

EAST INDIA (EXCISE).

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R E P O R T

OF THE

INDIAN EXCISE COMMITTEE,

1905-06.

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Presented to both Houses of Parliament by Command of His Majesty.

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# REPORT

## OF THE

# INDIAN EXCISE COMMITTEE.

### CHAPTER I.—INTRODUCTORY.

The orders under which the Committee were appointed are contained in the Instructions received. Resolution of the Government of India in the Finance Department No. 5001 Exc., dated 7th September 1905, which, after summarising the policy of the Government of India in excise matters, desires the Committee to examine the excise administration of each Province, to consider how far it is calculated to give the fullest practical effect to the general policy which has been laid down, and to suggest, in consultation with the Local Governments, such alterations as may seem desirable in view of local conditions and in the light of what has been found successful elsewhere.

2. The procedure adopted by the Committee was briefly as follows. They first met and examined the practice of the Governments as disclosed by reports and other documents and drew up for each Province a memorandum detailing the respects in which reform or enquiry appeared to be desirable. These memoranda were sent in advance to the Local Governments or Administrations and the answers received greatly facilitated the local investigations. They next proceeded on tour through the Provinces, selecting as halting places stations at which typical systems could conveniently be studied or marked peculiarities enquired into. At these they inspected places for the manufacture and sale of liquors and heard the evidence of officers controlling excise, other officers of special knowledge and any other persons or local bodies who desired to give evidence. On the conclusion of these investigations in each Province they discussed the results, first with the officer responsible for the administration of the Excise Department, and next with the controlling revenue authority, if there was one. On the results of these discussions they prepared a note embodying their provisional conclusions, which was presented to and discussed with the Local Government.

3. The following table shows the Provinces inspected and the places at which the Committee halted in each. The places against the Provinces are named in the order in which they were visited, but from Bihar the Committee travelled to Gauhati and Jorhat, and took Darjeeling on their way back from the Assam Valley to Dacca. Eastern Bengal and Assam was accordingly dealt with before the inspection of Bengal was concluded. The North-West Frontier Province was entered from Rawalpindi, and Multan was visited on the way from Peshawar to Quetta :—

Madras ... ..	{	Nellikuppam, Tinnevely, Calicut, Coimbatore, Ootacmund and Madras.
Bombay ... ..	{	Belgaum, Poona, Dhulia, Surat and Bombay.
Central Provinces	{	Jubbulpore.
Bengal ... ..	{	Bankipur, Bihar, Darjeeling, Cuttack, Raniganj, Burdwan and Calcutta
Eastern Bengal and Assam	{	Gauhati, Jorhat and Dacca.
United Provinces.	{	Gorakhpur, Cawnpore, Lucknow, Shahjahanpur, Allahabad and Saharanpur.
Punjab ... ..	{	Karnal, Sujampur, Amritsar, Lahore, Rawalpindi and Multan.
North-West Frontier Province	{	Peshawar.
Baluchistan ... ..	{	Quetta.
Sind ... ..	{	Kotri and Karachi.

In addition the Committee made a halt of three days at Bangalore, a cantonment which yields a very considerable excise revenue. They were unable for want of time to visit Coorg or Ajmer-Merwara, but in the course of their other enquiries took the evidence of officers acquainted with the administration of these Provinces.

4. The Committee inspected 20 Government central distilleries, 11 private distilleries, 7 outstills, 11 breweries and 50 liquor shops of different kinds and examined tree-tapping and marking in different Provinces. They also visited the excise laboratory at the office of the Board of Revenue, Madras, and spent two days at Kasauli, where Major Bedford, I.M.S., is conducting a special investigation of the chemistry of liquors, their physiological effects and allied questions.

5. The officials and others from whom reports were received or evidence was taken comprised 131 officers connected with the administration of excise, 144 officers connected with the general administration, 68 medical officers or practitioners, 17 representatives of temperance associations or independent advocates of temperance, 66 persons connected with the liquor trade, 56 employers of labour, 10 magistrates and police officers, 9 missionaries, 4 schoolmasters and 10 others. Of these, 349 gave their evidence or representations in writing and 238 orally, the latter figure including 72 who were examined with reference to their written statements. The Committee also consulted most of the Chambers of Commerce and some Trades Associations.

6. The present report embodies the outcome of the Committee's enquiries and inspections and gives full consideration to the result of the discussions with the Local Governments. The conclusions arrived at in these discussions were provisional until the whole field could be reviewed, and in arriving at them the Committee had anxious regard to local peculiarities and objections. In their final conclusions the Committee have endeavoured to meet these as far as possible. They accordingly believe, with some assurance, that no suggestions for improvement are put forward in the following chapters which may not reasonably find acceptance, if not in the near future, at any rate in the course of a few years. In conformity with the instructions of the Government of India, the reforms already contemplated by the several Governments have been taken as the starting point of the Committee's consideration; and the Provinces are dealt with throughout, as far as possible, in the order in which they appear in Mr. Meyer's Memorandum on Excise Administration in India.

## CHAPTER II.—ARRANGEMENTS OUTSIDE THE SCOPE OF EXCISE SYSTEMS.

7. Before proceeding to the examination of the systems of taxation of different kinds of intoxicating liquors, it will be convenient to clear the ground by considering certain arrangements under which exemptions from taxation of some or all intoxicating liquors are granted in particular areas or to particular classes. These exemptions fall under two heads, personal privileges and concessions to backward tribes.

8. The exemptions to others than backward tribes are few and unimportant. In the United Provinces certain *ubaridars* in Bundelkhand, and in the Central Provinces certain zamindars, retain control of the administration of excise in their *ubaris* and zamindaris. In the former case the privilege will cease with the lives of the present holders; in the latter, which is a survival from the time when the central Government was unable to control efficiently all branches of the administration in outlying areas, the exemption is already being withdrawn, and with the introduction of more settled administration will soon disappear altogether. The *tazimi istimrardars* in Ajmer-Merwara have the privilege of free distillation for their own consumption. This concession stands on a somewhat different footing from the other two, and while sentimental grounds have been urged for its retention, it has been shown that the grant of the privilege leads to the demoralisation of the younger men of the privileged families. It appears to the Committee that it would be well if this concession, like that granted in the United Provinces, were to cease with the lives of the present concession holders.

9. The area of concessions to backward tribes stretches, with intervals, along the whole length of the Himalayas and embraces the greater part of Eastern Bengal and Assam, a considerable portion of Bengal, and the mountainous country from Orissa to the Gódávári. Some minor concessions are granted in the Gujarat districts of the Bombay Presidency and in the South Canara district of Madras. The nature of the concessions granted varies with different Governments and different local conditions.

The privilege of free distillation of spirits is limited to areas which are under only partial control, as for instance the Khasi and Jaintia Hills in Assam and Lahaul and Spiti in the Punjab, or to tribes which are practically inaccessible, such as the nomad Bhutias of Kumaun and the inhabitants of the Jaunsar-Bawar pargana of Dehra Dún in the United Provinces, and the Khonds and Savaras in Ganjám and part of the Gunupur taluk of Vizagapatam in Madras. A similar privilege, but subject to a nominal fee, is granted to the Tharus of Gonda and Bahraich and the Koyas and Reddis in parts of Gódávári, the fee in the first case being Re. 1 per family distilling and in the second two annas per head for every male over 14 years of age.

The privilege of free drawing of toddy is granted to all classes in the Panch Mahals district of Bombay and generally throughout the non-regulation areas of Madras, a limitation being placed on the number of trees allowed to be tapped by the Koyas above referred to. A similar privilege is granted to certain of the Malakudiyas in South Canara (Madras) and to the Maria Gonds of the district of Chanda (Central Provinces). A concession of the right to tap a limited number of trees on payment of less than half the fee levied from others is granted to all the Kaliparaj or backward classes in the northern districts of Bombay and is made use of largely in Surat.

The concessions granted in respect of spirits and *tari* are insignificant in comparison with those granted in respect of making country-brewed beer of a kind similar to the *saké* of the Japanese, which is a common article of diet of the Mongoloid races in the North and seems to have spread over a great part of Bengal and along the Eastern Ghats almost to the West Coast. The brewing of different kinds of this beer free of all restrictions,

except one as to quantity possessed which is not generally enforced, is allowed throughout Assam, the Jaunsar-Bawar pargana of Dehra Dún, the Bhutia parganas of Kumaun, parts of the Kangra district in the Punjab and the whole of the non-regulation tracts of Madras. In Bengal it is permitted to all inhabitants of the Sonthal Parganas, to aborigines at all times in the districts of Darjeeling, Ranchi, Palamau, Singhbhum, Manbhum and Hazaribagh and the sub-division of Banka in the district of Bhagalpur, and to Sonthals at the time of the *bandhana* festival only in Burdwan, Bankura, Birbhum, Midnapur and Murshidabád. In the Eastern Bengal districts the aborigines of Jalpaiguri have the full privilege and the Sonthals of Dinajpur that of manufacture at the *bandhana* festival. Similar manufacture subject to a nominal fee is permitted to aborigines in the districts of Bengal and

## Bengal—

Bankura.  
24-Parganas.  
Calcutta.  
Nadia.  
Jessore.  
Khulna.  
Champanan.  
Bhagalpur.  
Purnea.  
Balasore.

Eastern Bengal  
and Assam—

Rangpur.  
Dinajpur.  
Malda.  
Rajshahi.  
Pabna.  
Bogra.  
Mymensingh.  
Dacca.  
Tipperra.

Eastern Bengal and Assam which are noted in the margin, as well as in parts of the Kangra district in the Punjab. A peculiarity of the arrangements in the last-named Province is that of two similar beers one called *sur* is free of the fee except in one sub-division, while the manufacture of another named *lugri* is subject to it. In Darjeeling and Jalpai-

guri the payment of a fee of Rs. 2 per household is allowed as an alternative to a limit of possession and in the latter district a system has been recently introduced, but so far made little use of, under which tea planters are allowed to take out licenses for supply of their coolies on payment of two annas per acre of land under tea.

10. The circumstances which are held to necessitate the grant of these exemptions are partly political, partly social and partly administrative. The political difficulties in respect of the introduction of excise regulations into most of the tracts in question include, in addition to those attending the initiation of all forms of regular administration, the special difficulty that the tribes concerned regard the privilege of making their own liquor as a long-established right, that they believe rightly or wrongly that in these tracts, which are generally feverish, liquors are necessary to their health, and that in many places they hold it essential that liquor poured as libations to their gods should be made by their own hands. Interference by a contractor with certain of these privileges was one of the causes of the rising known as the Rampa rebellion in the Gódávári district in 1879-80. In the case of some of the tracts similar interference is deprecated by officers of experience on the ground that grave discontent would be provoked, even if there were not apprehension of active resistance. Another danger which is peculiar to the case of nomadic tribes, such as the Tharus of Gonda and Bahraich, is that the imposition of taxation puts a check on their settlement and is liable to drive them to leave British territory altogether.

11. The social and administrative difficulties of taxation may be considered together. Though drunkenness in many of the privileged areas is undoubtedly prevalent to a lamentable extent, it is generally speaking limited by the opportunities and habits of the aborigines to the season when there is abundance of *tari* or *mahua* for distillation, or of rice or other grain for the making of beer. At the same time there is evidence that the fermented liquors in general use do less harm to their consumers than distilled spirits, and some at any rate of the tribes are notable for their fine physique in spite of their considerable consumption of country-brewed beer. In most of the areas concerned it would be easy to introduce the licensed seller of liquor and, while deriving considerable revenue from his operations, to replace home-made by shop-made liquor. But the experience of actual attempts that have been made in this direction shows that the inevitable tendency of such sellers is to foster drunkenness for their own ends, and to acquire the lands and other properties of the aboriginal tribes whom they reduce to a state of serfdom. It therefore appears to the Committee to be contrary to the principles of sound excise administration to introduce the liquor seller unless he can be controlled. In many

These exemptions are justified by political, social and administrative reasons—the political reasons.

The social and administrative reasons.

instances such control is impossible. Some of the privileged areas are such that people from the plains cannot live in them; others it is a physical feat to visit at all. In others again, notably in Assam, there seems reason to believe that it would be impossible to put down home-brewing without the employment of a staff so large as to be a worse evil than any drunkenness that at present exists.

12. The imposition of the various nominal fees on the exercise of these privileges is defended on the ground that they constitute a first step towards regular control and accustom the people to the principle of taxation of alcoholic drink. It is objected on the other hand that they impose no check on consumption, that, except in the single instance of the district of Darjeeling, the revenue derived is inconsiderable, and that its collection involves much trouble to the people and at times subjects them to extortion, while costing occasionally as much as the revenue itself.

Nominal fees for the exercise of privileges.

The question of restriction is mainly political. Advances possible in different Provinces.

13. The question of the withdrawal of these concessions is one which turns rather on political considerations and the gradual development of regular administration than on any principle of excise management, and the Committee's general recommendation must be confined to a suggestion that progressive restriction of the area of privilege should be kept steadily in view. The discussions with the Local Governments indicate that considerable progress in this direction will be possible in the near future.

In Bengal the suppression of home-brewing should begin with the withdrawal of the privilege from the isolated aboriginal settlements in which a system of house-tax is now in force and should gradually extend to other areas as the country is opened up and regular administration established.

Bengal.

The Government of Eastern Bengal and Assam has already in hand a scheme for withdrawing the privilege of free distillation in the Khasi and Jaintia Hills, and by working through the agency of the Siems substituting concentrated distillation coupled with a simple system of still-head duty. It does not consider it possible or desirable to put down home-brewing in Assam—an opinion which the Committee accept; but they think that the question of the suppression of home-brewing in the Eastern Bengal districts should be taken up on lines similar to those suggested in the case of Bengal.

Eastern Bengal and Assam.

The areas of concession in the United Provinces and the Punjab consist mainly of practically inaccessible country, and the concessions are so limited both in extent and effect as to be negligible. In any case no present advance seems possible.

United Provinces and Punjab.

In Madras it appears practicable at present to bring under more regular excise administration considerable areas within the privileged tracts, especially along the banks of the Gódávári and Sabari rivers, and in the near future to apply a similar policy to the country to be opened up by the Vizianagram-Raipur railway. At the same time the Committee would strongly recommend that the whole area should be brought under Act I of 1886 and that the Commissioner of Abkári should investigate and advise as an expert, without obtrusively interfering with the authority of the Agents to the Governor. In making this suggestion they do not propose that the operations of the department should be extended to these areas. But from the measures which they recommend they anticipate that there would result the advantages of a clear definition of privileges at present vague or undefined, uniformity of system, an annual examination of the possibilities of further control, and a check on the tendency to regard as a good thing in itself an increase in excise revenue in these areas.

Madras.

In Bombay the Commissioner of Abkári is considering the introduction of a light tree-tax into the Panch Mahals. With regard to the concession to the Kaliparaj, the Committee observe that the Government desired its withdrawal some years ago and that the Commissioner put forward a scheme for carrying this into effect by a series of yearly increments. This scheme was pursued for a time, but abandoned apparently on the advent of the years

Bombay.

of scarcity. The Committee would recommend a revival of the policy, but only as an accompaniment of development and improvement in the condition of the people concerned.

In the Central Provinces it is proposed to abandon the prohibition of location of shops in or near what is known as the Baiga reserve. The Committee would deprecate such a policy unless it is shown that, in the absence of licensed shops, unlicensed sales are responsible for a large amount of drunkenness and that the licensed shops proposed to be opened can be properly controlled.

14. Like the Governments, the Committee are not of one mind as to the wisdom of the policy that imposes a nominal fee for the enjoyment of these privileges. They are however agreed that there is room for improvement in the details of administration of the tax. This is the case more especially in Bengal where the fees vary from district to district and are collected by sub-inspectors, assisted in some cases by their peons. The Committee would suggest that the fees should be made more uniform and the method of collection put under better control. In Eastern Bengal and Assam the Government is considering the total abolition of the fees. In the United Provinces the amount of the tax is of little importance. In the Punjab it seems necessary that, wherever the fee is levied, arrangements should be made for the grant of licenses with as little trouble to the people as possible. It is to be noticed in this connection that except in one sub-division the fee levied for home-brewing of *sur* has already been abolished on the score of the trouble to the people and the smallness of the revenue involved. In Górávari it is suggested that the poll-tax on Koyas and Reddis may be discontinued together with the privileges granted to them, which are not enjoyed by similar classes in the Central Provinces taluks lately transferred to the Presidency.

15. A minor point which requires notice is the limit of possession which has been imposed throughout Bengal and Eastern Bengal and Assam. Such a limit is admittedly difficult to enforce by reason both of the circumstances of the brewing and the nature of the brew. There is evidence that, in the absence of effective control of the establishment, it is sometimes made the means of extortion by excise subordinates. At the same time its imposition has a useful effect in checking the possession by individuals of unduly large quantities and in diminishing illicit sales. In these circumstances the Committee do not recommend its withdrawal where already imposed, or suggest that it should not be imposed in other cases where it appears likely to be serviceable. But in either case it is certainly necessary that the establishment entrusted with the working of the orders imposing the limit should be effectively supervised and controlled.

16. On the general question of the administration of excise in backward areas and among aboriginal tribes the Committee are of opinion that, although undoubtedly there is in the absence of a settled excise system a considerable amount of drunkenness in such areas and among such people, it is nevertheless contrary to good policy to introduce prematurely the shops and establishments which are necessary under other conditions. While therefore advocating continual watchfulness with a view to the reduction of the area of concession and the gradual introduction of a control that will tend to the diminution of intemperance, the Committee would deprecate any attempt to introduce a system of excise which the Government concerned has not the means of fully controlling through trustworthy agents.



## CHAPTER III.—OUTSTILLS.

17. In the Resolution appointing the Committee one of the matters referred to as specially requiring reform is the large area still supplied by outstills, and the Committee are instructed to enquire to what extent the outstill system can be replaced by an efficient distillery system, and to consider how far the evils to which it is subject can be minimised in the areas in which it is necessary to retain it for the present by measures of the following character, viz. :—

Instructions received.

- (1) bringing the quantity of the outturn under stricter control ;
- (2) making the incidence of taxation bear a more definite proportion to the outturn ;
- (3) improving the quality and regulating the strength of the liquor ;
- (4) preventing the smuggling of outstill liquor into distillery areas ;
- (5) prohibiting the sale of liquor to children or to drunken persons ;
- (6) checking the occurrence of drunkenness in the neighbourhood of shops or stills ;
- (7) securing a reasonable degree of conformity with local public opinion as to the location of shops.

18. The outstill system may be taken to include all systems prior in order of development to the imposition of a still-head duty. The stages of the development may be briefly stated as first, farms of large tracts, second, farms of smaller areas, third, sale of the right to distil and sell at particular places, no exclusive privilege over a definite area being conferred, and fourth, sale of a similar right subject to control of means and times for distilling and the like.

Definition of the outstill system.

19. The pure farming system is in force in some outlying portions of the United Provinces, in five small and specially situated tracts in Madras and throughout British Baluchistan. A similar system, but with the farms greatly restricted in area, is in force in the Central Provinces where conditions limiting the capacity of vats and stills have recently been introduced. In Assam, parts of the United Provinces, the non-regulation tracts of Madras, and Berar, single stills are leased without any exclusive privilege of sale within a defined area on the one hand, and without any practical restrictions on output on the other, though some of the license forms contain conditions authorising the limitation of the capacity of the stills. Restrictions are placed on output under a similar arrangement in the large outstill area of Bengal and in a small tract in Bombay ; and in the three outstill areas which exist in the Punjab an attempt is made to graduate the taxation with reference to the output.

Variations of system in force.

20. The statement below shows for each Province the number of districts in which the outstill system is maintained, the area and population involved, and the number of shops to area and population in the tracts concerned :—

Area and population under outstills in the various Provinces.

Province.	Number of districts in which the outstill system is maintained.	Area involved in square miles.	Population of the area involved.	Number of country spirit shops.	Average area in square miles per outstill shop.	Average population per outstill shop.
Bengal	18	64,234	23,858,247	1,859	34	12,833
Eastern Bengal and Assam	17	53,211	18,461,570	532	100	34,702
United Provinces	23	39,214	8,414,989	1,344	29	6,288
Punjab	2	7,305	400,000	17	430	23,529
Madras	4	19,506	1,519,000	1,363	14	1,114
Bombay	2	976	20,597	7	139	2,942
Central Provinces	19	71,028	7,377,226	5,466	13	1,349
Baluchistan	6	37,149	343,000	121	307	2,835

21. As observed by the Government of India, certain of the Local Governments had already before the appointment of the Committee made proposals for large reductions of their outstill areas. In the course of the Committee's enquiries some of these have been modified, while a number of new ones have been made. It is desirable therefore to state how the matter now stands in each Province before giving reasons for the retention under the system of areas to be left under it.

**Bengal.** In Bengal a policy of complete abolition has been adopted. It has already been carried into effect in the Presidency and Burdwan divisions, in the greater part of the Orissa division, in the principal urban areas in Bihar and in portions of the Hazaribagh and Manbhum districts of the Chota Nagpur division and is being extended to Darjeeling from 1st April 1906. Its extension to the rest of the Province must naturally be slow, more particularly in the case of the Chota Nagpur division and the district of Angul and Khondmals, and it may ultimately be found that there are tracts of country where abolition is not possible.

**Eastern Bengal and Assam.** The result of the discussion between the Government of Eastern Bengal and Assam and the Committee was an agreement to pursue a similar policy. The Sadar Distillery system is in force in the Dacca division and the Contract Supply system has been introduced into the Sibsagar district. It is proposed to extend the latter gradually throughout the tea-garden districts. This will be easier than was at one time apprehended if the fact is kept in view that the great majority of the spirit shops (of which the total number is comparatively very small) are in accessible places in the neighbourhood of tea gardens or at river ghats, admitting in the latter case of supply by water transport. The process of extension will necessarily be gradual and the last areas to be taken up will be the northern parts of the Lakhimpur and Goalpara districts. An exception will be made in the case of the Naga, Lushai and Garo Hills, where physical and other difficulties retard the introduction of regular administration.

**United Provinces.** The outstill area of the United Provinces consists of two sharply defined tracts, namely a strip of submontane country running along the north of the Province, extending in Kumaun into the mountainous part of that division, and another strip along the south comprising one uplands of Mirzapur and the tract which lies between the Jumna river and the Native States adjoining British territory. Some of the areas border on Native States and constitute a protective belt against the smuggling of very cheap liquor into the distillery tract, and others are so sparsely populated or so difficult of access that no system of still-head duty has hitherto been considered possible.

Despite these difficulties a vigorous programme of restriction is in hand, and portions of Agra, Pilibhit, Gorakhpur, Muttra, Mirzapur and Ballia, which were formerly under outstills, have already been brought under a distillery system. The Excise Commissioner is hopeful of making further advances in the near future, in the case of the submontane and other tracts of difficult country, by taking advantage of improved communications and making arrangements for storing liquor, if necessary, during the period when communications are closed, and in the case of areas bordering on Native States, by pressing necessary administrative reforms on the Darbars and issuing liquor at a low rate of duty meanwhile. The adoption of these measures may make it practicable in course of time to confine the outstill area to the hilly portions of Garhwal and Almora and isolated parts of Pilibhit, Kheri, Gonda, Bahraich, Agra, Etawah, Jhansi and Mirzapur.

**Punjab.** In the Punjab the area under outstills is comparatively small. It is confined to two tahsils of the hill district of Kangra and one tahsil of the Gurgaon district bordering on the Bhartpur and Alwar States. A policy of complete abolition is accepted subject to the adjustment of matters of detail.

**Madras.** The most important areas under outstills in Madras, comprising nearly 20,000 square miles of country, are the non-regulation tracts of the Ganjam, Vizagapatam and Gódvári districts. The possibility

of restriction in these areas depends on the general development of the country. It seems likely that it may be found practicable to introduce a distillery system at no very distant date into considerable areas along the eastern border of the tract concerned, as well as into others bordering or in easy reach of the Gódávári and Sabari rivers. Later the Vizianagram-Raipur railway will open up further areas to improvement. In the rest of the tract the backwardness of the inhabitants and the extremely feverish climate render progress impossible. The Committee have found considerable difficulty in ascertaining the details of excise administration in the Agency tracts and recommend that in future full information be placed on record in the annual Excise reports and the statements which accompany them. From the evidence before them it would appear that there is room for a material reduction in the number of stills and shops.

The area next in importance is the Chavakkat Deputy Tahsildar's division of Malabar. This is a very narrow strip of country lying between Native Cochin and the sea in which the manufacture and vend of both toddy and spirit has been farmed to the contractors for the manufacture of toddy spirit. This course has been adopted because it is impossible to prevent smuggling into the area from Cochin, and in order to avoid in the rest of the district the difficulties that arise when tapping for distillation and tapping for toddy go on side by side. It does not seem possible to terminate this arrangement so long as toddy spirit is regarded as a necessity of the supply of the West Coast and until the abkári administration of the Cochin State is assimilated to that of the adjacent Madras districts. The administration of the area is however capable of considerable improvement and the Commissioner has already taken the matter in hand. A noticeable defect in the late contract was the absence of any restriction on the number of shops.

The remaining areas are unimportant. One of them, the Attapadi valley, is an extremely feverish and remote tract where a single still is allowed. The others are isolated villages or patches of land surrounded by Travancore or Cochin territory. No change can be made in these until the excise administration of the States is put upon a proper footing.

The operation of the system in Bombay is limited to two small tracts. The first is an extremely rugged, inaccessible and thinly populated area known as the Akrani in the Khandesh district, into which the outstill system has recently been reintroduced because it was found impossible to repress illicit distillation under a distillery system. The size of the one still allowed is limited, a maximum price for sale of spirit is fixed and a staff is maintained on the spot. The second area consists of a cantonment, Deesa, in Native State territory, eighty miles from the British border. It can be supplied without difficulty from Ahmedabad, and it is recommended that this should be done.

The outstill system, formerly in force over the greater part of the Central Provinces, has already been reduced in its area of operation to the central range of the Satpuras and the hilly and backward country in the south of the Chhattisgarh division; and the Local Government has a scheme in hand which will involve its ultimate limitation to the zamindaris of Raipur, Bilaspur and Chanda and the eastern portions of the Mandla district. In population and physical features these areas are not unlike the non-regulation areas of Madras and the extension of a distillery system to them is not at present practicable. The Committee would however recommend, as in the case of Madras, a considerable reduction in the number of shops allowed to be opened.

The circumstances of Baluchistan are peculiar, inasmuch as Muhammadan non-consumers form the bulk of the population and the shops for the sale of liquor are practically confined to centres of trade, cantonments or places along the railway line. The prices charged by the farmers are high, there is no local distilling base and no great danger of smuggling. In these circumstances the Committee recommend the application of a distillery system to the districts of Quetta-Pishin and Sibi and to places on the railway lines. If this recommendation is accepted, outstills will remain only at a few outlying stations such as Fort Sandeman and Loralai.

The cantonments of Mhow, Neemuch, Nowgong and Sehoré and the Residency limits of Indore are areas where a check on drunkenness is very necessary and by no means difficult of application. The abolition of the outstill systems in these areas has already been accepted by the Honourable the Agent to the Governor-General.

Systems which, where they are not actually outstill systems, are little in advance of that form of administration are in force in Aurangabad, Secunderabad including Bolaram and the Hyderabad Residency Bazars. The Committee would suggest that their replacement by a still-head duty system should be considered at an early date.

#### Summary.

##### United Provinces—

Outlying portions of Garhwal, Almora, Pilibhit, Kheri, Gonda, Bahraich, Agra, Etawah, Jhansi and Mirzapur.

##### Madras—

The Chavakkat Deputy Tahsildar's division, the Attappadi valley, British Cochin and the settlements of Anjengo and Tangasseri in Travancore.

##### Bombay—

The Akrani.

##### Baluchistan—

The Loralai, Zhob and Kalat districts and part of Chagai.

If all these proposals are carried into effect, there will remain under the operation of the outstill system one large block of feverish and inaccessible country lying between Chota Nagpur and the Gódsvari and the small or isolated areas detailed in the margin which for special reasons cannot be brought under any more advanced arrangements.

22. The introduction of measures for regulating the quality, strength or outturn of outstill liquor and so making the incidence of taxation bear a definite proportion to the outturn is impracticable unless there exist facilities for control. Local Governments generally

The control of the out-stills that remain.

are of opinion that, where such facilities exist, it is desirable to introduce a still-head duty as early as possible. The measures in question have been given an elaborate trial in Bengal and the Committee are at one with the Local Government in considering the results attained in that Province as of small value. On these grounds they do not recommend any further experiment.

It is clearly desirable that measures should be taken to prevent smuggling, to prohibit the sale of liquor to children or drunken persons, to check the occurrence of drunkenness in the neighbourhood of shops and stills and to secure a reasonable degree of conformity with local public opinion as to the location of shops; and the Committee recommend that attention should be paid to these points wherever they are at present neglected. They will be dealt with more fully in subsequent portions of this report. Here it is sufficient to remark that for the prevention of smuggling it is of great advantage to prohibit the establishment of any shop or still within a fixed limit of the outer border of the outstill area, and that for the attainment of the other three objects specified the most effective measure is the appointment, as in Assam, of a responsible staff whose main duty would be the control of shops and who would only secondarily have to deal with the prevention of excise offences. The appointment of such a staff, consisting of superior officers only, would also serve to prepare the way for the introduction of a distillery system.

A few minor points that have been brought to notice during the enquiry may be mentioned. Sale at weekly markets, which has wrought much evil, should be prohibited. So also should hawking of liquor. Lastly, it would be well in the most backward areas if liquor sellers were prohibited from lending money or acquiring land.

\* NOTE.—Here as elsewhere the Committee have been unable to deal with the excise of cantonments in Rajputana as the report thereon was received only on the 12th July.

## CHAPTER IV.—DISTILLERY SYSTEMS.

23. The Government of India have noted, as a second instance of the matters in which reform is required, the crude and unsatisfactory nature of some of the local distillery systems, and have directed that the systems adopted in the various Provinces should be carefully compared with a view to effecting improvements in those which are more backward. The objects to be kept in view are to concentrate manufacture as much as possible, to improve the process of distillation, to regulate the strength of the liquor and if possible to impose definite standards of purity.

Instructions received.

The Committee's attention is further invited to Finance Department Resolution No. 1975 Exc. of the 6th April 1905, in which the Government of India have advised that in Provinces in which plain spirit manufactured by European processes has not yet been admitted to the country spirit market this should now be done, thus affording a starting point for the provision of country spirit by large and well equipped distilleries, and, with reference to these considerations, the Committee are instructed to report as to the possibility of introducing improved distillery arrangements, and to deal with the questions which naturally arise under a system of manufacture concentrated in a few centres, e.g. the provision to be made for distribution of liquor by means of bonded warehouses and for the export in bond of liquor from one Province to another.

The Committee are finally desired to consider the fiscal system to be adopted with reference to the improved distillery arrangements contemplated, the four typical systems in force being described as follows:—

(a) The system of central distilleries which are mere collections of native potstills in Government enclosures.

(b) The Contract Distillery system of Madras, as worked there since 1901, which has now been adopted as a model in Bengal and the Central Provinces. Under this system the monopoly of supply in a district or other selected area is given out on contract, the contractor issuing his liquor at the rate of excise duty in force and supplying vendors at a fixed rate determined by tender over and above this duty, while the right of vend is generally disposed of by auction for each shop sanctioned.

(c) The Punjab system, where the vendor can procure his liquor from any one of a limited number of licensed distilleries. Here too the shops are as a rule separately sold by auction.

(d) The District Monopoly system of Bombay. Here the monopoly granted extends to vend as well as to supply; the contracts are given not by competition but by selection; the rates of duty are low, and subject to payment of a minimum guarantee which is ordinarily covered by the amount of duty paid on issues, the contractor pays nothing for the privilege of retail vend.

Some preliminary considerations.

24. The Committee desire to preface their examination of this part of the subject with the following considerations:—

The conclusions suggested by Major Bedford's enquiries as far as they have gone are that with certain improvements in processes and apparatus there is no reason why spirit should not be produced from potstills which will satisfy the necessary standard of purity. The Local Governments have all accepted the advice of the Government of India in regard to the treatment as country spirit of plain spirit manufactured by European processes. They are generally disposed to agree to inter-provincial imports and exports of spirit being facilitated, provided satisfactory arrangements can be made for credit of the duty, though naturally preferring that the Province of each should as far as possible supply itself. The policy of concentration of manufacture, of regulation of strength and of separation of manufacture and vend is generally accepted; as also is that of the introduction of improved arrangements for control of manufacture and levy of duty on the lines followed in England, as soon as a staff of officers qualified to carry it into effect is available. Thus the problem for solution resolves itself into the discovery

for each area of the system which is best adapted to secure the regular supply of pure spirit at a few centres at a fair price.

