

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 1343

DATED 6th April 99.

[Despatch Abstract.]

Recording B. P. (Sof Res.) Commg: to all
Comrs & Deputy & Asst. Commrs. the Salt,
Akari & Customs Dept: Govt: order recommending
the Board's report on the Adm. of Akari &
Opium revenue during the year 1897-98; &
requesting the Comrs: of Salem, Coimbatore & Thiruvallur
to explain fully the & heavy increase in consumption
of arrack in their districts noticed by Govt.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

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REVENUE DEPARTMENT.

1899.

Board of Revenue

(Separate Revenue),

MADRAS.

No. 83
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Printed March 21st.

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Proceedings, No. 55, 13th March 1899.

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[Signature]

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28-3-99
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29-3-99



Communicating to all Collectors and Deputy and Assistant Commissioners of the Salt, Abkari and Customs Department Government Order reviewing the Board's report on the Administration of Abkari and Opium revenue during the year 1897-98; and requesting the Collectors of Salem, Coimbatore and Tinnevely to explain fully the steady increase in consumption of arrack in their districts noticed by Government.

PROCEEDINGS OF THE BOARD OF REVENUE
(SEPARATE REVENUE).

Read—the following G.O., Nos. 83, 83A, Revenue, dated 30th January 1899 :—
Read—the following Proceedings of the Board of Revenue (Separate Revenue),
No. 294, dated 28th September 1898 :—

Resolution—No. 294, dated 28th September 1898.

The Board begs to submit its report on the administration of the Abkari and
Opium revenue during the official year 1897-98.

(True Extract.)

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

To the Secretary to Government, Revenue Department.

Copy to Collectors.

- „ all Deputy Commissioners.
- „ all Assistant Commissioners.
- „ the Inspector, Madras Town Circle.
- „ the Accountant-General, Madras.

Order—No. 83, Revenue, dated 30th January 1899.

Separate Revenue No. 21.

With the Proceedings read above, the
Board of Revenue submits its report on the
administration of the excise revenue during
the year 1897-98.

2. COUNTRY SPIRITS—A. The Excise system.—The excise system was in force in the
same tracts as in the preceding year, i.e., throughout the Presidency except the
Gódvári district, parts of Kistna, South Canara and Malabar and the greater portion of
the Agency hill tracts of Ganjam and Vizagapatam.

3. Manufacture and supply.—The excise tracts of the Ganjam, Vizagapatam,
Kistna, South Canara and Malabar districts, Wynaad excepted, were under the contract
distillery supply system. The exclusive privilege of supplying country spirits was
continued to the former contractors except in South Canara, in which owing to the
contractors' failure during the second half of the year the Government was obliged to
undertake the supply. There were seven distilleries for the manufacture of spirits in
these tracts, one of which in South Canara was closed during the second half of the
year.

The remaining tracts in which the excise system was in force, inclusive of the
Wynaad taluk of Malabar, were under the private distillery supply system. For the
supply of these tracts, fourteen distilleries and four warehouses were licensed; but
two of the former and one of the latter were closed in the course of the year. Two
others at Aska and Vizagapatam did not issue any spirits to the private distillery
supply tracts. Excluding these, there were at the end of the year ten distilleries and
three warehouses against twelve distilleries and three warehouses at the end of
1896-97. During the year the distilleries at Nellikuppam and Ránipettai, which

issued 66.6 per cent. of the country spirits consumed in the private distillery supply
tracts, came to be owned by a single company the "East India Distilleries and Sugar
Factories, Limited," of which Messrs. Parry & Co. are the managing agents.

4. Supply to retail vendors.—The number of depots opened in the private dis-
tillery supply tracts for the wholesale vend of country spirits was 544 against 541,
in 1896-97. As in previous years over 90 per cent. of the issues to retail vendors
were made from these depots. In the districts under the contract distillery supply 45
depots were licensed, 2 in Kistna, 30 in Malabar and 13 in South Canara.

