no liquor is licit except what passes the Govt. gauge; and the Excise System certainly secures a full knowledge of that quantity, i.e. of the licit consumption.

5. Paragraph 6. The Board beg to explain, with reference to the remark "The Board expect to raise the revenue slightly (about a lakh of Rupees) by advancing the guarantees", that the amount of guarantee will be fixed by the tenders, and that in summing up their proposals they estimated the probable guarantees as low as possible, in order to show that their proposals did not tend to sacrifice revenue. The Board hope that guarantees to an amount larger than their estimate will be obtained.

6. In para 8. Government suggest three important modifications of general principle, to be applied to the Board's proposals, but the specific points to which they are to be applied are not indicated except in one instance. The suggestions are: that the number of contract districts might be increased by subdivision so as to secure increased attention to smaller areas (& the subdivision of Cuddapah is ordered); that large towns & municipalities might occasionally be leased separately with somewhat higher duty & prices & proportionate guarantee; & that in outlying taluqs where consumption per head is low, indicating neglected working, greater inducements might be offered by raising duty or lowering price or both.

7. The Board observe that one of the objects of the Excise system is to secure better liquor by obtaining as contractors European firms or large native traders who will appreciate the advantages of, & will introduce, superior distillation, who can be trusted to avoid the noxious adulteration practised by the petty distillers & who will bring intelligence & business capacity of a high order to bear on the management. Men of this class would not touch small contracts. The administrative capacity which such contractors would bring would be so far superior to that of men of the small contractor class as to turn the scale as respects efficient management in favour of the large contracts if only the contractors can, by regulation of terms be forced to work them in a certain way. The Board have aimed at such regulation, and hope that they will be found to have attained it in some degree. Further, a small contract cannot be as cheaply conducted. The cost of every item struck *per gallon*, will be very considerably increased; and therefore the Government cannot

get the same duty. The Board for these reasons would be very reluctant to form an Excise farm in which the consumption would be less than 50,000 gallons. There is no district which can be conveniently divided so as to secure farms above this limit. There is no avoiding a small contract in the case of the coast talugs of Vizagapatam, the Bellary cantonment is an exceptional farm but even it has 47,000 gallons, & it was chiefly to secure this limit that the Board suggested that the Wynaad should be let with the Nilgiris whereby the joint contract would amount to 56,000 gals: The Board are unable to see why the Nilgiri system should not suit S. E. Wynaad, or any other part of the talug, but as Govt. object to any part of the Wynaad being joined with the Nilgiris, notwithstanding the amalgamation which affects more important interests the whole of the talug had better be farmed in one lot & under the Collr. of Malabar as hitherto & excise postponed. The Bd. would much prefer that the Hills & the whole of Wynaad should be put under excise in one contract.

8. The Board earnestly deprecate the subdivision of the Cuddapah Contract. The marginal figures show the present consumption in the four talugs proposed to be separately let, and in the rest of the District. The subdivision farm would be too small and there is too large a proportion of weak liquor.

	30 U.P.	60 U.P.	Total	Equivalent at 30 U.P.
Kadiri	–	17862	17862	10,207
Royachoti	192	6786	6978	4070
Madanapalli	9523	"	9523	9523
Voilpaud	9145	–	9145	9145
	18860	24648	43508	32945
Other Talugs	52,204	17605	69,809	62264
	71064	42253	113317	95209

consumed in it. The division of Bellary is approved by Govt., but the Board consider that the farms will be better arranged if the Adoni & Alur taluks are thrown in with the western division. The farms will then be respectively 77788 & 92748 gallons on the consumption of F. 1285, instead of 42180 & 128356 gallons. The notice will be modified accordingly; but even as regards Bellary the Board would, to secure a desirable contractor, be prepared to give both divisions to the same contractor. The Board do not think any other farm big enough to be advantageously divided. Increase in the number of distilleries is unobjectionable & the notice does not limit the number. The matter is one for the renters to settle in their own interest.