The distillery systems may be considered in order of development.

25. The typical systems referred to may be considered roughly in the order of their development.

The first step towards the levy of a still-head duty has been on one side of India a concentration of native potstills in a Government enclosure, on the other the grant of the privilege of supply and sale over a large area to a single monopolist. With the admission to the country spirit market of spirit made after European methods, these intermediate systems have developed into the systems of competitive supply on the one hand and contract supply on the other. A convenient order of consideration will therefore be (1) the Sadar Distillery system, under which may be included all systems which involve the collection of a number of distillers into a single enclosure, (2) the District Monopoly system, (3) the Punjab system, and (4) the Contract Supply system.

26. The Sadar Distillery system in its original form was provided for by Bengal Regulation X of 1813 and the Acts derived therefrom.

The Sadar Distillery system in its original form is dead.

This form has served its time as an intermediate arrangement and long survived its proper use. With the orders for its abolition in Bengal and the Central Provinces it has already received its death-blow. So far as Bengal, Eastern Bengal and the Central Provinces are concerned the Committee propose to take as the starting point of their consideration of the subject the orders already passed sanctioning its gradual discontinuance. They would only remark that the Bengal distilleries, as at present existing, show a very great advance on the original conception, and that the inadequacy of the system to the needs of an advanced Province is demonstrated by the poor results which have attended the great care bestowed upon its improvement.

The only other area in which the system still survives in its original form comprises the Dera Ismail Khan and Bannu districts of the North-West Frontier Province, where it is maintained owing to the difficulties of supplying these outlying tracts under the system obtaining in the rest of the Province. The Honourable the Chief Commissioner has now decided to close the Dera Ismail Khan distillery and to work that at Bannu under a more advanced system.

27. But under the definition of sadar distillery are included distilleries of a type widely different from the original collection of native

But there are developments of the system to be considered.

potstills in Government enclosures for the supply of a limited and defined area. The majority of these are found in the United Provinces, where the policy adopted has aimed at developing a satisfactory means of supply by improving the processes of the small local distillers and allowing them to compete all over the Province, their competition being aided by the establishment of bonded warehouses. A perhaps even more notable instance is the distillery at Kotri, which supplies the greater part of the Province of Sind. Under the same head must also be ranked the group of distilleries at Uran, which is still in essence nothing but a sadar distillery, though some of them produce liquor enough to supply considerable contracts, and those at Dadar and in the Southern Coast districts of Bombay which are sadar distilleries for the production of a particular kind of spirit.

28. There is much to be said in favour of the attempt to develop a satisfactory source of spirit supply out of the men and materials immediately and locally available. It continues employment to the

The arguments for and against groups of small distilleries in Government enclosures.

hereditary distillers and supplies a liquor such as the people are used to; and in its early stages it entails on Government a minimum of expenditure. When the competition among distillers covers a whole Province prices generally are kept down to a fair level; but elsewhere this merit cannot be claimed for the system, as distillers usually form a ring and keep prices up. The indisputable disadvantages of the system are that it renders improvement in processes and in storage extremely difficult, that the cost of production is unquestionably higher than when manufacture is concentrated under competent

direction, and above all that effective control of the distillers' operations is practically impossible. It may be added that the spirit at present produced in the toddy spirit distilleries is generally very impure.

29. On these grounds the Committee concur with the Governments concerned in the opinion that the number both of distillers and of distilleries should be reduced. They approve of the policy of development that is already in progress, but would take measures to expedite it. They would reduce the twenty-one distilleries at present open in the United Provinces to not more than fifteen. In those that remain they would reduce the number of distillers to a select few by insisting on the separation of manufacture and vend, on the introduction and maintenance of proper plant and on a stricter system of control. It is believed that distillers could be selected who would satisfactorily undertake supply under whatever fiscal system might be adopted in the future.

30. In the above recommendation distilleries mainly for the manufacture of plain spirit are referred to. In respect of those at Kotri in Sind and at Dadar and in the Southern Coast districts of Bombay a new problem arises, namely that of taste, which it will be convenient to deal with here. The bulk of the spirit distilled at Kotri is flavoured with a great variety of ingredients, while that made at Dadar and in the Southern Coast districts is made from toddy and has the peculiar flavour which distillation from that base imparts. The Kotri flavourings are too various to admit of the manufacture on a large scale of any one kind of flavoured spirit and the toddy trees are too scattered to allow concentration of manufacture. The question therefore arises whether, with a view to the improvement of the fiscal system, it is justifiable to force on the people spirit of a flavour different from that to which they are accustomed. *A priori* undoubtedly it is not, but experience does not support this conclusion, as radical changes have repeatedly been made, sometimes by contractors without reference to Government at all and without any objection being taken by the consumers.

31. The Committee therefore think that a change in the character of the spirit supplied does not create any insuperable difficulty. They do not however suggest that any such change should be made suddenly and without consideration. In their opinion the first step should be to remove all regulations which artificially enhance the selling price of the more cheaply produced plain spirit as compared with that of the more costly flavoured or toddy spirit, and to allow the two classes of spirit to compete with one another on the basis of their cost of production alone. They anticipate that the result will be that the poorer classes of consumers will speedily abandon the fancy spirit because of its higher price. When this has taken place, the taxation on it should be increased gradually up to the tariff rate and as soon as that is reached it should be declared to be foreign spirit, to which it will properly be allied both as being a luxury of the richer classes and as being liable to obscuration which renders it impossible to treat it as ordinary country spirit. Under such an arrangement it would in time be possible to abolish the Southern Coast distilleries of Bombay, which it may be remarked are described as little better than cow-sheds, to limit toddy distillation to one distillery in each of the Presidencies of Madras and Bombay, the former at Chavakkat, the latter in the neighbourhood of Dadar, and to make special provision for production at Ura and Kotri of the flavoured spirit the consumption of which is now practically confined to Bombay and Sind.

32. The merits and demerits of the District Monopoly system have been very clearly set forth in the Despatch to the Secretary of State on the Excise Administration of India, No. 29, dated 4th February 1890, and the Committee do not propose to repeat them here in detail or to reproduce the many arguments for and against it which have been urged in subsequent controversies. It is to be understood that, except when remissions are granted to which reference is made further on, the contractor under this system has to pay in any case the whole amount of his guarantee, and if he sells spirit beyond the quantity covered by the guarantee, he pays in addition the amount of still-head duty chargeable on such excess at the prescribed rate. With this

explanation the Committee confine themselves to a consideration of the practical working of the system as it appeared to them in the course of their enquiry.

33. In critically examining this system it should be borne in mind that the Bombay Presidency, to which it specially belongs, presents a diversity of conditions such as the Committee have not found in any other part of India and undoubtedly requiring peculiar treatment. Briefly stated the advantages of the system are that it is easy of administration, that it keeps the business in respectable hands, that it removes the speculative element from the taxation of liquor, and that, at the same time by enlisting the supplier on the side of the law it forms an excellent instrument for preventing illicit practices on the part of vendors of liquor. It is admitted on all hands to have been an immense advance on the system which preceded it and to have achieved a great initial success in replating the outstill and farming systems.

34. For the effective working of the system it is essential that the minimum guarantee should represent closely the natural consumption of the contract area; for, if it fails in this, it fails also in applying to the contractor the requisite stimulus to attend to the interests of Government as earnestly as to his own; and a main drawback of the system is the very great extent to which the excise administration depends on the contractor. Owing to the difficulty of fixing accurately the guarantee, the latter cannot be confidently accepted as representing the natural consumption, and there is a tendency for contractors, who have normally no difficulty in covering their guarantee and are moreover allowed to make up the deficiency of a bad year in the course of their contract by large issues towards its close for consumption in the following year, to become nothing but monopolists of manufacture and vend subject to the payment of still-head duty.

Under this system the monopoly of vend is bound up with that of manufacture and supply, while under most others these privileges are more or less completely separated. It is therefore necessary to consider not only the method of manufacture and supply, but also the management of the retail shops. The Committee recognise that, under the stress of scarcity and famine prolonged through a number of years, it has been hardly possible for so much attention as was desirable to be given to the details of excise administration or to measures directed towards their improvement; but with every allowance made for this difficulty there are still some points in which they think that the management of the monopolies has not been maintained at the highest attainable standard. The conditions of the license granted to the monopolist make adequate provision for the proper working of the contract; but the evidence received by the Committee leaves room for doubt whether sufficient care has been taken to exact a full compliance with those conditions. It is stated that in some instances contractors have sublet their shops, taking minimum guarantees themselves from their shopkeepers; in many that they have exceeded the maximum price prescribed; in others that they have omitted to employ preventive establishments, or if they have nominally employed them, have used them as a mere collecting agency, and that in consequence they have failed to check illicit distillation. Apart from the special and unfavourable circumstances of the Presidency in recent years, the inadequate enforcement of the conditions of the license which bind the contractor in these respects seems to the Committee to be largely the result of the too great reliance placed on the monopolist and of the reduced interest and authority of the Collector in the working of the contract.

It appears to have been the practice to fix the guarantee without any consultation with the Collector and not to have required that officer to satisfy himself as to the strength or the manner of employment of the farmer's establishment, as to the terms on which the contractor engaged his shopkeepers, or generally as to the monopolist's management of the farm. The consequence has been that only too frequently the approval by the Collector of the men selected by the farmer to keep his shops has become a mere matter of form; that the Collector's excise subordinates have through fear or favour winked at malpractices on the part of the contractor and his establishments, and that the latter when working on detective duty have not been in full and proper touch with the Government staff. The



decrease in licit consumption which has been observed in some districts cannot in the Committee's opinion be accounted for entirely by unfavourable seasons and consequent decline in the spending power of the people; and while the Commissioner of Abkari admits that in Kaira for example it is probable that illicit practices are rife, the introduction of an improved system in Khandesh has shown that in that district Government has been losing revenue heavily for many years.

In the latter district, owing to mistakes made in the introduction of the system and in the measures taken for working it, there is no year in which large abatements from the minimum guarantee have not been allowed; and in this and other districts, in periods of depression due to famine or scarcity or plague, such abatements have been granted on a scale much exceeding the remissions which are sanctioned rarely, if at all, in Provinces under other systems, and in some instances have been extended so far as to excuse the contractor from all payments in excess of the still-head duty on actual sales. It is probable that a contractor who had sublet his shops in breach of his contract would make a double profit by enforcing the guarantees of his sub-lessees while receiving remissions on his own account from Government, and there is reason to believe that this risk has not always been guarded against.

35. The Bombay Government have accepted the position that no system of supply into which the element of competition fails to enter can be a satisfactory basis for the adjustment of taxation and have given orders for the gradual and cautious replacement of the District Monopoly system by some other in which the competitive element has a place as soon as efficient establishments are available and subject to the results of reform elsewhere, and the Commissioner of Abkari has submitted proposals for its replacement in all districts except those in Gujarat and Thana and Kolaba.

36. It is unnecessary therefore for the Committee to pass judgment on the system except as an intermediate measure in places where the repression of crime is difficult during the period of transition from outstills to more advanced management. The Committee's opinion of the system in this aspect is entirely favourable. But they think it necessary to add one or two warnings as to its practical working. An essential point is that the complete control of the Collector should be maintained. He should be fully consulted in reference to the selection of the contractor and the fixing of the guarantee. His supervision of the contractor's shopkeepers and other establishments should be real and not nominal, and he should have some means of knowing on what terms the former hold their shops and how and where the latter are employed. In addition a satisfactory Government staff should be employed to control the contractor and his subordinates, with a view to eventually replacing them as soon as it is itself ready to undertake the prevention of offences against the excise law. With these safeguards the Committee think that the system may continue to do useful service in backward areas; nor would they in such a case object to the admission of competition in fixing the guarantee, since it would be the first condition of the employment of the system that the area concerned was one in which a competent contractor without increasing the total consumption would reduce the illicit and advance the guarantee accordingly.

37. Before proceeding to a consideration of the Punjab system a brief explanation is necessary. The excise arrangements in force in the United Kingdom allow that, under certain safeguards and restrictions, any person may manufacture spirit and sell it to any licensed dealer throughout the country. In the reform of the Madras excise arrangements of 1884, an attempt was made to introduce a system of this sort under the name of the Private Distillery, or as it was sometimes called the Free Supply system, alongside of the system of Contract Supply. The attempt continued with gradual extensions till 1900, when it was abandoned on the ground that in the existing economic conditions of the Presidency experience showed that it was liable to result in ruinous competition between two or three wealthy distillers, or in a coalition among them, enabling them in the latter case practically to dictate their own terms. When the Punjab authorities introduced their system there existed no important distilling interests outside the sadar distilleries. These the Government

(which was opposed to the creation of spheres of vend) decided to abolish and to replace by large and modern distilleries. In the process of replacement the measures which were taken to prevent ruinous competition included the limitation of the distilling licenses to the small number required to meet the volume of demand, the fixing of the sites of the new distilleries at suitable distances from each other, and the restriction of the still-power in each. At a later stage it was sought to meet the danger of coalition by requiring acceptance by the distillers of a condition in their license providing for regulation of the price to be charged for spirit issued. The Punjab system is thus not to be confused with the Madras system of Private Distillery Supply. It is one of competition for supply, but the competition is restricted by the situation of the distilleries, by the limitation of their number and still-power and by other terms of their licenses or distribution arrangements.

38. In favour of this system it may be accorded that it had as great a success in replacing crude sadar distilleries, at one time numbering as many as 118 in the Province, as the District Monopoly system has attained in replacing outstills, and that it recognised the principle, at the time accepted nowhere else but in Madras, which admits to the country spirit market plain spirit made by any improved process. As compared with other systems which also accept this principle it has the advantages that, at any rate within the limits of the Province, it frees the trade from artificial restrictions and gives the shopkeeper, and through him the consumer, choice in respect of the spirit which it suits him to buy. The system also obviously stimulates each distiller to try to make the best and most popular liquor, since he cannot, as in the case of the Contract Supply system, rely upon a fairly ascertainable volume of demand.

39. The dangers which the Committee see in it lie partly in the inadequacy of the safeguards to prevent an enhancement of price by the distillers and partly in the absence of provision for satisfactory supply of outlying tracts of country.

The price charged by the producer is one of the factors which influence the amount of taxation that can be levied and it is the business of Government to see that it is not raised above what will yield a fair profit. The rates in force in the Punjab have gradually been increased (apart from the effects of a scarcity in *gur*, at present prevailing) to about 25 per cent. more than the price, one rupee per proof gallon, which was expected to rule under the new system and which the Committee consider to be a fair one in the circumstances. Meanwhile, a single distillery has acquired the control of two-thirds of the market, and one at least of the leading capitalists engaged has interests spread over a majority of the competing firms. The Committee have discussed with the local authorities the safeguards against undue enhancement and have been unable to satisfy themselves as to their adequacy. The Local Government have agreed, as soon as the present *gur* famine is over, to try to arrive at an understanding with the distillers in the matter.

The question of the provision for outlying areas will be further referred to in discussing the subject of wholesale supply. For the present it is sufficient to say that, under any system of supply that depends on competition between private firms, it is inevitable that the prices should be lowest where the supply is easy and demand great and highest where the opposite conditions prevail, and probable that there will be areas where the demand is so small that no one will undertake to meet it. This state of affairs is neither convenient nor satisfactory, in an excise system under which it is desirable that liquor should be cheaper in the outlying areas than in the towns. Moreover it is incumbent upon Government to provide that all areas which have a fair demand shall have adequate means of supply, and this can be secured only by the imposition of the artificial restrictions which it is a chief merit of the Punjab system to avoid.

40. The Committee's conclusions in regard to this system must be dictated by what they consider the present necessities of the situation, rather than by any partiality for a system which follows European models in interfering as little as possible with the liberties of the distiller, the vendor and the consumer. Such a policy of non-interference would commend itself if impossibility of combination between distillers

ensured a true competitive price, but the Committee doubt whether such a situation would be arrived at even if the door were opened for the freest inter-provincial export and import. They think that the conditions under which capital is invested in this country would more probably lead to combinations or to practical monopolies, and they therefore cannot recommend the adoption of the system by Provinces now making a choice.

The system must therefore be regarded on its merits, with reference to the Punjab and the North-West Frontier Province alone; and looking to the facts that the authorities have already had to take steps to prevent too aggressive a rivalry between firms, and that meanwhile the reduction of price which might theoretically be expected from free competition has not been brought about, the Committee must doubt the wisdom of the continuance of the system in these two Provinces:

41. The Contract Supply system is designed to avoid the dangers of unregulated competition among distillers for the custom of retailers (such as have been dwelt on in criticising the Punjab system) by substituting a regulated competition in the form of tenders for the privilege of supply at a fixed price per gallon within specified areas for stated periods. It is claimed for it that it ensures more than any other the supply of liquor at a low and constant price for a specified period, with the result in favour of Government that accurate and profitable taxation is facilitated; in favour of the distiller that, secure of his contract, he can lay in stocks of material and make his calculations on a definite basis; and in favour of the retailer that, knowing he will get a certain article at a certain price during a certain period, he can properly calculate the figure of fee which he can afford to pay for his license.

42. Before considering the objections to the system, it is necessary to examine more closely certain details of its working in respect of which there is considerable variety of practice. The most important of these relates to the provision of distillery buildings. On its first introduction in Madras the Contract Supply system was brought into operation alongside, and not in supersession, of the Private Distillery Supply system into which it was intended that it should be developed as soon as competition became effective. But the Private Distillery Supply system proved a failure and was converted into that of Contract Supply. The latter therefore, as the general system of the Presidency, started handicapped by the defects of that which it replaced. These were the predominance of a single manufacturing firm and the fact that the existing distilleries were not placed with any regard to convenience of distribution. It may be added that there are no Government distillery buildings and that the firm above referred to had a great advantage in the matter of cost price owing to the fact that it combined distilling with sugar refining. The authorities therefore made such terms with the owners of existing distilleries, for the supply of areas not necessarily adjacent to them, as they thought best calculated to keep competition alive. As was almost inevitable, there has since been a slight but steady tendency to push prices up. This can be checked when the time comes by the admission of fresh competitors, but it indicates an undoubted defect in the Madras form of the system. In Bombay on the other hand the Government arrived at the system as a development of that of district monopolies, under which it possessed, generally at every district head-quarters, a fully equipped distillery building in which the district monopolist had his plant. On the introduction of the Contract Supply system it was made a term of the contract for each area that the contractor should take over the Government building and put down his own plant, which should be bought from him at a valuation at the close of his contract. This seems to have resulted in widening the field of competition and in a much more favourable rate of contract than in Madras. The same policy has been followed with the same result in Berar and the State of Mysore; and in Assam a Government building has been erected for the same purpose, though in this instance by reason of the absence of any local distilling material it might have been more profitable to import spirit. In Bengal and the Central Provinces a middle course has been followed, competition by the owners of private premises being invited, with the condition in the one case that new buildings erected for purposes of supply may be taken over by the

Government at a valuation at the close of the contract, and in the other that the existing sadar distillery buildings will be made available for the use of contractors, if desired. The prices under the initial contracts in both Provinces were very favourable, but there has since been a tendency in each instance to raise them higher than appears to be necessary.

The Committee's conclusion on this point is that, while it is desirable to admit to competition the owners of private premises, it is very necessary to see that no one firm is allowed to obtain a preponderating share of the business of supply; and the best means of preventing this is for Government to maintain a proportion of the distillery buildings which exist in Provinces contemplating the introduction of the system, with a view to leasing them to contractors when desirable.

43. In the second place, some remarks as to the manner of distributing contracts are needed. In the case of Bombay, where definite areas are attached to particular distilleries, a simple call for tenders and a grant to the tenderer who, other things being equal, offers to supply good liquor at the lowest rate is perhaps all that is required. But the matter is not so simple when competition comes into play between users of Government and of private buildings and between manufacturers of widely different classes. It is not claimed for the system that the call for tenders provides an automatic safeguard against the risk of combination or cut-throat competition in prices, and to accept the lowest tender would probably often result in a single big firm securing one contract for a whole Province, at a price which would barely cover the cost of manufacture and which would be largely increased as soon as its rivals had closed their doors. In order to avoid these risks it is desirable to break up the contracts into small units, of which a contractor may hold one or more as may be found suitable, and to extend the call for tenders to as many persons as possible; including in the case of Bengal, Eastern Bengal and Assam and the United Provinces the best of the present sadar distillery licensees and others who own no premises but are willing to set up plant in Government buildings. It is further desirable not to pass over any holder of a contract using his own premises and otherwise worthy of consideration, whatever he tenders, until he has been given an offer to continue at a fair price; and to strike a bargain on the tenders, not necessarily in terms of the original offers, in such a way as to secure the carrying on towards the next lease of as effective a body of contractors as possible. It may be added that it is always advisable to make the term of the contract sufficiently long to eliminate the usual trading risks—say three or five years—and to advertise the new contracts six months or a year prior to the expiry of the old, so as to give ample time for Government to make arrangements in case any combination should arise.

44. Another feature of the system, which belongs more properly to the question of wholesale supply, may be briefly touched upon. The Madras system inherited from the Private Distillery Supply system a network of arrangements for the distribution of duty-paid liquor, the maintenance of which was made a term of the contract. In Mysore a separate distributing contractor is employed. In Bengal and the Central Provinces a liberal number of Government bonded warehouses have been opened for the distribution of liquor that has not paid duty. Various arrangements have been tried for adjusting the cost of carriage to the wholesale shops that are required to be maintained. The general conclusion is that it is most satisfactory to distribute it over the whole of the issues, in other words to invite tenders for laying down liquor at stated well-considered centres at a fixed price, thus further facilitating the adjustment of taxation to urban and rural areas.

45. The foregoing explanation accounts for, if it does not dispose of, several of the objections that have been taken to the system. The most serious of these is that it engenders a monopoly of supply, or in the alternative, necessitates a subsidizing of the smaller distillers. This has been true in a measure in Madras; where a single firm has the means of manufacturing much more cheaply than any other. In such circumstances under any system that allows free competition,

Distribution of the contracts.

Distribution of the cost of carriage.

Objections to the system—that it engenders either a monopoly or a subsidizing of the poorer distillers.

whether Contract or Private Distillery Supply, a potential monopoly is inevitable, and if it threatens to become incapable of control it is an evil which by all means in reason is to be avoided. The grant to the smaller distillers of a slightly higher contract rate, not as additional profit, but to cover the absolute expenses of manufacture, seems therefore in this instance to be justified and is a remedy that can easily be applied only under a contract system. In the other Provinces, it is hoped that the early adoption of the measures suggested above will suffice to prevent any one firm securing a preponderance.

46. The expedients which are adopted to prevent a monopoly operate to meet another objection that has been taken to the system, namely that a distiller who has invested capital may be ousted at any time by a richer competitor and so has no security for his investment.\* It has been stated above that a distiller who owns his distillery buildings and plant should always be given the option of taking a contract at a fair price, if his continued employment is desirable in the public interests. If he is working in Government premises, he is certain to receive a fair valuation for his plant.

47. Other objections which have come under the notice of the Committee are that the system associates Government too closely with the liquor trade, and that in the absence of any competitive supply within each area of contract there is no incentive to supply good liquor. To the former objection the Committee attach little weight, as they consider that the extent of State control and supervision must be governed by the necessities which circumstances create. As to the latter objection it is true during the currency of the contract that there is no competitive incentive to supply good liquor, but this is met by the prescription of a standard of quality and purity which may even result in the supply of an article better than would be produced otherwise.

48. The Committee's conclusion on the whole matter is that the system, while far from being perfect, is the best working system of supply that has yet been devised. It has been in force over twenty-two years in a considerable portion of the Madras Presidency, and has been subjected to enquiry and report in recent years by the Governments of Bengal, Assam and the Central Provinces. In the opinion of the Committee it has successfully stood the test of time, of comparison and of criticism.

49. To sum up, the Committee's reply to the Government reference on this head is that they approve of the abolition of the Sadar Distillery system in its original form; that the best of the distilleries which exist under the improved form of that system in Bengal, Eastern Bengal and the United Provinces should be developed into sources of supply under a more advanced system; that the District Monopoly system is useful as an intermediate system in areas of difficult country, especially when the minimum guarantee is fixed by competition, but is not suitable as a final fiscal arrangement; that the Punjab system has disadvantages which outweigh its advantages; and that the Contract Supply system is the most advantageous of any at present in force.

50. These conclusions may be briefly applied to the Provinces in order.

In Bengal and Eastern Bengal and Assam the Contract Supply system has already been adopted as the system of the future, and the chief problem to be considered is the evolution of a satisfactory method of supply that will utilise local resources and avoid the creation of objectionable monopolies.

The policy of the United Provinces is not finally settled, but the Committee have advised, and His Honour the Lieutenant-Governor has undertaken to consider, the gradual introduction of the same system, two kinds of sources of supply being already available in the large distilleries attached to the sugar works at Rosa and Cawnpore on the one hand and in the better of the existing sadar distilleries on the other.

In the Punjab and the North-West Frontier Province it is proposed to continue the present system after arriving at an understanding with the distillers on the subject of prices, and after making due provision for the supply of outlying areas, the system of Contract Supply being held in reserve as an alternative. In the latter Province the same system or a system of District Monopoly, as circumstances may dictate, will be introduced at once into the small and outlying area at present supplied by the Bannu distillery.

In Madras no large changes are contemplated. As parts of the non-regulation districts are brought under better control, the Contract Supply system will doubtless be extended to them.

In Bombay the replacement of the District Monopoly system should steadily proceed in the Presidency proper, and in Sind the introduction of Contract Supply should be kept in view.

In the Central Provinces the extension of the same system will continue.

It is already in force in Coorg.

In Ajmer-Merwara it should take the place of the District Monopoly system, supply being by local distilleries or by import according as may be indicated by an examination of railway rates on materials and on the finished product, and by a calculation of the cost of local production as against import.

In Baluchistan it is proposed as the system for ultimate adoption in the districts of Quetta-Pishin and Sibi and the areas bordering the railway line. In this instance also the question of supply by import will have to be considered, the facilities for local production being even less than in Ajmer. As an intermediate arrangement the local authorities propose to farm the joint right of manufacture and vend subject to the payment of still-head duty, but without the element of a minimum guarantee.

In Bangalore the Contract Supply system is already in force. Its introduction into similar cantonment areas in Central India has been approved by the Honourable the Agent to the Governor-General. The Committee would recommend the consideration of a similar policy in the case of the cantonments in Rajputana and the cantonments and Residency limits under the control of the Resident in Hyderabad.

51. The above conclusions, coupled with the general acceptance of proposals for the introduction of stricter distillery control, dispose in a great measure of the Government of India's instructions to report as to the possibility of introducing improved distillery arrangements. The matter will be further dealt with on its technical side by Major Bedford, I.M.S., to whom the Committee propose to leave all questions concerned with the technology of distillation. It may be useful however to add a few details regarding the arrangements necessary for control. The essentials of the English system are the approval of plant set up, the regulation of vats and stills in due proportion to one another, the passing of all spirit into secure storage rooms through closed pipes which are visible throughout their whole length, the securing of all pipes and vats, the keeping of accurate accounts both of wash set up and of spirit produced (the duty being levied either on the attenuation of the wash or on the spirit manufactured whichever gives the result most favourable to Government), the constant presence of an officer, and control through inspections by a superior officer at irregular and unexpected intervals.

52. These various precautions have been adopted in a great measure in Madras. The extent to which they have been applied in the other Provinces depends not so much on the system of supply as on local ideas and possibilities. An initial precaution which is always taken in India, but not in England, is the surrounding of the premises by a wall of other enclosure. In the Southern Coast distilleries of Bombay this is no more than a bamboo fence. In some others, as at Karnal in the Punjab, it is a mud wall easily surmountable. At Sujampur in the same Province it surrounds only the store room enclosure and not the distillery, and at Kotri in Sind it covers only three sides of the enclosure. Other distilleries, notably in the United Provinces, have high and secure walls, and additional precautions are taken by way of prohibiting the placing of anything near them which would facilitate people getting over or passing liquor out. None of the walls however are absolutely secure, and in most

Arrangements for distil-  
lery control—the English  
system.

The systems in the  
various Provinces.

of them there are openings, as for instance at the spent wash outlet, which would admit of liquor being passed out.

In addition to the wall there is always a guard. The practice varies in respect of the men employed. In Bengal, Eastern Bengal and Assam, the Punjab, the North-West Frontier Province and Madras they are peons of the Excise Department; in the United Provinces, Bombay, Sind and the Central Provinces they are generally police officers; at Uran the guard consists of 94 salt peons. In the Punjab and Madras they are admitted inside the distillery; elsewhere they are as a rule kept strictly outside; while in some of the United Provinces distilleries a bell-tale clock is added for check of the hour of inspections by the officer in charge. It is generally thought desirable to change the guard frequently. In the Central Provinces this is ordered to be done once a day, or in places once a week, in the United Provinces not less than once a month, while elsewhere once a month or once a quarter is the rule.

Inside the distillery there arises the question of locks and accounts. The most primitive system is that at Uran and Dadar, where no control is exercised until the liquor is brought in one case to the wharf for payment of duty, and in the other to the distillery gate. Next in order of development may perhaps be taken the United Provinces, where the distiller, who may distil as often as five or six times in a day, is not required to produce his spirit before an officer until its close. Here, as elsewhere, *e.g.* in Bombay, the liquor manufactured is not brought to account until it has been redistilled, if necessary, reduced to a fixed strength and taken to store, sometimes after a considerable period; and though in many of the larger distilleries locks are placed on the receivers, the liquor commonly passes into the open air before entering them, a practice which tends to the loss of spirit vapour, while giving great facilities for abstraction. These facilities are recognised in the Bombay rule which allows to all the workmen on the premises a dram of liquor at the end of the day so as to reduce the temptation to abstraction from the worm end. In Bengal locked receivers have been adopted, but there are no pipes connecting them with the store room; and the liquor having run into a locked receiver is afterwards transferred in an unlocked vessel to the store. The same is the case in some of the distilleries in the Punjab, but in others a regular system of pipe transfers is in vogue. Pipe connections have been established in some of the Bombay distilleries also, but without provision for security against extracting liquor from them.

In the store rooms casks are the rule in Bengal and in the smaller distilleries of the United Provinces. In the larger distilleries of the latter Province and in Bombay and the Punjab gauged vats have been adopted. Those in which the gauging has been performed according to the English method and the cocks and manholes are locked are very exceptional; and practically all the vats have unprotected bungs underneath or other defects incompatible with strict English methods of control.

It has been observed above that as a rule no account is kept of transactions prior to the bringing of the liquor to the store. The most important safeguard subsequent to this stage is the periodical stock-taking and writing off of wastages by a superior officer. As to this it may be said generally that, though the accounts are everywhere balanced from time to time, there is outside Madras no satisfactory provision regarding wastages, and several instances were noted of suspicious losses. Wastages due to shrinkage on reduction with water or mixture of spirits of different strengths are not noted at all.

The officers in charge are muharrirs on Rs. 25 to Rs. 60 in the Punjab, Inspectors on Rs. 75 to Rs. 100 with muharrirs attached in the United Provinces, Superintendents or Deputy Inspectors on from Rs. 50 to Rs. 200 in Bengal, and Inspectors on from Rs. 60 to Rs. 250 in Bombay. The strongest staff at any distillery is at Kotri in Sind, where an Inspector on Rs. 300—350 with two assistants on Rs. 150 and Rs. 100 and two clerks are employed. Provision is made in Bengal, Eastern Bengal and Assam and Bombay for the Inspectors to live on the premises. Elsewhere the officers in charge do not live on the spot, and are sometimes allowed, as for example in the United Provinces, to quit their distilleries for considerable periods to take their meals while distillation is in progress.