5. Vend of country spirits.—The privilege of vend was, as usual, sold by shops
except in the Wynaad taluk of Malabar, and in portions of the Ganjam, Vizagapatam,
Kistna, Nellore, Cuddapah, Anantapur, Bellary and South Arcot districts. In these
tracts it was disposed of in convenient areas, 37 in Ganjam, 23 in Vizagapatam, 52 in
Kistna, and 33 in the remaining districts. The system of selling shops separately
was extended during the year to the Nandigama taluk of Kistna and the Cuddalore
firka of South Arcot. In the three districts of Kistna, South Canara and Malabar, in
which the lease begins on the 1st October, the total rentals for the privilege of vend
fell to Rs. 2,78,835 from Rs. 2,85,537 in 1896-97. A similar fall is noticeable in
the remaining districts also, the rentals obtained being Rs. 14,01,818 against
Rs. 15,67,568 in the previous year. The fall is ascribed to the unfavourable state of
the season and to the losses sustained by the renters in the previous year.

6. Consumption.—The total consumption in the excise tracts amounted to
922,171 gallons of proof strength, showing a decrease of 54,283 gallons as compared
with the previous year. The decrease occurred in twelve districts, and was parti-
cularly heavy in Ganjam, Vizagapatam, Kistna, Madras, Chingleput, Tanjore and South
Canara. The chief causes assigned for the decline in the first four districts were the
state of the season and the high price of food-grains. In the three remaining districts
the consumption fell more or less to what it was in 1895-96. As observed by the
Board the fall in consumption has been steady in Vizagapatam, Kistna and Madras
from 1895-96.

The consumption rose in eight districts; but except in the three districts to be
referred to below, it returned more or less to the figure reached in 1895-96 after a
temporary fall in the intermediate year. In Salem, Coimbatore and Tinnevely, on
the other hand, the rise has been steady from 1893-94, for which no very satisfactory
explanation appears to be forthcoming. The matter should be further investigated.

7. Taxation per gallon.—The subjoined statement compares the total issues of
country spirits in the excise tracts and the incidence per gallon of proof strength with
the figures for the two preceding years :—

	1895-96.	1896-97.	1897-98.
Issues (gallons, London proof) .. Galls.	976,876	976,454	922,171
2 (a) Still-head duty .. Rs.	85,76,100	37,55,337	37,27,128
(b) Vend rents	16,84,775	18,97,414	16,83,115
Total .. Rs.	52,59,875	54,53,751	54,10,243
3 (a) Rate of still-head duty per gallon ..	Rs. 8 10 7	Rs. 3 13 6	Rs. 4 0 8
(b) Rate of vend rents per gallon ..	1 11 7	1 15 1	1 13 2
Total ..	5 6 2	5 12 7	5 13 10

Taking the Presidency as a whole, the average incidence of taxation per gallon
of country spirits has steadily advanced; and during the year under review it was
only two annas and two pies less than the tariff rate of duty on imported spirits.
The incidence exceeded that rate or was nearly equal to it in all districts except in
Ganjam, Vizagapatam, Kurnool, South Canara and Malabar. In the last two
districts it was particularly low, being only Rs. 2-15-11 and Rs. 2-9-3 a gallon,
respectively. The proportion of the revenue assessed in the shape of still-head duty
was nearly 69 per cent. as in the previous year.

4 BOARD OF REVENUE (SEPARATE REVENUE), No. 55, 13TH MARCH 1899.

8. *B. The Renting system.*—The few tracts remaining under the renting system, in which arrack distilled from toddy is still the staple country spirit, comprised the Gódvári district, the agency hill villages of Ganjám and Vizagapatam, a portion of South Canara and certain outlying places in Kistna and Malabar. In the ordinary tracts of the Gódvári district and 31 agency villages the privilege of manufacturing and selling toddy-spirits was sold in 86 areas for Rs. 4,30,486 against Rs. 4,05,822 in the preceding year. The rentals obtained in the South Canara and Malabar districts amounted to Rs. 54,680 and Rs. 5,100 against Rs. 72,801 and 6,310 in 1896-97. In the districts specified above the lease commences on the 1st October. In the remaining tracts the privilege was sold or leased out for Rs. 1,57,495 against Rs. 1,42,721 in the preceding year.