I cannot agree - their interest & ours are not one

9. The suggestion that large towns should be separately let is open to the same objection as the Board have urged against division of districts. The Board have not full information as to the consumption of all towns but they believe the Bellary & Trichinopoly Cantonments to be quite exceptional & they

consider the latter to be too small, having a consumption of 30000 gallons only. The town of Trichinopoly cannot be let separately from the district, as the latter takes only 25000 gallons, (at least under Messrs Parry & Co.) Many of the objects which Govt. desire to secure are attained by the surcharging system which the Board have suggested for Trichinopoly & which they would have extended further but for its novelty & the uncertainty whether it will work. It is practically a separate rent, & if the separate guarantee for the town is fixed with reference to ascertained & real consumption it is almost absolutely safe; for if the sales in the town are in excess of the quantity represented by the guaranteed surcharge the district rate at any rate will be obtained. The principle seems to the Board to contain the remedy for the faults of the Excise system. They would be glad to see it further extended & they anticipate the approval of Govt. to the suggestion that it be tried also in Madura Tinnevelly cum Palamcotta, Vellore & Salem. They are not aware of any other town where the consumption is big enough

enough to make the trial worth the trouble. The Madura, Tinnevelly & Salem surcharges should be 8 annas a gallon at 30 U.P and prices should be raised by the like amount. The orders as to open competition necessitate a reduction of the duty proposed for N. Arcot.

		Duty.	Maxm price.	Minm Price
In Vellore	30 U.P.	2-12-0.	4-8-0	4-0-0
	60 U.P	1-9-0	3-4-0	2-12-0
District	30 U.P	2-6-0.	4-0-0.	3-8-0
	60 U.P.	1-6-0	2-12-0	2-4-0

The Board would fix it at Rs 2-6-0 at 30 U.P with a surcharge of 6 annas in Vellore. There would be no tenders at Rs 2-7-0. The prices should be as per margin. It may prove to be necessary to reduce the district rate to Rs 2-4-0 & make the surcharge 8 annas; but this will depend upon the tenders received. When forwarding the tenders the Collectors concerned will report to the Board the quantities sold in F 1285 & 1286 according to the present renters returns in shops situated within the limits of the towns named. This will enable the Board to judge as to the suitability of the separate guarantees offered.

The

10. The third suggestion made by Govt viz that in outlying & neglected taluks special inducements should be offered by raising prices or lowering duty or both, is the Board respectfully submit impracticable. To raise the prices above those elsewhere would defeat the object in view, as higher prices would tend to diminish the licit consumption. A differential duty (the only alternative) must be worked either by refunding the excess in the district rate which all liquor must pay when it leaves the distillery on the quantity sold as shown in the renters or shop returns, or by issuing all liquor from the distillery at the special taluk rate and surcharging the consumption in the others. The former plan would be altogether too dangerous, as trustworthy returns

could not be obtained and the principle of the Guarantee system is inapplicable. The other plan will work only when there is well ascertained, concentrated and tolerably unvarying consumption — in short only under the conditions presented by a large town where the separate guarantee can be settled with some certainty. It could not be applied to a number of taluqs.

~~10~~ 11 In para 10 of the Government Order it is ordered that there shall be no restriction on public competition. The Board will therefore include Ganjam and North Arcot in the advertisement, the rate of duty in the latter district being modified as stated above.

12 The Collector of Madras has brought to notice that Act XIX of 1852

Section 2 provides that the Collection of revenue from spirituous or fermented liquors in the Madras Abkari limits must be under the charge of the Collector of Madras. In order to get over this difficulty and those regarding recovery of arrears, both by Government from renters and by renters from their shopkeepers, the Board recommend that, when the other changes in the act are being made as promised in para 15 of the G.O. it be enacted that so far as spirituous liquors are concerned the limits of the Madras Abkari shall be held not to include the tract outside the High Court limits. Act III of 1864 will then apply. There will be no difficulty in arranging for the continuance of the existing system, even under Act III of 1864 as regards the four shops which it is proposed to retain under the Madras System.

