

Revenue (1897) Department.

PRESS SERIES.

G.O., No. 552.

Dated 10th July 1897.

[Despatch Abstract.]

Alkari Revenue.

Approving, subject to certain remarks,
Board's proposals for the management
of the — in the Malabar district during
the year 1897-98.

100

[illegible]

1897.

(Separate Revenue),

MADRAS.



Current No.

Printed June 16th.

-Rec'd 19th June 1897

Proceedings, No. 209, 28th May 1897.

MAY

Submitting to Government proposals for the management of the abkâri revenue in the Malabar district during the year 1897-98.

PROCEEDINGS OF THE BOARD OF REVENUE
(SEPARATE REVENUE).

READ—the following letter from H. O. D. HARRING, Esq., I.C.S., Acting Collector of Malabar, to the Secretary to the Commissioner of Salt, Abkari and Separate Revenue, dated Calicut, 30th April 1897, No. 802-Rev.:—

I have the honour to submit my proposals for the better working of the next abkari lease beginning in October next.

2. My Divisional officers and Tahsildars, the Assistant Commissioner and all the Abkari Inspectors in the district with one exception are opposed to raising the rates of tree-tax. I fully agree with them. Toddy is the stimulant of the poor and the majority of them do not drink it to excess. It is to them what beer is to the English working man. Moreover, the season has been a bad one and prices are high. Any attempt therefore to increase the price of toddy will produce an increase of illicit tapping and possibly another strike.

3. I would recommend that the date of payment of kists of both arrack and toddy shops should be altered to the 10th of the month instead of the 15th as at present. Steps might then be taken in the month to realise the arrears for the month.

4. If this proposal is approved, I would recommend that notices of resale should be allowed to issue immediately on occurrence of the default. At present they cannot issue before the 25th of the month in the case of arrack shops although the default has occurred on the 15th.

5. The arrack-renter of Cochin is now allowed to import his liquor only from Native Cochin, and the renter of the outlying pattoms only from Travancore. There is no necessity for this restriction. Each might be allowed to get his arrack either from Native Cochin or Travancore. I would therefore recommend that condition 5 of their license should be altered accordingly.

6. Condition 3 of the independent toddy shop license should be modified so as to make it clear that Government is not bound to grant permits to shopkeepers to transport toddy from other shops. A toddy shopkeeper in the Ernád taluk recently claimed compensation because the Abkari Inspector and the Special Assistant Collector had refused, assigning their reasons, to give him transport permits.

7. I now come to the arrack supply system which prevails throughout Malabar except in Wynaad and Cochin taluks and the Attapadi valley. I do not think it would be at all desirable to charge the contractor tree-tax for the trees tapped by him as suggested by the Assistant Commissioner. This would result in a corresponding increase in the price of arrack, and I have already brought to the notice of the Board in my letter, dated 28th March 1897, No. 613-Rev., that the arrack now sold is considered to be very dear at the price.

8. I have also brought to the notice of the Board in the same letter that the arrack now supplied is objected to by the public because of the metallic taste which it acquires by distillation in a copper still, the Malayali having been accustomed from time immemorial to arrack made in earthenware stills. If it is absolutely necessary to use copper stills, I would suggest that they should be enamelled.

9. I am sure that abkari crime could be very greatly reduced in Malabar if we would pay more attention to the wishes of our customers. If we are to compete successfully with the illicit still, we must not supply worse liquor—or what the people consider to be worse—than the illicit distiller. We are now offering to the

public liquor of which they do not approve. We can therefore only keep down illicit distillation by filling our prisons with people who do not belong to the criminal classes. It is obviously undesirable to imprison such people wholesale. Moreover, when the cost of their keep in jail as well as of the additional preventive establishment which the present system renders necessary are set off against the nominal increase in revenue, we shall probably find that we are not much to the good. Of the discontent which we are causing, there can be no question.

10. As to whether we could reduce the share of the still-head charge which now goes to the contractor, I understand that Mr. Woolley, a Wynaad planter, is desirous of taking up the contract, but I doubt whether he would agree to accept it at reduced rates. If not, the present contractor can hardly be expected to do so.

11. The Assistant Commissioner estimates that the present contractor's profits cannot fall short of Rs. 30,000 per annum. If it is thought that they are too high, they can be reduced by insisting on greater efficiency. For instance, I am told that much of the existing plant is old and should be replaced. I have also recommended that the stills should be enamelled. The contractor might also be made to restrict the area of his tapping operations. He now is believed to go too far afield, thus affording scope for illicit distillation and increasing the price he has to pay for his liquor by the cost of carriage.

12. I am not in a position to say whether it would be desirable to transfer the contract from M.R.Ry. T. Ratnasami Nadar to Mr. Woolley until I know whether Mr. Woolley is ready to offer more advantageous terms. It is, however, only fair to Ratnasami Nadar to say that he has never given any cause for complaint of failure of supply, and that Mr. Bradley eulogised his conduct during the toddy-drawers' strike in North Malabar (*vide* this office letter, dated 20th February 1894, No. 224-Rev. Genl.).

13. In conclusion, I regret the delay in the submission of this report. The Assistant Commissioner's final report was received only on the 13th instant. As I had only just taken charge of the district, I sent the papers to Mr. Dance at Ootacamund, by whom the present report is drafted. I am forwarding it as received from him, and should point out that he has not seen Board's Proceedings, Mis. No. 1583, dated 16th April 1897, in which the Board does not agree with the views herein set forth. I have not enough experience of the district to form an opinion of my own.

READ—petition from T. RATNASAMI NADAR, arrack supply contractor of Malabar, dated Madras, 8th May 1897.

ABSTRACT.—Praying for an extension of the arrack supply contract of Malabar for three years commencing from 1st October 1897.

RESOLUTION—No. 209, dated 28th May 1897.

In the letter read above, the Collector of Malabar submits his proposals for the management of the abkari revenue of the district during the year 1897-98.

2. Dealing with the arrack revenue first, the Collector does not advocate any considerable change in the present system, but makes a number of minor suggestions with a view to the supply of an article which will be more popular with consumers and so reduce the temptation to illicit distillation. As regards toddy he considers that any enhancement in tree-tax is inexpedient owing to the present state of the season.