53. In Madras alone the majority of the precautions that form part of the English system are strictly observed. Approval is required of all vessels and apparatus set up and these are kept in due proportion to one another; a strict account is maintained of the materials used and of the attenuation of the wash; all rooms in the distillery and all stills and vessels or pipes into or through which spirits may pass are kept under lock and key; spirit passes from stills to store room and from store room to issue room in pipes which are painted with a particular colour and so placed as to be visible throughout their whole length and in which all joints are sealed with a revenue seal; an elaborate system of lock tickets, which are torn by the opening of the locks, is in force; and on the accounts kept a strict check is made of materials used against spirit produced and of loss through any cause within the distillery. The operations under these rules are conducted or controlled by a thoroughly trained staff of distillery officers, generally of the grade of Assistant Inspectors on Rs. 125 to Rs. 175, living at or near the distilleries, who again are subject to check at irregular and unexpected intervals by the Inspectors of Distillery Circles, the whole being under the control of the Abkari Deputy Commissioner, an expert officer obtained from England.

The essential difference between the Madras and English systems is that under the former the duty is levied solely on the spirit and the levy is postponed until the time of issue. This is inevitable in the present state of development of the distilling industry and in the absence of standards of outturn for the different bases in use in India. As noticed above however a strict account of materials used and of the attenuation of the wash is maintained and it is hoped that this may, some day, form the basis of further development. A first necessity of this difference of system is the maintenance of a secure wall round the distillery buildings and a comparatively strong guard. These men, as well as the distillery officer, are required to make regular surveys both by day and night. Another feature of the postponement of the levy of duty until issue of spirits from the distillery or warehouse is the necessity of allowing for wastages in blending operations. An elaborate table of these has been prepared and is applied, but it is doubtful whether it is strictly accurate and its amendment is under consideration. Meanwhile the check of these operations has been greatly facilitated by the separation of the storage and issue rooms and the provision of separate vats in which all blending is required to take place.

54. The Committee recommend that in all distilleries at which a still-head duty is levied the system of control should follow in all essential points that in force in Madras. The introduction of such a system will involve some structural alterations, though these will not generally be of a serious character where a single distiller is involved. In the case of the United Provinces distilleries however, so long as it is proposed to maintain several distillers working in the same compound, some difficulties will arise, but the Committee believe that they will not be insuperable. The system will also involve the employment of a thoroughly competent and trained staff, for which purpose schools will have to be instituted, as will be recommended in a later chapter. Pending completion of these preliminaries the main essentials may be adopted, leaving the more elaborate details such as wash tests, lock tickets and the like for later development:

55. It is necessary to mention one special case of exemption from control, that of the distillery belonging to the Rosa Sugar Works at Shahjahanpur in the United Provinces. This distillery has hitherto been exempted from all supervision, partly as a matter of grace, partly no doubt as a matter of convenience. The Committee have examined the records relating to the grant of this concession and find no obligation or logical reason for its continuance. They have recommended to the Government of the Province that control should be introduced as soon as an efficient officer is available for the purpose, and this recommendation has been accepted.

The exemption of the Shahjahanpur distillery from control.



## CHAPTER V.—COUNTRY SPIRITS—WHOLESALE VEND.

56. The methods of wholesale vend are intimately connected with the distillery systems. Under the old Sadar Distillery system the distiller was generally the shopkeeper; in other words, the possession of a still in the Government enclosure was a necessary concomitant of his purchase of a shop in auction. The improvement of that system admitting of competition all over the Province has not put an end to this practice, but the permission to sell in other districts, coupled with the provision of bonded warehouses and the grant of free allowances on large issues, has tended to the creation of a class of distillers who concern themselves solely or chiefly with wholesale supply. A further modification of the system is found in Sind, where there are no bonded warehouses, but wholesale licenses for sale of duty-paid liquor are granted free of charge to distillers and others.

Under the District Monopoly system distributing agencies are necessary to only a small extent and the monopolist, having the control of all retail shops, is apt to make the larger of them do the work of wholesale supply.

The need for such agencies does not appear to have arisen generally under the Contract Supply system as worked in Bombay, even though the shops are now held in different interests. In comparison with some other Provinces the number of retail shops is small and the transactions at each shop are considerable. Spirit is always removed in casks from the distilleries in quantities of not less than 50 gallons at a time. Bonded warehouses are however established in the case of contracts covering large areas.

Under the Private Distillery Supply system of Madras acute competition between distillers induced the taking out of a very large number of licenses for distribution of duty-paid liquor, and the maintenance of a majority of these has been made a condition of the present contracts.

In the Punjab, before the modern distilleries were instituted, a system of granting free allowances on large removals from distilleries, such as are granted in the United Provinces, had created a class of wholesale vendors who in many cases became the agents for distillers under private agreement as to trade allowances. The distillers themselves do not ordinarily establish distributing agencies under their own management.

Under the new development of the Contract Supply system in Bengal it has been thought advisable to maintain a suitable number of bonded warehouses such as existed under the Sadar Distillery system; and in the Central Provinces, on the introduction of the system, provision has been made for the establishment of similar warehouses at tahsil head-quarters.

57. There are thus four main systems for consideration:—(1) the grant free of charge or at a nominal fee of wholesale licenses for the sale of duty-paid liquor, (2) the grant of similar licenses along with the concession of free allowances on large removals, (3) the maintenance by the distiller under the requisition of Government of the necessary distributing agencies, and (4) the provision by Government of a sufficient number of bonded warehouses.

58. The first system would undoubtedly be the most desirable if it were practicable, but experience shows that the wholesale trade in itself does not afford sufficient inducement to take out a license. In consequence, when this system has been adopted, the licenses have either been very few in number or have been taken by people who had other ends to serve besides a simple wholesale business, and who seldom if ever supplied outlying areas. For the securing of an adequate supply and proper distribution therefore it is necessary to look to the systems that afford some element of inducement or compulsion.

59. The advantages claimed for the first of these are its simplicity and the freedom it gives to the trade to take its own course. The disadvantages the Committee find in it as worked up to date are that, while it involves a considerable loss of revenue to Government, it fails to provide an effective distributing agency. Neither in the United Provinces nor in the Punjab has there hitherto been any condition in the license binding the wholesale vendor to sell to all comers. This is a defect which can be remedied; but there are no means of ensuring that distributing agents shall take out licenses in places where such agencies are required; and consequently there is a tendency for shops to be opened only in the larger towns where they are least wanted, and for the outlying areas to be neglected. The bulk of the allowances moreover go to retail dealers who do no wholesale business at all. The system even operates in some cases to divert trade from its proper channels, as for instance in the case of the districts of Amritsar and Gurdaspur, which supply one another instead of each supplying itself, in order that the shopkeepers may enjoy the advantage of the higher allowance granted for the removal of liquor out of the district of manufacture, or again in the case of Lucknow, where it was found when a rate of 4 per cent. was allowed that liquor was taken out of the district to secure the benefit of the allowance and brought back again to supply the city shops. It may be added that the wholesale vendors under this system as at present worked are under no proper control either as to strength or price, and that the grant of the allowances operates to give an unfair advantage to the capitalist shopkeeper as compared with the man of small means who can afford to remove only a few gallons at a time.

60. The Madras system has the advantage of ensuring a supply which is necessary in a Presidency possessing such a large number of small shops. On the other hand, it is inconvenient to contractors and therefore expensive to Government inasmuch as it increases the contract price, and would be difficult of introduction in any Province in which the contractors were not used to it.

61. The system of bonded warehouses is almost a necessity in the case of supply of one Province by another and is simple and convenient in any case. It may also be made use of to relieve revenue officers of onerous duties in connection with the supply of opium and hemp drugs. Objections to it are that it is expensive and troublesome. These have been taken for the most part in Provinces in which there is as yet no organised excise staff. The Committee believe that, as soon as proper establishments are entertained, the force of these objections will be found to be greatly diminished. Where issues are very large, a full-time officer will be required, but in the great majority of cases attendance for a few hours on one or two fixed days in a week will be ample. As the warehouses will be nearly all at large centres of population or at tahsil headquarters, this can be made readily compatible with the performance of his other duties in such centres by the nearest preventive officer and, if the warehouse is established in the office compound, a responsible revenue officer can take charge of the keys for the rest of the week. A little training of the staff will dispose of the trouble at present complained of.

Another objection to which the Committee attach no weight is that the establishment of these warehouses involves an undue connection of Government with the trade. The connection is only by way of control, and there is little to choose between the control of excise operations in official premises or in private ones. On the other hand the transfer of opium transactions from Government treasuries to the bonded warehouses would be a proper extension of the operations of an Excise Department and would remove dealings in intoxicants out of the hands of the department which serves the general public. The opening of bonded warehouses need not conflict with the grant on a nominal fee of wholesale licenses for the sale of duty-paid liquor if there is a genuine demand for such licenses.

62. The arrangements for distribution must take colour and shape from the particular system of spirit supply that is adopted, and in a minor degree from the character and location of the retail shops and the circumstances of their disposal. In Bombay

For instance the shops are as a rule so few and the transactions of each so large that the retail vendors can quite well afford to make their own arrangements for supply from the distillery. The same seems to be the case to a great extent in the Punjab and to a less extent in the United Provinces. Elsewhere, *e.g.* in parts of the Central Provinces, where shops are sold in groups, the purchaser of the group may well be required to make arrangements for supplying all shops under his control. It has been seen that a District Monopoly system requires no distributing agency and that failure to supply outlying areas is one of the defects of the Punjab system for which it is the duty of Government to provide a remedy.

63. Under the Contract Supply system it is practically impossible outside Madras to insist on the maintenance of wholesale shops as in that Presidency and the only remaining alternative is a system of small bonded warehouses. In the Committee's opinion these may well be established, generally at the head-quarters of tahsils or subdivisions and other considerable towns, and may be made use of for all classes of exciseable articles. They can as a rule be protected by the treasury guard and need be opened only on fixed days and at fixed hours by a member of the preventive establishment of the Excise Department. No direct payments should be received, but issues should be made against Treasury Officers' receipts acknowledging the payment of duty. Vats may be erected and reduction allowed when a material saving in cost of carriage can be shown; elsewhere simple storage in casks should be permitted. But metal drums may be preferred to either. Wastages in transit should be checked and reported by the officer in charge on receipt of the spirit, and wastages in store written off as the result of a quarterly check by a superior officer.

A few further points may be noted. Supply areas being mapped out, supply should be at the same price at all warehouses in each area; all issues should be at fixed strengths; no issue of less than a gallon should be allowed, and over that quantity no fraction less than half a gallon should be permitted; each shop should be allowed to take its supplies from the warehouse most convenient to it; at least six weeks' normal supply of the shops ordinarily drawing liquor from the warehouse should be maintained in store and as much more as may be necessary in places where the rainy season or imperfect communications make it difficult to get regular supplies. Wastages in transit should also be put under careful regulation; the actual wastage should be allowed subject to a maximum scale fixed according to distance travelled by rail or road; the same scale should be applicable whether the supplying distillery is within or without the Province; allowance for heavy loss by accident should be made only after the loss has been thoroughly substantiated; and tampering with consignments by rail, if it continues, should be brought prominently under the notice of the Railway Board.

64. In conclusion the Committee would make one recommendation on a matter of detail. They have found great confusion to be caused by the indiscriminate use of the terms 'warehouse' and 'depot.' A definition of terms. Now that the systems of different Provinces are being brought into harmony with one another it would make for a clearer understanding if a definite nomenclature were adopted, and they would propose that 'warehouse' or 'bonded warehouse' be applied to all wholesale agencies for liquor that has not paid duty and 'wholesale shop' to all agencies for liquor that has, and that the term 'depot' be dropped altogether.

## CHAPTER VI.—CONSUMPTION AND DUTY.

65. The policy of the Government of India is to minimise temptation to those who do not drink and to discourage excess among those who do, and the most effective method of furthering this policy is stated to be to make the tax upon liquor as high as it is possible to raise it without stimulating illicit production to a degree which would increase instead of diminishing the total consumption, and without driving people to substitute deleterious drugs for alcohol or a more for a less harmful form of liquor. In pursuance of this policy the Committee are instructed to consider the possibility of enhancing the present taxation on country spirit produced in distilleries; their attention is drawn to the fact that the average provincial rate of taxation is considerably below the general average for India in Bombay and the United Provinces, the two Provinces in which consumption is largest; and in the case of Bombay they are directed to consider what explanation can be afforded of the high rate of consumption, whether it is connected with the operation of the District Monopoly system and whether it can be remedied by appropriate modifications of the same.

66. The causes affecting the consumption of spirits in different parts of India are many and various. Taking the influence of climate in the first place and treating India as a whole, it is to be observed that a large consumption of fermented and weak distilled liquors generally prevails in areas of heavy rainfall and that these liquors are commonly declared, sometimes by persons in authority, to be a necessary of life to dwellers in malarious tracts. In the drier climates, where greater extremes of heat and cold prevail, strong spirits or drugs are more commonly in use.

67. The question of race is a very important factor. To quote the majority conclusion of the Research Committee appointed by the Society for the Study of Inebriety:—"Races that have long been exposed to the action of alcohol have grown more and more temperate. For example, Greeks, Italians, South Frenchmen and Germans, Spaniards, Portuguese and Jews, who have been most exposed to the action of alcohol, are very temperate. The nations of Northern Europe, on the other hand, who have been less exposed to the action of alcohol—for example, the British, Scandinavian and Russian—are more drunken; whereas most savages, Esquimaux, Red Indians, Pacific Islanders, Tierra del Fuegians, Australians, and others who have had little or no racial experience of alcohol are excessively drunken. West Africans form an exception to the drunkenness of savages; they are comparatively temperate, but they have been long weeded out by alcohol in the shape of abundant supplies of palm wine." Whether this induction is correct or not, the fact is certainly patent to every one acquainted with Indian conditions that drinking and drunkenness are much more prevalent among the aboriginal races, when they have the opportunity, than among those that are more civilised.

68. Religion and caste rules have their particular influences. Liquor is prohibited to Musalmans and among Hindus to Jains and Vaishnavites; and while the prohibition is strictly observed by the two last-named, drinking is uncommon except in moderation and in imitation of European customs among Musalmans and most of the higher castes of Hindus. In the Tantric sect of Saktas, on the other hand, drinking is not only considered permissible, but is even enjoined both for personal use and for worship. Similar practices prevail among many of the more backward castes, notably on the West Coast of Madras and in the block of jungly country between Chota Nagpur and the Gódávári. Evidence was given before the Committee of a custom which obtains among dhobis of the Punjab of requiring an offender as a caste punishment to provide drink for the *panchayat* of the caste. This is a custom which extends to other castes also.

69. Closely connected with religious and caste questions are the social and temperance movements which have arisen from time to time. Apart from those fostered under European influence the Committee find evidence of several indigenous movements of this sort. Sir Frederick Lely mentions one among the Ghanchis of Surát, and the Excise administration reports refer to others in Thana and Kolaba in 1886, and in Salem in 1899. These would appear to have died out, but one among the Satfami Chamars in the Chhattisgarh division of the Central Provinces seems to have been more permanent, and this caste is still notable for its abstinence. The Kayasth Conference is said to have had its origin in a similar movement, and the Arya Samaj to have done considerable work in the same direction. At the present time an effort is being made in some districts of the Bombay Presidency to put a stop to drinking in certain classes by means of caste fines and other stringent measures.

70. Causes which influence consumption even more than those connected with caste or religion are referable to occupation. A departure from the pursuit of agriculture has commonly the effect of weakening traditional restrictions on indulgence, an effect which is enhanced by the impossibility of maintaining the old customs under the complexities of town life. The conditions of employment in Indian manufactories make operatives feel the need of a stimulant, which high cash wages enable them to gratify. The case of the mill-hands in Calcutta and Bombay is particularly in point. These causes mainly account for the facts that ten or a dozen large cities consume a quarter of all the spirit recorded as drunk in India and that the *per capita* consumption of the Provinces varies to a great extent directly with their percentage of urban to total population.

The presence of troops and the number of camp followers which that entails always lead to heavy consumption. Out of 55 cities of a population of 50,000 and over in British India for which statistics are available, 34 which are cantonments drink 25 per cent. more country spirits per head of their population than the 21 which are not.

71. All circumstances which affect the general prosperity of the people have a direct influence on the consumption of liquor. Consumption rises in good years and falls in bad as invariable effect from cause; in famine it reaches a minimum. A partial exception to the rule however occurs in the case of plague, the appearance of which has sometimes been accompanied by large increases in consumption owing to the people taking liquor, partly in the belief that it is a prophylactic, partly to keep off the fear of the disease.

72. When use of spirits is under consideration, it is necessary to have regard to the comparative consumption of other forms of intoxicant. The table given in the margin embodies an attempt to compare the consumption per head per annum in each Province of spirits, country fermented liquors, opium, *ganja* and *charas*, and gives some idea of the extent to which the popularity of different intoxicants varies in different places. It also varies in the same Province from time to time according to the adjustment of taxation. Thus people are reported to have taken to toddy instead of spirit in South Canara and to spirit instead of toddy in Surat and the Konkan. A more

Consumption per head of spirits, country fermented liquors, opium, *ganja* and *charas*.

	Spirits (L.P.) in drams (in distillery areas only).	Country fer- mented liquors in gallons.*	Opium in tolas.	<i>Ganja</i> in tolas.	<i>Charas</i> in tolas.
Bengal ... ..	1.4	Considerable.	0.12	0.29	0.002
Eastern Bengal and Assam ... ..	0.1	Do.	0.18	0.26	...
United Provinces ... ..	1.8	Moderate; in parts of the Pro- vince only.	0.10	0.02	0.12
Punjab ... ..	0.7	...	0.23	...	0.15
North-West Frontier Province ... ..	0.4	...	0.12	...	0.13
Madras ... ..	1.7	2.9	0.09	0.08	...
Bombay ... ..	7.4	0.64	0.19	0.20	0.01
Sind ... ..	2.7	...	0.23	0.01	0.27
Central Provinces ... ..	5.4	Large; in parts of the Pro- vince only.	0.32	0.30	...

\* The yield of *fort* is estimated at 40 gallons per tree tapped. In Bengal, Eastern Bengal and Assam, the United Provinces, and the Central Provinces no accurate figures of trees tapped are available. These Provinces have 15,533, 1,633, 4,309 and 1,414 shops respectively for sale of country fermented liquor.

remarkable instance of a change of stimulants following an increase of taxation is the present resort to beer by the native population in Madras and elsewhere where the taxation on spirit has been raised to a high level.

73. The system of outstills has been responsible for a great tendency to increase of drinking. The question whether the District Monopoly system has had a similar influence will be discussed later. Under systems that separate the privileges of manufacture and vend the method of retail vend rather than the other features of the system is chiefly in question. This is a matter that will be dealt with in a subsequent chapter. It remains to be remarked here that the extent of the application of any system of still-head duty must have a very disturbing influence on comparisons that may be made of consumption in different Provinces, since if consumption per head is considered, a Province that applies a still-head duty system to town areas only is judged on the basis of its hardest-drinking population, while if total consumption is considered, the Province which has made most advance in abolishing outstills is liable to be regarded as being the largest consumer.

74. The efficiency of preventive action is a matter which has a very important bearing on statistics of consumption. A single instance is sufficient to illustrate this. It is estimated, and the Committee believe on good grounds, that the licit consumption in parts of the Punjab is not more than 50 per cent. of the whole.

75. Since opportunity to drink or the lack of it is one of the principal factors in inducing or checking drinking among those prone to it, the policy of the various Governments in the matter of the provision of shops is important and far-reaching in its effects. The variations in policy are remarkable, some Governments regarding it as their duty to provide a supply when only a small number of moderate consumers require it, while the action of others evinces no great desire to consider the probable needs of large sections of the

Province.	Number of country spirit retail shops for 1904-05.	Area per shop in square miles.	Population per shop.	Population per shop excluding Muhammadans.
Central Provinces ... ..	7,763	13	1,600	1,535
Sind ... ..	291	162	11,034	2,627
Ajmer-Merwara ... ..	145	19	3,289	2,792
North-West Frontier Province.	53	311	38,518	2,940
Madras ... ..	11,580	12	3,298	3,087
Coorg ... ..	45	35	4,013	3,710
Bombay ... ..	2,521	30	6,078	5,570
United Provinces ... ..	5,993	18	7,955	6,844
Punjab ... ..	1,269	77	16,002	7,490
Bengal ... ..	2,822	38	17,747	14,549
Eastern Bengal and Assam...	800	122	37,870	15,611

people. The table in the margin illustrates to some extent the results of these differences of policy. The figures of area and population entered therein are the averages for each Province, and, if they were worked out for smaller areas, the variations would be still more striking. The important question of

the provision of shops will be dealt with in detail in a later chapter.

76. The variations in policy in respect of taxation per gallon are scarcely less remarkable. Where one Government considers a uniform rate of still-head duty for the whole Province sufficient, another has as many as 38 rates graduated to suit the conditions of different areas. Again, on the figures for whole Provinces the proportion of license fees (where levied) to still-head duty varies from 4 to 114 per cent. and the total taxation per proof gallon from Rs. 2-10-5 to Rs. 8-8-11. It will presently appear that the *per capita* consumption of country spirit is almost invariably highest where the taxation on it is least.

77. Since the above causes and many others, which the Committee have no space to examine, vary in their operation not only from Province to Province, but also from district to district, it is obviously out of the question to enquire in detail into the effects of each one of them. Their general influence has been considered and illustrated in the speech of the Hon'ble the Finance Member in the

Extent of excise control  
→ liquor systems.

Efficiency of preventive  
action.

Number of shops.

These causes have been  
considered generally.  
Their consideration by  
Provinces.

Budget Debate of 1905. The Committee propose now to confine themselves to a brief review of their operation in the several Provinces.

78. Bengal has a remarkably small urban population, specially towards the west, a fair percentage (18) of Muhammadans, chiefly in the east, and a large industrial population extending from Calcutta to the north-west along the line of railways and coal fields. The Excise Commission of 1884, which made a very careful examination of the consumption of different areas, recorded its conclusion that country spirit was mainly consumed in three distinct tracts—one comprising Calcutta and the country in its neighbourhood; a second taking in only the district of Darjeeling; and the third and most important composed of the greater part of the Patna division, two districts of the Bhagalpur division and two districts of the Chota Nagpur division. It added that this third and last tract formed part of a compact and well-defined spirit-consuming area, which in addition to the Bengal districts above referred to comprised the adjoining Benares division (in which the present Gorakhpur division was then included), part of the Allahabad division and almost the whole of Oudh. The explanation of the high prevalence of spirit consumption in the first two tracts was chiefly a matter of occupation, in the third it was largely ethnological. The Commission further explained that other intoxicants took the place of country spirits in the remaining districts. The state of affairs found in 1884 has continued with little change to the present day, except that the development of the coal fields has extended the area of high consumption to Manbhum. The highest rate of annual consumption (27·8 drams of proof spirit per head) of the sadar distillery areas of 1904-05 was in Monghyr where the people have a racial tendency to drink and where high cash wages are paid at the railway workshops at Jamalpur. The districts of Patna, Gaya, Saran and Shahabad followed with a consumption of 15·9, 15·6, 13·1 and 11·5 drams respectively, the head-quarter towns of the first two taking 24 and 25·9 drams, or more than any in British India except Bombay, Surat, Poona, Bangalore and Hyderabad (Sind); a fringe of districts round them, namely Champaran, Muzaffarpur, Darbhanga, Bhagalpur and Hazaribagh, had a consumption of between 4·5 and 2 drams; and the Sonthal Parganas and Calcutta (10·6 drams), were the only others of those under a distillery system that took more than 1 dram of proof spirit per head of their population.

The figures of incidence of taxation per gallon are confused in a few districts owing to the manner in which the auctions have been held and licenses for other intoxicants combined with those for country spirits. Taking them as they are, they show the taxation to be highest where consumption is least and *vice versa*. In Jessore, Nadia and Khulna, which consume ·1 of a dram or less per head of their population, the total taxation amounts to Rs. 10 per gallon or over; in Hooghly, Howrah, and the 24-Parganas, it ranges between Rs. 10 and Rs. 7-8-0; in Calcutta it is almost exactly equal to the latter figure; it ranges between Rs. 7-8-0 and Rs. 5 in Midnapore, Murshidabad, Birbhum, Puri and Burdwan; and is less than Rs. 4 in all the districts described above as having a consumption of 2 drams a head and upwards. The rates of still-head duty vary similarly and amount to Rs. 5 throughout the greater part of the Presidency division, range from Rs. 5 to Rs. 2 in the Burdwan division and are fixed at the latter figure in the divisions of Patna, Bhagalpur and Orissa.

79. The only figures of consumption available in Eastern Bengal and Assam are those for the Dacca division, of which the Muhammadan population is as much as 67 per cent. It is more agricultural on the whole than the sadar distillery areas of Bengal, and the highest recorded consumption per head of the whole population is ·22 of a dram in the Dacca district. This is probably due to the consumption of the city, which however is lower than that of any other city in British India of 50,000 inhabitants and over. The same division consumes a moderate quantity of *tari*, but not much *pachwai*. The confusion of figures is exaggerated in this instance and shows an incidence of taxation on country liquor of Rs. 7-6-7 in Dacca, rising as high as Rs. 9-5-6 in Faridpur, Rs. 9-6-3 in Mymensingh and Rs. 9-15-3 in Backergunge. Though

this is higher than the actual incidence, there is no doubt that the latter is much too high and has led to a considerable consumption of cheap imported spirits. The average consumption per head for the division is .1 of a dram. The still-head duty is Rs. 4 per proof gallon.

80. In the United Provinces the Muhammadan population is 14.0 per cent. and the urban population, according to the census report, 11.1 per cent. of the whole. But the dwellers in cities are much more numerous in comparison with other Provinces than would appear from the census figures, which in some cases include in the urban population inhabitants of villages of 5,000 and upwards. The consumption of opium is higher than appears from the table above and the taxation on it is comparatively low owing to the difficulty of preventing illicit practices by cultivators. Illicit distillation is common in the Allahabad district and the neighbourhood. The area of greatest consumption of spirit adjoins Bihar and stretches up between the Gogra and Jumna rivers as far north as Lucknow. The district consumption of this area varies generally from 2 to 4.5 drams per head of the population, the bulk of it being confined to the large cities and cantonments, of which seven in the Province, viz. Allahabad, Bareilly, Cawnpore, Gorakhpur, Mirzapur, Lucknow and Fyzabad, show a consumption of 15 drams and upwards. In the district of Lucknow, where there is a good deal of drinking in the rural areas as well as in the city, the average rises to nearly 8 drams. The only other districts in which it exceeds 2 drams per head are Agra (2.2), Bareilly (2.8), and Dehra Dun, which has the highest consumption in the Province, viz. 13.3 drams, due largely to drinking by the servant classes in the hill stations of Dehra and Mussoorie.

The incidence of taxation per gallon shows less variety than in most other Provinces. The only rate above Rs. 5 per proof gallon is in Cawnpore (Rs. 5-3-9) and the only one below Rs. 3 is in Bijnor (Rs. 2-9-2). Thirteen districts show a rate of between Rs. 4 and Rs. 5, and twenty-six range between Rs. 3 and Rs. 4. The last group includes the majority of those in the area of high consumption. The common rates of still-head duty are Rs. 2-8-0 in rural areas and Rs. 3 in the towns. The latter is increased to Rs. 3-8-0 in the five towns of Dehra, Bareilly, Cawnpore, Lucknow and Fyzabad. The same rate is being applied from 1st April 1906 in Allahabad and Rajpur.

81. According to the census figures the Punjab has almost the same proportion of urban population as the United Provinces, and 53 per cent. of the whole is Muhammadan. Here again heavy drinking is confined to a definite tract consisting mainly of the central districts, largely populated by Sikhs, such as Lahore, Amritsar, Ferozepore, Jullundur and Ludhiana, to which may be added the cities or cantonments of Simla, Ambala and Rawalpindi. In the Muhammadan districts to the north and west and the Hindu districts to the south and east drinking is comparatively little indulged in. The conditions of the area of high consumption are remarkable. Sadar distilleries were condemned and spirit produced after European processes was admitted as country spirit from 1898-99, and a uniform still-head duty of Rs. 4 per proof gallon was imposed in the same year. Since then, though the consumption of licit liquor in the Province has increased through plague and other causes by 47 per cent., it is nevertheless estimated that in some of the central districts named above the consumption of illicit liquor is at least equal to that of licit. It was therefore deemed desirable in 1905-06 to make the experiment of giving rural licenses on a nominal fee in the districts of Amritsar, Ferozepore, Jullundur and Ludhiana with a view to securing a price of 12 annas a bottle of spirit 25° U.P. The authorities are thus confronted with the double problem of an increase in the drinking habit among the people, and of so great a prevalence of illicit distillation in certain areas as to make it necessary to lower the price of liquor in order to cope with it.

82. In the North-West Frontier Province Muhammadans form 92 per cent. of the population and have a strong religious feeling against the use of liquors. The population is for the most part rural and the shops are confined to a few large centres. Illicit



distillation is said to be unknown. The chief drinking class are the dhobis. The rest of the drinking occurs amongst other low castes and a few of the middle classes in the towns. Some of these are also taking to beer drinking. The taxation per gallon varies from Rs. 5-15-0 in the Dera Ismail Khan district to Rs. 8-0-8 in Kohat. The still-head duty is uniform at Rs. 4. In Peshawar all the shops have been granted to a single monopolist, who has raised prices to Rs. 1-10-0 per bottle of proof strength. The Committee have recommended that this monopoly should be broken up. In spite of the high price the consumption of the Province shows a distinct tendency to increase in comparison with the figures of twenty or thirty years ago.

83. In Madras the proportion of Musalmans to the whole population is only 6·4 per cent. Brahmans number 3 per cent. There is no other large class or caste of professed total abstainers. The great bulk of the population is agricultural and there is a very large consumption of toddy. Shops are very numerous as compared with most other Provinces. There is no illicit distillation sufficient to affect consumption. The consumption per head amounts to 1·7 drams as compared with 2·1 for British India and is generally speaking much more equally distributed than in other Provinces. In the Nilgiris, as in Simla and other hill stations, the presence for a part of the year of a large floating population of the servant class results in an abnormally high consumption per head of the census population. The figure for this district is 15 drams. For Madras City it is 6·7. The Bellary city and cantonment show the highest consumption, viz. 19·68 drams, or more than twice as much as any other city in the Province of 50,000 people and over, and this brings up the consumption of the district to nearly 2·5 drams. The only other districts that show two or more drams are Ganjám, Vizagapatam and South Arcot, which are the districts in which low rates of duty prevail—in the two former because of their comparatively backward nature and in the latter as a check on smuggling from French territory. South Canara, which is also a low duty area, comes next with 1·9 drams.

The total taxation per proof gallon is very low, viz. Rs. 1-6-2, in two small and isolated areas surrounded by Hyderabad territory. In ordinary districts the lowest rate is Rs. 3-3-7 in South Canara; Ganjám, Vizagapatam, the greater part of Malabar and part of South Arcot adjacent to Pondicherry also show rates between Rs. 3 and Rs. 4. Elsewhere the lowest rate of still-head duty is Rs. 4-6-0 and the lowest total incidence of taxation Rs. 5-12-4. Ten districts show an incidence of between Rs. 6 and Rs. 7 and four of Rs. 7 and upwards. The rates of still-head duty amount to Re. 0-11-5 and Rs. 1-14-0 per proof gallon in two small and specially situated parts of the Kistna and South Arcot districts respectively, and to Rs. 2-9-9 in the greater part of the two districts of the West Coast. For the Presidency generally there are four rates, Rs. 3-2-0, Rs. 4-6-0, Rs. 5 and Rs. 5-10-0, applied according to the relative prosperity and drink consumption of the districts. The first is in force in the Northern Circars, the second in the rest of the Telugu districts, the third in the Tamil districts and the fourth in Madras, the Nilgiris and the Wynaad. The rate in the nine Tamil districts has been increased since the Committee's consultation with the Local Government.