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	Duty.	Max: Price	Min: Price
30. U.P.	1-12-0	3-8-0	3-0-0
60. U.P.	1-0-0	2-8-0	2-0-0

Ganjam. Tenders will be called for the excise rent on the terms noted in the margin. The toddy notices have not been received from the Collector. The Board will issue the advertisement with upset prices about 2/3ds of the amounts realized at the last sale. Collectors will understand that if bids equal to the upset prices are not obtained, they are at liberty to start the bidding irrespective of the nominal upset prices.

Vizagapatam. The Board's proposals for the excise tract are accepted.

In the telegram above recorded the Collector asks whether the present renters are to be excluded from competition. The Board reply certainly not. The guarantee obtainable remains to be seen. The Collector also states that Rs 35000 are offered by a contractor of repute for the whole of the toddy contract. The Board are precluded by the orders of Government from considering this offer. Mr Goodrich makes some further remarks regarding the Veppa rents which the Board do not quite understand. They resolve therefore to await his promised letter before issuing the advertisement for rented arrack (vippa). The talukwar upset prices for toddy will be entered in the notice.

Written to

Godavery. In the letter above recorded the Collector recommends that the arrack contractor shall be entirely prohibited from drawing or obtaining toddy on his own account and be left to purchase toddy from the toddy contractor at a proper price. This would in the Board's opinion involve too great a sacrifice of arrack revenue; but with reference to condition 5 in the arrack and toddy notices, the Collector should understand that he is not bound to divide the trees on Government waste between the two contractors. As a rule toddy trees should be enjoyed by the toddy renter; but the clauses in question have been introduced to give the Collector full power to see fair play between the two renters, and when the arrack renter finds it impossible to get toddy requisite for distillation or is improperly impeded by the toddy renter, to give the former the redress wanted.

The words "manufacturing and" will be omitted in the first line of the toddy notice and the wording of condition 5 regarding arrangements with private owners of trees will be slightly altered. The deposit required from bidders is as proposed too high. The Board will insert Rs 250 for arrack and Rs 150 for toddy.

Kistna. The Collector has further remarks on condition 5 of the notice, and considers that the contract as proposed will be void as indeterminate. The Board do not think so, and observe that the Collector's arguments equally apply to the assignment of waste for cultivation. The understanding is clear enough; the arrack renter is to be allowed trees on waste only as a matter of grace, and where it is necessary and can fairly be done, but may make any arrangements he pleases with private owners. The Collector approves the Board's proposal to put the whole district under the amani system, and this will be done. The deposits required before

bidding are too high. The amount on last occasion viz. 5 per cent of the upset price or Rs 1000 which ever is the least will be entered. Rs 200 will be a sufficient limit for the toddy sale.

Chingleput. The Collector has not sent the toddy notice called for. Under the orders of Government the toddy is to be let talukwar. The Board fix upset prices at 2 annas a gallon on the dowles of Fasli 1285 given at para 45 of their Proceedings 11th Oct/77.

Kurnool. The Board gather that the distillation of arrack from toddy in the Cumbum and Markapur taluks, if now practiced, may in the Collector's opinion be stopped. It is not suited to the amani system which is to be there introduced.

Bellary. The deposits required at the auction will be fixed at Rs 250 each.

North Arcot. The Collector has not

forwarded the notices. The upset prices will be entered by the Board at two thirds of the amounts bid on the last occasion.

South Arcot. The question whether frontier shops should be retained has to be decided. The Board are disposed to agree with Messrs Garstin and Sharp that the system has not proved successful and that it should be abandoned. The reference to it will therefore be struck out of the excise notice. As regards the toddy, the district is to be let by taluks. The upset prices given in the Collectors telegram of the 30th January will be adopted and the deposits proposed in the draft notice which relates to a single farm will be modified

Tanjore. The orders quoted in para 2 of the Collector's letter remain in force and the Board do not think that it is necessary to embody them in the notices and agreements. The District must under the orders of Government be let by taluks. The Board adopt the upset prices proposed by the Collector though they seem rather high; and if there are no bids at the sale, they must be lowered. With reference to para 4, it seems to the Board that the power retained by the Collector under Condition 5 of reserving trees on any particular tract belonging to Government sufficiently meet the the case and that the addition proposed by the Collector is unnecessary.