3. The Board feels considerable difficulty in formulating proposals for this district for the coming lease. There is no doubt that the administration of this branch of the revenue in Malabar is very unsatisfactory at present. The incidence of taxation per head of population is the lowest in Madras while the number of prosecutions which have to be instituted for breaches of the abkari laws is exceedingly high. As a

natural consequence the money spent on rewards is out of all proportion to the revenue, the percentage being by far the highest in the Presidency. Taking both toddy and arrack revenue together, the figures relating to offences and rewards for the last four years have been as shown in the subjoined statement:—

Prosecutions during the calendar year.				Rewards paid during the official year.				Percentage of rewards to revenue.			
1893.	1894.	1895.	1896.	1893-94.	1894-95.	1895-96.	1896-97.	1893-94.	1894-95.	1895-96.	1896-97.
8,340	7,544	5,598	5,868	RS. 50,513	RS. 31,795	RS. 25,372	RS. 20,690	11.8	6.4	4.5	3.8

The number of cases of illicit distillation and kindred offences for the last four years is shown in the margin. During

	Illicit distillation cases.	Kindred offences.	Total.
1893	617	216	833
1894	445	157	603
1895	251	123	374
1896	203	157	360

the last three years of the series 154, 93 and 111 persons were punished by imprisonment for illicit distillation respectively. These figures speak for themselves. The Board cannot avoid suspecting that a system which entails prosecutions on such a wholesale scale cannot be well adapted to the locality and population and that it should be possible to devise one which

would produce a larger revenue by less oppressive means and at the same time enhance taxation. It is however satisfactory to observe that both prosecutions and rewards show a steady tendency to decrease, and the Board is inclined to hope that the fault may prove to rest more in the habits and conditions of life of the population than it now supposes and that these will in time accommodate themselves to the system of abkari management which has proved so successful elsewhere. It however feels that great caution must be exercised and that the introduction of any extensive alterations in the present system is to be avoided until the number of prosecutions has reached a reasonable limit, unless there are very strong grounds for believing that the changes proposed would cause a sensible diminution in crime.

4. The Collector is inclined to attribute the present unsatisfactory state of affairs to the unpopularity of the spirit supplied by the contractor, which is universally considered to have a taste of copper owing to its being made in copper stills. The Board has no hesitation in saying that this is pure imagination on the part of the consumer. The spirits are not what he has been accustomed to. Probably they are considerably purer than what the old earthen still used to produce and he does not get as strong a flavour as he would like. There is no more reason why the Malabar spirits should taste of copper than English whiskey or gin, which are invariably made in copper stills, and the volatilization of any copper salt at the temperature of a still is, the Board believes, a chemical impossibility. When Excise spirits were first introduced into Vizagapatam from the Aska Distillery there was a similar outcry, but there the fault alleged was that its consumption produced rheumatism—a theory which was invariably adopted and implicitly believed in for a considerable time. Although the complaints regarding the copper taste do not appear to the Board to have the shadow of a foundation in fact there is no use in ignoring their existence or that illicit distillation and connected offences are startlingly prevalent and may be partly attributable to the unpopularity of the excised spirits. That the spirits now supplied are making their way with the public taste is however clear from the following figures showing the issues of the past few years when due allowance is made for the high prices of the current season:

	PROOF GALLONS.
1893-94	...
1894-95	...
1895-96	...
1896-97	...
	31,197
	42,733
	46,181
	43,068

The progress is however slow, and the Board thinks that it is necessary to proceed with extreme caution in introducing improvements in the arrack supply or raising the rates of duty until the outcry has subsided and the people have become accustomed to spirits manufactured after European methods.

5. It appears to be out of the question to contemplate the introduction of jaggery arrack within any reasonable time considering the violent antipathy which even toddy arrack made in modern stills has aroused and the district must consequently remain under the contract supply system for a series of years to come. The spirits consumed being toddy-arrack it follows that the supply must be obtained from local distilleries. It is here that the great difficulty in introducing any improvement lies. The four local distilleries all belong to the present contractor, Ratnasami Nadar, who has held the contract since 1891-92, and no one can compete with him for it in consequence. It would not be worth the while of another capitalist to erect new distilleries unless assured of the contract on favourable terms for a series of years, nor could he do so even then unless all arrangements were made with him a year before hand, as the work of erecting fresh distilleries would be impossible during the monsoon months which immediately precede the abkari year in Malabar. Condition 26 of the present license provides that Government may acquire the premises and plant used by the contractor at the termination of the present lease, either for itself or for any other contractor, at a fair valuation, but how this condition is to be put into practical effect sufficiently expeditiously to allow of another distiller taking up the work is not apparent. The Board considers that this fault should be set right at once, and to enable this to be done proposes that the lease be extended on existing terms for another year, this condition being at the same time amended so as to allow of Government taking immediate possession at the end of the term if it thinks fit to do so. Ratnasami Nadar has, on the whole, carried out his arrangements fairly well and the Board sees no objection to the extension of his present three years' lease for another year.

6. As regards the terms and conditions of the contract, the following suggestions have been made in addition to the one above referred to regarding the acquisition of the buildings and plant:—

- (1) To abolish the system of allowing trees to be marked for distilleries free of tree-tax.
- (2) To restrict the area from which the contractor is permitted to draw the toddy required for distillation.
- (3) To insist upon much of the existing plant, which is old, being renewed and on the stills being enamelled.

7. The first proposal is made by the Assistant Commissioner, Calicut Sub-Division, but is not approved of by the Collector who considers that it would result in an increase in the price of arrack which is already too high. This difficulty could, of course, be met by reducing the duty proportionately and raising the contractor's portion of the still-head charge if necessary. The Board is aware of the danger to the revenue resulting from the present system and considers that it should be amended as soon as possible, but in the absence of competition for the contract it would not advocate any change in the ensuing year. It must also be remembered that the supply of toddy for distillation from tax-paying trees is not altogether free from the objection that it enables consumers of toddy to get it free of taxation. In the one case Government loses tree-tax by untaxed toddy getting into consumption. In the other the loss falls primarily on the distiller but it is a mistake to suppose that he really bears it in the long run. It may safely be assumed that he takes it into account (at probably a good deal above its proper value) in settling his contract with Government. The change is consequently not of such importance as might appear at first sight and, possibly, if the idea suggested below proves practicable, may not be advisable at all.