84. The Government of India have desired the Committee to make an enquiry into the reasons for the high consumption in the Bombay Presidency. The Province consumes more than one-third of the distillery liquor that is drunk in India and has a consumption per head five times as great as that in the area with which comparison can be made. It may be observed that the total recorded consumption reaches a higher figure than would appear if the Local Government had not replaced outstills by distillery systems throughout its territories including the scheduled districts such as the Dangs and the Mewas estates; the sole exceptions being the small tract of the Akrapri and the isolated cantonment of Deesa. As has already been intimated more than once, the conditions of the Province are so various that it is impossible to deal with it as a whole. The Committee have therefore considered it by sections and have been

assisted in so doing by tables which have been prepared for the purpose by the Commissioner of Abkari. The area of highest consumption is limited to the city of Bombay and the adjoining districts of Thana and Kolaba together with those of Surat, Broach and Khandesh, the whole forming a continuous tract, though one of very varying character. These six areas consumed in 1904-05 no less than 1,736,924 proof gallons or 18.2 drams of proof liquor per head of their population of 4,567,800, the highest consumption (35.8 drams) being in the Bombay Town and Island. These figures are based on the census population of 1901 which in the case of Bombay City is two lakhs less than the present population; if this increase is allowed for, the figures are 17.5 and 28.5. Surat and Thana consumed 21.9 and 18.6 drams and Broach, Khandesh and Kolaba 15.1, 11.3 and 9.1 drams respectively. Next may be considered the cities of Ahmedabad, Nasik, Ahmednagar, Poona, Sholapur, Satara, Belgaum, Dharwar and Hubli which consumed 228,270 proof gallons, or 16.6 drams per head of their population. The South Coast districts of Kanara and Ratnagiri took 138,379 gallons or 4.0 drams per head. The backward district of the Panch Mahals took 7.6 drams and Kaira 0.8 dram, but the last figure is much below the true consumption owing to the prevalence of illicit practices. The remaining nine districts of the Presidency, the towns excluded, took 190,235 proof gallons or 1.2 dram per head.

The extremely large consumption of the districts of the first group is reported to be due to a variety of causes, chiefly the natural inclination of the people to drink, the large floating population of all races, the damp and unhealthy nature of the climate, the high cash wages earned whether at cotton mills and the like in the cities or as lascars or fishermen on the sea, the general prosperity and the high standard of living (except in famine years), the low rate of taxation which is necessitated by the abundance of material for illicit distillation and of opportunity for smuggling from Native States, and the readiness of the people to resist measures of repression. In Khandesh practically the whole population except Brahmans, Wanis and Guzar Kunbis indulge in liquor. The district has had several prosperous years, and the abolition of the District Monopoly system, though it has been accompanied by an actual enhancement of taxation per gallon, has been followed by an increased consumption owing to the more efficient measures taken for repression of illicit practices and a reduction in the price of liquor by the shopkeepers.

The high rate of consumption in the cities and cantonments is attributed in the cities to the facts that the bulk of the labourers come from hard-drinking races and that the nature of their occupation in the opinion of some observers makes the use of stimulants a necessity, and in the cantonments to the camp followers who have been alluded to in a previous paragraph.

In the Southern Coast districts the high consumption is chiefly due to the damp and unhealthy climate, the inborn inclination of the people to drink and the high cash wages earned by the sea-faring population and by the mill-hands who come and go from Bombay.

That in the Panch Mahals and Kaira is chiefly by Bhils and other jungle tribes. Taxation is very low because the nature of the country makes it impossible to put down illicit practices.

The rest of the Presidency is comparatively abstemious. Such little variation as there is between the rates of consumption of the nine districts concerned, apart from their cities, is due generally to the existence of industries other than agriculture.

The taxation per gallon varies for the whole Presidency from Re. 0-15-6 in the most difficult portions of Gujarat to Rs. 6-9-11 in Poona, the rate in Bombay City being Rs. 5-8-11. The rates of duty range from 15 annas through Rs. 2-5-8 and various intermediate rates up to Rs. 3-5-0 in the mainland area of high consumption and Rs. 4 in Bombay City, while in the Deccan and the Karnatak they reach a maximum of Rs. 5-5-4. Thus generally speaking the consumption varies inversely with the rate of still-head duty, and, while in most areas the still-

head duty represents practically the whole of the taxation, vend fees ascertained by auction are added to it in Poona, Belgaum, Satara and Ahmednagar and the Town and Island of Bombay.

85. The question whether the high rate of consumption in the Presidency is connected with the operation of the District Monopoly system is one to which it is difficult to give a satisfactory answer. Though fourteen out of the nineteen districts in the Presidency have an average consumption exceeding that for the whole of British India, the high provincial average is due in the main to a very high rate in six districts. One of these is the City of Bombay in which the system is not in force. It is in force formally or virtually in the districts of Broach, Surat, Thana and Kolaba. In Khandesh it has been replaced by a form of contract supply, retaining a minimum guarantee for individual shops; recorded consumption declined steadily under the old system in spite of largely increasing prosperity, and has nearly doubled under the new. The Committee recognise the causes which have been mentioned as contributing to the high consumption, and are of opinion that the District Monopoly system influences that consumption through its success or failure to overcome the difficulties that lie in the way of enhancing the taxation, and through the taxation the selling price of liquor, rather than in any direct manner. Under a monopoly the contractor may probably in many cases oppose an increase of taxation as contrary to his interests; on the other hand he is apt to raise prices even beyond the limit prescribed; these tendencies act in opposite directions and it is difficult to measure their effect. At the same time the necessity of steps to check excessive consumption is not likely to be obvious to a contractor; and if the grappling with illicit practices is difficult, there is danger of his fulfilling the obligation to check them only so far as it may serve his own interests to do so. The Committee are therefore disposed to think that, had the liquor trade been more directly under the management of Government, more might have been done to reduce the heavy consumption. They have in a previous chapter made their recommendation for the steady replacement of the District Monopoly system; their suggestions regarding enhancement of taxation are contained in a later part of this chapter.

86. Seventy-six per cent. of the population of Sind are Muhammadans. The well-to-do Sindis are given to various sorts of spiced liquor, the plain or cheaper spirit being left to the poorer classes. There is a fairly large industrial and drinking population in the Karachi city. Consumption is large in the towns of Karachi, Hyderabad, Kotri, Shikarpur, Sukkur and Rohri, which take 60 per cent. of the whole. The consumption of opium and drugs is comparatively high, and special concessions in the matter of opium are granted in the Thar and Parkar district. The consumption of beer among the native population is becoming considerable. Illicit distillation is said to be unknown and there is no local distilling material. Shops are confined for the most part to the towns. Shop-rents are very small. The consumption per head amounts to 2.7 drams as against 2.1 for India. It is highest in Karachi where an increase of over 150 per cent. in the past eleven years is recorded, but this is doubtless exaggerated by reason of the large increase in population since the census of 1901 and the existence of a considerable floating population in the city. The still-head duties are uniform for the Province, but vary with different liquors and cover an unnecessarily wide range of strengths; the general average is Rs. 5-0-2 per gallon proof. The fees for vend do not add more than 4 annas on the average to the taxation per proof gallon.

87. The population of the Central Provinces is purely aboriginal in the hilly districts, purely agricultural in the districts to the north and south of the Satpuras, and partly agricultural and partly industrial in the cotton districts round Nagpur and Akola (the conditions of the latter area being somewhat similar to those of East Khandesh), and the consumption varies accordingly. The highest incidence, 12.3 drams, is in Bhandara, a rich district at the foot of the hills. Chanda, Ellichpur and Betul which are largely

inhabited by aborigines follow with 9·0, 8·9 and 8·6 drams, respectively, and seven more districts, almost all in the cotton country, have an incidence of 5 drams and over. The agricultural population of the Nerbudda division shows an average of 2·6 drams and the consumption falls in Raipur and Bilaspur, which are the home of the Satnami Chamars above referred to, to 1·2 drams. The Jubbulpore city and cantonment gives the highest urban consumption, viz. 18·72 drams. The consumption of opium and hemp drugs is high, and the number of country spirit shops, is larger than in any other Province. The systems are under reform. The adjustment of the taxation has been hindered by the absence of provision in Act XII of 1896 for punishment of the smuggling which becomes possible under a system of differentiated duties; and still-head duties are low, varying from 15 annas to Rs. 3-2-0 per proof gallon. The total taxation per gallon varies from Rs. 2-0-7 in Narsinghpur to Rs. 5-7-2 in Amraoti.

88. The population of Coorg appears to consist largely of drinking classes, many of whom earn considerable wages. There is some consumption of toddy and drugs, but that of opium is very small. Illicit distillation is rife. The incidence of consumption per head, viz. 7·8 drams, is higher than the general rate for any other Province. The taxation per gallon is uniform and is Rs. 5-5-10, of which Rs. 5-0-6 is duty and 5 annas 4 pies vend fees.

89. The rate of consumption in Ajmer-Merwara is higher than in any Province except Coorg, Bombay and the Central Provinces. This appears to be largely due to the presence of extensive railway workshops and popular places of pilgrimage. The consumption of opium is also high. This Province is worked under the District Monopoly system and the taxation per gallon is low, viz. Rs. 2-10-5.

90. For Baluchistan no figures of consumption are available, but it is reported to be confined to Quetta and a few other stations and villages for the most part along the railway lines. The cost of distilling and the retail price are high, the latter being Rs. 1-4-0 per bottle of about 15° U.P., and in the absence of a still-head duty they provide a fairly adequate check on drinking.

91. The consumption in cantonments in Native States, as might be expected, is very high, amounting in the two for which figures are available, Bangalore and Nowgong, to 28·1 and 24·9 drams per head respectively. The former consumes considerable quantities of beer besides. This high consumption is due to the presence of a large population of camp followers and low-caste servants with the addition in the case of Bangalore of a number of poor Eurasians. Taxation in Bangalore amounts to Rs. 7-0-2 per proof gallon and still-head duty to Rs. 5-15-0. Owing generally to the systems employed accurate figures for other cantonments are not available, but in those in Central India the total taxation is well under Rs. 2 per proof gallon.

92. Before proceeding to examine the alterations suggested in the rates of duty in force it will be well to discuss some preliminary considerations. The policy of the Governments in respect of the levy of duty has greatly changed. Whereas formerly many large and important areas were kept under outstills because they were not suitable for the complete system of control which was regarded as essential to the levy of a still-head duty, the Local Governments are now taking steps to abolish the outstill system wherever change is at all feasible, one Excise Commissioner going so far as to suggest as an intermediate arrangement that liquor made at a central distillery should be issued to outstill areas free of any duty at all. While not prepared to support this proposal, the Committee are fully in accord with the view that, where any control is possible, it is better to introduce a system of still-head duty, backed if necessary by the imposition of a minimum guarantee, than to attempt to impose regulations on the working of outstills.

It follows that they are prepared to recommend the levy of duty in backward areas at a very low rate. What the minimum rate should be cannot be laid down generally for all Provinces, but they think a fair minimum for general adoption would be 15 annas per proof gallon, which is 6 annas for 60° U.P.

In increasing the duties above this rate it is well to see as far as possible that the increment added is such as will affect the consumer without giving an opportunity for a disproportionate increase in the retail price. For this purpose the basis of the calculation should in the Committee's opinion be the price of a dram, and the amount sufficient to add one pie to the price of a dram of 60° U.P., that is 10 annas per gallon proof, should ordinarily be the minimum of difference between one rate and the next, though in special cases 5 annas might be allowed. A further advantage of working in multiples of 10 annas per proof gallon is a considerable gain in facility of calculation.

The extent to which differentiation should be made in different areas is a matter regarding which opinions vary widely and about which it is very difficult to advise. The Punjab Government for instance has adopted a single rate per gallon for the whole Province without distinction of area, while Bombay has in force no less than 38 rates varying from Re. 0-10-5\* to Rs. 5-5-4 per proof gallon. In the Committee's opinion both these policies are extreme. The circumstances in which it appears to them that differentiation is both possible and advisable are (1) where there is a distinct difference in the buying capacity of people of the drinking classes, and (2) where natural conditions or the effectiveness of the preventive force are such as to make it possible to prevent smuggling from areas under one rate to areas under another. The matter must therefore be dealt with upon local considerations. A noticeable case of differentiation is in the United Provinces where there are almost invariably different rates for urban and rural areas. This is a policy which may well be adopted elsewhere, and the Bombay Government are increasing the differentiation which exists in that Province between the city and country rates. But greater precautions are necessary than are at present taken to prevent smuggling. In the opinion of the Committee it is advisable (1) that the extent of differentiation should not be so great as to induce smuggling, 10 annas per proof gallon being taken as the maximum which should ordinarily be adopted; (2) that there should be no shop in the rural area within three miles of the limits of the city; (3) that there should be a close limitation of the quantity that may be possessed or transported without a pass; and (4) that arrangements should be made for the keeping of accounts by the rural shopkeepers, for the effectual verification of the fact that liquor despatched to them actually reaches them, and for the prevention of its being brought back.

Finally it may be added that, as has repeatedly been laid down, the maximum rate of duty on country spirits should be the tariff rate on imported spirits. This however can be applied only where the same systems of taxation and of vend are applied to the two classes of liquor. Elsewhere, so long as the vend fees on country spirits exceed those on imported spirits in anything like the present proportion, the maximum fixed taxation on the former should be a rupee or so less per proof gallon than on the latter.

93. The proposals for revision of the rates at present in force may now be considered. For this purpose the Provinces will again be taken in order. The following suggestions are based on the assumption that there will be no immediate change in the system of vend such as to alter radically the proportions of vend fees to still-head duty.

94. In Bengal the rates of duty have been subjected to periodical revision, with reference more particularly to changes in the tariff rate and the prevalence of illicit practices, the most important changes being made in 1887-88, 1890-91, 1896-97 and 1899-1900. The tendency of these

\* Note.—This is the lowest rate on toddy spirit, which also pays tree-tax calculated to bring it up to the rate on *mlowra* spirit. The lowest rate on *mlowra* spirit is 15 annas.

revisions has been towards reduction rather than enhancement, and the results have been remarkable, more particularly in the Bihar districts, which have already been noticed as comprising the chief drinking area of the Province. In the seven districts of Gaya, Saran, Champaran, Muzaffarpur, Darbhanga, Monghyr and Bhagalpur the duty was reduced in 1892-93 from Rs. 3 or Rs. 2-8-0 to a uniform rate of Rs. 2 per proof gallon, with the result that the consumption has since increased from 39,423 to 124,421 proof gallons, or by 215 per cent. Another remarkable instance of the results of decrease of duties is in Midnapore where varying rates of Rs. 5, Rs. 2-8-0 and Rs. 1-9-0 were made uniform at Rs. 3-12-0 from 1st April 1893 and reduced to Rs. 3 from 1st April 1900. Here consumption has increased from 6,544 to 11,200 proof gallons or by 71 per cent. and license fees have advanced to 52 per cent. of the whole revenue. The Committee recognise that the large increase in consumption is in a great measure due to the substitution of licit for illicit liquor which was the main object of reducing the duty.

They would recommend another thorough revision of rates, this time in the direction of increase. The most important area to be dealt with is the large spirit consuming tract to the west. Here the abolition of the outstills will remove the chief obstacle to the increase of duty, and a rate of Rs. 2-8-0 ought to be imposed in the districts with an addition of 10 annas in the towns, to be further increased as control over illicit practices is secured. The rates may increase as they do at present as they go east, and the maximum limit of Rs. 5 may safely be raised by 10 or 15 annas. In Midnapore and the Orissa division the necessity for an increase is markedly shown by the high proportion of vend rents to still-head duty, the share of the former in the total taxation in Cuttack and Puri being as high as 55.2 and 63.7 per cent. In these districts it should be safe to advance the rates to at least Rs. 3-2-0.

95. In Eastern Bengal and Assam a readjustment of taxation in the Dacca division is necessary, but should be effected rather by putting the system of vend upon a proper basis than by an alteration of the still-head duty. In the planting districts into which still-head duties are proposed to be introduced for the first time cash wages are the rule, and in those in Assam a minimum price of 6 annas a bottle of comparatively weak liquor has been enforced under the outstill system. The price now charged in Sibsagar is 8 annas a bottle of 60° U.P. It will be safe in such areas to start with a still-head duty of Rs. 2-8-0 per proof gallon.

96. The enhancement of the rates of duty in the United Provinces must await more favourable seasons. When agricultural conditions improve there is room for a considerable advance. In the areas to be newly brought under the distillery system a rate of 8 annas or Re. 1 has been suggested. Possibly a rate of 15 annas, which is convenient for calculation, would be more suitable. In the richer districts, and particularly those in the area of high consumption above defined, an advance to Rs. 3-2-0 or Rs. 3-12-0 will soon be possible. In the towns an advance may be made to Rs. 4-1-0 or even more. The arrangement for differential duties will be maintained, but it is desirable to enforce stricter rules for the prevention of low duty liquor passing back, and it may be necessary in some cases to reduce the differentiation. In one or two districts, *e.g.* Shahjahanpur, where a high rate of license fee in the rural tracts indicates that differentiation is not really necessary, it may be possible to dispense with it.

97. In the case of the Punjab two opposite suggestions have been considered and rejected, one to raise the duty in the north-west and south-east, the other to lower it in the poorer districts so as to put spirit in easier reach of the people. The first has been objected to on the ground that it is before everything necessary in this Province to put down illicit distillation, the second on the ground that there is generally speaking no poorer class to whom liquor ought to be allowed as a daily indulgence, the bulk of the consumers being either well-to-do landowners in rural areas or wage earners in the cities. It is proposed therefore to continue for the present to levy the uniform rate of Rs. 4, but to lower the price of licit liquor by a reduction in the vend fees when it is necessary to do so in order to compete with the product of the illicit still. As soon

as illicit distillation has been got in hand, an increase in the towns at any rate would appear to be desirable as a check on the rapid growth of the consumption.

98. The feeling of the great majority of the people of the North-West Frontier Province is against drinking ; those who do drink can afford to pay a high price ; license fees have risen to 82 per cent. of the duty, and there is little danger of extensive illicit practices. In this Province an increase of duty may safely be made, and an addition of 11 annas to the present duty of Rs. 4 per proof gallon is recommended.

99. In Madras the question of the revision of rates has already been dealt with by the Local Government. The only areas in which it appears to the Committee that there is room for further advance are the two northern districts and the two districts of the West Coast. In the former the comparatively high incidence of consumption indicates that the time has arrived for an increase up to the rate of Rs. 4-6-0 prevailing in the other Telugu districts. In the latter the Committee would suggest an increase to Rs. 3-2-0, and to Rs. 4-6-0 later. This is a proposal which has the concurrence of the local officers and the Commissioner, and the Committee understand has not been given effect to in deference to the opinion of the Government of India who feared that uncontrollable illicit practices might be provoked by any further advance. The high consumption in the Bellary city will also need attention if the garrison is maintained at its present strength. This would appear to be a case in which differentiation of duties might suitably be introduced.

Bombay.

100. The Bombay rates are shown below :—

No.	Rate of duty per proof gallon.			In the case of toddy spirit rate of tree-tax per		No.	Rate of duty per proof gallon.			In the case of toddy spirit rate of tree-tax per	
				Cocoanut or brab.	Date or wild palm.					Cocoanut or brab.	Date or wild palm.
	Rs.	A.	P.	Rs.	Rs.		Rs.	A.	P.	Rs.	Rs.
1	5	5	4	...	...	22	2	8	0	...	...
2	5	2	8	...	...	23	2	5	4	...	...
3	4	13	4	...	...	24	2	4	8	...	...
4	4	10	8	...	...	25	2	3	0	...	...
5	4	8	0	...	...	26	2	2	8	...	6
6	4	5	4	...	...					12	5
7	4	4	4	...	...					10	3
8	4	0	0	...	...					7½	2
9	3	10	8	...	...					5	3
10	3	8	0	...	...	9	2				
11	3	7	0	...	...	Same as for item 26.	Do.	Do.	Do.	Do.	Do.
12	3	5	4	...	...						
13	3	4	8	...	...	28	2	0	0	...	...
14	3	2	8	...	...	29	1	14	0	...	...
15	3	2	0	...	...	30	1	10	8	...	...
16	3	0	0	...	...	31	1	9	0	...	...
17	2	15	6	...	...	32	1	5	4	...	...
18	2	13	0	...	...	33	1	4	0	...	...
19	2	12	8	12	6	34	1	1	6	...	...
20	2	12	7	12	6	35	1	0	0	...	...
21	2	10	8	...	...	36	0	15	0	...	...
						37	0	11	1	8	3
						38	0	10	5	8	3

Speaking generally the higher duties obtain in areas where the difficulties in the way were from the first comparatively small or have been overcome and consequently the consumption is low ; and the lower rates are in force where the consumption is high owing to obstacles not having been surmounted. It is not in the opinion of the Committee necessary or desirable to maintain so great a variety of rates ; and though they recognise that the policy of gradually enhancing the duty, which was cautiously pursued before the famine years, has been impeded by the long series of disastrous seasons through which the Presidency has passed, they consider it regrettable that measures have not ere now been taken to check the excessively high consumption by enhanced taxation. Since the famine period, the Local Government have raised the rates in Khandesh and have sanctioned an increase of 4 annas per gallon of 25° U.P. in Thana (except two talukas) and in Kolaba, and of from 4 to 6 annas in the cities of Bombay, Ahmedabad, Broach, Surat, Sholapur and Hubli. An increase in the Surat district is mentioned as probable,

and a further rise in Khandesh is contemplated in the near future. The Committee regard it as essential that this policy should be steadily pursued and that measures should be taken to accelerate the rate of progress. There must be a strengthening of establishments, as recommended in the chapter on Distillery Systems and as recognised by the Bombay Government, whose proposals it is understood are before the Government of India; there should be a thorough enforcement of such arrangements by way of lease or agreement with the Native States of Gujarat as are working successfully in the Deccan and Karnatak; the recently amended section regulating the traffic in *mhowra* will enable illicit manufacture to be checked in Broach, Surat and Nasik as in Thana and Kolaba; and as these measures take effect they should be accompanied by enhancements of taxation proportioned to the success attending them. The duty in the large towns should be raised to not less than Rs. 3-12-0 per proof gallon, and in the rural areas to not less than Rs. 3-2-0 except in tracts where the facilities for illicit practices necessitate differentiation. In the City of Bombay the very high consumption and the lowness of taxation in comparison with that in force in other Presidency towns indicate the urgent necessity of a material enhancement of taxation. The duty may be raised to Rs. 5 at once and ultimately carried up to the level of that on imported or 'foreign' spirit; this should be accompanied by a careful watch over the consumption of other kinds of intoxicants, in order that if the figures indicate a greater resort to these in consequence of the enhanced price of country spirit the taxation on them also may be raised as required. There seems no reason why the contemplated enhancements in Khandesh and Surat should not be carried out, or why there should not also be an increase in Ratnagiri and Kanara. In the Deccan and Karnatak the rates are already fairly high. It is for the present doubtless necessary to keep them low in Kaira and the Panch Mahals; but a reduction below 15 annas per proof gallon does not seem advisable.

101. There are other questions requiring attention in Sind before an enhancement of the rate of duty is considered. The first of these is the increase of the taxation of flavoured spirit to the tariff rate.

Sind.

This may be done gradually, a rate of Rs. 6 being adopted in the first place and one of Rs. 7 after some time. In the second place it is desirable to adopt a single rate for all classes of plain spirits and to levy the duty proportionately to strength. A rate of Rs. 5 for proof is suggested. If this is adopted, it may be possible at a later stage to raise it to Rs. 5-15-0, perhaps simultaneously with the increase in the duty on flavoured spirits to the tariff rate.

102. As already stated, a policy of consistent advance is in hand in the Central Provinces, and the Committee's advice has been

Central Provinces.

rather in the direction of cautioning the Government against too rapid an increase in the price of liquor, from which the Central Provinces have more than once suffered, than in that of urging it to speedy reforms. Of the districts already brought under the Contract Supply system it is proposed to advance the rate in Jubbulpore and Saugor from Rs. 1-4-0 to Rs. 1-14-0 and in Bassim and Wun from 15 annas, in Buldana from Rs. 1-4-0 and in Wardha from Rs. 1-14-0 to Rs. 3-2-0; and to bring newly under the system Bhandara, Chanda, Balaghat, Seoni, Betul, Raipur and Bilaspur at the 15 anna rate, Narsinghpur at the Rs. 1-14-0 rate and Nagpur and Nimar at the rate of Rs. 3-2-0.

103. The high rate of consumption in Coorg indicates the necessity for an increase in the taxation in spite of the present high rate of duty. It must be remembered that the vend fee amounts to

Coorg.

only Re. 0-5-4 a gallon. A rate of Rs. 5-10-0 may be adopted without delay.

104. In Ajmer-Merwara also the large consumption suggests an increase, but the danger of smuggling from adjacent Native States stands

Ajmer-Merwara.

in the way of its being effected. The solution that suggests itself is a differentiation between the urban area that is responsible for the high consumption and the rural area that is exposed to smuggling. Rates of Rs. 3-12-0 and Rs. 3-2-0 respectively appear suitable for a commencement.



105. In the event of the introduction of a still-head duty system into the Quetta-Pishin and Sibi districts of Baluchistan and the areas along the railway line it would be possible, without increasing the price at present charged for spirit, to impose a still-head duty of, say, Rs. 1-4-0 a proof gallon to begin with.

106. In Bangalore there has been no increase of duty since 1897, though there has been a considerable improvement in the purchasing power of the drinking classes. The Hon'ble the Resident is quite prepared to increase the duty now. To do so will involve the coöperation of the Mysore Darbar in respect of the duty in the Bangalore city and the acceptance by it of the principle of differentiation between town and rural areas which it has not yet recognised. The excise policy of the Darbar is such as to justify an expectation of agreement on these points.

In the Central India cantonments it will not be so easy to secure protection from smuggling from the congeries of petty jurisdictions by which they are surrounded. The States however have shown themselves ready to coöperate and it is believed that it would not be difficult to arrange for the levy of a moderate duty of, say, Rs. 2-8-0 a proof gallon.

## CHAPTER VII.—FOREIGN LIQUOR.

Instructions received.

107. With regard to foreign liquor the Committee are instructed to consider the following questions :—

(1) Is there any foundation for the common allegation that this class of intoxicant, or any particular variety of foreign spirit, is more deleterious than country liquor ?

(2) Do the rates of taxation on this class of liquor (taking into account the fact that the vend fees charged thereon are as a rule light), or the nature of the regulations under which it is sold, tend to undue stimulation of its sale in preference to that of country spirit, and, if so, to what extent ?

(3) Is the consumption of foreign spirit increasing out of proportion to the increase of population, and, if so, is any change of system necessary to bring it under better control ?

(4) Are there any classes of the population to whom it offers special attractions, and whose use of it should be discouraged ?

108. In the excise administration of Provinces governed by Act XII of 1896 considerable difficulty has been caused by the absence of any fixed and uniform definition of the terms 'country liquor' and 'foreign liquor.' A great part of this difficulty will disappear with the adoption of the policy suggested in Finance Department Resolution No. 1975-Exc., dated the 6th April 1905, under which spirit made after European processes will so long as it is plain be admitted to the country spirit market, and if sophisticated will be treated as foreign liquor. The Committee have already proposed to go a step further and to bring under the latter category spirit flavoured after local recipes and spirit made from toddy. They would add now a third suggestion, that foreign liquor should include other spirits made from materials which are not recognised as bases for country spirit, as for instance the malt whiskey manufactured at Simla and Rawalpindi. If this proposal is accepted, there will be ultimately only two classes of spirit, the first, country spirit, which will be plain spirit made from materials recognised as a country spirit base, will be of a strength readily ascertainable by the hydrometer, and will be sold at country spirit shops subject to the local rate of duty ; the second, foreign spirit, which will include all other kinds, that is to say, imported spirits, sophisticated and flavoured spirits, and spirits made from special bases such as malt and toddy. These will be taxed at the tariff rate of duty and sold at foreign liquor shops.

A similar distinction will apply to fermented liquors. Of these the country liquors are *tari*, which includes the juice of any kind of palm tree, and the so-called country beers, which are fermented liquors prepared from rice, millets and the like according to native processes. All others, for instance wines made in Kashmir and genuine beers manufactured in India, will be foreign liquors.

For convenience of administration the term 'foreign' may be extended to denatured or methylated spirit. This however will be subject to special rules in regard to both manufacture and sale.

109. The reasons for this sharp distinction need explanation. As has already been noted, the duty on country spirit should not exceed the tariff rate on imported spirit and the latter is generally speaking very much higher than the former. It is not the policy of Government to allow imported liquors to become articles of common consumption among the native population and their sale is limited to places where there is a European, Eurasian, Parsi or other population that uses them. These liquors are not such as can easily be made illicitly in India, and by reason of obscurity it is impossible accurately to ascertain their strength without careful laboratory analysis. In view of these circumstances they have been allowed freedom from many of the restrictions that are imposed on country liquor, that is to say, there is generally speaking no fixed strength or limit of possession for private purposes and no pass is required for transport from place to place. The complete separation of the vend

The reasons for the distinction and the general policy.

of country and foreign liquor is also in most Provinces strictly insisted upon, on the ground that without this precaution there is always a danger of the liquor excised at the lower rate of duty being passed off as that paying the higher. These reasons apply with less force to imitation and other flavoured spirits made in the country, but their consumption is already diminishing and is expected shortly to be confined to the richer classes. They are liable to the same objections on the score of obscurity as imported liquors and, as soon as the duty on them is raised to the tariff rate, their sale on the same premises as country spirit will be even more liable to give rise to substitution of the one class for the other than in the case of imported spirits.

Some exceptions to the general policy.

110. The general policy in the matter having been thus indicated, certain departures from it may be next considered.

A first exception arises in the case of the flavoured and toddy spirits in regard to which it has been recommended that some years should be allowed to elapse before the duty is raised to the full tariff rate. The Punjab Government proposes to pursue a similar course in respect of sophisticated spirits in general and malt whiskey in particular, and this will involve to some extent the coöperation of the Governments of the United Provinces and the North-West Frontier Province. In the case of sophisticated spirits the postponement of increase to the full tariff rate is only for a year. In that of malt whiskey it is intended as a protective measure and designed to last somewhat longer. The expedient is of doubtful efficacy, as it will involve the continued subjection of this spirit to the restrictions imposed on country liquor; and the Committee would recommend that both in this case and in that of the flavoured and toddy spirit a strict time limit should be put on the period of concession.

A second case which calls for notice is that of the liquors imported from Kashmir into certain Provinces. In the Punjab duty on wines is levied at the tariff rate, but spirit is taxed at Rs. 5 instead of Rs. 7 per proof gallon and cider is subjected to no taxation at all. In the United Provinces spirit is taxed at Rs. 4 only per proof gallon. The Committee's recommendation is that the tariff rate be now adopted in respect of all imports of foreign liquors from Native States.

Issues of rum and beer to troops involve departure from the ordinary rules in more than one respect. Rum is supplied duty free to the Military Department, which imposes, and credits in its own accounts, a duty of Rs. 2 only per proof gallon. In the case of beer a similar procedure is followed in Madras; while elsewhere the duty is paid by the supply contractor before issue, but he is given a free allowance of four to five gallons in every hundred to provide for loss subsequent to issue. The Committee think that there is room for improvement in these arrangements. Having regard to the price at which rum is purchased and retailed, it seems to them that the duty should be increased to Rs. 4. The excise duty on rum everywhere and on beer in Madras should in their opinion be paid by the supply contractor to the ordinary revenue authorities before removal from the distillery or brewery, and the liquor should travel under a pass which should be discharged on receipt. The free allowances should be abolished.

A regulation which is in force in Bengal and Eastern Bengal requires foreign liquor in transit from a wholesale to a retail dealer to be covered by a pass. The Committee have examined the working of this regulation and find that its original purpose has long ceased to have force and that it now has no practical value. They have recommended that it should be abrogated.

As stated above, if foreign and country liquor are allowed to be sold on the same premises, there is great danger of that which pays the lower duty being substituted for that which pays the higher. This conjoint sale is nevertheless allowed in Calcutta and elsewhere in Bengal and Eastern Bengal. While its dangers are admitted, the difficulty of putting a stop to it without increasing the number of shops is urged as

a reason for its continuance. The Committee are not convinced that in a redistribution of shops it will not be possible to effect a separation of the two classes of liquors without making any general increase. In any case they consider it absolutely necessary that the separation should be made. They would recommend a similar separation in other instances, especially in the Punjab, as soon as the duty on 'foreign' liquors made in the country is raised to the tariff rate.

111. These exceptions disposed of, the way is cleared for the detailed consideration of the principles governing transactions in foreign liquors. For this purpose they may be reviewed under three heads according as they are made in British India, imported by land or imported by sea.

Detailed consideration of the general principles governing transactions in foreign liquors.

112. 'Foreign' liquors made in British India will include, if the Committee's recommendations are accepted, sophisticated or flavoured spirits, spirits made from special bases, denatured spirits and beer.