Madura. The Collector need not have sent up arrack notices as the arrack revenue of the district is to be managed on the excise system. The Board hope that the toddy rents will not fall to the extent anticipated. They have slightly modified the notice as regards deposits by bidders.

Coimbatore. The Collector has taken the present toddy rents as the upset prices except for Collegal. Of course if there are no bids above these prices they will not be adhered to. The Board have slightly modified the deposits proposed.

Salem The Boards' proposal to let the toddy of the district in two tracts is disallowed. The upset prices proposed by the Collector are therefore unsuitable. The Board have fixed upset prices roughly equal to two-thirds of present rents and readjusted the bidders' deposits.

Malabar. The Collector sends notices for the arrack and toddy rents of the plain country and the arrack rent of the Wynaad. There is no objection to the former issuing at present.

Mr. Logan points out that a considerable quantity of Colombo arrack has always been sold under the district arrack rents at 20 U.P. The Board believe that this is not imported arrack but spirit

locally

locally manufactured by redistillation and known as first sort arrack. It closely resembles Colombo; whence the name. It has hitherto been sold at Rs. 4-12-0 per gallon, and the Collector recommends that its sale be still allowed. On referring to the report for Fasli 1285, the Board find that the sale of 20 U.P. amounted to 21,909 gallons or about one-fifth of the consumption. The distribution is given in the margin and it will be observed that except in Wynaad, Calicut, and the Cannanore Cantonment hardly any of this liquor is consumed. The Wynaad will be separately dealt with. The consumption in Calicut, no doubt belongs to the town population, as does that of Cannanore. In these places sufficient special shops where liquor of this strength either imported or fully excised is sold exist or will be opened.

	Gallons.
Cherukal	135
Cannanore Cantonment	2,240
Kotteyom	128
Kurumbranad	107
Wynaad	13,386
Calicut	4,919
Ernad	952
Walluvanad	..
Palghaut	..
Ponani	42
Cochin	..
	21,909

to meet the demand and those who wish to consume such liquor will be able to obtain it without trouble at proper prices and duty. For the sake of these places therefore the Board see no reason to depart from the principle, which they regard as very important, that the sale of 20 U. P. liquor at less than import rates of duty o[illegible] to be allowed under the monopolies. For the rest of the Malabar district the demand is very trifling, and is probably also confined to towns where there are Europe liquor shops. The Board for these reasons decline to adopt the Collector's suggestion. They regret that, by oversight, the matter was not noticed at length in their proceedings of the 11th December. With reference to paras 32 and 33 of those Proceedings the Collector is requested to carefully draw up a list of stills to be allowed

Right

and to explain fully to bidders the alterations of system which are to be made under the new rents.

South Canara. The Board cannot recommend any return to the old system of joint arrack and toddy rents as proposed by the acting Collector. There will be no amani farms in the district.

13. In the excise notice the Board have added a condition making the premises [illegible] as distilleries subject to the Collector's approval; have provided for the new surcharges proposed; and have struck out all references to Cuddapah, the Nilgiris and Wynaad. As suggested by several officers the 11th has been substituted for the 10th March which falls on a Sunday.

14. The notices thus modified

will be sent to the Superintendent Government Press for publication in the Fort St. George Gazette, and collectors will be instructed to republish them immediately on receipt, so far as they relate to their districts, in the district Gazettes exactly as they appear with the Board's corrections in the Fort St. George Gazette

(True Extract)

Secretary

To, The Secretary to Government

Revenue Department

with 16 original letters & their Enclosures x to be returned.

x Some of the Notices which will be found wanting, have been sent to the Press for publication –