8. The proposal to restrict the area of tapping operations is made by the Collector, but it is observed that under condition No. 3 of the license, the object in view can be secured by the local officers exercising proper discretion in the matter of selecting the localities from which supplies are to be drawn. The license does not, therefore, appear

to require amendment in this respect, but the attention of the local officers will be drawn to the matter especially with a view to reducing the number of toddy depôts which are, more or less, a source of danger to the revenue. In this connection, the Board is about to try some experiments with the aid of the Abkâri Deputy Commissioner, regarding the possibility of increasing the strength of toddy wash by the addition of jaggery during the course of fermentation, without at the same time affecting materially the flavour of the resulting spirit. If these experiments prove successful it will, it is hoped, be possible not only to reduce the supply area but also the number of distilleries and so restrict the free tapping operations to a minimum. The experience gained during the ensuing year will enable the Board to make more definite suggestions on this point for 1898-99.

9. The third proposal emanates from the Collector, who is of opinion that the contractor's profits are possibly too high in addition to the arrack supplied by him not being liked by the consumers "because of the metallic taste which it acquires by distillation in a copper still, the Malayali having been accustomed from time immemorial to arrack made in earthenware stills." The question has been dealt with above. In any case, the manufacture of arrack in earthenware stills is out of the question as being incompatible with an Excise system and consequently with efficient administration. The proposal to enamel the stills is impracticable, but should this amendment of condition 26 of the license (with regard to the acquisition by Government of the distilleries and plant at the end of the year) be approved, the Board thinks that the contractor might reasonably be required to renew or replace some of his plant. It would be averse to doing this otherwise as it would give him grounds for asking for exceptional treatment when the terms of the following contract come to be discussed.

10. With a view to prevent the distiller from defeating the object of the orders requiring the establishment of four distilleries by neglecting to provide for adequate supplies at some of them where work cannot be done as cheaply as at others it appears necessary to amend the present license by prescribing minimum stocks to be maintained at each distillery. At present the contractor is responsible only for failure of and not for an inadequacy of supply. This amendment has the Board's approval.

11. The Deputy Commissioner has represented to the Board that in consequence of the increasing transactions in the Calicut excise depôt, the present system under which it is supervised by the Sub-Inspector in charge of the Calicut north fish-curing yard cannot be continued, unless the important work of the fish-curing yard is neglected. The Deputy Commissioner accordingly recommends that a Sub-Inspector be appointed to the sole charge of the depôt, and that he may attend for a few hours a day to work in the fish-curing yard, for the charge of which a Petty officer is considered sufficient. These proposals are approved.

12. As regards the toddy revenue the Collector considers that owing to the prevalent scarcity and high prices, an enhancement of the rates of tree-tax will lead to an increase in illicit tapping and possibly another strike among the tappers. The Board agrees with the Collector and recommends that the present rates may be continued for another year.

13. The Collector recommends that the date of payment of kists of both arrack and toddy shops may be altered from the 15th to the 10th of the month and that resale notices in the case of arrack shops may be allowed to issue immediately on the occurrence of the default instead of after the 25th as at present. The recommendations do not meet with the approval of the Board. There is no reason to believe that the rules now in force impede the prompt collection of the revenue, and it is doubtful if any real advantage will be gained by the change proposed by the Collector.

14. With reference to paragraph 5 of the Collector's letter the Board does not consider that there is any objection to permitting the arrack renters of British Cochin and the outlying pattsoms to procure their supply of liquor either from Native Cochin or Travancore. The Collector will be requested to modify the conditions of their license accordingly.

15. The Collector's proposal in paragraph 6 of his letter that condition 3 of the independent toddy shopkeeper's license may be amended so as to make it clear that shopkeepers cannot claim as of right permits for the transport of toddy from other shops is approved.

(True Copy and Extract.)

(Signed) C. G. TODHUNTER,
Acting Secretary.

(True Copy.) *[Signature]*

Assistant Secretary.

To the Secretary to Government, Revenue Department.

" Collector of Malabar.

" Deputy Commissioner of Salt, Abkâri and Customs Department,
Southern Division.

" Assistant Commissioner of Salt, Abkâri and Customs
Department, Calicut Sub-Division.

brp: 11/17/57.

The Hon. Sir Henry Bliss K.C.J.S.

The todody-drawers strike is several times mentioned in these papers. I don't think I ever read an account of it. If there is ~~of~~ a brief account of it anywhere in record I should like to see it.

See notes on ~~the~~ A - C - There are
some points therein which seem to require changing
up. B.S. W.K.

Subject to the remarks below
the 1825 proposals may be sanctioned.

I am not, however, any more
satisfied with the W. B. Abhari
than the W. B. is - after advers have
issued on the current, therefore,
I think the matter might be brought
up again. I should like more info
on several points: -

1. When the Modified Land Revenue System was in force in Chirakkal & other Taluqs, what was the mode of system in force in the other Taluqs? Was it a simple farming system or what?

2. In the 84 we have retained the mode on a simple farming system, & have on the whole done very well. Has the question of treating Mal. exactly as the 84 has been treated ever been considered? Why should not the 84 system work well in Mal.? Of course

For orders:-

With the foregoing Prop^o the Board of Revenue submit proposals for the management of the abkari revenue in the Malabar district during the year 1897-98. The systems in force in the several tracts are shown in Statement A appended. It will be seen therefrom that as regards Arrack the whole district excluding Cochin and Wynad taluks and the Attapadi valley of the Malabar taluk is under the contract distillery supply ~~and~~ system, the shops being sold separately throughout. The system was introduced from 1st Oct 1891 and the contract of supply was given to Retnasamy Nadar on the following conditions:—

(11) that he shall maintain four distilleries in localities to be selected by the Board;

(ii) that he shall obtain the tonnage required for distillation from trees marked free of tax; and

(iii) that he shall supply ^{to} spirit

to licensed vendors at Rs 2-4-00 per gallon of 30° N.P. of which Rs 1-2-00 is to be paid to govt. as excise duty.

On the expiry of the contract on the 30th Sep^r 1894 the lease was renewed for a further period of three years subject to the following additional conditions.

(iv) that to facilitate the supply of spirits to shops he shall open such depots as the collector may require not exceeding three for each taluk;

(v) that at the end of the period of the contract the govt. shall be at liberty to acquire the renter's premises at a fair valuation;

(vi) that at the end of every year the govt. shall be at liberty to decrease the still head charge notice being given not later than four months previous to the commencement of the year; and

(vii) that it shall be competent to the contractor to determine the contract ~~on receipt of such notice~~ ^{on receipt of such notice} with effect from the end of the year ^{intimation} ~~then current~~ ^{being given within} one month of the receipt thereof.

3. The questions for consideration are:-

As I pointed out long ago (V. G.O. $\frac{561}{18.7.90}$) there is no special merit in the Swiss system itself - It is merely a means to an end, and if we can't work it in Madras, I should not hesitate to abandon it there & to try the system in force in Amoy, unless there is some reason against doing so which I cannot see.