9. *Toddy.*—The tree-tax license-fee system was extended during the year to 26 agency hill villages in Vizagapatam, to the Bellary and Anantapur districts, and certain portions of the Coimbatore district which had not been brought under it before. The system was thus in force throughout the Presidency excepting the Nilgiri district, certain outlying parts of Malabar, and the major portion of the agency hill villages. The rate of tax was raised by 50 per cent. in the Nellore and Tinnevely districts and in parts of Madura and by $33\frac{1}{3}$ per cent. in the South Canara district. The privilege of vend was sold by shops except in portions of the Gódvári district. The rentals obtained during the year for the lease beginning on 1st October 1897 aggregated Rs. 36,39,297 against Rs. 39,62,879 in the previous year; while the amount of tree-tax, including the transport duty on toddy imported from Hyderabad, advanced from Rs. 35,66,757 to Rs. 38,87,240. The total demand for the toddy year thus fell by Rs. 3,099 only. In paragraph 70 of its report the Board compares the toddy revenue of the Presidency, exclusive of the two West Coast districts, with the average of the rentals of three leases prior to the first introduction of the tree-tax license fee system and works out the net gain after deducting the cost of the increased establishments. The result is that the revenue has risen from Rs. 45,33,195 to Rs. 68,26,410 and the cost of the establishments from Rs. 3,95,314 to Rs. 9,63,438. The net gain to Government by the adoption of the tree-tax license fee system was thus Rs. 17,25,091. Taking the districts separately, it is observed that the system has been eminently successful everywhere except in the Kistna, Cuddapah, Anantapur and Bellary districts. In the first district there was a fall of Rs. 52,636 in the revenue and an increase of Rs. 44,789 in the cost of the establishments; but this is due to the fact that the old rentals were for the combined arrack and toddy privileges. In the remaining three districts the system was first introduced only in 1896 and 1897 and has not as yet had a sufficient trial. The largest gain was in Gódvári (5 lakhs); but the figure includes revenue from country spirits also. It is followed by Tanjore (3.47 lakhs), Madras (2.02 lakhs), Salem (1.90 lakhs), Madura (1.52 lakhs), North Arcot (1.16 lakhs), Coimbatore (1.12 lakhs) and Chingleput (1.11 lakhs). It is satisfactory to observe that the new rules for the free issue of toddy for use in bakeries worked well.

10. *FOREIGN LIQUOR.*—The revenue under this head consists of license fees and the duty on locally-made spirits excised at tariff rates, methylated spirits and country beer. The total demand was Rs. 4,21,154 against Rs. 4,16,242 in the preceding year. The greater portion of it was derived from the sale by auction of tavern licenses. Three breweries were at work during the year.

11. *INCIDENCE OF TAXATION PER HEAD OF THE POPULATION.*—Taking country spirits and toddy together, the average incidence of taxation per head of the population according to the last census was As. 6-1 against As. 6-3 in 1896-97. Allowing the usual rate of increment since the census the incidence per head of the population was As. 5-8 against an incidence of As. 5-11 similarly measured for the preceding year. As in previous years the incidence was highest in the Nilgiri district (Rs. 2-4-5), though no revenue is obtained therein from toddy. This is followed in order by Madras (Rs. 1-9-8), Anantapur (As. 10-7), Bellary (As. 9-10), Gódvári (As. 8-10), and Tanjore (As. 8-1). The incidence was lowest in Ganjám, being only As. 2-5.

12. *LIQUOR SHOPS.*—The number of shops opened for the sale of both country spirits and toddy has been steadily falling since 1891-92, the number during the year

under review being 27,989 or 1,066 shops less than in 1896-97. It may be doubted whether the reduction has not in some cases gone too far. The Government notes that the subject is receiving the attention of the Board.

13. *INTOXICATING DRUGS PREPARED FROM THE HEMP PLANT.*—On the 1st August 1897 the cultivation of the hemp plant without license was prohibited. During the year licenses were issued only in the Bápatla taluk of the Kistna district and the Javadi hills of North Arcot, the number of licenses taken out being 367. Two hundred and seventy-two licenses for the vend of intoxicating drugs were sold for Rs. 65,235 against Rs. 68,326 in the previous year.

14. *FINANCIAL RESULTS.*—The total current demand under "abkari" amounted to Rs. 1,38,43,624, being a decrease of Rs. 2,76,211 as compared with the previous year. It steadily increased during the decade till 1896-97, in which it amounted to Rupees 141.20 lakhs. In the year under review there was a check, owing to the generally unfavourable state of the season, which affected both the consumption of country spirits and the rentals for the privilege of vend.

Including arrears outstanding at the beginning of the year, the total demand amounted to Rs. 141.30 lakhs, of which Rs. 137.70 lakhs were collected and Rs. 20 lakhs were written off, leaving a balance of Rs. 3.40 lakhs or 2.4 per cent. at the close of the year.