No 107 -

R.12 Feb/98

Revenue Dept

No 435

Proceedings of the

Board of Revenue

Dated 31st January 1798

Rec. 3

Sec: 16

with the enclosure

81

No. 206. 12 February

1798

Submitting [illegible] with reference to [illegible] regarding the [illegible]

Para 2

I think the Toddy shd be [illegible] as directed—

Para 3 I do not think the increase of liquor shops for imported liquor desirable in the interest of the State or of the people—

The Tahsildars ~~fraud~~ would have been facilitated rather than checked by a larger number of Europe liquor shops—

Para 6 & 8

I think the division ~~into~~ of some large districts would

work for good but would leave
the Board to exercise their
judgment thereon—

~~Wynaad [illegible] toddy answer~~
~~[illegible]~~
Wynaad question I would leave
to Board as I would also
~~the~~ other questions

9/2

Memo for orders

Proceedings of Board of Revenue d/ 31 Jan 1878 No 258.

22 Jan/78 No 113

These Proceedings relate to the recent G.O. on the subject of the new Abkaree leases & to further papers on same matter from Districts.

Para 2 The Board raise some objections to the universal adoption of the Taluqwar system of Toddy-rents but accept the order

Para 3 They are in favour of a large increase in "European liquor Shops".

Paras 6–8 They deprecate sub-division of arrack District

Of course opinions may differ on the conjectural positions urged by the Board, but the fact is that Taluqwar rents [illegible] a far wider field of competition & secure independent renters, that the greatest success followed the change from District to taluq farms — the former having been the rule till within some six years, & that it prevents collusion between the distiller & toddy renter — one or two may be bought over as mere partners, not a dozen Taluq renters.

Para 3. No objection

Para 7 half of Cuddapah is not as [illegible] = [illegible] [illegible] contract area — the Govt does not suppose that [illegible] contracts, including Cuddapah specially named by Govt. "There is no District "which can conveniently be divided". They ~~[illegible]~~ think the whole of the Wynaad shd. go under Excise with the Hills in one contract, and ask for definite orders (para 12)

Para 9 On the suggestion to let large towns separately they adhere to their proposal of "in-charges" (as suggested for the monopoly.) "It is practically a separate

The Board set up small contractors & they knock them down — The main reason for small consumption in the Sub Division is that it is not worked fairly — The Morrisons (the Arcot) Co. wd. for half the farm & work it well — The experiment sh. be tried — By all means give Board ,, Salem & western Divn

The McPherrins are working farm & Distilleries at Mettapalayam & there is no toddy. ~~The~~ Wynaad has its own Distilleries & has toddy & is throughout more easily worked from Malabar. I wd make no change in the order & am assured of better results from the one than from the other (P.12)

I am myself in favour of the Bd's system of Parchasa & Govt. system even beyond the revised proposals of the Board — but I see that Mr. Huddleston deprecates — I am satisfied to leave it in his hands.

Trichinopoly is one of the cases of neglect of contractors, that I have in my eye — Parry & Co are the out Distillers & contr. Trichy as an outlying Division — They work the Town well; it works easily & pays well with a compact population of 210,000 but it is simply futile to suppose that the Distt. (full of Kallers & land [illegible]) is efficiently worked with 30000 pollams a year — Practically constituting part of the South Arcot farm, beyond its plunn, it is simply neglected — In the order on this paper Govt. drew the attention of the Board to this feature but of course the Renter system of large Districts gives great advantages to the first in the field & doubtless Parry & Co will be "ill" to get out of Trichy.

206/23

Govt. sanction proposals for Vellore & Shevrol

This is a matter of opinion & I do not accept the Board's — The fact of ~~effect~~ of outlying Taluqs & Contractors is admitted; & illicit consumption follows. The Board have to supplement the one & check the other — & simply declare it impracticable — it is difficult no doubt but they suggest no means — Higher prices will encourage Contractors to supply & check illicit action — licit consumption is now abnormally low — I see no insuperable difficulty in passing certain liquor from the distillery for a distant Taluq under Rahwanah & sanctioning the lesser duty on its being returned certified of a competent officer at a central Depot i. that Taluq. At all events the ~~they~~ admitted evil has to be met, or are in a stage of enquiry & hesitation in the matter & Govt. require the Board, if they have no better system remedy to offer, to make some experiments & not deal with our suggestion with the simple "impracticable" for which there is no sound ground.