3. I should like more information in the moral tract & the past history of the trade at Kari. I forget when we first altered the trade system. So far as I remember, it was just the ordinary renting system (arrack steadily combined) when the new departure was made in 1884. I should like the attractions since then & be succinctly stated & to be illustrated by a table in the form of p. 120 of the last Admin. Report, columns 1 (for Taluks) and 5 to 15. The Taluks need not be shown separately but in blocks according to the system they were under. Thus, for the period of the trade: Swiss system, there will be 2 groups of Taluks, Swiss & non-Swiss, showing and for periods such as that now ending, years at Taluks, or be shown in col. 1, so that some comparison might be brought into view. The Wynad, the Attipatti valley & Cochin had been excluded from these statistics.

There is of course no hurry about this. It is too late now to propose any radical changes for 1897-98 (this year) & there is plenty of time between now & Oct 1898.

RS
87/97

(2)

3

(a) Whether the private distilling supply system should be introduced; or,
(b) Whether, if the Contract distilling supply system is to be continued the privilege of supply should be given to any other contractor; or
(c) Whether, if the privilege of supply is to be given to the present contractor the conditions on which he now holds the contract should be modified or added to.

3. In paras 3 to 5 of the current the Board of Revenue points to the difficulty of introducing any change in this district. The large number of prosecutions in the district coupled with the large amount of remands have to show, in the opinion of the Board, that the system of arrack management is not well adapted to the locality; but in view of the steady decrease both in prosecutions and remands during recent years the Board hopes that the fault is not with the system but with the habits and conditions of life of the population. The Board is of opinion that no extensive changes should be made unless there is strong reason.

	Prosecutions	Remands	P.C. of remands to prosecutions
1893	8,340	50,513	11.8
1894	7,544	31,795	6.4
1895	5,897	25,372	4.6
1896	5,868	20,680	3.8

reason to suppose that the change will be attended with a sensible diminution in crime. The Board does not agree with the collector in considering that the present unsatisfactory state of affairs is due to the unpopularity of the spirit supplied ~~by~~ by the Contractor but considers that as the consumer has not been accustomed to this liquor he ^{undervalues} ~~considers~~ it to be bad. The figures of consumption shown as pointed out by the Board that the spirit is making way with the people though slowly. In view of the violent antipathy that is shown ^{turned out by modern stills} even to toddy ^{it is, as pointed} out by the Board, out of the question to introduce jaggery ^{crack} into the district. As the supply of toddy spirits must be obtained from local distilleries and as the four distilleries now in the district belong to the present contractor it would not be worth the while of another contractor to undertake the supply unless he is assured of very favorable terms. As the present contractor

Proof gallons	
1891-92	22,808
1892-93	38,125 ^{was this the time of the toddy growers strike? H.S.}
1893-94	31,197 ^{320.}
1894-95	42,733
1895-96	46,181
1896-97	43,068

The contractor applies for the contract for 3 years. From 1st Oct. 97. The U. before another year would be fair to see how ~~the~~ they can put him out.

11/7/97-

Do harm if the Contractor does not quit H.S.

I suppose the acct. below is the answer to the question asked on p. 1? Were there the only reasons the words "modified form" were used? H.S.

contractor has carried out his engagements satisfactorily the Board recommends that his contract may be renewed for the ensuing year, subject to modification of condition (v), referred to in para 2 above. It will be seen that this condition enables Govt. to require the renter premises at a fair valuation at the end of the contract. But the Board points out that it does not enable Govt. to acquire the premises sufficiently expeditiously so as to allow of another distiller taking up the work. The Board accordingly proposes to modify the condition so as allow of Govt. taking immediate possession at the end of the term if it thinks fit to do so. Submitted that this may be approved.

4. The following suggestions have not been approved of by the Board

(a) to abolish the system of allowing trees to be marked for distillation free of tree tax.

on this subject it will be remembered that before the introduction of the Contract Distilling supply system throughout the district a modified form

use

6
the
the supply system was in force in four
of the tickets. The distiller was
allowed to draw toddy only from
trees which had paid the tree tax and
for he was allowed a drawback on
of the still head into equivalent to
of the estimated tree tax on the toddy
required for the manufacture of
the each gallon of spirit. It was
pointed out that this measure threw
it great temptation in the way of
the distiller ~~in the way of~~
on so-called sweet toddy or illicitly
is drawn fermented toddy for distillation.
The Hon. Sir Henry (then Mr) Bliss
pointed out that it would be
preferable to make special tax free
on trees for the supply of toddy to the
distillers. He considered that to carry
out this plan it would be necessary
to demarcate certain tracts of
country in the neighbourhood of
the distilleries within which no
sale of fermented toddy would be
allowed and for the transport of
toddy from which, except only to
the distilleries, permits would not
be granted. On this the Govt.
pointed out that if compact blocks
could

Flagged A

do

7
could be found which could be set
apart for distilling use and effectually
prevented so as to prevent fraud there
would be no necessity to tax the trees
marked for distilleries but as there
was difficulty of finding such
suitable blocks ~~the~~ only course
available ^{was} to continue the then
existing system. The Govt. was
of opinion that it was by no
means certain that the danger of
loss of revenue from toddy being
taken from untaxed distilling trees
to toddy shops instead of to the
distilleries will be less than that of
the produce of untaxed trees being
ostensibly for jaggery toddy being
brought into the distilleries.

Flagged C

In 1891 when the Board proposed
the extension of the contract distilling
supply system throughout the district
it again pressed the point on the
attention of Govt. The Board was
decidedly of opinion that the danger
of the produce of unmarked trees
being used, under the ~~present~~ ^{then current} system,
for distillation was on the whole
greater than that of the produce
of trees marked free for distilleries
use

use finding its way into general consumption the Board states "to prevent the farmer every tree in the neighbourhood must practically be under observation. To prevent the latter, only a known number of trees must be watched and their produce accounted for". It was of opinion that the plan of selecting and demarcating an area within which and which alone the distiller should mark trees would be unworkable as the effect of such a measure would be to create a corner in toddy and that it would be sufficient if the distiller was allowed to mark trees within a certain radius from the distillery, say 6 miles. The Govt. though it was not sanguine of the success of the scheme considered that it might be given a trial especially in view of the disadvantages of the then existing system.

flagged D.

In its Prop. No 285 of 30.1.91 the Board on reconsideration states that it would not confine the distiller to any definite area but would allow him to mark trees in any approved locality and

flagged E.