Liquors made in British India—

In connection with potable spirits, the first thing to be ensured is the levy of the tariff rate of duty at a stage of the manufacture before the spirit is so obscured that its strength cannot be ascertained accurately with the aid of a hydrometer. In cases where the flavour is derived from the base itself, such as malt whiskey and toddy spirit, the obscuration will not be large and it will be generally safe to accept the hydrometer reading subject to occasional tests in the laboratory. When the flavouring is added between the first and second distillation, as in the case of the spirit at present made at Kotri, it will be well to levy duty on the first distillate. When the flavourings are added after final distillation, duty should be levied on the plain spirit when passed out for compounding.

(1) Potable spirits—  
(a) levy of duty.

In the next place it is desirable to secure control over the ingredients used for flavouring, more particularly the essences imported from abroad. Some of these are distinctly poisonous, e.g. benzaldehyde, which is sometimes used as a substitute for a more expensive flavouring essence. The Committee do not think it necessary to go so far as the Bombay authorities who prohibit import of these essences altogether; but they would require that they should all be subjected to analysis and, if approved, should be allowed to be added to spirit only in such proportion as authorised analysts may determine. The nature of some of the ingredients used for colouring indicates that these require to be placed under similar control.

(b) Control of flavouring and colouring.

113. The making of spirit for technical purposes is an industry in which it appears to the Committee that there is room for considerable development and which they think may be legitimately encouraged by Government. To take a single instance of the openings for such manufacture, it would appear that there are imported into Calcutta, chiefly from abroad, over two lakhs of proof gallons of methylated spirit a year, most of which is used for the shellac industry, while the lac itself comes from a country where *mahua*, which is one of the cheapest, if not the cheapest, distilling base known, occurs in abundance adjacent to cheap coal. The use of the same spirit as fuel in lamps and motors seems likely to grow into a matter of considerable importance. Government assistance to this industry can be afforded by the removal of the duty, by the liberal grant of licenses to distil and by the simplification of the law and rules.

(2) Denatured spirits—  
(a) The possibility of development of this industry.

The duty is 5 per cent. *ad valorem*, the same as is levied under the import tariff. The recommendations of the recent Departmental Committee on Industrial Alcohol in England included the freeing of the importer or manufacturer from all charges connected with the revenue beyond the cost of the denaturing agents and of the mixing of them with the spirit. The Committee would recommend that a similar course should be followed in India.

(b) Removal of duty.

With regard to the liberal grant of licenses to distil it may be said that there has hitherto been no demand for them. This is true, but the Committee believe that the demand is certain to arise when the potentialities of the *mahua* tree and the variety of uses to which a cheap industrial

(c) Free grant of licenses.

spirit can be put in this country are more fully realised, and they think it would be well that Government should be prepared in advance to encourage the erection of such distilleries.

The chief question in connection with the simplification of the regulations governing this spirit is the discovery of a cheap and reliable denaturant for general use. This is a matter which is now under investigation by Major Bedford, I.M.S. Meanwhile the Committee are suggesting in a later chapter that the law relating to the subject should be recast and embodied in the general Excise Acts.

114. Before beer made in India can be admitted to the privileges of foreign liquor it is necessary to ensure that it is of proper quality. Though this is generally the case, owing to the great bulk of the beer brewed in India being made in accordance with the standards laid down by Army Regulations, it is not always so in Bangalore and the Nilgiris where the low rate of taxation on beer, and the fact that there is little or no country fermented liquor, have resulted in the extensive manufacture of a strong and inferior article for native consumption which has had to be distinguished from beer proper by the title of 'native' beer. This 'native' beer, which was originally nothing but a sugar wash, has been gradually improved and a certain percentage of malt and hops is now insisted upon, but it does not appear to the Committee that a proper standard of quality has yet been reached. Nor is there any sufficient justification for the separate classification and sale at present adopted. It appears to them that no beer should be allowed to be issued from a brewery that will not pass a standard of quality as beer for general consumption. How that standard should be fixed is a matter for expert advice; but the Committee on their present information would suggest that one provision should be the requirement of at least two bushels of malt to every hogshead.

When all beer issued is up to standard, the way will be open to free interchange between Provinces, and beer of proper quality and duly excised may be given all the privileges of imported liquor.

The question of the rate of duty will be dealt with later, but it may be mentioned here that a considerable increase appears to be necessary and that it is desirable therefore to introduce much more efficient arrangements for control.

In the United Provinces and the Punjab, in which a great majority of the breweries at present opened are situated, the system on which the duty is levied is one of confidence in the good faith of the firms. The latter issue beer on their own passes and make payments of duty every quarter on the beer issued. There are certain restrictions as to the writing off of wastages which however are not always fully observed, and the only control exercised consists in an occasional visit of the Collector or officer in charge of Excise. The method of control in Bengal is much the same, except that one small brewery pays duty on manufacture and not on issues. In Bombay a sub-inspector is maintained at the gate, but he is not allowed within the premises. In Bangalore an officer of similar rank makes constant surveys. In Madras these surveys are coupled with a strict system of book-keeping and stock-taking, which enables the inspecting officer to make at any time a complete check of all operations in progress, and duty is levied on manufacture instead of on issues.

It has recently been proposed to develop the system in force in the Madras Presidency, which already involves a limitation of the initial gravity of the wort and a check on the attenuation of each brew, into one based on the English system, which would allow of the levy of duty on a standard gravity, in other words proportionate to strength. The Committee have carefully considered this proposal, and while recognising that there are grounds for it in that Presidency and that such a course may be ultimately desirable elsewhere should similar conditions arise, are of opinion that the time has not yet come for its acceptance. The chief argument in favour of it

is that it would secure the levy of taxation in proportion to strength on the 'native' beer above described. The objections are that it could not be applied in a single Province only or to locally made and not to imported beer; and that its general application would not be worth the expense it would involve under present conditions, since the bulk of the beer manufactured in India is made in accordance with standards fixed by Army Regulations and there is nothing to show any large imports of strong beers from abroad. The Committee think therefore that for the present it will be sufficient to provide for periodical tests to be made of the strength and quality of all brands of beer, whether locally made or imported, with a view to securing a standard of quality and to ascertaining that advantage is not taken of the levy of a uniform rate of duty on all strengths to make or import a strong class of intoxicant.

The system of control which they would suggest for adoption as soon as a trained establishment is available would be based on that in force in Madras, of which the following is a fuller account:—

(e) The Committee's recommendations.

The brewer is first required to file an entry giving an exact description of all his rooms and vessels with a declaration of the use to which each is to be put. The names of the rooms and vessels are painted on each and the vessels gauged throughout and the capacity calculated to the nearest gallon for each tenth of an inch. When he commences work, the brewer is required to keep an exact account of all transactions in a prescribed form and to give the officer 24 hours' notice of every brewing, which must mention the hour at which he proposes to mash malt or dissolve sugar and at which the 'grains' (exhausted malt) will be open to inspection in the mash tun. The officer is thus able to be present at and check any or all of the operations. The duty is raised on the beer manufactured, that is on the quantity measured in the fermenting vats by the brewer and the officer separately; the higher of the measurements being taken in any case of difference. A deduction of 5 per cent. is made from this quantity to cover all wastage in subsequent operations and issue. This is an arbitrary allowance fixed with reference to the actual results of a series of years. It is less by 1 per cent. than the English allowance, but is found sufficient on the Nilgiris; on the plains perhaps 8 or 10 per cent. may be required. Issues are made by the brewer on his own passes which are periodically checked by the surveying officer. No allowance for shrinkage or dryage is made on issues whether to canteens or otherwise. Beer that is rejected is allowed to be taken back into stock on proof of its identity. Wastage is written off as the result of a stock-taking made once a quarter, but at irregular intervals, by the Distillery Inspector, but no refund of duty is given on wastages in excess of the 5 per cent. referred to. The officer in charge is the sub-inspector who divides his time between three breweries; he is supervised by the Assistant Inspector whose duties however are chiefly preventive; the next authority is the Distillery Inspector who has the control of distilleries, warehouses and breweries in four districts; and the head of this branch of the department is the Abkari Deputy Commissioner who is the technical and scientific adviser of the Board of Revenue.

115. The question of import of liquors by land is comparatively speaking a minor matter. Import from foreign European settlements is provided for in the Tariff Act. Similar imports from Native States are, in the majority of cases, prohibited. Exceptions are the import of toddy from Mysore, Hyderabad and Native Cochin into Madras, of whiskey from Shaikawat in Rajputana into neighbouring Provinces, of perfumed spirits from Navsari in Baroda into Bombay, and of wines, spirits and cider from Kashmir into different parts of India. These liquors are treated generally as country or foreign according as they would fall under the one or the other classification in the Province of import. They can be taxed either by declaring the State in question to be foreign territory under the Tariff Act or by the imposition of an import duty under the Excise law. When it is desirable to admit country liquors, as in the case of toddy from Mysore and Hyderabad, the latter appears to be the best method. The only imports of consequence of what

Liquors imported by land—both country and foreign—suggested arrangements.

may properly be regarded as 'foreign' liquor are those from Kashmir. These are hindered at present by a variety of regulations and the duties levied are not always those prescribed by the Tariff Act. The State already has mutual customs arrangements with the British Government and a British Customs officer is maintained at the capital. The Committee would recommend the notification of the State as foreign territory for the purposes of the Tariff Act and the levy by the British Customs officer of duty at the tariff rate on all consignments intended for British India; the consignments to proceed under passes granted by him which would be verified at the place of destination, and to be admitted thereafter to all the privileges of foreign liquor.

116. It remains to consider imports by sea. Here the question of quality is the first matter to be examined and is one in respect of which the gravest misconceptions exist. It is generally supposed that cheap imported spirits are extremely noxious, and on this supposition a variety of proposals have been made for checking their importation. At the instance of the Committee Major Bedford has analysed a variety of samples and has found them all to be of passable quality, thus confirming the results of the analysis of the 'trade-gin' sent to Africa.\* The Committee are disposed to believe that a large part of their repute for noxiousness is due to the fact that they have been consumed by classes not habituated to the use of alcohol in any form.

On Major Bedford's report there is no ground for general exclusion or for imposition of tests of quality. At the same time it must not be forgotten that the English Government, while rigidly supervising operations in the warehouse in respect of liquors intended for home consumption, allows any sweetening or colouring matter or any other ingredient to be added to them when they are intended for export,† and it is probable that the regulations of some continental Governments display the same unconcern for the foreign consumer. There is thus danger of appreciable impurity being imparted by the admixture of the cheapest flavouring essences which are often highly impure. Moreover Major Bedford's remark above referred to applies to spirits only. Much of the wine imported, if not absolutely injurious, is spurious, and is commanding an increasing sale among the richer native population on account of supposed tonic properties which it does not possess. It appears therefore to the Committee that, without the prescription of any tests of quality, a periodical examination is necessary of all imported liquors with a view to the exclusion of those that are impure or otherwise undesirable. The prices at which many are at present put upon the market raise a doubt as to their fitness, while the ignorance of the public is a reason for protection.

Another branch of the business in which control over quality is undoubtedly necessary is the compounding of foreign spirits in this country. This is a trade which has grown rapidly of late years. High over-proof spirit, imported at a price at which no local distiller can make it, is broken down to varying strengths, sometimes as low as 70° U.P., and after being mixed with some flavouring essence is bottled as whiskey, gin or brandy. This, when put upon the market, enjoys a sale in competition with country spirit which is rapidly increasing. In the Committee's opinion the trade is by no means to be encouraged, and, if allowed at all, should be kept under control. If the spirit itself is held innocuous, it is absolutely necessary that both the essence used and the proportion of it should be under strict rule and that the process of adding it to the spirit should be duly supervised. The colouring matters employed also need examination. The most satisfactory arrangement would be to require all such operations to be conducted in Customs bonded warehouses at the ports of import; and, if it is thought desirable to allow them in any inland Province, they should be conducted under the supervision and control of a responsible officer. The Committee think it would be well if the propriety of similar arrangements were considered in the case of the manufacture of perfumed spirits in Bombay City.

\* Quoted in Reid's 'Alcoholism,' p. 260.

† Vide Regulations governing the deposit of goods in Customs or Excise General Warehouses, paragraph 371.

A further question which arises in this connection is in regard to the imposition of a minimum limit of strength at which foreign spirit may be sold. In Bombay City no rum, whether locally manufactured or imported, is allowed to be sold at a strength of less than 20° U.P. In the rest of the Presidency a limit of 15° U.P. has long been in force in respect of all 'foreign' spirit except that sold at Rs. 2 a bottle or over, which is considered not to come into competition with country spirit. It was introduced as a protection to the monopolist under the District Monopoly system. The same limit of strength is in force in Ajmer-Merwara and in Sind; in the latter case however the alternative price has been raised in connection with a question of exchange to Rs. 2-4-0 a bottle. Elsewhere no such limits are imposed and the consequence has been a largely increasing consumption of cheap foreign liquor, especially in Bengal and Eastern Bengal, where it is frequently sold at lower rates than country spirit. It appears to the Committee that a limit is decidedly necessary, but they think the one in force in Bombay is too high and liable both to exclude some satisfactory brands and to lead to the consumption of a stronger spirit than would otherwise be used. The limits they would recommend are those which are practically enforced in England under the Food and Drugs Act Amendment Act of 1870, viz. 25° U.P. for whiskey and brandy and 35° U.P. for gin. This is a recommendation in which Major Bedford concurs.

Taxation of vend of all classes of foreign liquors.

117. The taxation of the vend of foreign liquor is a matter in which there is great diversity of practice and which is further complicated by the variety of names adopted for the different forms of licenses.

118. Taking first what may be termed wholesale licenses,—that is, licenses with an inferior limit of sale generally of two gallons in full bottles, jars or casks,—it is to be observed that in the City of Bombay, in accordance with a concession embodied in the Bombay Abkari Act, these licenses are altogether dispensed with in the case of liquor sold in its original casks or packages. In other cases a license is required for which the fee is assessed by the Collector subject to a minimum of Rs. 100. In Assam, the United Provinces, Madras, Ajmer, Baluchistan and Bangalore the fee is low, varying from Rs. 25 to Rs. 64. It is Rs. 300 in Calcutta. In the rest of Bengal and Eastern Bengal and in the Punjab it is fixed by the Excise Commissioner at his discretion, subject to a minimum of Rs. 50, and in the last-named Province to a maximum of Rs. 1,000.

It seems to the Committee that in respect of these licenses, which are practically for the sale of a dozen quarts or more at a time, the proper policy is to impose a fixed fee which should be sufficiently high to keep the business in respectable hands, but not so high as to hamper legitimate trade. They think that the concession granted in Bombay should be withdrawn, that the fee levied in Madras should be raised, and that it is unnecessary to adopt a system of assessment as in Bengal, Bombay and the Punjab. A fixed fee of from Rs. 100 to Rs. 300 would probably be satisfactory.

119. They would further allow bottling or compounding or blending by no one but holders of wholesale licenses, on payment of an additional fee of from Rs. 50 to Rs. 100 for bottling, and one of from Rs. 250 to Rs. 500 for compounding or blending, which would be subject to the restrictions already mentioned. One condition of the supplementary licenses would be that all liquor bottled in India should be so labelled.

120. Next fall to be considered what may be called retail 'off' licenses, that is licenses for sale for consumption off the premises with a superior limit of sale of two gallons and an inferior one usually of a pint. These are the licenses commonly granted to ordinary shopkeepers, but they may of course be combined with wholesale licenses in the case of considerable firms. The fees levied for them are very various. In Madras there are two rates according to locality, Rs. 50 and Rs. 100. In Bangalore the fee is Rs. 100 and in Ajmer-Merwara Rs. 192. In the United Provinces the ordinary fee is Rs. 200, but may be reduced in special cases, and no inferior limit of sale is prescribed. In Bengal these licenses are in force only in Calcutta where they bear a fixed fee of Rs. 1,000. Elsewhere in the Province, as well as in Eastern Bengal and Assam,

Retail 'off' licenses.



retail licenses, covering both 'off' and 'on' sales are usually sold by auction, often in combination with the country liquor licenses. In Bombay retail 'off' licenses are assessed on the transactions of the previous year at a rate approximating Rs. 1-8-0 per dozen sold and in Sind on past transactions within limits of Rs. 25 and Rs. 500. In the Punjab there is no separate class of 'off' licenses. The fee for an 'off' or an 'on and off' license ranges from Rs. 200 to Rs. 1,000.

In this case again it is necessary rather to see that the business is kept in respectable hands than to extract revenue from it. The shops in question are required to supply the demand of the classes using foreign liquors, which already pay a high duty, and they do little to increase consumption or drunkenness if proper discretion is shown in the grant of licenses. The Committee would recommend grant to respectable persons at a fixed fee which might amount to Rs. 50 to Rs. 100 in small towns, Rs. 250 in larger ones and Rs. 500 to Rs. 1,000 in the case of considerable firms trading at the headquarters of Provinces. They prefer a classification of this kind, coupled with a high tariff rate, to any attempt to assess the fee with reference to transactions, since to be effective the latter arrangement involves the control of the possession and transit of all foreign liquor, which they are not prepared to recommend; but they would not object to a fee being raised on some such basis when the business done was chiefly in single bottles, in other words when it competed with that under 'on' licenses.

There should be a heavy penalty if consumption on the premises occurs under cover of the 'off' license, and the minimum quantity to be sold should be a full pint bottle corked and capsuled. The enforcement of the latter regulation would put a stop to the sale of flasks of one or two drams apiece, which is now becoming a very common practice.

121. The licenses of the most important class are those which provide for sale for consumption on the premises. In Bengal and Eastern Bengal these are to a great extent combined and auctioned with the licenses for sale of country liquor. In Calcutta practically all the country spirit sellers hold them on payment of a fee of Rs. 600 apiece, and a few rum shops, which also sell all kinds of foreign liquor, are auctioned separately. Similar licenses are auctioned in Assam, Madras and Bangalore. In one of the cities of the United Provinces a first experiment in auctions is now being made; the usual practice is to allow sale for consumption on the premises by holders of 'off' licenses on payment of an additional Rs. 100. In the Punjab licenses for consumption both on and off the premises are auctioned in cities and bazaars, but in civil stations and cantonments are granted on fees fixed at the discretion of the Excise Commissioner subject to limits of Rs. 300 and Rs. 1,000. This practice, it may be mentioned, has recently been found by that officer to be liable to abuse and to give rise to great variations in the taxation per gallon. The system followed in the North-West Frontier Province is the same as in the Punjab. In Bombay City privileged licenses (*i.e.* licenses granted for life subject to good behaviour) are liable to a fee revised triennially by the Collector; others (*i.e.* licenses for shops for which the privileged licenses have expired) are auctioned for three years with renewals for two further terms of three years each on fees assessed by the Collector. No regular 'on' licenses are granted outside the Presidency town, but a clause in the 'off' license gives a practical sanction to such sale. In the Central Provinces these licenses are granted on fees fixed at the discretion of the Collector; in Ajmer-Merwara they are granted on a fixed fee of Rs. 192.

Shops for the consumption of foreign liquor on the premises are not necessary to meet the needs of the bulk of the native drinking population, whose ordinary liquor is country spirit, *tari* or country beer, nor for the most part are they wanted for the European, Eurasian or Parsi communities whose requirements are met by other licenses. To the native middle classes, who are not usually addicted to taking liquor, they afford facilities for acquiring the habit, both by encouraging the tendency to imitate western customs in this respect and by their superior attractions and real or fancied greater respectability as compared with the country spirit shops. At the same time the Committee are disposed to doubt whether the system of auctions, though it undoubtedly brings in the largest revenue, is the most satisfactory means of disposing of these licenses.

Their recommendation is to restrict to as narrow limits as possible licenses for sale of foreign liquors for consumption on the premises. As instances of possible restriction they would suggest the closure of all the rum shops in Calcutta, a reduction in the number of taverns in Madras, the abrogation of the second paragraph of clause 5 of license forms 13 and 13-A in force in Bombay, and the prohibition of 'on' sale under what are known as 'first class' licenses in the Punjab and the North-West Frontier Province. They would continue the grant of such licenses only where there is a proved demand on the part of a class of drinkers accustomed to foreign liquor, and they would restrict their number by a high inferior limit of fee, say Rs. 100 a month, which might be relaxed in special cases such as that of shops for the sale of flavoured spirit which does not imitate imported liquor. In cases where auctions are not retained the shops might ordinarily be disposed of either on fixed fees or on a system of settlement based on past transactions.

122. Licenses for the sale of beer only for consumption on the premises should be granted on similar principles, as is now done in the Punjab, Madras, Coorg and Baluchistan, and especial regard should be had to restriction on their numbers in localities where a country fermented liquor is available.

Beer licenses.

123. The fees for hotel licenses for sale to residents, and sometimes also for removal, are fixed at the discretion of the Collector or Excise Commissioner subject to a minimum which amounts to Rs. 400 and Rs. 200 in the Presidency towns of Bombay and Calcutta respectively, and generally to Rs. 100 in other large towns and Rs. 25 in smaller ones. The Committee have no amendment to suggest, except that, where sale for removal is allowed, the licensee should be required to take out a separate wholesale or retail license or both in respect of it.

Hotels and refreshment rooms.

Licenses for refreshment rooms are taxed somewhat similarly, except in Madras Town where a fixed fee of Rs. 500 is imposed to prevent competition with licenses sold by auction, the fee for the rest of the Presidency being Rs. 75.

In both these cases bar licenses are as a rule given in addition for a monthly payment which amounts to Rs. 10 in the Central Provinces, Rs. 7-8-0 to Rs. 25 in Madras, and Rs. 50 in Calcutta. In the United Provinces the fee is fixed by the Collector within limits of Rs. 50 and Rs. 200 a year. No such licenses are required to be taken in Bombay, though bars are allowed. The Committee think it very desirable that provision should be made for them where it does not exist.

A license which is peculiar to Calcutta is the late closing license, the fee for which is fixed on the same principles as the bar license, being graduated with reference to the hour to which the premises are allowed to be kept open. This also seems to the Committee to be desirable in places where for special reasons the usual closing time has to be exceeded. At present there is no closing time for hotels in Bombay.

Licenses for railway refreshment rooms, dining cars and steamers are fixed on scales varying according to the circumstances of the Provinces or at the discretion of the Commissioner. Care should be taken to limit the holders of such licenses to their legitimate business. For instance, a railway refreshment room licensee should be prohibited from establishing a bar, as is not infrequently done, for sale to persons other than travellers, or from conducting a wholesale or retail business in his refreshment room premises, except under a license of the class requisite to cover the business done.

124. Occasional licenses, that is licenses for short periods for sale at entertainments and the like, are granted at small daily fees which are sometimes fixed and at others left to the discretion of the Collector. The Committee have no comment to make except that such licenses should not be granted as a matter of course and that transactions under them should be strictly confined to the purposes for which they are granted.

Occasional licenses.

125. It is not proposed to examine the remainder of the licenses in detail. Auctioneers' licenses, chemists' and druggists' licenses and dak bungalow licenses are all given at more or less nominal fees for strictly limited purposes. Licenses for the sale of denatured spirits are likewise

Other licenses.

limited, but the trade is not in all instances kept sufficiently separate from that in potable foreign liquors. In the Punjab and Coorg special licenses are prescribed for proprietary clubs, coöperative stores, and similar institutions. Care should be taken especially in mofussil towns that no institution of this kind sells liquor without a license or in contravention of the terms of its license. Travelling licenses are provided for in the Bengal Excise Act and in Act XII of 1896 and are seldom or never granted. The Committee propose to omit provision for them from the draft Bill.

126. The last and most important matter for consideration is the rate of duty. Owing to the absence of accounts it is not possible to estimate the increase or decrease in the consumption of the different Provinces, and the only figures which the Committee have been able to secure are those which compare the increase in imports with that in the population for the last thirty years. Even these are not wholly reliable owing to the incompleteness of the census figures for the year 1872. The comparison may be made under the heads of spirits, wines and fermented liquors.

127. Taking spirits first, there was between 1875-76 and 1904-05 an increase in imports of potable kinds from 701,177 to 1,297,611 gallons, or 85 per cent. The total population increased between 1872 and 1901 by 42·7 per cent. and the European, Eurasian and Parsi population in the Provinces for which reliable figures are available by 25 per cent.

The change in the class of spirits drunk is noticeable. Whiskey has advanced since 1880-81 when it was first separately registered by 303·3 per cent., rum by 32·3 per cent. and 'other sorts of spirits' by 186·3 per cent. The imports of brandy and gin have fallen off in the same period by 21·0 and 33·0 per cent. respectively.

A remarkable change in values will be seen from the following table of averages per gallon for 1880-81 and 1904-05:—

—	Whiskey.	Rum.	Brandy.	Gin.	Other sorts of spirits.
	Rs.	Rs.	Rs.	Rs.	Rs.
1880-81 ... ..	8·0	3·8	9·1	5·0	4·3
1903-04 ... ..	6·5	1·8	7·7	4·0	2·3

The case of rum is perhaps the most striking. The imports in 1876-77 were 33,539 gallons valued at Rs. 2,06,870. Those in 1904-05 were 70,609 gallons valued at Rs. 1,27,283.

The proportions in which the total imports were divided between the maritime Provinces were—

	1875-76.	1904-05.
Bengal ... ..	32·9	26·5
Bombay ... ..	30·7	27·6
Burma ... ..	16·7	20·3
Madras ... ..	14·9	16·1
Sind ... ..	4·8	9·5

The increase in the imports into Burma is remarkable. The share taken by different Provinces in the trade in different classes of spirits is also interesting. For instance, Bengal in 1904-05 took 196,792 gallons of whiskey and only 85,735 gallons of brandy, rum and gin, while Burma took only 73,629 gallons of whiskey and 182,743 of the other three. Madras, which is a comparatively small importer of these classes of spirits, takes the largest proportion of 'other sorts' in the form of Colombo arrack.

123. There is a decrease under all kinds of wines except 'port' and 'other sorts,' amounting for the thirty years to 73·7 per cent., while 'port' and 'other sorts' show an increase of 33 and 6·9 per cent. respectively, leaving a net total decrease of 44·1 per cent. Though the average value for 'port' has remained steady, there appears to have been an increase in the import of spurious qualities, some of them containing a percentage

of proof spirit as high as 42, the limit of strength for wines admitted under the Tariff Act. The value of the 'other sorts,' which have advanced in quantity to more than a third of the whole, has declined from a little over Rs. 8 to something under Rs. 6 per gallon.

129. The total consumption of malt liquors has advanced in the last twenty-seven years by 314 per cent., as compared with an advance in the total population by 42·7 per cent., and in the European and Eurasian population in the Provinces for which reliable figures are available of 27·9 per cent. The average value of the imported beer has declined from Rs. 2-5-6 to Rs. 1-5-0 per gallon. The large quantity made in or imported into Burma is again remarkable, amounting in this instance to 12 per cent. of the whole.

130. This very brief survey of the course of imports, taken with the other evidence before the Committee, suggests the conclusions that, in the case of the classes which habitually consume imported liquors, there is no reason to infer any considerable increase in the *per capita* consumption. There have been several changes in fashion, the net result of which is a large decrease in the consumption of brandy, gin and wines other than port wine, and a large increase in that of whiskey and light beers. These changes have been accompanied by a marked rise in the import of cheap spirits, port and malt liquors for the use of other classes, that is the middle classes of the native population, whose consumption of them tends to show a rapid increase, especially where the rates of taxation on country spirit are high or the shops for the sale of it are greatly restricted in number.

The Bombay Chamber of Commerce takes so serious a view of the increase in the importation of cheap spirits that it suggests either the prohibition of import of spirits below a certain age or the regulation of the taxation inversely to value. In Calcutta the same matter has formed the subject of repeated complaints by the Wine, Beer and Spirit Association. In view of Major Bedford's declaration as to the quality of these spirits, the Committee are not prepared to recommend action at present on either of these lines. They expect that the necessary check will be imposed by the increase already effected in the tariff rate, which, regarded as *ad valorem* taxation, means an enhancement of over 100 per cent. more on the cheaper than on the dearer brands. But they would recommend that the course of imports as well as of prices should be carefully watched with a view to further increase when necessary. They would lay stress on this matter of the prices, because, in the case of the cheapest brands, the recent enhancement of the duty does little more than bring the retail price up again to what it was ten or fifteen years ago.

131. The Committee would recommend a similar watching of the course of imports of cheap ports and other wines. In this case the alcoholic strength is also of importance.

132. In the case of beer an early increase in the tariff rate, as well as in the local excise rate, is very necessary. The present tariff rate is less than 5 per cent. *ad valorem*, and in the Nilgiris the stage has been reached of the vend fees being half as much again as the duty. The total consumption, of which only about 50 per cent. is represented by issues to troops, has increased by 314 per cent., and beer drinking by the native population is increasing in Madras and Bangalore and, it is believed, in Burma. A commencement of such consumption has recently been noticed in parts of Northern India and in Sind. The only reason the Committee have heard urged against an increase is that an interference with the present rate of duty might disturb the relations between the Military Department and their contractors. Such evidence as the Committee have received on this point is to the contrary effect. The position as they understand it is this. The Military Department, having for years past worked under a system of contracts with local brewers, is now abandoning it, in part at any rate, in favour of what is known as the 'tenant' system, under which a regiment makes its contract direct with the 'tenant' of its canteen to sell various classes of stores, beer included. Some regimental authorities

no longer desire to have beer sold as cheap as 4 annas a quart, which was till recently the prescribed maximum, and the soldiers, to whom to a great extent the choice is left, are ready or easily persuaded to pay an anna more for the imported article. In these circumstances the English brewers are able to compete, because, having tied houses at their back in England, they can pursue a 'dumping' trade in this country. Were the rate of duty to be raised however, they would no longer be able to sell at the present price, while the local brewer would be able to do so and still make a fair profit. The increase in the rate of duty, which is desirable on other grounds, would thus be actually in favour of the local brewers. The Committee are disposed to think that they are entitled to this advantage, if not to a larger one. They are considerably handicapped by having to pay the import duty on much of their machinery and materials, as well as by being bound to manufacture under regulations that are not applicable to imported beer, and the Committee consider it would not be unfair if the local industry were even given an advantage in the rate of duty, as is done in England where these reasons for favourable treatment do not exist. The rate of duty the Committee would suggest for a commencement is two annas, or an increase of one anna a gallon. This is the rate already levied in the State of Mysore, while in contravention of the law three annas is levied in Coorg, and as much as four annas was at one time levied in Madras. It may be of interest to add that the Mysore State levies in addition to the duty a 'kist,' or fee, per hogshead which amounts in places to as much as Rs. 61 and the authorities at Bangalore a similar 'kist' of Rs. 15-8-0. This latter also would appear to be an arrangement of doubtful legality.

133. A difficulty which has affected transactions in 'foreign' liquors made in India arises out of the credit of the duty on them to the Province of manufacture and not to that of consumption. The adoption of the policy of subjecting to the tariff rate all imitation flavoured spirits will undoubtedly have the effect of decreasing their consumption, and under the Committee's proposals no option will be left to Local Governments in the matter of admitting or excluding liquors entitled to be classed as 'foreign'. In order to promote inter-provincial trade and to afford increased facilities to the local manufacturer the Committee are embodying in the draft Bill proposals for the grant of permission to transfer 'foreign' liquor made in India from Province to Province in bond as an alternative to the payment of duty at the place of manufacture. This will give the manufacturer in India an advantage corresponding to that enjoyed by importers using bonded warehouses at the ports of import, and at the same time will enable Local Governments to secure the duty on the local consumption by the grant to the trade of facilities in the shape of bonded warehouses, though they will have no power to prohibit the import of 'foreign' liquor once it has paid duty in any Province. The warehouses proposed for use in the case of country spirit could doubtless be used for these liquors as for other exciseable articles.

The Government's questions replied to.

134. On these conclusions the Committee submit the following replies to the questions referred to them:—

(1) In the results of the analyses made there is nothing to support the allegation that foreign liquor, or any particular variety of foreign spirit, is more deleterious than country liquor; but, in the absence of control by the exporting countries of the compounding of spirits exported, there is a danger sufficient to make periodical tests necessary, while thorough control of similar operations conducted in this country is eminently desirable.

(2) The rates of taxation on imported spirits have tended in the past to give a considerable stimulus to the sale of the cheaper classes in preference to country spirit, more particularly in the Presidency towns and in parts of Bengal. Whether this will continue to be the case now that the tariff rate of duty has been raised is a matter of speculation. But the Committee consider that the imports should be carefully watched with a view to further increase, if necessary.