VS

rent." and they anticipate the approval of Govt. to trying the system, also, in the towns of (1) Madura

(2) Tinnevelly and Palamcottah

(3) Vellore &

(4) Salem

Para 10 The proposal of Govt. about dealing with outlying or neglected Taluqs is in the Board's opinion impracticable.

Para 12 The legal difficulty there mentioned may perhaps be dealt with by the Board in the Draft Bill wh. they have been asked to prepare

There appears

442

to be nothing else calling for remark unless it be the observation in para 12 (under Malabar) about sales of 20 U.P. liquor.

Memo on B^ds Proceedings submitting remarks on G.O. regarding Abkarry Leases

I don't quite understand the closing part of P12 — Surely upset prices sh^d be the am^t realized last year — I sh^d not be prepared to let any District under that figure. I w^d rather hold on under Amani for a few months — prepared to let when fair bids are made — than sacrifice revenue & lower a standard already reached. Men like Minchin with a monopoly blackballed [illegible] that it will be difficult to shake, are sure to take advantage.

The District details in Para 12 & end sh^d be left to the Board — including P12 Malabar —

5/2

I w^d not press on the B^d. any of our suggestions w^h they have not actually adopted. I w^d authorise

C. 7. Feb /78 R 8/2/78

[illegible] to act on their judgment as regards the others. E.g. [illegible] District, Wynaad [illegible] Nilgiri [illegible].

The whole thing is an experiment at this stage & the B^d are entitled to try in details the method of their most intimate knowledge of the working dictates as best for all interests.

I have always been inclined to let them try a few Dist^t farms, but they are [illegible] unanimously that Gov^t should be the general rule but I maintain my opinion that Taluk farms are the best.

7.2.78

Depot inability & [illegible] my experience & judgment [illegible]

Rev^e Department 206/24

No 206

Proceedings of the Madras Government

Under date the 12^th February 1878.

Read the following Proceedings of the Board of Revenue dated 31^st January 1878, No. 258, submitting remarks with reference to G.O. regarding the readjustment of the terms of the Abkari leases.

1 His Grace the Governor in Council has considered the further observations which in their Proceedings recorded above the Board of Revenue have offered on the subject of the new Abkari leases.

2 He remains of opinion

Seen 11/2

11.2

opinion that the toddy should be rented Taluqwar as already settled. The greatest success has followed the change so far and there is no reasonable doubt that the continuance of the system will lessen the probability of collusion.

3 The Board will exercise their discretion in increasing the number of "Europe liquor shops." (paragraph 3)

4 The Govt. while believing that the division of some large Districts would be desirable, will not, in the face of the Board's decided opinion, insist on any immediate

immediate change in this direction. As to Cuddapah and the Wynaad the Board will act upon their own judgment. The proposal ~~about~~ regarding the Adoni and Alur Talugs is approved.

5. On the suggestion to let large towns separately the Board adhere to their proposal of 'surcharges' and would extend the system to certain specified towns other than Trichinopoly. The Govt. will not press their view of the case and will leave the Board free to carry out the arrangements proposed in paragraph 4 of the Proceedings under review.

His

6. His Grace in Council does not entirely follow the Board's argument in paragraph 10. He resolves however to let the matter lie over for the present.

7. The legal difficulty adverted to in paragraph 12 can be considered by the Board in connection with the Bill now under preparation with reference to the marginally noted order. - Pro. of Govt. 23 Feby/78 No. 167

8. The District details in paragraph 13 call for no remarks on the part of Govt.

Issd Copy to the Board of Rev. Dec 12
14 Forwarded Copies Dec 15

G. O.

Regarding the readjustment of the tenures of the Abkari leases.

Emergent

[illegible]

[illegible]

104 104

Desp the to-day