I sincerely suppose that there is a clerical error & that it should be "non-tax-paying" instead of "tax-paying".
BS

the Govt. approved of the proposal.

The Board now states that it is aware of the danger to the revenue under the present system but that it would not introduce any change in the existing system owing to absence of competition for the contract. The Board points out that "the supply of toddy for distillation from tax-paying trees is not altogether free from the objection that it enables consumers of toddy to get it free of taxation". This remark, it is submitted, is not understood for the toddy pays the trees tax and if manufactured into spirit it pays an additional excise duty.

(b) The Board has also negatived the proposal to restrict the area from which the contractor is permitted to draw toddy required for distillation.

It will be seen from the remarks made above that this proposal was abandoned in 1891 as the Board was of opinion that such a measure would create a corner in trees. The Board now points out that the object in mind can be

I doubt if this will work in
Ma. or anywhere -
Brs

The H^o points out that "if the modification ^(vide end of para 3 supra) suggests by it in regard to the acquisition of the distillers and plant at the end of the year is approved the distiller might reasonably be required to renew or replace some of his plant."

5. The Board proposes to insert a condition requiring the distiller

I don't see why - If Govt takes over,
it will do so at a valuation, the
amt. paid will of course depend
on the state of the plant. If the man's
plant is inefficient, the A. may require
him to restore it to proper order,
but I don't see on what other ground any
pressure can be brought upon him in
connection with his plants.

It however be observed that the series of
salt at this yard have been as follows: —

1873-94 — 4.888

1974-95 — 4664

1875-96 — 4174

The scale laid down by Rufus H. Silliman Bliss in 1884 was that, in regard to

W. Coal yards in which the mines were
more than 300 yds., there should be

(sub hope)

11th - Ladysman

122nd " pros.

For orders as to whether ^{separate} ~~new~~ sub-drafts should not be appointed for the charge

q^{tes} Excise dépôt.

He will no doubt find plenty of work in ship inspection & so on.

to maintain certain minimum stock at each distillery and to appoint a sub-inspector to the sole charge of the Calicut Excise depot may be approved. The Calicut Excise depot is now being superseded by the Sub-inspector in charge of the Calicut North Fishery Yard and the Board considers that for the latter a Deputy Officer is sufficient and that the Sub-inspector at the depot might be required to attend a few hours at the yard. It may be noted in this connection attention is invited to the petition in G. No. 608, in which some of the toddy drawing classes of North Malabar request that the notification regarding the regulation of the drawing of sunset toddy might be cancelled. Attention is invited to G. O. No. 707 of 11.7.92 in paras 2 and 3 of the Board's response in which is given a summary of the correspondence on the subject. It will be seen that the question was decided upon after a long course of correspondence. No fees are charged for the tapping of trees for sunset toddy as is presumably urged by the petitioners.

in para 13 of their petition. The measure has so far been attended with success and should it is submitted he continued. Submitted that the petitioners may be given para 2 of the petition rules.

As regards Toddy the Board does not propose to enhance the rates of the tax which is as noted on the margin in view of the prevalent scarcity and high prices. The Board considers that any enhancement of the rates will lead to an increase in illicit tapping and possibly to another strike among the tappers. The Board has approved of the following proposals.

(1) To permit the arrack renters of British Cochin and the outlying pottoms to procure their supply of liquor either from Native Cochin or Travancore. Under the present licence he can only obtain from Native Cochin.

(2) To amend the independent toddy shop keeper's licence so as to make it clear that he cannot claim, as of right, permits for the

Note. They have to stamp their applications into one - anna Ct fee stamp. This has now been omitted by the Govt of India in the representation of this Govt.

Cocumato palms	Rs. A. P.	} for each half-year
Sago "	1.8.0	
	3.0.0	
Palmyra or date palms	1.0.0	for the whole year.

the transport of toddy from other shops.

Submitted that these modifications are in the right direction. The Board has disallowed the Collector's proposal to alter the date of payment of kists of both arrack and toddy shops from the 15th to the 10th of each month. The Board points out that there is no reason to suppose that the present rule impedes the prompt collection of revenue and that it is doubtful if any real advantage will be derived by the change proposed. Submitted that the Board is right.

Statements B.C & D are submitted.

B. shows the number of arrack shops and the amount realised during the last two sales.

C. gives similar information in regard to toddy.

D. shows the consumption in the several taluqs of the contract distilling supply tanks during the past two years.

system of akkam management in the Malabar district

Talukis &c

Country spirits

Toddy

Chirakkal ⊕

Kottayam ⊕

Cadicut ⊕

Palghat ⊕

Kurumbur

Ernad

Pottam

Walamangudi ex Attapadi valley

Cochin ex 17 outlying talukis & Angamaly & Tanjore ^{super}

Mynad

Attapadi valley

outlying talukis of Cochin { 11

Angamaly and Tanjore ^{super}

contract
distiller supply
system with
separate
sale of
shops.

Treets
system with
separate sale
of shops

Renting system

Private distilling supply
system while the
land as a single area.
Renting system

Combined amarak and toddy renting system

No akkam revenue is at present raised

leased to the Travancore Government

No toddy revenue is raised
do.

⊕ The system formerly in force in these talukis is frequently referred to in the papers as the modified British system. Why?
H

Counting Spirits B

Statement showing the number of shops & the amount realized by sale

	1895-96		1896-97	
	No. of shops	Amount realized	No. of shops	Amount realized
Cahinet	100	16,500	105 ✓	16,578
Palghat	72	6,612	68 ✓	7,116
Ponnani	111	2,966	91 ✓	2,876
Chirakkal	50	4,378	58 ✓	4,196
Kottayam	12	1,219	12 ✓	1,116
Kunnambram	135	2,836	106 ✓	2,758
Ernad	87	5,565	73 ✓	5,022
Walamangudi	82	3,396	74 ✓	2,886
Total	649	43,472	587 ✓	42,548

+ The above Report for 95-96, p. 120 gives 49,997, but that includes bynaad, attapadi talley, Cadin etc.