15. *MEASURES FOR THE PROTECTION OF THE REVENUE.*—In chapter VIII of the report the Board reviews the working of the preventive establishments. Including persons whose cases were pending disposal at the beginning of the year, the number of persons charged with offences against the Abkari laws was 25,733 showing a decrease of 1,678 or 6.1 per cent. as compared with the previous year. Nearly one-half of the cases related to the illicit manufacture of toddy; while over 12 per cent. were charges of unlicensed sale. There were 1,672 cases in which the charge was smuggling from foreign territory. There were 599 persons released as having been charged without sufficient evidence. The number released departmentally for other reasons was 2,261 and 21,724 persons were sent for trial before the magistracy, leaving 1,149 persons to be dealt with at the end of the year. The number of persons tried by the magistracy was 22,095, of whom all but 512 persons or 2.3 per cent. were convicted. It is observed that the number of searches fell from 2,776 in the preceding year to 1,906 in 1897-98. This is owing in part to the issue of stringent orders enjoining greater care in substituting detection in the open for this procedure wherever practicable. The reduction is also ascribed to the ruling of the High Court declaring it to be illegal to search without warrant where it could not be clearly shown that the delay involved in obtaining the warrant would prevent the detection of the offence. The failure to detect 160 cases is attributed to the publicity or delay attaching to the application for a warrant in conformity with this ruling.

16. *OPIUM.*—An important feature in the administration of the opium revenue was the prohibition from the 1st April 1897 of the sale in licensed shops of the opium preparations used in smoking. Five hundred and twenty-three chests of 140 $\frac{1}{4}$ lbs. each were imported during the year against 543 in the previous year; and the total quantity of opium retailed for consumption was 73,876 lbs. against 77,102 lbs.

The average consumption per head of the population was .083 of a tola; but in the Gódvári district which consumes more than half the opium imported into the Presidency it was as high as .746 of a tola. The Vizagapatam, the Nilgiris and Madras districts followed with .224, .208 and .136 of a tola, respectively. The lowest rate of consumption was in the Chingleput district (.003 of a tola). The number of shops opened for the sale of opium and its preparations fell from 1,129 to 1,067 during the year, the decrease being due to the prohibition of the sale of preparations used in smoking.

The pass duty on opium, excluding the amount adjusted on account of opium supplied to the Native States of Travancore and Cochin, amounted to Rs. 3,66,100. Adding to this the rents for the privilege of vend and miscellaneous revenue and also the amount outstanding at the beginning of the year the total demand amounted to Rs. 7,67,987. Of this Rs. 7,31,044 were collected and Rs. 11 written off, leaving a balance of Rs. 36,932 outstanding at the end of the year.

17. GROSS EXCISE REVENUE.—The gross excise revenue of the Presidency during the last five years was as shown below:—

Years.	Lakhs.
1893-94	127.74
1894-95	136.30
1895-96	142.89
1896-97	147.87
1897-98	145.01

18. GENERAL REMARKS.—His Excellency the Governor in Council regards the results of the year as satisfactory. The gross revenue of the year did not reach the amount realized in the previous year; but this is accounted for by the distress that prevailed so widely throughout the Presidency. It was, however, higher than in 1895-96 and preceding years. Every care appears to have been taken to work the Abkari laws with circumspection. The conduct of the subordinate officials gave rise to but few complaints; while trivial prosecutions which unduly harass the people were greatly reduced. The thanks of His Excellency the Governor in Council are due to the Commissioner for his administration of the department during the year.

(True Extract.)

(Signed) G. S. FORBES,
Secretary to Government.

To the Board of Revenue (Separate Revenue).

Endorsement No. 83A.

Copy to the Government of India, Finance and Commerce Department.

(Signed) N. E. MARJORIBANKS,
Ag. Under Secretary to Government.

RESOLUTION—No. 55, dated 13th March 1899.

Communicated to all Collectors and Deputy and Assistant Commissioners of the Salt, Abkari and Customs Department.

2. The Collectors of Salem, Coimbatore and Tinnevely are requested to explain fully the steady increase in consumption of arrack in their districts noticed by Government in the latter part of paragraph 6 of the Government Order read above.

(True Copy and Extract.)

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

(True Copy.) *C. G. Todhunter*
Assistant Secretary.

To all Collectors (Divisional-officers).

„ Deputy and Assistant Commissioners of Salt,
Abkari and Customs Department.

Copy to the Secretary to Government, Revenue Department.

„ „ Inspector, Madras Town Circle.

Exd. S. A. S. Raghaviengar.

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STATEMENT WITH DIUTO.

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