In the case of port wine there appears to be a similar and equally undesirable increase in imports of the cheaper qualities, frequently not true wine at all. This also may require to be checked by higher taxation.

There is a very large increase in the consumption of beer as a whole and an extension of its use by the native population ; and a considerable enhancement of the duty appears to be advisable.

(3) The consumption of foreign spirit is progressing out of proportion to the increase in the population both of the classes that habitually use it and of the country as a whole. The cause is to be found partly in the replacement of wines by whiskey among the classes referred to, but much more largely in the growing consumption of foreign spirits by the middle class of the native population which did not formerly use them. The remedy is an increase in the taxation together with a strict limitation of the number of shops, particularly those for consumption on the premises.

(4) The fourth question has already been in a great measure answered in replying to the third. Foreign liquor does appear to offer special attractions to many of the middle classes who would perhaps abstain if only country liquor were available. It does appear desirable to discourage their consumption of it by all reasonable means. At the same time some increase of such consumption is probably an inevitable consequence of the adoption of western manners and customs, of the slackening of social ties and religious beliefs, and of the growing preference for a town life. In any case it is an unsatisfactory phase of the transition which Indian society is undergoing.

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## CHAPTER VIII.—TARI OR TODDY.

135. The Committee are instructed to consider whether the tree-tax system, which from a revenue point of view has been very successful in Madras, or any similar system, can or should be extended to other parts of India, due regard being paid everywhere to local conditions. The Government state that, so far as present information goes, *tari* is the least noxious of all the forms of alcohol in common use in India, that it would be a grave evil to discourage its use if this result should be purchased at the cost of driving the people to more deleterious intoxicants, and that no considerations of revenue could be permitted to justify such a course. Another most important question to which the Committee's attention is drawn is whether the extension contemplated or suggested, if held to be desirable in itself, can be effected without inquisitorial and harassing interference with the people and the employment of a large staff of low-paid preventive officers. The Government of India are disposed to regard such a result as an evil only less serious than excessive drinking, and add that it must be justified, if at all, by other considerations than those of revenue.

Instructions to the Committee.

136. The Committee deem it necessary in the first instance to observe that there is much misconception, both official and popular, of the character of *tari* and that this wrong understanding should be corrected. The term *tari* includes both the unfermented and the fermented juice of any kind of palm tree. Fermented *tari* is described by the Government of India in the words above quoted. Other authorities are more pronounced in favour of the harmlessness of the juice. The Bengal Government in their letter No. 669 T.F., dated 18th June 1900, stated that its ordinary strength was commonly about 95° U.P. and that it might fairly be compared to the weakest description of *vin ordinaire*. An Excise Commissioner of the United Provinces (in his report for 1880-81) puts its strength at 98·1° U.P. and another (in his report for 1901-1902) repeats an assertion once made in the House of Commons that it is "little stronger than home-made ginger beer." A Collector in the same Province states that its intoxicating effects last only a few minutes, and the Bombay Temperance Council urge a reduction of taxation on the ground that *tari* is not an intoxicant, but a wholesome, refreshing and invigorating beverage. A similar opinion was held by a number of witnesses who gave evidence before the Committee, while several others laid stress on its nutritive qualities.

The belief in the harmlessness of *tari*.

137. It is necessary to examine in some detail these allegations as to the character of *tari*. It must be premised that *tari* ferments very easily and commences to do so very quickly, both because the state of solution is favourable to rapid fermentation and by reason of the fact that the pot in which the juice is drawn is almost invariably coated with old ferment. The rate of progress of fermentation varies with the kind of palm tapped and the temperature, and in a cold climate alcohol may be absent or inappreciable for a few hours. But in any climate the formation of alcohol must occur unless there be employed chemical means of preventing it, such as coating the pot internally with lime. In proportion as the alcohol is less the percentage of unfermented sugar is greater.

Scientific evidence on the point.

It appears therefore that the opinions under consideration are justified in so far as they relate to *tari* in which fermentation has not commenced or is only slightly advanced. But in the great bulk of the *tari* consumed fermentation is far advanced or is complete; and as to this fermented *tari*, only the statement of the Government of India represents the exact fact. Analyses made in 1882-83 showed that the average strength of six samples of Bombay toddy when fully fermented was 90° U.P. A much more extended experiment made with samples from all parts of Madras in 1897-98 gave an average of 89·4° U.P., and a third made at Kasauli on behalf of the Committee with samples from all parts of India showed an average of 91·6° U.P., or, excluding one sample which gave a suspiciously high strength, of 92·6° U.P. It is to be remarked in reference to this latter

figure that the samples analysed were necessarily several days old before they reached Kasauli and had received a large admixture of salicylic acid to prevent fermentation on the way. This may account for their being weaker than those which were analysed nearer the place of production.

In point of deleterious elements Major Bedford found that *tari* contained, bulk for bulk, nearly the same proportion of fusel oil as country spirits of 60° U.P., that is nearly four times as much in proportion to the alcohol contained. There was present—in some samples in great excess—a much larger acidity, which is a fruitful cause of indigestion, diarrhoea, dysentery and rheumatism. Its nutritive elements consisted on the average of 2.76 grams per cent. albuminoids and 2.2 grams per cent. sugars. On the whole it showed the lowest alcoholic strength and the highest nutritive value of any intoxicating liquor examined at Kasauli.

But the advantages just mentioned are secured only by the moderate consumer of *tari* in a comparatively fresh state. When it is taken in large quantities, the percentage of some of the impurities consumed is very much greater than it would be if the same amount of alcohol were taken in the shape of spirit, and the nutritive qualities are of little advantage to the consumer who drinks in order to get drunk, while the bulk of the *tari* tends to his detriment. In the words of the Commissioner of Abkari, Bombay, “the confirmed toddy drinker soaks. He becomes bloated and lethargic, while the drinker of country spirit has his glass or two now and then and is soon done with it.” There is moreover a large body of medical and other evidence to show that considerable injury results from the drinking of stale *tari*, which is described not only as a powerful intoxicant, but also, doubtless on account of its acid properties, as being highly productive of gout. Major Bedford puts the limit of time for wholesome consumption at 24 hours after drawing.

138. Widespread evidence of actual drunkenness from this liquor in the past renders the more remarkable the recommendations of many temperance reformers for its release from taxation. Tippu Sultan found drunkenness from toddy so prevalent that he ordered all toddy trees to be cut down. Sir Barrow Ellis, when Revenue Commissioner of the Northern Division in Bombay, gave a similar order for the same reason with regard to date trees in Government waste lands. The Bengal Excise Commission in 1884 found that much of the drunkenness attributed to outstills was really due to *tari*. There is ample evidence and it is within the memory of officers still in service that, before steps were taken to bring toddy under control in parts of Madras and Bombay, it was no uncommon thing to find whole villages, men, women and children, largely incapable as a consequence of its use. The same state of affairs is reported in places where it is not controlled at the present day, e.g. the Agency tracts of Madras, the Panch Mahals of Bombay and the tracts inhabited by the Maria Gonds in the Chanda district of the Central Provinces. In the Bihar districts of Bengal, where control is weak, several witnesses complained of the difficulty of keeping workmen or servants sober in the *tari* season, and there is some evidence of the prevalence of drunkenness in the same season, though to a less extent owing to the comparative paucity of supply, in the adjacent districts of the United Provinces.

139. It is necessary to lay some stress upon these points because, although *tari* drinking comes less under the notice of the public than spirit drinking by reason of its being confined in most Provinces to particular seasons and particular areas, it is none the less a grave matter in these periods and localities and the quantity of alcohol consumed in this form is very large indeed.

The areas chiefly concerned are the Bihar districts of Bengal, the Gorakhpur and Benares divisions and the Farrukhabad district of the United Provinces, the whole of the Madras Presidency except the Nilgiris, the greater part of Bombay, the Nagpur, Wardha and Chanda districts of the Central Provinces and the adjacent districts of Berar, and Coorg.

Owing to the large variation in the number and the yield of trees in different places and to the absence in the majority of Provinces of any regular record of the number tapped, it is difficult to make even an estimate of total or comparative



consumption. The following figures may however serve to give some idea of it. Taking first the total revenue for 1904-05, Madras yielded Rs. 93,27,554, Bombay Rs. 16,50,804, Bengal Rs. 10,72,308, the United Provinces Rs. 1,61,530, the Central Provinces Rs. 56,751, Eastern Bengal and Assam Rs. 26,536, Coorg Rs. 13,823 and Sind Rs. 1,315.

In the matter of vend licenses issued Madras again stands first with an average of one to every 1,932 of the whole population of the consuming districts; but this average is equalled or exceeded in local areas of other Provinces in which trees are numerous. In the Bihar districts of Bengal the average is one to 1,736 persons, the Patna district having in proportion to its population the largest number (1 to 592) of licenses for sale of any district in India. Six districts of the United Provinces, of which the first four are adjacent to Bihar, viz. Ghazipur, Ballia, Azamgarh, Gorakhpur, Mainpuri and Farrukhabad, have an average of one to 2,733 persons. In the Surat district of Bombay, where a large number of licenses for domestic consumption are issued, the proportion of licenses of all kinds to the population rises as high as one to 75; of licenses for sale Bombay has one to 3,104 and Thana one to 1,730 of its inhabitants. In the Central Provinces, Wardha, Bassim, Yeotmal and Amraoti have an average of one to 1,932 persons.

The figures of trees tapped are less reliable. There is however an accurate record in the case of Madras and Bombay; in the United Provinces a similar record was compiled in the case of palmyra trees tapped in the districts of Farrukhabad and Basti in the years 1900-01 and 1901-02 when the tree-tax system was under trial; in Bengal an enumeration of trees tapped in parts of the Bihar districts and some others was made from 1896-97 to 1898-99, and in the Central Provinces a similar enumeration was made in some districts in 1893-94. With the aid of these figures and a careful selection of areas a very rough idea of consumption and taxation per gallon may be gained. The areas selected are, for Bengal, the portions of the seven districts of the Patna division and of Monghyr and Bhagalpur which were included in the experiment; for the United Provinces, Farrukhabad and Basti, for which alone figures are available; for the Central Provinces, Nagpur, Wardha and Chanda, the three districts of the Nagpur division in which the enumeration was made; and, for Madras and Bombay, two areas of somewhat similar character to that selected in the Central Provinces, viz. the Ceded Districts and four districts of the Deccan and Karnatak, in each of which areas, as in the Nagpur division, only date trees are tapped, and the methods of administration and rates of taxation are uniform and are not confused by outside conditions. For the purposes of the estimate of consumption the yield of a palmyra has been presumed to be double that of a date and the latter has been put at twenty gallons per tree. The following are the figures arrived at:—

Province.	Districts concerned.	Area in square miles.	Population.	Kind of trees tapped.	Total number of trees tapped.	Estimated yield in gallons.	Estimated consumption per head in gallons.	Estimated revenue per gallon.
1	2	3	4	5	6	7	8	9
Bengal ...	Parts of Patna, Gaya, Musaffarpur, Saran, Darbhanga, Shahabad, Champaran, Bhagalpur, Monghyr.	2,823	1,626,364	Palmyras and dates.	194,883	5,862,620	3.6	Rs. A. P. 0 0 4
United Provinces.	Farrukhabad, Basti ...	4,472	2,771,985	Do.	11,496	* 574,800	0.2	0 0 10
Madras ...	Kurnool, Anantapur, Bellary, Cuddapah.	27,572	3,898,790	Dates ...	508,074	10,121,480	2.5	0 2 3
Bombay ...	Sholapur, Bijapur, Belgaum, Dharwar.	19,461	3,563,688	Do. ...	79,099	1,581,980	0.4	0 4 10
Central Provinces.	Nagpur, Wardha, Chanda.	16,217	1,699,226	Do. ...	309,431	6,188,620	3.6	0 0 6

\* Note.—Figures of dates tapped are not available. The reported yield of palmyra tari has been increased by 25 per cent. to include date tari.

140. The retail price in the season in Bengal is 1 anna a gallon throughout Bihar and the neighbourhood, rising to about 4 annas in other parts; in Eastern Bengal and Assam, where *tari* is scarcer, it varies from 3 to 12 annas; in the United Provinces 2 to 4 annas is the ordinary price, rising to 6 and 8 in special localities. In Madras a minimum price of 4 annas, which is reduced to 2 annas in South Canara, is imposed, but not always successfully enforced; the general price is reported to be from 6 to 9 annas, but less in the West Coast districts. In Bombay maximum prices are fixed, but seldom reached; both maximum and actual prices vary in different areas; in Surat toddy can be obtained at tree-foot booths at  $1\frac{1}{2}$  annas a gallon, and at a slightly higher rate at shops; in Bombay City the maximum price at tree-foot booths is 3 annas 6 pies per gallon; in the Karnatak the maximum price is 9 annas, but the actual selling price only 3 or 4 annas. The price in the Central Provinces is said to vary from 1 anna 6 pies to 6 annas a gallon.

141. Incomplete as these figures are, they are sufficient to indicate that there are areas in which *tari* is largely consumed and lightly taxed, and it has been shown that it is twice as strong as has sometimes been imagined and responsible for much drunkenness when not controlled. The necessity for control being thus established, it has to be seen whether it can be secured by any more satisfactory means than that of a tree-tax, and whether any improvement can be effected in the systems of tree-tax at present in force.

142. The systems that do not involve the element of a tree-tax may be considered first. One which it is necessary to mention only to condemn is that under which the *tari* rights are made part of the country spirit contractor's contract. This system was formerly in force in the United Provinces, the Punjab, the Central Provinces, Ajmer-Merwara and parts of Madras and Bombay. In the Punjab where there was only one shop, and in Ajmer-Merwara where the consumption was comparatively small, it has succeeded in extinguishing the use of *tari* altogether. In the United Provinces, Bombay and the Central Provinces it has been replaced. It remains in force in the Chavakkat Deputy Tahsildar's division of Madras as part of the arrangements for the manufacture of toddy spirit. Here the different conditions appear to have produced the opposite result to that noted elsewhere. The renters are reported to have subleased the right to tap and sell to the men who undertook to tap the largest number of trees at a comparatively low rate of payment per tree. There were no restrictions as to the number of shops. These have increased from 173 to 357 in the past five years and drunkenness must have increased in proportion. Steps are now being taken for better control.

In Bengal there is much tapping, more particularly in the Bihar districts and in the 24 Parganas, Hooghly, Howrah and Calcutta. The only other districts in which the matter is of importance are Cuttack, the Sonthal Parganas, Purnea, Puri, Burdwan and Murshidabad. *Gur* is largely manufactured from date juice in the districts of the Presidency division. Under the law as it stands, the tapping of an unlicensed tree is not an offence if done by or on behalf of the owner, and so cannot be interfered with. Privileges are also given to sellers of unfermented *tari* and sugar makers. The system of administration consists of the sale by auction of the right of vend at single shops, but in Bihar the practice pursued has apparently been one of contracting direct with as many actual tappers as possible instead of with the shopkeeper or employer of so many tappers, and this has been carried to the length of breaking up a large shop into a number of small ones whenever a high price was fetched at auction. As a result, there are more shops than are necessary, the price of *tari* is low, drunkenness common and the revenue only slightly progressive. Another great defect of the system is that it necessitates the employment of a large staff to collect petty amounts from poor licensees.

The arrangements in Eastern Bengal and Assam are similar, but the matter is of much less importance, the district of Malda being the only one which yields a revenue of Rs. 10,000 or over. There is considerable tapping of date trees for the

manufacture of *gur* in the districts of the Dacca division. In Assam a few licenses are granted at nominal fees.

(3) The farming system.

The farming system is in force in the United Provinces, the Central Provinces, Sind and Coorg.

In the United Provinces palms are comparatively scarce. Palmyras are practically non-existent in all but tea districts, while the date palm, though more widely spread, yields less than in damper countries. The matter is of importance only in the eastern districts of Gorakhpur, Azamgarh, Ghazipur and Ballia and in Farrukhabad. The only others that yield a revenue of Rs. 5,000 and over are Benares, Lucknow, Basti and Unao. Farms are usually sold by tahsils to contractors who sublet to *pasis* or tappers. The latter generally sell at the tree foot, but an accumulation of shops in the towns is not unknown; there are for instance 100 in Gorakhpur. The country spirit contractors not unfrequently secure the contracts in spite of instructions in the Excise Manual to the contrary.

In the Central Provinces, Wardha, Amraoti, Akola and Nagpur are the most important districts from a *tari* point of view. The farms in the Central Provinces have just been reduced in size and separated from the country spirit farms. The results have been satisfactory, but the consumption in these districts is large and the taxation still decidedly low.

The contracts in Sind and Coorg are comparatively unimportant.

Among the systems above described there is none which the Committee can recommend for general adoption.

The tree-tax systems have the advantage that they impose a direct duty, corresponding to the still-head duty on spirits. Their disadvantages are as stated generally in the instructions to the Committee and these will be considered in more detail in examining the working of the systems in the Provinces that use them and the reasons for their rejection by others.

(4) Systems of tree-tax.

143. It will be convenient to deal with the Bombay arrangements first. The number of trees, though fairly large in various localities, was never at any time great in comparison with the palm groves of Madras, and latterly has been reduced by some general causes such as deaths from drought and the omission to form new plantations, and by some local calamities such as a cyclone in Thana and the ravages of locusts in Ratnagiri, and in famine districts by the consumption of the soft heads of date palms as food. The method of raising revenue from toddy which was inherited from native rulers has been developed on different lines in different places, owing to the varying conditions of the several localities and to the continuance in four districts of tapping for distillation alongside of that for toddy to drink. The result is a variety in the systems of administration of the toddy revenue similar to that already noticed in the case of the country spirit administration. The general principle underlying the diverse forms appears to be that the taxation of toddy should be on the basis of its alcoholic strength as compared with spirit, and that the rate of duty (the tree-tax) should bear a direct relation to the general productiveness of the trees in particular areas. Where toddy is in use as a distilling base, the rates of tree-tax are enhanced so as to cover the greater portion of the duty on the spirit, the balance being made up by a direct still-head duty. But in all cases toddy is more lightly taxed than country spirit in proportion to the alcohol which they respectively contain.

The variety in the Bombay arrangements.

Districts with no toddy system.

144. There is no toddy revenue in Khandesh where palm trees are not tapped, or in the Panch Mahals where they are tapped but are not taxed. The case of the latter district has been dealt with in a former chapter. In Khandesh there has been no tapping since the introduction of the District Monopoly system of spirit supply. Domestic consumption licenses are allowed, but no use is made of the concession. The Collector proposes to renew the farm of the right of manufacture and sale. Trees are few and the revenue to be derived is inconsiderable, but the proposal is in pursuance of the policy of the Government of India enunciated at the head of the chapter.

145. Owing to difficulties of control a District Monopoly system is in force in Nasik, the Mulshi Petha of the Poona district and the above-ghat talukas of Kanara. As in the case of country spirit the farms are granted on a minimum guarantee; and in Nasik a fee of Rs. 15 is charged for each shop permitted to be opened. Like the district monopolies of country spirit, these farms may be accepted as a suitable intermediate arrangements until the areas under them are sufficiently developed to admit of a more advanced system.

146. Of such systems the simplest is that obtaining in one district of Gujarat and in the Deccan and Karnatak generally, where the conditions are not greatly complicated. Only date palms are tapped, and there is no tapping for distillation. The arrangements for marking trees appear to vary somewhat from district to district, but in other respects the methods and the rate of tree-tax (Rs. 2 per tree) are practically uniform. Palm trees are found only in isolated areas in each district, and are not distributed generally. Shops are allowed to be granted on fixed fees if there be only one applicant for a shop; but in practice auctions are the rule. In Kaira there is no toddy revenue; in Satara it is below Rs. 2,000; and it calls for no comment in Ahmednagar. In Poona, where the taxation on country spirit has recently been raised to a point higher than in any other district of the Presidency, the consumption of toddy has increased in spite of a considerable rise in the vend fees. In the remaining districts of Sholapur, Bijapur, Dharwar and Belgaum, where the consumption of toddy is highest, the number of trees tapped has decreased in the last fifteen years by nearly 50 per cent., while the license fees have risen by over 100 per cent. and the reported yield per tree has risen in a like degree in spite of successive years of drought. Thus the higher recorded consumption appears as the result of tapping only half the number of trees used in the years before the famine period. The average incidence of taxation per tree tapped amounts to Rs. 5-15-9, and the average selling price per gallon to Rs. 0-5-0, which, at the average reported yield (18 gallons), is less than the taxation.

It is to be feared that there can be no explanation of this result except widespread prevalence of illicit tapping. This has been found to exist on a considerable scale in Bijapur, and is undoubtedly a danger in the whole tract under consideration. To prevent it a district monopoly has been reverted to in part of Poona and is maintained in the portion of Kanara adjoining Dharwar and Belgaum. It can hardly fail to be encouraged by the auctioning of shops, where there is no sufficient controlling staff, and some of the excise officers allege that they are unable to apply an effectual check under the present methods of numbering the trees and in the absence of passes covering transport from tree to shop.

147. The system becomes more complicated in the Konkan, where tapping for distillation is carried on side by side with tapping for toddy to drink. This was formerly allowed in the whole of the area, but is now restricted to the coast talukas of Kanara, Ratnagiri and the Town and Island of Bombay. In this tract, excluding Bombay City, the system is the same as in the Deccan; but the rates are numerous, and the palmyra and cocoanut are tapped as well as the date. In the districts of Kanara (Coast) and Ratnagiri the former are taxed at Rs. 8 and the latter at Rs. 3 per tree; and the number tapped for drinking is comparatively unimportant, amounting to only 14,935 trees in the two districts. The incidence of license fees is moderate and is about 43 per cent. of the tree-tax. As in the tract above the ghats illicit tapping is suspected, and illicit sale of toddy intended for distillation is alleged to be common in Ratnagiri. In the inland talukas of Kolaba and Thana the rates of tree-tax are Rs. 9 for cocoanuts and palmyras and Rs. 3 for dates; on the seaboard they range from Rs. 5 for the former and Rs. 2 for the latter in one taluka furthest from Bombay, to Rs. 12 for the former and Rs. 6 for the latter in the talukas nearest to that city, the intermediate rates being Rs. 7-8-0 and Rs. 10, and Rs. 3 and Rs. 5 respectively. In consequence of the Report of the Commission of 1885, there has been a reduction in the rates in the talukas adjoining Bombay, but for the protection of that city they continue comparatively high. The proportions between the rates for cocoanuts and palmyras and those for dates have varied from time to time and this may perhaps

account for the fact that, while in 1886-87 the former constituted 55 per cent. and the latter only 45 per cent. of the total number of trees tapped, in 1904-05 the proportions had changed to 23 per cent. and 77 per cent. respectively. The shop fees amount to 20 per cent. only of the tree-tax. The stoppage of tapping for distillation has naturally caused a very large decrease in total tapping; but in tapping for drinking there appears to have been a fall of 27.7 per cent., while spirit consumption has increased by 37 per cent. The average taxation per tree in terms of dates is Rs. 4-4-4 in Thana and Rs. 5-12-6 in Kolaba.

148. In Bombay City the rates at one time aimed at imposing on toddy spirit, through the agency of the tax on toddy-producing trees, a duty equal to that on *mhowra* spirit; but this attempt was abandoned under the orders passed on the Report of the Commission of 1885. The tree-tax has however been maintained, as on the adjoining mainland, at Rs. 12 for cocoanuts and palmyras and Rs. 6 for dates. The system differs from that hitherto considered, in that the tappers are independent of the sellers and may dispose as they please of their raw toddy whether for distillation or for drinking. Trees are marked with the number of the *oart* or garden where they grow, the number of the tapper, and that of the tree. There are two kinds of shops, the privileged, of which the fees are assessed by the Collector subject to a maximum of Rs. 300, and the non-privileged, which are auctioned for three years with renewals on assessed fees for two further periods of three years each. The number of trees tapped has shown no great variation for the last twenty years and the incidence of revenue has increased from about Rs. 10 to about Rs. 17-8-0 per cocoanut tree.

149. In Gujarat further complications induce more modifications in Ahmedabad, Broach and Surat, and the greatest complexity is reached in the last-named district. Here the ordinary rates of tree-tax are nine in number as in the margin; there is a special rate for the Kaliparaj (depressed races); and in addition to the tree-tax, tapping fees, at rates varying in different talukas, are levied from professional toddy-sellers, but not from landowners tapping their own trees for domestic consumption. The licenses issued amount to no less than 8,456, of which 8,194 are for domestic consumption, 7,000 odd by the Kaliparaj and the rest by others; 4 for tree-foot booths (on these the tapping fee has to be paid); 9 for hawking in the city; 177 for shops in the district and 72 for shops in the city. The shops outside the city are auctioned; those within are continued to life tenants on fees assessed by the Collector, and auctioned on expiry of the tenancy. Hawking licenses for sale of toddy obtained from shops are granted on a fee of Rs. 15. The average shop fee is Rs. 591, and the average incidence of taxation per date tree, reckoning a cocoanut or palmyra as equal to two dates, is Rs. 4-2-8. The total number of trees of all kinds tapped in 1904-05 was 104,568. Of this number 103,965 were date trees, and it is to be remarked that there has been a very great decrease since 1867-68 when the number of such trees tapped was 489,395, or nearly twice the number of all kinds now tapped for toddy to drink in the whole Presidency. By 1880-81 the number of date trees tapped had fallen to 250,819. Though there has thus been in the last thirty-seven years an immense reduction in toddy tapping, the consumption of toddy in Surat even now amounts to two-fifths of that for the Province; and the district stands out as the largest toddy consumer in Bombay, although its country spirit consumption is higher than that of any distillery area in India except the Town and Island of Bombay and the Monghyr city including Jamalpur. Some reasons for the great consumption of toddy are to be found in the facts that unfermented toddy is largely drunk medicinally by well-to-do people who resort to Surat for the purpose, that in some places the water-supply is bad, and that toddy is regarded by some classes as a food in the hot weather and in times of scarcity. But there must be set against these facts the declaration of the Commissioner of Abkari that "the most worthless people in the Presidency are the people who drink toddy in Surat."

The variety of rates must tend to create difficulty in administering the system; and the difficulty is enhanced by the methods adopted in marking the trees. Palms licensed for tapping at Kaliparaj rates are permitted to be tapped alongside

Cocoanut and brab.			Date and wild palm.		
Rs.	A.	P.	Rs.	A.	P.
7	0	0	4	0	0
6	8	0	3	0	0
6	0	0	2	0	0
5	8	0	2	8	0
5	0	0	2	0	0
4	8	0	1	8	0
3	0	0	1	0	0
1	12	0	1	0	0
1	0	0	0	4	0

of those taxed at ordinary rates, and trees liable to the tapping fee alongside of those which are exempt from it. The system of numbering in one series for a whole taluka causes the figures in some instances to run up to several thousands, and thus seriously impedes efficient check; nor does there appear to be an adequate establishment for control. The varying proportions between the several rates for cocoanuts and palmyras and for dates may be due to differentiation on account of varying productiveness of the trees in different localities; but there does not appear any satisfactory reason for the absence of passes to cover transit from tree to shop, of arrangements to prevent the transport of low-duty toddy to areas of higher duty, or of measures to ensure that home consumers shall not abuse their privileges.

150. The domestic consumption and tree-foot booth licenses which have been mentioned above require a few words of explanation. The former may be granted in the districts of Kaira, Broach, Surat, Thana, Kolaba, Poona, Satara and Khandesh, but are in little demand except in Thana and Surat. They authorise the tapping, on payment of the tree-tax, of not more than 5 cocoanuts or palmyras or 10 date trees, growing (as a rule) in a single survey number, for consumption by the tapper's family only. Tree-foot booth licenses are available in any district to tree owners or occupants of land bearing palm trees on payment of tree-tax and fixed fees; the licensees may sell the produce of their own trees only, and are required to sell fresh toddy at or under a fixed maximum price. They are most numerous in Thana and Bombay. Hawking licenses are granted in Ahmedabad and Bombay as well as in Surat, but at a lower fee, viz. Rs. 10.

151. The first requirement in all the districts which are not under the farming system appears to be the entertainment of establishments competent to control the tapping of trees, the transit of toddy from tree to shop and from one area to another, and the conduct of holders of special licenses. There should also be a uniform and simplified system of marking trees for tapping, and it should be considered whether it is not advisable to enforce the regulations which require toddy in transit to be covered by passes. Attention should be directed to the number and distribution of shops; the method of disposal of them is discussed in another place. In areas where tapping for distillation continues, it may be inadvisable to reduce the tree-tax; when such tapping is no longer permitted, the Commissioner of Abkari is prepared to recommend a reduction in Ratnagiri. This course commends itself to the Committee so far as cocoanut and palmyra trees are concerned, and they are of opinion that it may be followed also in Kanara; but there does not appear reason for reducing the tax on dates in these districts. In reference to cocoanuts and palmyras generally the Committee would recommend consideration of the adoption of a system of half-yearly instead of yearly licenses as tending to save the trees and increase the output. In Surat an endeavour should be made to reduce the high consumption by enhancing the ordinary rates on all kinds of palms so far as the circumstances of the tracts of varying character admit. The Committee's suggestion regarding Kaliparaj rates has been made in the chapter on Arrangements outside the scope of Excise Systems. Where high rates are maintained or applied, they would draw attention to the danger of illicit tapping, especially in areas where tapping was formerly common and where the risk of illicit practices has been held sufficient to render necessary great caution in enhancing rates of still-head duty on country spirit. The separate tapping fee is levied in only three districts (Ahmedabad, Broach and Surat), and it seems doubtful whether tree owners are not sufficiently advantaged by the grant of tree-foot booth and domestic consumption licenses. The Collector of Surat and the Commissioner of Abkari in 1891 proposed, with certain reservations, that the tapping fee should be merged in the tree-tax. The Committee regard with approval the grant of domestic consumption licenses within moderate limits, and recommend that they be made available in all districts; they are of opinion that tree-foot booth and hawking licenses should continue to be allowed, and may be issued more frequently than at present, so long as it can be shown that they encourage the sale of toddy in a fresh state and do not lead to drunkenness; the number of them, and the location of tree-foot booths, should however be notified before ordinary shops are disposed of.

They would suggest that toddy in Khandesh should be brought under the same arrangements as are in force in Nasik. Lastly the rules regarding the payment of instalments of fees for ordinary shop licenses in so far as they require the whole or greater part of the fee to be paid in advance may be remodelled in such a way as to allow of the professional toddy sellers paying them without resort to the money lender.

152. The question of toddy consumption and taxation is far more important in Madras than in any other Province. Palms of all kinds are incomparably more numerous; the number tapped amounted in 1904-05 to no less than 2,168,054\* ; the revenue was Rs. 93,27,554; and the shops numbered 18,992. Toddy is consumed not in isolated localities as is the case elsewhere, but in every district except the Nilgiris, and generally throughout each district. The largest population per shop is 5,069 in Trichinopoly; in only three other districts, South Arcot, Ganjám and Vizagapatam, does it exceed 3,000; the least (834) is in South Canara; Kurnool has 948 persons to a shop and the remaining sixteen districts have from 1,000 to 3,000. The highest revenue, exceeding that of the whole of Bengal, was yielded by Tanjore. One district (Salem) gave over seven lakhs, three between six and seven, two between five and six, three between four and five, five between three and four, two between two and three and four between one and two. Ganjám alone yielded less than a lakh.

153. The Madras tree-tax system was adopted from Bombay in the reforms of twenty years ago and was rapidly developed and elaborated. Between the years 1885 and 1897 it was gradually extended over the whole Presidency except the Agency tracts and a few specially situated areas. A most important characteristic of it lies in the fact that it has changed the place of consumption from the tope or palm grove to the shop and rendered consumption anywhere else illegal except within the limits of licit possession. A strong staff is employed to supervise tapping operations; tappers are licensed only at the shopkeepers' instance; the number of trees each is licensed to tap is so regulated as to keep him fully employed; transport to the shop is required to be made within fixed hours and by a fixed route; quantities in stock and in transit are subject to constant check and examination; and precautions are taken to secure that the toddy tapped for a particular shop is sold there and nowhere else and to prevent illicit tapping or sale either by the shopkeeper or by other persons in competition with him. A partial exception to these arrangements exists in the case of domestic consumption licenses, but very little use is made of it.