Toddy

C

	1895-96		1896-97	
	No of shops	Amount realized	No of shops	Amount realized
Calicut	180	36,699	181	35,511
Belghat	162	18,432	164	18,666
Bonani	164	15,128	168	15,006
Chirakkal	229	70,788	229	65,733
Kottayam	140	36,276	140	31,086
Kumarakudi	200	16,389	178	14,361
Ernad	147	14,319	146	13,411
Walamangudi	106	18,810	106	15,822
Cochin	19	9,798	19	8,076
Total	1,347	2,36,639	1,331	2,17,172
Free tax		16,928		

X Admin. Re. ^{pg 95-96} 21635.2 on p. 120. & 223610 on p. 103
as the amt of ship rentals -

Consumption in proof gallons D.
in contract distilleries
supply kanchi

	<u>1894-95</u>	<u>1895-96</u>
Calicut	18,620	21,747✓
Palghat	3,764	3,397✓
Ponnani	3,510	3,978✓
Chirakkal	3,247	4,247✓
Kottayam	1,280	1,318✓
Kumarakudi	5,115	5,247✓
Erarakudi	3,936	3,506✓
Malasseri	3,261	2,748✓
	42,733	46,187✓

Sep. Rev. no 60.

C. No 5156

S.O. No 552 of 10th July 1897.

The Board's proposals are approved subject to the following remarks:

(i) In para 9 of the Propo the Board states that, if Govt approves of its proposal to modify condition 26 of the license, the Contractor might reasonably be required to renew or replace some of his plant. This remark is not understood. Even under the existing condition if Govt takes over the plant it will be at a valuation the amount of which will depend on the state of the plant. The Board may of course require the Contractor to rectify it to proper order if the plant is inefficient but it is not clear on what other ground the Contractor can be forced to do it.

(ii) With reference to para 11 of the B.P. it is observed that the operations in the North Calicut fisherman's yard have been over 3000 man-days; and according to the scale prescribed by the Commissioner in 1884 the yard must be supervised by

one Sub Inspector
one 1st grade peon and
two 2nd grade peons.

He goes on to consider that this scale
should be adhered to and that a
separate Sub Inspector should be
appointed to supervise the
Salient Service Dept. A Prop. State
should be submitted for the additional S.I.
required.

11/7/97

AR.
1077(97)
(From riders)

2

The B. & C. (Dep. Secy)
Des. 13-7-97

Note

A separate note will be submitted
to the H. M. with reference to
his other remarks.

Print
Revenue in M.S. Shaks

Despatch soon
send back in
orig. keeping a
copy for use of Secy.

10/7/97.

Government {1897} of Madras. REVENUE.

Recd.

Enclosures

1897.

Regd.

Spare copies

G.O., No. 552, 10th July 1897.

JULY.

Abkari Revenue.

Approving, subject to certain remarks, Board's proposals for the management of the — in
the Malabar district during the year 1897-98.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—the following Proceedings of the Board of Revenue (Separate Revenue), No. 209, dated 28th May 1897:—

Read—the following letter from H. O. D. HARDING, Esq., I.C.S., Acting Collector of Malabar, to the Secretary to the Commissioner of Salt, Abkari and Separate Revenue, dated Calicut, 30th April 1897, No. 802-Rev.:—

I have the honour to submit my proposals for the better working of the next abkari lease beginning in October next.

2. My Divisional officers and Tahsildars, the Assistant Commissioner and all the Abkari Inspectors in the district with one exception are opposed to raising the rates of tree-tax. I fully agree with them. Toddy is the stimulant of the poor and the majority of them do not drink it to excess. It is to them what beer is to the English working man. Moreover, the season has been a bad one and prices are high. Any attempt therefore to increase the price of toddy will produce an increase of illicit tapping and possibly another strike.

3. I would recommend that the date of payment of kists of both arrack and toddy shops should be altered to the 10th of the month instead of the 15th as at present. Steps might then be taken in the month to realise the arrears for the month.

4. If this proposal is approved, I would recommend that notices of resale should be allowed to issue immediately on occurrence of the default. At present they cannot issue before the 25th of the month in the case of arrack shops although the default has occurred on the 15th.

5. The arrack-renter of Cochin is now allowed to import his liquor only from Native Cochin, and the renter of the outlying pattoms only from Travancore. There is no necessity for this restriction. Each might be allowed to get his arrack either from Native Cochin or Travancore. I would therefore recommend that condition 5 of their license should be altered accordingly.

6. Condition 3 of the independent toddy shop license should be modified so as to make it clear that Government is not bound to grant permits to shopkeepers to transport toddy from other shops. A toddy shopkeeper in the Ernád taluk recently claimed compensation because the Abkari Inspector and the Special Assistant Collector had refused, assigning their reasons, to give him transport permits.

7. I now come to the arrack supply system which prevails throughout Malabar except in Wynaad and Cochin taluks and the Attapadi valley. I do not think it would be at all desirable to charge the contractor tree-tax for the trees tapped by him as suggested by the Assistant Commissioner. This would result in a corresponding increase in the price of arrack, and I have already brought to the notice of the Board in my letter, dated 28th March 1897, No. 613-Rev., that the arrack now sold is considered to be very dear at the price.

8. I have also brought to the notice of the Board in the same letter that the arrack now supplied is objected to by the public because of the metallic taste which it acquires by distillation in a copper still, the Malayali having been accustomed from time immemorial to arrack made in earthenware stills. If it is absolutely necessary to use copper stills, I would suggest that they should be enamelled.

9. I am sure that abkari crime could be very greatly reduced in Malabar if we would pay more attention to the wishes of our customers. If we are to compete successfully with the illicit still, we must not supply worse liquor—or what the people consider to be worse—than the illicit distiller. We are now offering to the

public liquor of which they do not approve. We can therefore only keep down illicit distillation by filling our prisons with people who do not belong to the criminal classes. It is obviously undesirable to imprison such people wholesale. Moreover, when the cost of their keep in jail as well as of the additional preventive establishment which the present system renders necessary are set off against the nominal increase in revenue, we shall probably find that we are not much to the good. Of the discontent which we are causing, there can be no question.

10. As to whether we could reduce the share of the still-head charge which now goes to the contractor, I understand that Mr. Woolley, a Wynaad planter, is desirous of taking up the contract, but I doubt whether he would agree to accept it at reduced rates. If not, the present contractor can hardly be expected to do so.

11. The Assistant Commissioner estimates that the present contractor's profits cannot fall short of Rs. 30,000 per annum. If it is thought that they are too high, they can be reduced by insisting on greater efficiency. For instance, I am told that much of the existing plant is old and should be replaced. I have also recommended that the stills should be enamelled. The contractor might also be made to restrict the area of his tapping operations. He now is believed to go too far afield, thus affording scope for illicit distillation and increasing the price he has to pay for his liquor by the cost of carriage.

12. I am not in a position to say whether it would be desirable to transfer the contract from M.R.Ry. T. Ratnasami Nadar to Mr. Woolley until I know whether Mr. Woolley is ready to offer more advantageous terms. It is, however, only fair to Ratnasami Nadar to say that he has never given any cause for complaint of failure of supply, and that Mr. Bradley eulogised his conduct during the toddy-drawers' strike in North Malabar (*vide* this office letter, dated 20th February 1894, No. 224-Rev. Genl.).

13. In conclusion, I regret the delay in the submission of this report. The Assistant Commissioner's final report was received only on the 13th instant. As I had only just taken charge of the district, I sent the papers to Mr. Dance at Ootacamund, by whom the present report is drafted. I am forwarding it as received from him, and should point out that he has not seen Board's Proceedings, Mis. No. 1583, dated 16th April 1897, in which the Board does not agree with the views herein set forth. I have not enough experience of the district to form an opinion of my own.

READ—petition from T. RATNASAMI NADAR, arrack supply contractor of Malabar, dated Madras, 8th May 1897.

ABSTRACT.—Praying for an extension of the arrack supply contract of Malabar for three years commencing from 1st October 1897.

Resolution—No. 209, dated 28th May 1897.

In the letter read above, the Collector of Malabar submits his proposals for the management of the abkari revenue of the district during the year 1897-98.

2. Dealing with the arrack revenue first, the Collector does not advocate any considerable change in the present system, but makes a number of minor suggestions with a view to the supply of an article which will be more popular with consumers and so reduce the temptation to illicit distillation. As regards toddy he considers that any enhancement in tree-tax is inexpedient owing to the present state of the season.

3. The Board feels considerable difficulty in formulating proposals for this district for the coming lease. There is no doubt that the administration of this branch of the revenue in Malabar is very unsatisfactory at present. The incidence of taxation per head of population is the lowest in Madras while the number of prosecutions which have to be instituted for breaches of the abkari laws is exceedingly high. As a

natural consequence the money spent on rewards is out of all proportion to the revenue, the percentage being by far the highest in the Presidency. Taking both toddy and arrack revenue together, the figures relating to offences and rewards for the last four years have been as shown in the subjoined statement:—

Prosecutions during the calendar year.				Rewards paid during the official year.				Percentage of rewards to revenue.			
1893.	1894.	1895.	1896.	1893-94.	1894-95.	1895-96.	1896-97.	1893-94.	1894-95.	1895-96.	1896-97.
8,340	7,544	5,898	5,868	RS. 50,513	RS. 31,795	RS. 25,372	RS. 20,680	11.8	6.4	4.5	3.8

The number of cases of illicit distillation and kindred offences for the last four

—	Illicit distillation cases.	Kindred offences.	Total.
1893	617	216	833
1894	446	157	603
1895	251	123	374
1896	203	157	360

years is shown in the margin. During the last three years of the series 154, 93 and 111 persons were punished by imprisonment for illicit distillation respectively. These figures speak for themselves. The Board cannot avoid suspecting that a system which entails prosecutions on such a wholesale scale cannot be well adapted to the locality and population and that it should be possible to devise one which

would produce a larger revenue by less oppressive means and at the same time enhance taxation. It is however satisfactory to observe that both prosecutions and rewards show a steady tendency to decrease, and the Board is inclined to hope that the fault may prove to rest more in the habits and conditions of life of the population than it now supposes and that these will in time accommodate themselves to the system of abkari management which has proved so successful elsewhere. It however feels that great caution must be exercised and that the introduction of any extensive alterations in the present system is to be avoided until the number of prosecutions has reached a reasonable limit, unless there are very strong grounds for believing that the changes proposed would cause a sensible diminution in crime.

4. The Collector is inclined to attribute the present unsatisfactory state of affairs to the unpopularity of the spirit supplied by the contractor, which is universally considered to have a taste of copper owing to its being made in copper stills. The Board has no hesitation in saying that this is pure imagination on the part of the consumer. The spirits are not what he has been accustomed to. Probably they are considerably purer than what the old earthen still used to produce and he does not get as strong a flavour as he would like. There is no more reason why the Malabar spirits should taste of copper than English whiskey or gin, which are invariably made in copper stills, and the volatilization of any copper salt at the temperature of a still is, the Board believes, a chemical impossibility. When Excise spirits were first introduced into Vizagapatam from the Aska Distillery there was a similar outcry, but there the fault alleged was that its consumption produced rheumatism—a theory which was invariably adopted and implicitly believed in for a considerable time. Although the complaints regarding the copper taste do not appear to the Board to have the shadow of a foundation in fact there is no use in ignoring their existence or that illicit distillation and connected offences are startlingly prevalent and may be partly attributable to the unpopularity of the excised spirits. That the spirits now supplied are making their way with the public taste is however clear from the following figures showing the issues of the past few years when due allowance is made for the high prices of the current season:

	PROOF GALLONS.
1893-94	...
1894-95	...
1895-96	...
1896-97	...
	31,197
	42,733
	46,181
	43,068

The progress is however slow, and the Board thinks that it is necessary to proceed with extreme caution in introducing improvements in the arrack supply or raising the rates of duty until the outcry has subsided and the people have become accustomed to spirits manufactured after European methods.

5. It appears to be out of the question to contemplate the introduction of jaggery arrack within any reasonable time considering the violent antipathy which even toddy arrack made in modern stills has aroused and the district must consequently remain under the contract supply system for a series of years to come. The spirits consumed being toddy-arrack it follows that the supply must be obtained from local distilleries. It is here that the great difficulty in introducing any improvement lies. The four local distilleries all belong to the present contractor, Ratnasami Nadar, who has held the contract since 1891-92, and no one can compete with him for it in consequence. It would not be worth the while of another capitalist to erect new distilleries unless assured of the contract on favourable terms for a series of years, nor could he do so even then unless all arrangements were made with him a year before hand, as the work of erecting fresh distilleries would be impossible during the monsoon months which immediately precede the abkari year in Malabar. Condition 26 of the present license provides that Government may acquire the premises and plant used by the contractor at the termination of the present lease, either for itself or for any other contractor, at a fair valuation, but how this condition is to be put into practical effect sufficiently expeditiously to allow of another distiller taking up the work is not apparent. The Board considers that this fault should be set right at once, and to enable this to be done proposes that the lease be extended on existing terms for another year, this condition being at the same time amended so as to allow of Government taking immediate possession at the end of the term if it thinks fit to do so. Ratnasami Nadar has, on the whole, carried out his arrangements fairly well and the Board sees no objection to the extension of his present three years' lease for another year.