154. For purposes of rates of tree-tax the yield of a palmyra is taken to be equal to that of a date and that of a cocoanut to be three times and that of a sago palm to be six times that of either. The latter estimate, it may be remarked, appears to be too high on the West Coast for palms of the class at present tapped there. Cocoanut and sago palms are licensed for six months at a time, palmyras and dates for the full year. The rates imposed are Rs. 2-8-0 for a palmyra or date, and proportionately for other classes, in Madras Town; Re. 1 in Ganjám, Vizagapatam, Uddapah, Anantapur, Bellary, Kurnool, South Canara and Malabar, and Rs. 1-8-0 elsewhere. The proportions of each class to the total trees tapped in 1898-99, the first year after the extension of the system to practically the whole of the regulation tracts, were:—cocoanuts 35 per cent., palmyras 32 per cent., dates 32 per cent., and sagos 1 per cent., and in 1904-05 cocoanuts 37 per cent., palmyras 26 per cent., dates 36 per cent., and sagos 1 per cent., indicating a slight preference for dates over palmyras at equal rates of taxation.

155. Shops are invariably sold by auction except in Madras Town, where the licenses are hereditary and are settled at fees based on past transactions, and in Ganjám and Vizagapatam, where

\* Note.—The number of trees which paid the tax was 2,672,845, but of these 996,562 were cocoanuts and 13,000 sagos which were licensed for only six months.

the small shops are licensed at fixed fees. The percentage of shop license fees to tree-tax is less than 50 in these three cases, ranges from 50 to 100 in five districts, from 100 to 150 in six, from 150 to 200 in six and exceeds 200 in Bellary and Anantapur. The taxation per tree (in terms of dates) is lowest, Rs. 1-6-2, in Ganjám; it is less than Rs. 2 in Vizagapatam and South Canara, ranges from Rs. 2 to Rs. 3 in nine districts and exceeds Rs. 3 in ten.

156. It is difficult to gauge the effects of the system on consumption owing to the absence of any record of trees tapped prior to its introduction and to the fact that for a number of years during which it was being rapidly extended the only figures given in the reports are those of trees tapped over the whole area to which it was applied. There is ample general evidence of the decrease of drunkenness which followed its first introduction, and some remarkable figures in confirmation of this are available in the Mysore State. The Darbar before adopting the tree-tax system had a census taken of trees actually tapped. They numbered over ten lakhs. The introduction of the system has reduced the number to four lakhs. Under the operation of the tax in Madras there has been in most districts only one increase in the fixed duty. Isolated instances of reduction of consumption resulting from this may be gathered from the reports. Omitting districts in which the question is complicated by tapping for distillation, the earliest record available is for Madras Town where the total number of trees tapped in 1888-89 was 187,514. In 1898-99 the total was 136,045. In Nellore in 1896-97, 74,905 trees were tapped and in 1898-99, 51,476. In Cuddapah there was a fall between the same years from 62,982 to 42,751. In Kurnool trees tapped decreased between 1897-98 and 1898-99 from 147,800 to 133,575. From 1898-99 onwards a continuous record is available and shows a slight fall in the number of trees tapped (in terms of dates) over the whole of the tree-tax areas in the Presidency from 2,642,932 in that year to 2,625,724 in 1900-01. Since the latter date more prosperous conditions have resulted in a large increase, the figure for 1904-05 being 3,197,126. The necessity for further advance in the tax has been recognised.

In the twenty years for which the system has been in operation the revenue from toddy in Madras has more than tripled itself, while the excise revenue of the rest of India has increased by only 60·7 per cent. Since 1897-98, when the system was extended to practically the whole of the regulation tracts, the percentage of increase under toddy has been 31·1, while that under country spirit has been 26.

157. One obvious defect of the system is that, inasmuch as it allows no drinking till the toddy reaches the shop (where, as the evidence shows, the stock undergoes continual replenishing), it prevents the consumption of toddy in its fresh state and encourages its use in its most intoxicating form. Analyses made in Bombay show that three hours after it is drawn the percentage of proof spirit in cocoanut toddy is 7·15 and in date toddy 5·8, and there is evidence that in that Presidency large numbers of persons go to the tree-foot booths morning and evening to drink it before fermentation has far advanced. After eight hours the strength increases to 10·0 and 8·0 per cent. respectively, and the maximum is 11·0 per cent., or even slightly more. It is probable that a considerable amount of the toddy drawn in Madras is not drunk till fermentation has reached the maximum and that much of it is mixed with stale toddy containing an injurious percentage of acidity.

Objections to the system—that it tends to encourage the consumption of toddy in its most intoxicating form.

The large staff employed and the number of prosecutions involved.

In the orders appointing the Committee further defects of the system are indicated in the number of subordinates whose employment is necessitated and in the number of prosecutions which are instituted by them.

The objects of changing the site of consumption from the palm grove to the shop were doubtless to obtain better control and to secure increased revenue from diminished consumption, but it seems clear that, however successful in attaining these objects, the change was directly responsible for the institution of a great number of prosecutions for sale or gift at the tree foot, for illicit possession or transport and for similar technical offences. Moreover the arrangements adopted for the taxation of fermented toddy put considerable obstacles in the way of an important



industry, the tapping of sweet juice for sugar, and, though this is free of taxation, the prevention of malpractices by the privileged tappers involves a large number of further prosecutions.

A considerable staff is required for supervision of marking, for control of transit and sale and for patrolling of topes to prevent illicit tapping. The minuteness of control and the ease with which rules could otherwise be evaded render necessary all the staff that is provided. Accordingly it is not unnatural that the system should be objected to by those who are not acquainted with its working as exposing the tree owners, the tappers and the public to the exactions of a host of petty officials on small pay whose constant intrusion, however strictly it may be sought to supervise them, must be a source of intolerable annoyance to all classes, while involving a number of prosecutions out of all proportion to its advantages.

158. The answer made to this charge is briefly that the system replaced one which involved as much or nearly as much harassment of the people, albeit below the surface; that, in the enforcement of any fiscal law, a large number of prosecutions is necessary until the people learn to obey it, and that, as soon as that point is reached, little further trouble is involved; that malpractices by sweet toddy tappers are responsible for three-quarters of the prosecutions; and that, in normal districts, the staff employed and the number of prosecutions involved is a very small price to pay for the reduction of drunkenness that the system has brought about.

On the first point it will be sufficient to quote the Commissioner:—"General objections have been made by persons insufficiently acquainted with the old farming system, which was superseded by the tree-tax system, that the latter let loose upon the ignorant toddy drawers a large number of insufficiently controlled subordinates. Such persons are probably not aware that, even under the farming system, the renters were bound to employ preventive establishments, and did employ them. These men were altogether uncontrolled as compared with the present establishments and, although the number of prosecutions instituted by them was not large, it is believed that the renters recovered the whole cost of the establishment, if not much more, by receiving compounding fees for not instituting prosecutions. How much money went into the pockets of the members of the establishment besides what was collected by the renters cannot be guessed."

On the second point it is to be remarked that in fifty years enforcement of the law reduced prosecutions for illicit distillation in the United Kingdom from nine thousand and odd to as many hundreds, and in a little over ten years has reduced prosecutions under the Madras Salt laws from 13,948 to 1,908. In the case of the Excise law there has been a reduction, but it is less marked for the reason that the extension of advanced systems to new areas has been continuous, so that as fiscal offences fell off in one area they began in another. Between 1893-94 however when excise prosecutions were most numerous, and 1904-05, there was a reduction in total prosecutions from 24,630 to 14,691, or by nearly 1,000 a year, and in spite of considerable extensions of the tree-tax system reported cases of illicit tapping fell from 15,706 to 7,735.

Bengal and Madras alone of the Provinces give tappers for unfermented toddy the concession of freedom from taxation, which is coupled in the case of Madras with a provision that they must coat their pots internally with lime in order to prevent fermentation. It is the most difficult problem of the excise administration to prevent abuse of this concession without interfering with the sugar industry. The difference in the treatment of similar trees possibly in close proximity presents an irresistible temptation to the tappers, who not only draw fermented toddy direct from untaxed trees, but have discovered a number of ways of ridding the sweet juice of lime or setting up fermentation in it. In Górávari, Tinnevely, Malabar and South Canara about twenty lakhs of trees were tapped for sweet juice in 1904-05, and these four districts were responsible for 7,462 out of a total of 14,691 prosecutions under the Excise law.

159. To arrive at an idea of the extent of interference with the people which the system involves in the rest of the Presidency, it will be useful to compare the number of the staff employed and prosecutions instituted with the area, revenue, population and number of trees tapped. Owing to the amalgamation of the Excise with the Salt and Customs departments and the fact that in this Province the returns of prosecutions are made by departmental sub-divisions and not by revenue districts, accurate figures can be arrived at only where the sub-divisions and districts coincide and where the departmental staff has little Salt or Customs work. The only districts in which this is the case are North Arcot, Salem, Cuddapah, Bellary, Anantapur and Kurnool, which in respect of toddy matters are fairly typical, including as they do a large area of palmyra country, another of extremely difficult date jungle, an important sugar factory and a large toddy drinking population. The following are the figures for 1904-05 :—

Total population.	Number of trees tapped in terms of dates.	Toddy revenue.	Number of sub-inspectors employed on preventive work.	Number of prosecutions for all classes of excise offences.	Population per sub-inspector.	Population per prosecution.
8,311,476	900,837	Rs. 27,61,652	175	2,446	47,494	3,398

It should be explained that the sub-inspector is the unit of the staff employed and that he has three or four peons under him who help in marking trees, carry papers and the like, but have no independent preventive duties of any kind.

160. The Committee agree that, if a fiscal law is proper in itself, it should be strictly enforced until obeyed and that, though a large number of prosecutions is an inevitable feature of the initial stages of its application, that feature should not continue to show itself under proper administration; they recognise the great difficulty involved in controlling the tapping of tax-free and tax-paying trees side by side; and, above all, they are satisfied that the tree-tax system has brought about a reduction of drunkenness that more than compensates for the harassment of the people in the normal districts above referred to.

On the other hand, it seems to them a matter for serious consideration whether some of the prosecutions could not have been avoided and whether it would not have been possible to work the system with less trouble to the people. As has been seen, one main characteristic of it is the restriction of sale to duly licensed shops, most of them away from the palm groves. This policy was adopted apparently because it was thought that the licensing of tree-foot sales 'laid the Government open to the imputation that they were pushing liquor sales to the utmost for their profit.' The Committee think this decision is to be regretted. Not only is toddy when freshly drawn much less intoxicating than that which has fermented for some hours and been mixed in the shop with the stale refuse of the previous day, but the prohibition of sale at the tree-foot has created a number of offences of a technical nature and in many cases the concentration of drinking in towns has resulted in a public nuisance. Still the large number of shops, which is a feature of the Province, mitigates this concentration and in a measure enables the liquor to reach the public fairly soon. The Committee recognise that it is too late for the Madras Government to retrace its steps in the matter, nor is this necessary now that the people have begun thoroughly to accept their policy, but they think these are points to be brought prominently under the notice of any Government that is contemplating the introduction of a similar system.

With regard to the staff, the Committee find that the system of supervision is generally efficient and that charges of corruption are in most instances supported by little substantial evidence. But the necessity for so vigorous a system of control, the repeated orders that have come under their notice in check of prosecution for petty offences

and the immediate results that are reported to have followed the appointment of Assistant Inspectors to Tinnevely seem to them indications that some change is required in respect of the class of preventive agency. Also, while recognising that the Inspectors' preliminary inquiry protects the innocent, they cannot but observe that it is apt to cause much travelling and delay to both innocent and guilty, and they deem it desirable that wherever offences are numerous there should be a number of officers empowered to prosecute sufficient to deal promptly with them. The Government policy in this regard is perhaps capable of further extension which should not be objected to on the score of expense if the result is the removal of genuine grounds of complaint.

On the question of the disposal of shops the Committee will make general proposals in a later chapter. They would here recommend that landholders should be encouraged to take out licenses for domestic consumption, particularly in the West Coast districts, where they understand that it was formerly the practice for many small farmers to tap trees on their own homesteads for this purpose. It is too much to expect people of this class to go to the shops and drink the toddy provided by the shopkeeper. The Committee are aware that the rules provide for the grant of licenses for domestic consumption, but they believe that mistaken zeal for auction results or some similar reason has proved a check on their grant by the Inspectors who are empowered to issue them. They would recommend that the provision of the rules should be made widely known and the people invited to take out licenses, the power of grant being, if necessary, extended to Tahsildars.

In districts where illicit practices are prevalent it is perhaps not possible to increase the tree-tax, but elsewhere the high proportion of vend fees to tree-tax, the increasing consumption, and the low price of toddy in some areas indicate that the time has come for an advance. The Committee observe that this was considered in the proposals for 1905-06, but postponed generally on account of the state of the season and on the West Coast particularly because of the recent introduction of new revenue settlements. They would suggest that, as soon as the agricultural prospects improve, the question of an increase throughout the Presidency except in Ganjám, Vizagapatam, Gódávári, and perhaps Tinnevely, should be considered. They would observe that the Mysore Darbar are only waiting for an increase in the Ceded Districts to make a corresponding one on their side of the border.

161. The Committee do not propose to examine in detail the results of the trials of the tree-tax system made in Bengal and the United Provinces. In Bengal there was no establishment to work the system and no law under which it could be enforced. The trial was made chiefly on paper. The conclusions against the system were recorded on grounds which had no connection with the experiment and which, in so far as they are based on the innocuous nature of this intoxicant and the number of prosecutions in Madras, have been dealt with above. It will have been seen that the highest figure of prosecutions in Madras was much below 30,000 which by way of objection to the system was quoted as considerably under the normal figure, and that a great majority of them arise under conditions which scarcely exist in Bengal. The Committee would only add that they see no reason why the legitimate and proper working of the system should involve any interference with the general law-abiding public, and that they think that the experience of Madras and Bombay puts beyond all question its advantages both as a check on drunkenness and as an agent for bringing in revenue. But they concur in the opinion that it is undesirable to employ a large staff of low-paid officers to work it.

In the United Provinces the matter was of less importance, but here also the system was tried without a proper law or staff. The form which was first adopted, that of putting the taxation per tree up to auction, had not been attempted anywhere else and was condemned for good reason. A tree-tax system on the Madras model was tried for only two years and it increased the price of *tari*, while giving satisfactory revenue results. It was abandoned chiefly on the ground that the harassment of the people

by ill-paid subordinates whose employment was inseparable from the system and the additional work thrown on the tahsil staff were great enough to outweigh considerations of financial gain. In this latter conclusion the Committee concur in so far as it refers to the trial actually made, but they do not think that the staff employed was such as should have been employed to work any system of excise, and the extra work thrown on the tahsil staff would not have occurred if the system had been worked under the requisite excise establishment.

162. The Committee's views as to existing systems therefore are that the present Bengal arrangements are to be condemned, that the system in force in the United and Central Provinces occupies a stage of development comparable with the farming of country spirit rights, that the tree-tax systems of Bombay and Madras are to be preferred, but are both capable of improvement, and that the conclusions recorded by the Local Governments against the system of tree-tax in Bengal and the United Provinces cannot be supported.

163. The system that the Committee would recommend to the Provinces concerned is one based on the principle of tree-tax, but with less variety than the systems of Bombay and less elaboration than that of Madras. Its leading principle should be in the words of Mr. (now Sir Frederick) Lely that "it is essential to popular sobriety that toddy should be dear and to popular health that it should be fresh." The main features of a system based on this principle would be the levy of as much taxation as possible upon the tree, the free grant of domestic consumption licenses to tree owners, the grant of comparatively numerous licenses for sale in the neighbourhood of the palm groves, an appreciable reduction of shops in towns and villages, especially in the former, the enactment of simple rules to cover transport and sale, and the employment of a moderate number of well-paid officers to check drunkenness, enforce the other license conditions and prosecute directly for illicit tapping and sale.

164. The manner in which these suggestions can best be applied to the conditions of different Provinces must depend upon local circumstances.

In Bengal some early action is necessary. There are ten times as many *tari* shops as there are country spirit shops in the area in which an increase of taxation on spirits is most needed. It will be useless to impose such an increase unless action is taken at the same time to enhance the price of *tari*. The present *tari* system is most primitive. Tree owners enjoy the right of tapping almost free of restriction; the tappers are poor and degraded and at the mercy of the tree owners and money lenders; there is no shopkeeper class; and a number of petty officials are employed to collect the Government dues. A system of simple farming with farms of moderate size has been suggested as a first step towards the introduction of a tree-tax. The Committee would propose the adoption of this suggestion combined with a light tree-tax. Tree owners should be allowed to tap not more than five trees for domestic consumption, on payment of tree-tax, without further interference; the right of tapping for sale subject to payment of tree-tax should be farmed out; shops on sanctioned sites should be licensed at the farmer's instance in the name of his sublessees; the farmer should be responsible for the whole revenue; he would employ *pasis* and be able to protect them from the exactions of the tree owners. As time goes on the tree-tax should be gradually raised until it becomes the main item of taxation and the size of the farms should be diminished as the original sublessees show signs of advancing sufficiently in business capacity to be fit to contract directly with Government; the number of shops should be reduced, but not excessively, a fair number being left open for the sale in the palm groves of *tari* in a comparatively fresh state, and separate disposal of those in towns and large villages should be aimed at. It will probably be desirable, for some years to come at any rate, to maintain a system of grouping the smaller ones. Eventually a system of disposal on fixed fees may be adopted. The system might be tried in a single district to begin with, but the experiment should be a thorough one and there should be an efficient staff to work it. The district of Muzaffarpur is suggested by the local authorities.

In Eastern Bengal and Assam the tapping industry is of much less importance and the information regarding it incomplete. The Local Government proposes to have it fully investigated before taking action. Its attention has been specially invited to the question of the proper control of tappers for fresh *tari*.

In the United Provinces also the administration of *tari* is a matter of less moment than in Bengal. If however the still-head duty on country spirit is raised and the price to the consumer in consequence increased, the price of *tari* will bear enhancement in like proportion, and the improvement of the general excise staff will give a body of men capable of working the system properly in the few districts in which *tari* is a common drink. In this case a scheme similar to that suggested for Bengal would apparently be an easy development of present arrangements, which already involve the element of a farmer subletting to petty *pasis* who sell for the most part at the tree foot. The Local Government is having the whole question thoroughly investigated.

In Sind the *tari* revenue is insignificant and information incomplete. Enquiries have been set on foot.

In the Central Provinces orders have already been issued for a trial of the tree-tax system in one district and officers have been deputed to study the Madras arrangements, which they will doubtless adapt to suit local requirements.

The system is already in force in Bangalore and the Mysore State. The chief obstacles to its introduction into Coorg have hitherto been the facts that the people live in homesteads and tap in their own lands and would not resort to central shops, and that a good deal of the toddy supplied is imported from Mysore. The liberal grant of licenses for domestic consumption would meet the first difficulty. The second might perhaps be overcome by mutual arrangements similar to those in force between Mysore and the Ceded Districts of Madras.

165. Apart from its use as a fermented liquor toddy is drawn for other purposes, *viz.* (1) as an unfermented drink, (2) as a base for distillation, (3) for the manufacture of vinegar, (4) for the making of bread and (5) for the manufacture of sugar.

Other uses of *tari*.  
 'Fresh' or 'sweet' toddy is supposed to have a variety of medicinal uses and is drunk in considerable quantities in the towns of Bombay and Surat and in parts of Bengal, Eastern Bengal and Assam and Madras. The term 'fresh' toddy designates toddy in which nothing has been done to check fermentation, but which is drunk soon after it is drawn and before fermentation is far advanced. In Bombay this is a luxury of the richer classes and pays the full tree-tax, though it is available at a comparatively cheap rate at tree-foot booths. In Bengal and Eastern Bengal and Assam the authorities proceed on the assumption that all *tari* is 'fresh' for a number of hours after it is drawn in the cold weather months, and grant licenses for sale, sometimes at a fixed fee of Rs. 5 and sometimes at fees assessed at the discretion of a sub-inspector, on the understanding that, if the *tari* ferments, it must either be destroyed or the licensee must take out a license for sale of fermented *tari*. There is reason to suspect abuse of these licenses. The term 'sweet' toddy is peculiar to Madras and indicates toddy in which fermentation has been arrested by coating with lime the interior of the pot in which it is drawn. The toddy thus drawn is taken as a beverage in Tinnevely and Madras Town. It is free of taxation in both cases, but subject to control in the latter.

As a beverage in its unfermented state.  
 In respect of these arrangements it seems to the Committee that, so long as nothing is done to arrest fermentation, there is no ground for favourable treatment of the *tari* produced except by such measures as the local authorities may think desirable in the way of hawking, domestic consumption and tree-foot booth licenses, and that, when measures for the complete arrest of fermentation are enforced, the *tari* so treated may properly be exempted from taxation. This is a matter which will be dealt with in disposing of the more important case of arrested fermentation, that of drawing sweet toddy for sugar making.

The use of toddy for distillation has already been discussed. In the chapter relating to the distillery systems it has been proposed that it should be confined to two localities, in one of which the

As a base for distillation.

contractor for the making of toddy spirit will be given a free hand, while in the other it will pay the ordinary rates of tree-tax.

The vinegar industry receives concessions only in twenty villages of Surat, and the Committee have little information about it. It would appear that brab trees are allowed to be tapped at a favourable rate of Rs. 1-8-0 a year and that the industry is under no special control. Mr. Lely's report on the Surat toddy arrangements of 1891 makes reference to the reported prevalence of surreptitious sales. The Committee would commend the matter to the attention of the local authorities.

Special licenses for the possession and use of *tari* for the manufacture of bread are granted in Bengal, Madras and Coorg.

166: In tapping for sugar making there is a great possibility of industrial development and concurrently a great danger of loss of revenue. In Bengal and Eastern Bengal and Assam the sugar and the fermented toddy industries have hitherto been confined to widely separated tracts of country and no great difficulty appears to have arisen, although in the Committee's opinion there is reason to suspect malpractices in some districts of Eastern Bengal. The Local Government has undertaken to investigate the whole question and to consider the possibility of requiring the pots used for drawing sweet juice to be coated internally with lime. The same danger exists in the districts of the Presidency division in Bengal. In Bihar and the adjacent districts, as well as in Orissa, it would be well if the economic possibilities of the *tari* palm could be brought home to the people. Experiments in manufacturing sugar from toddy have been made in Bombay and have failed; and, in the absence of any sugar making industry, the question of granting exemption from the tax does not arise. In Madras the existence of a large and important toddy sugar industry renders necessary the least possible interference with the business of 'sweet toddy,' and it is found most difficult to reconcile this necessity with the need for control of fermented toddy.

167. For several years past efforts have been made in this Province to meet the difficulty by the enforcement of what are known as the Sweet Toddy Rules, under which tapping for sweet toddy is licensed in the same way as for fermented toddy, but without payment of any tax, the ends in view being to secure information about the trade and to keep the sweet juice under control till its proper use is attained. These rules were first introduced into Gódávári and Malabar and subsequently into South Canara and the Madras Town Circle. A later development, adopted at the instance of the firm most largely concerned in the trade, consists of the setting apart of specific areas for sweet toddy tapping in which the tappers are allowed to carry on their business free of control and even to draw fermented toddy for their own consumption, but not to sell it. This arrangement was tried in Gódávári and Tinnevely, but after a short time was terminated in the latter. In the former district its operation has been accompanied by a large increase in the number of trees tapped for sweet toddy, but is now complained of by the firm at whose instance it was introduced, on the ground that the areas set apart for sweet toddy tapping are not large enough. That complaint is receiving attention, but a conflict is involved of public and of private interests that requires judicious handling. Meanwhile, as already remarked, the difference in the treatment of the two classes of toddy continues to be the main cause of the large number of prosecutions in Madras, the four districts in which sweet toddy is most largely drawn being responsible for over 50 per cent. of the total number of cases. These arise not only owing to the drawing and sale of fermented toddy under cover of tapping for sweet toddy, but more especially through the admixture of sweet toddy or toddy drawn in pots insufficiently lined with the fermented toddy in the shops, the latter being sufficient to ferment the whole. Recently great improvement in the administration has been effected by the employment of well-paid officers to deal with offences, and the expert adviser of the Board of Revenue hopes shortly to perfect a test which will detect the admixture of more than 10 grains of lime

per gallon, with the aid of which it may be possible to put a stop to the sale of these mixtures at the shops.

168. In the Committee's opinion these are all steps in the right direction, yet they cannot but regard the imposition of the Sweet Toddy Rules as a great handicap on an important industrial development and they are doubtful whether the results of the working of the rules in the past are such as to justify their retention. The main lines of action which they recommend are (1) the limitation of tapping for fermented toddy to areas in which such tapping has taken place in previous years, provided always that there is a sufficiency of different owners in such areas to ensure competition between them, (2) the freeing from all restrictions of the tapping of sweet toddy outside these blocks, (3) the employment of a considerable staff of Assistant Inspectors to patrol constantly the sweet toddy topes and see that no sale or removal of fermented toddy occurs, and (4) the strict enforcement of the responsibility of the landholder in case of malpractices. They believe also that the abolition of auctions for petty shops and the grant of some fixity of tenure to the shopkeepers would do much to remove difficulties in this connection, since the shopkeeper would not only have an increased interest in retaining his license, but the fixity of tenure granted to him would probably result in his tapping year after year in the same place and so make possible a large reduction of the areas that have at present to be reserved for fermented toddy.

169. A matter which urgently demands notice, particularly if the development of sugar making from toddy should extend to other Provinces, is the ruthless destruction of date palms by tappers. The Committee have examined the systems of tapping in different Provinces and have consulted Government Botanists upon the subject. They do not propose to trouble Government with their conclusions further than to say that it would appear that the Bengal system is least destructive of the trees, the Bombay system more so, and the Madras system the worst of all. The matter would appear to be one requiring scientific investigation wherever that can suitably be made.

The question of conserving date trees on Government lands is also one which would appear to require attention in some Provinces and to offer a source of revenue that is capable of development; and they would suggest a reference to the rules relating to this matter which were framed in Madras in consultation with the Government Botanist.

## CHAPTER IX.—COUNTRY BEERS.

170. There is a class of fermented liquors, not mentioned in the order of reference, which it is important not to omit from a comprehensive examination of excise administration, especially if effect is to be given to the recommendation which has been made for a general increase in the taxation of country spirit. This consists of the so-called country beers made from rice, barley and millets or more rarely from other materials such as *gur* and *mahud*.

The nature of these beers.

The Province in which they appear to be most largely consumed is Burma, which has been excluded from the scope of the Committee's enquiries. Of those that are included in it Bengal and Eastern Bengal and Assam are the only Provinces in which these liquors are of much importance. They are known in the former as *pachwai*, *handia*, *jaur*, *marua*, *kusna* and *sugda*, and in the latter as *madh*, *zu* or *laopani*. In the United Provinces and the Punjab there is a small consumption, chiefly in the Himalayas and the Tarai. The local names are *darbakra*, *soma*, *rabra* and *boza* in the first instance and *sur*, *lugri* and *chang* in the second. In Madras they are known under the names of *londa*, *henda* and *sonti soru*. In Bombay the existence of a similar beer named *boja* is mentioned in the Dictionary of Economic Products, but the Committee have no evidence of its present use. There is a considerable consumption of one of these liquors under the name of *akki boja* in the Malnad of Mysore.

171. They vary considerably in strength and quality. The process of manufacture is however generally similar and a single description will be sufficient. The following is taken from Mr. Crooke's "Things Indian":—

The process of manufacture.

"Many of the northern and eastern tribes make a sort of crude beer which has been brewed by them from the earliest times. Thus, to the west, we have the *chang* of Spiti and the *lugri* of Kulu, both pernicious drinks made from fermented rice. Further east we have the *marua* of Sikkim and the neighbouring hills, and the *zu* of the eastern Nagas. Colonel Cunningham notes the remarkable method in which this *marua* beer is made. It takes its name from a species of millet of which it should be made, but in default of this maize or rice is used. The grain, of whatever kind it may be, is first pulped by being exposed in baskets under a small waterfall.\* It is then mixed with fragments of fermentative cakes, which are stored for use. The basis of these is coarsely-ground corn, permeated throughout with the dried and empty mycelial filaments of a species of *Mucor*, bearing numerous reproductive bodies in the form of Chlamydo-spores. The curious point is that it also contains a certain proportion of the root-tissues of a species of *Polygala*, which secures the presence in the cake of numbers of reproductive fungal elements, capable of retaining their vitality for prolonged periods so long as they are kept dry. The proportion of *Polygala* in the cakes has to be carefully regulated, because, on the one hand, any undue amount leads to suppression of growth of the fungal elements, and, on the other, any defect fails to suppress the common and useless aerial fructification of the fungus. It is difficult to imagine how such a difficult problem as the due relations of the various constituents of the cakes could have been worked out by any savage or semi-civilised people, and yet it has been done by these tribes of the Eastern Himalaya."

172. Some authorities find in the process employed traces of the Mongoloid origin of these liquors, which they compare to the Chinese *shamshu* and the Japanese *saké*, while others say that the much-discussed *soma* of the ancients was not a particular liquor at all but the fermentative principle here referred to. It may be noted in this connection that along the Himalayas the cakes of the fermenting agent, which are known by names as various as the liquors themselves, still come from Central Asia, as some of those used in Burma do from China. In the plains where these liquors have become the

The fermenting agent.

\* The Committee understand that the usual practice is to husk the grain and then boil it.



drink of other races the cakes are locally made, generally under the name of *bakhar* or *muli*, but the manufacture is still confined to definite areas and the secret of their composition carefully guarded, the essential elements being mixed with a number of others which are not only not necessary but as will be seen later often extremely dangerous. In a few tropical or sub-tropical areas, as for example in parts of Burma and in the Azamgarh district of the United Provinces, the process of manufacture, which appears to have been originally common only to the Mongoloid races, is giving way to sugar fermentation which is easier and better known in tropical climates.

173. The process above described results in the production in the vessel containing the rice or millet of a small quantity of liquor which is described as of high alcoholic strength. This is drawn off and diluted, or, more commonly, the fermented mass is mixed with warm water and then either the whole is strained through a sieve or the liquid is sucked up through a pipe.

The strength of the ultimate product depends partly upon the nature of the grain employed, but much more upon the amount of water added in dilution. The proportions used vary in different places, and among the aboriginal tribes with different occasions, the liquor drunk at times of festival and rejoicing being much stronger than that taken for daily consumption. In order to get some idea of the general strength of the beers in common use the Committee asked the various Local Governments, including that of Burma, to have samples sent to Major Bedford for analysis. The result showed eight from Bengal to have an average strength of 88.7° U.P., four from Eastern Bengal and Assam to average 87.9° U.P., one from the United Provinces to have a strength of 75.8° U.P., three from the Punjab to average 89.0° U.P., seven from Burma to average 82.7° U.P., and one from Mysore to have a strength of 92.8° U.P.

174. The Dictionary of Economic Products states that these beers are found all over India, and there is some evidence of their past or present use as far west and south as Poona, South Canara and the Malnád of Mysore, but their consumption on that side of India is inconsiderable. The area in which their use is more or less general includes the whole of Bengal except the *tari*-consuming districts of Bihar and Orissa, the whole of Eastern Bengal and Assam, the districts of the United Provinces along the Himalayas and Azamgarh, the Kangra district and Spiti and Lahaul in the Punjab, and the non-regulation tracts of the Ganjám and Vizagapatam districts in Madras.

As indicated in a previous chapter the bulk of the consumption is either wholly untaxed or taxed only by the imposition of a nominal fee. It is impossible therefore to estimate its amount. The indications that are available are the number of home-brewing licenses issued, the number of shops opened and the revenue derived.

The matter is more important in Bengal than in any other Province with which the Committee are concerned. *Pachwai* is the universal drink of the aboriginal or semi-aboriginal races inhabiting the Chota Nagpur plateau and the district of the Sonthal Parganas on one side and the Darjeeling hills on the other. In these districts home-brewing is permitted under arrangements already described, and in addition licensed shops for retail sale are sold by auction, but bring in a fair revenue in only two of them, viz. Darjeeling and the Sonthal Parganas. The greater portion of the revenue is derived outside this area in three districts of the Burdwan division (Burdwan, Birbhum and Bankura) and the adjoining district of Murshidabad of the Presidency division, where the lower classes are largely addicted to *pachwai* and retail shops fetch very high fees. A revenue of no great amount is also obtained by the grant of headmen's licenses to aboriginal and semi-aboriginal tribes living in small settlements in districts where free home-brewing is not generally allowed. The total number of home-brewing licenses issued in 1904-05 was 8,776, of which 7,383 were issued in Darjeeling, where two-thirds of the population are said to be consumers, 612 in the 24-Parganas and 445 in Purnea. The number of shops opened was 1,660, of which 466 (or one to every 3,288 of the population) were in Burdwan, 416 in Birbhum and 152 in Bankura. The total revenue was Rs. 5,55,002, Burdwan yielding Rs. 2,37,755, Birbhum Rs. 1,29,293 and the Sonthal Parganas Rs. 51,759.