6. As regards the terms and conditions of the contract, the following suggestions have been made in addition to the one above referred to regarding the acquisition of the buildings and plant:—

- (1) To abolish the system of allowing trees to be marked for distilleries free of tree-tax.
- (2) To restrict the area from which the contractor is permitted to draw the toddy required for distillation.
- (3) To insist upon much of the existing plant, which is old, being renewed and on the stills being enamelled.

7. The first proposal is made by the Assistant Commissioner, Calicut Sub-Division, but is not approved of by the Collector who considers that it would result in an increase in the price of arrack which is already too high. This difficulty could, of course, be met by reducing the duty proportionately and raising the contractor's portion of the still-head charge if necessary. The Board is aware of the danger to the revenue resulting from the present system and considers that it should be amended as soon as possible, but in the absence of competition for the contract it would not advocate any change in the ensuing year. It must also be remembered that the supply of toddy for distillation from tax-paying trees is not altogether free from the objection that it enables consumers of toddy to get it free of taxation. In the one case Government loses tree-tax by untaxed toddy getting into consumption. In the other the loss falls primarily on the distiller but it is a mistake to suppose that he really bears it in the long run. It may safely be assumed that he takes it into account (at probably a good deal above its proper value) in settling his contract with Government. The change is consequently not of such importance as might appear at first sight and, possibly, if the idea suggested below proves practicable, may not be advisable at all.

8. The proposal to restrict the area of tapping operations is made by the Collector, but it is observed that under condition No. 3 of the license, the object in view can be secured by the local officers exercising proper discretion in the matter of selecting the localities from which supplies are to be drawn. The license does not, therefore, appear

to require amendment in this respect, but the attention of the local officers will be drawn to the matter especially with a view to reducing the number of toddy depôts which are, more or less, a source of danger to the revenue. In this connection, the Board is about to try some experiments with the aid of the Abkâri Deputy Commissioner, regarding the possibility of increasing the strength of toddy wash by the addition of jaggery during the course of fermentation, without at the same time affecting materially the flavour of the resulting spirit. If these experiments prove successful it will, it is hoped, be possible not only to reduce the supply area but also the number of distilleries and so restrict the free tapping operations to a minimum. The experience gained during the ensuing year will enable the Board to make more definite suggestions on this point for 1898-99.

9. The third proposal emanates from the Collector, who is of opinion that the contractor's profits are possibly too high in addition to the arrack supplied by him not being liked by the consumers "because of the metallic taste which it acquires by distillation in a copper still, the Malayali having been accustomed from time immemorial to arrack made in earthenware stills." The question has been dealt with above. In any case, the manufacture of arrack in earthenware stills is out of the question as being incompatible with an Excise system and consequently with efficient administration. The proposal to enamel the stills is impracticable, but should this amendment of condition 26 of the license (with regard to the acquisition by Government of the contractor might reasonably be required to renew or replace some of his plant. It would be averse to doing this otherwise as it would give him grounds for asking for exceptional treatment when the terms of the following contract come to be discussed.

10. With a view to prevent the distiller from defeating the object of the orders requiring the establishment of four distilleries by neglecting to provide for adequate supplies at some of them where work cannot be done as cheaply as at others it appears necessary to amend the present license by prescribing minimum stocks to be maintained at each distillery. At present the contractor is responsible only for failure of and not for an inadequacy of supply. This amendment has the Board's approval.

11. The Deputy Commissioner has represented to the Board that in consequence of the increasing transactions in the Calicut excise depôt, the present system under which it is supervised by the Sub-Inspector in charge of the Calicut north fish-curing yard cannot be continued, unless the important work of the fish-curing yard be appointed to the sole charge of the depôt, and that he may attend for a few hours a day to work in the fish-curing yard, for the charge of which a Petty officer is considered sufficient. These proposals are approved.

12. As regards the toddy revenue the Collector considers that owing to the prevalent scarcity and high prices, an enhancement of the rates of tree-tax will lead to an increase in illicit tapping and possibly another strike among the tappers. The Board agrees with the Collector and recommends that the present rates may be continued for another year.

13. The Collector recommends that the date of payment of kists of both arrack and toddy shops may be altered from the 15th to the 10th of the month and that resale notices in the case of arrack shops may be allowed to issue immediately on the occurrence of the default instead of after the 25th as at present. The recommendations do not meet with the approval of the Board. There is no reason to believe that the rules now in force impede the prompt collection of the revenue, and it is doubtful if any real advantage will be gained by the change proposed by the Collector.

14. With reference to paragraph 5 of the Collector's letter the Board does not consider that there is any objection to permitting the arrack renters of British Cochin and the outlying pattoms to procure their supply of liquor either from Native Cochin or Travancore. The Collector will be requested to modify the conditions of their license accordingly.

15. The Collector's proposal in paragraph 6 of his letter that condition 3 of the independent toddy shopkeeper's license may be amended so as to make it clear that shopkeepers cannot claim as of right permits for the transport of toddy from other shops is approved.

(True Copy and Extract.)
(Signed)

C. G. TODHUNTER,
Acting Secretary.

To the Secretary to Government, Revenue Department.
" Collector of Malabar.

" Deputy Commissioner of Salt, Abkâri and Customs Department,
Southern Division.

" Assistant Commissioner of Salt, Abkâri and Customs
Department, Calicut Sub-Division.

ORDER—No. 552, Revenue, dated 10th July 1897.

Separate Revenue No. 60.

The Board's proposals are approved,
subject to the following remarks:—

(i) In paragraph 9 of the Proceedings the Board states that, if Government approves of its proposal to modify condition 26 of the license, the contractor might reasonably be required to renew or replace some of his plant. This remark is not understood. Even under the existing condition if Government takes over the plant it will be at a valuation, the amount of which will depend on the state of the plant. The Board may of course require the contractor to restore it to proper order if the plant is inefficient, but it is not clear on what other ground the contractor can be forced to do it.

(ii) With reference to paragraph 11 of the Board's Proceedings it is observed that the operations in the North Calicut fish-curing yard have been over 3,000 maunds; and according to the scale prescribed by the Commissioner in 1884 the yard must be supervised by—

one Sub-Inspector,
one first-grade peon, and
two second-grade peons.

The Government considers that this scale should be adhered to and that a separate Sub-Inspector should be appointed to supervise the Calicut excise depôt. A proposition statement should be submitted for the additional Sub-Inspector required.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Board of Revenue (Separate Revenue).

Exd. Shaik Karim.

40 Copies.