Country beers are little used in Eastern Bengal, except in the two districts of Jalpaiguri and Malda. In Assam they are the national beverage both of the aboriginal hill tribes and of the 'jungly' coolies from Bengal. They have been adopted by some coolies of other classes. Consumption is thus almost universal, and political and economic considerations preclude control. Four thousand and twenty-five home-brewing licenses were issued in 1904-05 in the Eastern Bengal districts and twelve shops were opened. The total revenue was Rs. 28,187.

Eastern Bengal and Assam.

In the United Provinces the matter is of small importance. The districts concerned are Almora, Garhwal, Dehra Dun and Azamgarh. Home-brewing is not restricted. Sale is licensed only in Azamgarh where it is allowed as part of the *tari* contract. Twelve shops are reported to have been opened in this district in 1905-06. The revenue, which is trifling, is not recorded apart from that derived from *tari*.

United Provinces.

With the exception of Spiti and Lahaul, which are tracts practically outside the sphere of regular administration, Kangra is the only district of the Punjab where brewing is practised. Three thousand three hundred and seventy-eight home-brewing licenses were issued in 1904-05 and forty shops were opened on the Central Asian trade route. The revenue derived was Rs. 3,733.

Punjab.

Madras.

The brewing and consumption of these liquors is subject to no control in the non-regulation tracts of Madras.

175. The policy of the Governments is, as recommended by the Bengal Excise Commission of 1884, to encourage the competition of these liquors with spirits. Thus in 1891 the Bengal Government declared:—" *Pachwai* is a wholesome and moderate form of stimulant and the Lieutenant-Governor agrees with the Excise Commissioner in thinking that its consumption should be encouraged, which is quite compatible with raising a considerable income from it by carefully regulated taxation," and in 1900-01 the Board of Revenue directed "that facilities for procuring *pachwai* should be afforded by the opening of shops in localities where the consumption is large and where prosecutions have been numerous." In the Punjab also Sir James Lyall, while agreeing in 1891 to the Financial Commissioner's proposal for the introduction of home-brewing licenses, hoped "that the system thus introduced would not hereafter develop into further taxation of *lugri* and *sur* for purposes of excise revenue. It is not desirable," he added, "that the people should be driven to drink *arrack* by difficulties being put in the way of their getting cheaply these mild liquors to which they are accustomed and which they can make for themselves." An exception appears in the case of Madras, where *sonti soru* was formerly consumed by some of the fishermen on the coast, and the grant of licenses for sale was put a stop to in 1897-98, doubtless because a more wholesome fermented liquor in the shape of toddy was available.

176. The progress made in giving effect to this policy may be briefly illustrated. From the Bengal report of 1870-71 *pachwai* appears to have been consumed in 24 districts, 1,687 shops were licensed for sale and a revenue of Rs. 1,44,434 was derived. In 1880-81 shop licenses were 2,034 and revenue was Rs. 1,53,996. In 1890-91 30 districts were involved, home-brewing licenses (for which figures were not recorded in the previous years) were issued to the number of 970, shops numbered 1,690 and the revenue amounted to Rs. 2,72,288. By 1904-05 use had extended to 35 districts of the old Province and home-brewing licenses had increased to 12,801, shops licensed to 1,672 and revenue to Rs. 5,83,189. In the Punjab there is only one district to consider. In this home-brewing licenses were introduced in 1880 and have since increased in number from 2,000 to 3,378. Shops were first separately auctioned in 1894-95. The revenue from that source has advanced from Rs. 1,005 in 1883-84 to Rs. 3,311 in 1904-05.

Results of this policy.

177. The objections urged to the policy of encouragement are that the liquors are not always innocuous and sustaining, but are the cause of much drunkenness and much waste of food material; that in addition their consumption is sometimes followed by harmful and even fatal

Objections to it.

results ; and that the presence over large areas of a lightly taxed liquor and a ready-made base for illicit distillation is an obstacle to progress in the taxation of other intoxicating liquors.

178. In considering the question whether country beers are entitled or not to favourable treatment as a cheap and wholesome stimulant, it is necessary to have regard largely to the varying local conditions.

Drunkness and waste  
of food material.

In Bengal some of the hill tribes drink to intoxication whenever they have the opportunity. So long as there are no shops near them their opportunities are limited by their rice supply and their disinclination to manufacture at home, and the desire to drink is in a measure diminished by the generally poor quality of the home product. On these grounds more than one Collector strongly objects to increasing the number of shops. *Pachwai* is however believed in some places to be a wholesome and nourishing drink and a prophylactic against malaria. In the mining districts drunkenness is extremely common on Sundays and sufficient to stop work altogether at festival seasons, and the *pachwai* shops are a nuisance to the ordinary public. There is little evidence in this Province that the beer is regarded as an article of diet as well as an intoxicant. On the contrary the rice is said to be bitter and unpalatable after fermentation and is thrown away or given to the pigs. The reckless waste of food material in making the liquors has repeatedly been commented on, and the Board of Revenue recorded in 1892-93 that "the main objection to the increased use of *pachwai* is the amount of food-grain consumed in its manufacture as compared with other stimulants."

In Assam among the hill tribes the beer ordinarily consumed is weaker and the manner of consumption is different, the liquor being taken in the form of a thick gruel or the rice eaten with it. It is part of the ordinary diet of the Tibeto-Burman tribes whose fine physique is evidence of its harmlessness as thus used ; as much as 25 per cent. of the rice crop is said to be set aside for the purpose of manufacturing it. Drunkenness of a convivial kind does occur and in some parts the tribes are incapacitated for days together at times of festival, but the authorities consider that it does less harm than would follow an attempt to restrict it. Among tea-garden coolies however the case is different. There is evidence of a considerable amount of drunkenness from this cause, and more to show that a good deal of that attributed to spirit is really due to country beers. Several officers remark on the waste of food material, one of them stating that the coolies half starve themselves in order to save enough rice to brew *laopani*. The matter is prominently referred to in the Chief Commissioner's letter printed in the 'Collection of papers relating to the Excise Administration in Assam, 1904.' Such suppression of this evil as there is, is at present left to the coolies' employers. Some of them are reported to take measures to that end by issuing rice to coolies only once a week.

In the United Provinces what little evidence there is points to the fact that drunkenness from country beers is confined to festival time. The beers are looked upon as a necessary of life by the tribes that use them.

In the Punjab also there is evidence of drunkenness to be found in correspondence which has occurred on the subject of control at various times during the last forty years. At the same time, while some officers have spoken of drunkenness and even debauchery at certain seasons, the experience of others has been that *lugri*-drinking induced only merrymaking of a harmless type.

There is no recent evidence as to the effects of consumption in Madras. Little is known of the use of these liquors and one report suggests that the art of making them has been forgotten.

Everywhere there is a strong opinion that drunkenness from this cause is much less harmful than that from spirits so long as the liquor drunk is not adulterated with any deleterious substances. On this point scientific evidence is necessary. Major Bedford has examined thirty-five samples of country beers from all Provinces. Their comparatively high alcoholic strength has already been remarked. In point of impurities he finds that they have a very high percentage of acidity (part of which however may be due to the time taken in transit) and, as compared with their alcoholic strengths, a much higher proportion of other by-products, excepting furfural, than occurs in country spirits, two of them having

an excessively high percentage of fusel oil. Their nutritive value is inconsiderable and averages 1.35 grams of sugar and 0.65 of albuminoids per 100 cubic centimetres. He sums up his conclusions as follows :—

“The fact of the relative preponderance of certain by-products in fermented liquor is an accidental confirmation of my general conclusion concerning the negligibility as regards noxiousness of the amounts of by-products found in alcoholic liquors. There is a consensus of opinion in India as well as in other countries that fermented liquors are in general very much less harmful in their effects than spirits. Yet here we find that relatively larger amounts of by-products (except furfural) are being consumed by the drinker of fermented liquors than by the spirit drinker in attaining the same dose of ethyl alcohol. This appears to point to the fact that the by-products are not to blame for the noxious effects of alcoholic liquors, but that it would appear to be chiefly a matter of the quantity of (absolute) alcohol consumed. In other words spirit drinking is more noxious because the toxic amount of alcohol is more quickly reached and more easily exceeded.”

179. There are exceptions however to the general opinion as to the comparatively harmless nature of the drunkenness that follows consumption of these liquors. Several witnesses cite cases in which a state of stupor has occurred which they attribute to the drugging of the liquor. This allegation of drugging has been made in most Provinces and for many years as regards all classes of liquor sold under licenses, but in the case of spirits and *tari* exact evidence has been wanting. There is no doubt of the fact so far as these country beers are concerned. In a dozen or more cases (it is not certain whether some of those spoken to by different witnesses are the same or separate instances) there have been at least twenty deaths in all, and in several *dhatua* or *nux vomica* has been detected on chemical analysis in either the *bakhar*, the *pachwai* or the viscera of the deceased. *Nux vomica* is known to be one of many non-essential ingredients of the *bakhar* and is also used by the shopkeepers, on whose premises it has been detected by the Bengal Excise Commissioner and others, to give a bitter taste to the liquor and increase its intoxicating effect.

Another cause to which ill effects are sometimes attributed lies in the extremely insanitary conditions under which manufacture at some shops is conducted. The following account of it is taken from a report of the Excise Deputy Collector, Birbhum: “The *pachwai* vendor is a professional. To him a large sale is essential: a large sale, and again a large sale, may safely be regarded as his maxim. Cleanliness and care in the selection of material necessary for the preparation of a wholesome brew are secondary considerations. The nearest stagnant pool provides the water in the majority of cases. The *bakhar* has frequently an admixture of *dhatua* or *strychnia*; and the boiled rice is cooled on what may aptly be termed ancestral mats, while flies innumerable and other vermin hold revel on its surface. I have seen brew made under such circumstances which could hardly be dignified with the name of pig’s wash.” The colliery managers regard this want of cleanliness as specially dangerous in the cholera season. The Committee visited the *pachwai* shops at Raniganj and are of the same opinion. The squalor of the surroundings and the absence of any attempt to prepare a cleanly beverage were very remarkable.

A third danger arises from the consumption of stale *pachwai*, which is reported by officers and others to be a common cause of dysentery. Scientific evidence confirms their opinion.

180. It is obvious that the low price of this liquor, equally with that of *tari*, must be a check on the increase of taxation on country spirit whenever the two come into competition. The general price in Bengal is about one-and-a-half to four annas a gallon in the plains and six to ten annas in Darjeeling. In the Punjab *lugri* is, by report, sold at three annas a gallon. Half a gallon is sufficient to cause intoxication.

A grave difficulty also arises from the ease with which spirit can be distilled from this liquor. Not many years ago the country spirit in parts of Bengal was actually made from a form of it, and in parts of Assam distillation from *laopani* is

Other harmful effects of consumption.

The use of these liquors puts difficulties in the way of excise reforms.

still carried on. Illicit distillation from country beers has been reported in recent years from Darjeeling and elsewhere. In the Punjab the fear of such distillation from *sur* and *lugri* was given as one reason for restricting the area of issue of home-brewing licenses.

181. From this review it appears reasonable to conclude that, while there may be grounds, hygienic or other, for the favourable treatment of these liquors among the hill tribes in Assam and elsewhere, there are generally speaking none entitling them to be treated differently from other alcoholic liquors; that, in the matter of inducing drunkenness, they are entitled to consideration on the ground of their low strength but on no other; that the present method of sale tends to be both a public nuisance and a public danger; and that a much greater measure of control than is at present exercised is necessary if they are not to be a serious impediment to progress in excise reform in the districts in which their consumption is most common.

In respect of privileges of home-brewing the Committee have already recommended the restriction of the area of concession. The facts recorded in this chapter show how necessary this is. As restriction proceeds, the policy of supplying legitimate demands by licensed shops must continue, but the sites for these should be selected judiciously, and care should be taken on the one hand that no undue temptation is put in the way of aboriginal tribes and on the other that they are not driven to the use of country spirits. The Committee can propose no better method of taxation than the present system of simple auctions. The alternative is a tax on materials. An account of these is kept at the larger shops in Bengal and it may be possible to make use of it later, but such a tax does not seem practicable at present. The imposition of a minimum price is a proposal which might be considered. The Committee are impressed with the need of better and more sanitary premises and of the provision of good wells and proper utensils. These could be demanded only from licensees who had licenses for considerable periods, and the Committee therefore recommend that in dealing with *pachwai* and other liquors of this class licenses for a term of years should be granted subject to stringent conditions as to the licensees' liability in the matter of premises, wells, etc. They would make punishable the possession on licensed premises of *nux vomica*, *dhatura* or any similar poison, and they would require samples of country beers as actually sold to be submitted periodically for chemical analysis. On the subject of the *bakhar* their information is insufficient to enable them to make final recommendations. The samples that have been found dangerous appear to have had their origin for the most part in the plains districts, where, at the time of Mr. Beames's report to the Bengal Excise Commission, the centres of manufacture were restricted to eight villages in Burdwan, three in Birbhum, and two in Bankura. The Committee would recommend that local enquiries should be made as to the possibility of introducing a system of licensing the manufacture, and that a scientific investigation should be set on foot with a view to determining the proper ingredients. They prefer this proposal to Major Bedford's suggestion for the official issue of yeast. Lastly, responsible officers should be employed to control the shopkeepers' operations, to see that good rice and clean water are used, and to check the occurrence of drunkenness.

These recommendations apply primarily to the Burdwan, Birbhum, Bankura and Murshidabad districts of Bengal, and to other areas only in so far as circumstances admit of their application.

## CHAPTER X.—THE DISPOSAL OF LICENSES FOR RETAIL VEND.

182. In the opinion of a majority of the Local Governments as well as in that of many witnesses, both officials and others, the question of the best means of disposal of licenses for retail vend is the most important and difficult of all those that come within the scope of the Committee's enquiry. This is a question which has already been dealt with in the case of foreign liquors. The Committee now proceed to consider it in regard to other liquors.

The importance of this question.

183. The first principles of scientific excise, in the words of the Government of India, make the duty the main factor of the taxation and the vend fees a mere subsidiary method of raising extra revenue in localities where the demand for exciseable articles is high, while serving at the same time as an index to the adequacy or otherwise of the duty.

The first principles of excise require the duty to be the main factor of the taxation.

These principles are not at present carried out in practice.

Province.	Country spirit.	Tari.	Opium.	Hemp drugs.
Bengal ... ..	36	...	23	43
Eastern Bengal and Assam.	53	...	21	53
United Provinces.	30	...	33	73
Punjab ... ..	38	...	76	54
North-West Frontier Province.	45	...	81	95
Madras ... ..	30	52	42	57
Bombay .. ..	26	38	21	31
Sind ... ..	4	...	29	50
Central Provinces.	44	...	36	44
Coorg ... ..	6	...	...	14
Ajmer ... ..	...	...	...	68

184. The table in the margin, which compares the proportions of vend fees to total taxation for 1904-05 in respect of all excisable articles on which a fixed duty is levied, shows how far the practice of most of the Local Governments is from fulfilling these principles. The Committee have made their recommendations for the removal of one main cause of divergence by raising the rates of fixed taxation to a much higher level. It is proposed in this chapter to consider the other factor in the taxation of liquor, viz. the fees for vend. It will be convenient to examine first some other questions that bear on the subject.

185. Where a high taxation is levied on an excisable article at a strictly limited number of places of vend, it is necessary for Government to ensure that the article sold has paid the duty, that it is not adulterated and that the vendor is not allowed to raise the price to such an extent as to put purchase out of the power of consumers of the class for which the shop is intended.

Measures to ensure vend of duty-paid articles at a fair price.

186. To this end it is generally considered desirable in the case of country spirits that strengths should be fixed, and in that of all liquors that there should be, as far as is feasible, a check on adulteration. The liquor traffic is one in which an unusually large measure of State interference of this kind is not only justifiable but necessary, and the grant of a practical monopoly of vend without such regulations tends as a rule to fraud on the consumer or sale of illicit liquor or both. In the case of country spirits a majority of the Governments which use distillery systems have adopted the principle of fixed strengths and it is the Committee's recommendation that they should all do so. Doubts are expressed however as to the practicability of enforcing a provision of this kind in the United Provinces and the Punjab without undue harassment of the vendors. It is suggested that it should be gradually introduced into these Provinces and extended side by side with the improvement of the preventive and controlling staff, being applied first to the wholesale shops, next to retail shops in the towns and last to the retail shops in the rural tracts. Its application has already been ordered in one instance, viz. as part of the experiment already alluded to which is being made in order to cheapen liquor in certain Sikh districts in the Punjab.

Fixation of strengths and check of adulteration.

187. The Committee think it incumbent on them to point out that, when the number of shops is reduced to such an extent that each represents a virtual monopoly over a large area, experience shows that the tendency of the shopkeeper is to make all the profit he can by selling to his well-to-do customers at as high a price as he can realise and to leave the rest to go without or supply themselves illicitly. The only remedy available is the imposition of a maximum price, which is limited by the paying capacity of the poorer consumer. The shopkeeper seldom sells for less than the maximum, so that the effect of the measure is practically to impose a fixed price equal to the highest that the poorer consumers can afford to pay. A regulation of this nature is necessary to avoid interference with the habits of those who use alcohol in moderation, and does not in the Committee's opinion involve any danger of an increase in the natural consumption.

188. Measures of this kind can of course be carried out only with the aid of a strong force. The Committee deal fully with the question of establishments in a later chapter. They will not at this stage anticipate their proposals further than to say that they consider it absolutely essential to an organised excise system that there should be a responsible staff for the control of the shopkeepers' conduct of their business both in the matter of adulteration and in the observance of the other conditions of their licenses, particularly those concerning sale to drunken persons and the like.

189. It is needless to add that a strong preventive staff is necessary to stop dealings in articles that have not paid duty, whether by the shopkeepers themselves or by other persons. The experience of almost every Province teaches that in the absence of such a staff the sale of the right of vend of an article paying a high rate of duty is, where facilities for clandestine dealings exist, little better than the sale of the right to deal illicitly.

190. When fixed duties have been raised to the highest pitch possible for the time being and efficient measures have been taken to secure the sale at a fair price of duty-paid articles only, the way is open for carrying into effect the second portion of the Government of India's policy, namely the reduction of vend fees to a subsidiary item.

The policy of high fixed duty and low vend fees can be most easily, and has been most frequently, carried into effect in the case of foreign liquors. These pay duty at the port of entry and are not easy to smuggle or imitate. Adulteration, it is true, has not hitherto been provided against, and this is a defect in the present arrangements which is one of the causes of vend fees in some Provinces having advanced to something considerably more than a subsidiary receipt. Proposals for a remedy have been made in a previous chapter. Whatever competition with country spirits existed in some areas has ceased with the recent enhancement of the tariff rate of duty, and the further difficulty which arose from the treatment as an intermediate class of locally-made spirits other than country spirits will shortly be obviated by treating them as foreign liquor. With the disappearance of these facilities for competition of foreign with country spirit there should no longer be any necessity to maintain a high level of vend fees by a system of auctions, and the way should be open for the reduction of the vend fees to their proper position and amount.

In the case of country spirits vend fees have practically been eliminated under the District Monopoly system, which has already been discussed, and eliminated to some extent under the system of enforcing a minimum guarantee on shop transactions which has been adopted in two districts in Bombay under circumstances which will be examined in a later paragraph. Provinces which combine a comparatively high still-head duty with a low vend fee and no minimum guarantee are Sind and Coorg, in the first of which the fee for vend is fixed roughly with reference to past transactions, but in a manner which in the Committee's opinion is capable of considerable improvement, while in Coorg it is based directly on the transactions of the current year. Isolated experiments of a similar nature have been made elsewhere. In Bombay City licenses for life were granted in

1886 and 1889 at fees to be assessed by the Collector. As these have fallen in, no further extension of the privilege has been given, but an attempt to secure some permanency of tenure at a reasonable fee has been made by the issue of orders for auction for three years, subject to renewal for two further terms of three years each at a fee assessed on the basis of the transactions of all the shops in the city. The effect is stated to be that the licensees lose heavily for the first three years, are in equilibrium for the second period, and gain largely in the last. A defect of the arrangement which has been illustrated in recent orders is that the fear of causing unfair loss to the licensees tends to check desirable increases in the rates of duty during the nine-year period. In the Thana and Kolaba districts in 1887-88 an experiment in the direction of the levy of the whole of the taxation in the shape of direct duty by putting the duty itself up to auction resulted in a lamentable failure. The Excise Commissioner of the United Provinces is anxious to try a similar scheme, but the Committee cannot recommend it. In Bengal certain Excise Deputy Collectors have resorted to various methods of disposal, owing to the difficulties in securing satisfactory results in auction; their proceedings were without sanction and were not beneficial to the excise administration. In the Sikh districts of the Punjab to which reference has been made above, owing to the extensive prevalence of illicit distillation and with a view to the reduction of the price of licit liquor, the vend fees have been reduced to a nominal figure. These arrangements cannot however be regarded as anything but a temporary expedient to meet special circumstances.

With regard to *tari*, in Bombay the fixed taxation is generally high, and in all but a few exceptional areas the rules provide for reducing the vend fee to a subsidiary item by letting the shops on fixed fees of Rs. 10 or Rs. 20; but a further provision allows of auction in case of competition, and, the shops being limited in number, competition has sprung up with the result that in some districts the license fees instead of being a subsidiary item have become the main factor in the taxation, while the proportion of receipts from direct duty has fallen off under circumstances that give rise to suspicion of illicit practices. Where however the system of fixed fees has been maintained alongside of auctions it has operated to prevent any general rise in the auction bids. In Madras an important experiment is being conducted in the districts of Ganjám and Vizagapatam where the tree-tax is the chief item in the taxation in the case of 80 per cent. of the shops, the rentals of which for years past have averaged Rs. 10 or less a month. These have now been settled on fixed fees approximately at the average of past rentals. In the town of Madras for nearly twenty years all the shops have been settled on the basis of past transactions, the scale of fees being fixed every year with reference to the number of the trees tapped in the two years previous. A somewhat similar system is in force in respect of what are known as the privileged shops in Bombay and Surat.

191. These instances are exceptions. The general method of disposal of licenses is that of sale by auction. It is the question of the continuance or replacement of this system that in the opinion of the Local Governments is the most important of those before the Committee.

The general system of disposal is that of auctions.

192. The system of auctioning licenses for the sale of excisable articles originally appertained to the times when the Government of the day, being prescriptively entitled to an uncertain revenue in a certain area, were, in the absence of means for estimating or realising it, ready to farm the right of collection to the highest bidder. Its operation is now restricted to the case of ferries, of tolls in Madras and Bombay, of pounds in Bengal, and of excise generally. This procedure is inevitable where there is no fixed duty levied, as in the case of outstills, licenses for the manufacture and sale of country beers, and licenses for the tapping and sale of *tari* where it is not subject to tree-tax.

This is inevitable when there is no fixed duty.

193. As a system of disposal in combination with a fixed duty the advantages claimed for sale by auction are, first, that it throws competition open to all vendors approved by the Collector and avoids favouritism and jobbery; second, that it prevents the creation of vested interests; third, that it provides an automatic way of ascertaining and

The advantages of the auction system when combined with a fixed duty.



securing to the public purse the monopoly value of the privilege sold, while enabling taxation to adjust itself to local and temporary variations; and fourth, that by means of the comparison of shop rents and issues, it affords an indication of the prevalence of illicit practices.

194. The disadvantages which its critics find in the system are, first, that it is not worth the while of a man who can make a living otherwise to enter the business if his interest may be terminated at the end of a year by circumstances beyond his control; that in many cases the vend rents have reached a point at which an honest profit is not possible, and that in consequence the competition is restricted to persons who are prepared to make dishonest gains; that blackmailing of respectable competitors through threats of outbidding them is not uncommon both before and at the auction; that the system involves loss of dignity to Government, more particularly when the auctioning officer attempts to induce rivalry by the introduction of outside competition or is reduced to haggling with an individual who has secured a hold over a particular locality; and that it throws a steadily increasing amount of unpleasant work upon the Collectors and the officers of their staff.

In respect of the second of the advantages claimed it is urged that, while it is true that the system avoids the creation of vested interests, it goes much too far in the opposite direction; that it renders fixity of tenure impossible and removes all encouragement to respectable management; that it throws the liquor traffic into the hands of a set of shifting licensees who frequently have no other interests in the localities in which they have their shops and are forced to look to the liquor trade for their sole livelihood; that it puts obstacles in the way of necessary changes of sites of shops, structural alterations and sanitary arrangements; and that there are less objectionable means of securing the end in view.

With regard to the third advantage it is pointed out that it is the exception rather than the rule for the value of a shop ascertained by auction to be a fair value. At the best it is a speculative value depending on the sales of the past year and hopes of the future. To this element of uncertainty are usually added others much more serious. Rivalry, not unfrequently stimulated by unwise subordinates, a spirit of gambling, the excitement of an auction, reluctance to quit a shop in which the holder or his family have been interested, the loss of outstanding debts, the fact that a hereditary drink-seller must hold a shop of some sort or be unable to ply his calling, all tend to inflate the prices. On the other hand, frequent combinations and rings or the absence in the case of small shops of any real competition tend to reduce them to a minimum. The net result is that, instead of country spirit paying a known and definite rate of taxation, it pays one which varies largely through causes over which Government has no control, while the total of it sometimes exceeds the total taxation on foreign spirit.

To the last of the arguments in favour of the system it is replied that the auction purchaser, by reason of his having to pay a high competitive price for his privilege of vend, is directly impelled to make money out of his temporary possession of the right by every means in his power, licit or illicit, in other words that the system induces the very malpractices of which it is expected to give an indication; and from more than one Province instances are cited in which extensive sale of illicit liquor appears to be the only explanation for shopkeepers being able to continue buying shops at high prices year after year. It is further objected that the high price paid forms the strongest possible stimulus to push sales to the utmost extent in order that the vendor may cover his expenses and make a profit before he has again to fight for the privilege, and possibly lose it; and that instead of making the shopkeeper an aid to the establishment the system throws him into direct opposition to Government.

195. To some of these objections it may be answered that they are based on a consideration mainly of the abuses that have exhibited themselves in auctions as conducted in the past, and that, while these were inevitable for a time, many of them would have disappeared as administration improved. Undoubtedly, in their examination of the working of auctions in different Provinces, the Committee have found a number of cases in which defects attributed to auctions were equally due to want of understanding of the necessity of adjustment in the other parts of the excise system or were such as might have been mitigated by

The disadvantages found in it.

Some of the defects pointed out are due to abuse of the system or such as might be avoided by special arrangements.

different arrangements. As instances of this want of adjustment may be cited failure to raise the still-head duty to a proper level; failure to control shopkeepers so as to prevent them from making a profit by sale of illicit liquor; failure to secure regulation of price either by competition between shops, or, where each shop represents the monopoly over a large area, by the imposition of a maximum selling price; failure, where maximum selling prices were imposed, to regulate them so as to allow a sufficient margin for the vend fee; injudicious arrangement of vend areas, sometimes by grant of large monopolies, at others by suddenly reverting from monopolies of a whole district to sale by single shops without giving bidders time to ascertain the values of the privileges for which they were competing; failure to insist on shops purchased being opened; failure to make the separation of manufacture and vend effective; and the existence in some of the Excise Acts of provisions permitting surrender of bad bargains on unduly liberal terms.

As instances of defects in working may be cited the failure to give due notice of the auctions and to allow sufficient time for purchasers to make their preparations before the commencement of the vend year; failure to require initial deposits so as to prevent bidding by men of straw; want of information as to the value of shops, resulting in some cases in excessive reserve fees being fixed, whereby some shops, which would afford no profit if bought alone, must be grouped with others to secure a bidder; the dragging on of the auctions from day to day and selling of shops piecemeal instead of selling them at once for what they will fetch and reselling the whole if the result is unsatisfactory; refusing bids for such insufficient reasons as that the bidder has not renewed his license for another shop or that, if the bid be accepted, competition between two shops will result; the grouping of shops for sale of all classes of intoxicants together, sometimes for a number of villages at a time; the great favour shown in some Provinces to existing licensees and large holders and disfavour shown to new comers; and the practice in others of collecting the whole year's fee in advance. These defects, some of which are particularly marked in Bengal and Eastern Bengal, were due largely to the fact that the Collectors had been relieved of the duty of personally attending to the auctions, but also in a great measure to well-meant endeavours of the officers conducting them to mitigate what appear to the Committee to be inherent defects in the system itself.

196. The very necessity for the imposition of so many restrictions on outright auctioning as are found necessary in the Provinces where the system has been conducted with comparative success indicates a further most serious objection, viz. that the system itself is the chief bar to the effective carrying out of the Government of India's policy of making the duty the main factor in the taxation. Government cannot expect that bidders of the class in question will stop at the exact figure that will leave a fair profit and no more, and experience shows that subordinate and even superior officials have a distinct tendency to secure the highest shop rents possible without considering whether these can fairly be paid out of the profits of the shops. Consequently, in spite of increases of duty, shop rents show a tendency to rise and shopkeepers are driven to malpractices. In several Provinces attempts are made to check this by refusing speculative bids, and one Excise Commissioner goes the length of proposing to impose a maximum for each shop and to draw lots between suitable bidders as soon as the figure fixed is reached. Under such arrangements the auction system is liable to lose the chief of the advantages which it is alleged to possess.

197. In the general overhauling of the excise systems of India which occurred about twenty years ago and to which a majority of the present arrangements owe their origin, the question of auctions was discussed in all the large Provinces and a number of opinions were recorded which are of importance to the present enquiry. The Bengal Excise Commission (1883-84) observed: "It seems very doubtful whether licenses for the retail of liquor which has paid still-head duty should be put up to auction. The prices which are realised for these licenses under pressure of competition undoubtedly lead to illicit practices on the part of license holders and it seems better in every way to make the direct duty the main source of revenue." The Board of Revenue in the North-Western Provinces in the same year stated that "the chief revenue from excise should be obtained from the still-head duty, while vend licenses might be calculated so as to fall at not more-

But the necessity for such special arrangements is itself a defect and the system a bar to the fulfilment of the Government's policy.

In the revision of systems of 20 years ago the immediate or ultimate replacement of auctions was generally contemplated.

than four annas a gallon." Sir William Davies in his Memorandum of 1883 on the "Proposed Revision of the System of Excise on Spirituous Liquors now in force in the Punjab" reviewed the evils of the auction system at great length, and quoted the declaration of the Government of India that "the general policy deliberately adopted by the Government of India in the administration of the Excise Department is to lay the duty once for all at a fixed rate upon consumption. The vend of the article on which such duty has been paid is left to the control of the magistracy; a uniform fee, which ought never to be high, and which is not an essential part of the system, being taken for every vendor licensed. The advantage of the system is that the duty can be regulated precisely as may from time to time be found expedient, and the Government is quite unembarrassed by vested interests in its administration of the Department." His own recommendation was to follow the policy then proposed in the North-Western Provinces and "make the settlement of retail vend under tenders at moderate rates and at the same time to give these licenses for terms up to five years." In Madras Sir Henry Stokes in his "Note on Abkari Changes" (1884) laid down as the principle to be followed that "the duty on the liquor be taken partly in the shape of still-head or fixed duty and partly of lump sums to be settled by auction to be paid for the monopoly of vend, in taluks now and eventually in smaller areas. The still-head duty should be pitched at present low, and gradually increased if the result of the sales of the privilege of vend shows that this can be done, that is, if the privilege fetches generally high sums at auction. The duty in fact will consist of a fixed and a fluctuating part and the object should be to reduce the latter by degrees. As the size of the monopolies of vend becomes less, in succeeding years the fluctuating part will eventually become shop license fees." In Bombay, Sind, Coorg and Ajmer-Merwara systems that avoided resort to auctions were generally adopted.

198. It will be interesting to trace in a single Province the progress made in carrying into effect the policy so enunciated. For this purpose Madras, where conditions are fairly uniform and progress has been continuous, affords the best example. In 1885-86 the distillery system was in force in sixteen districts and portions of three others. It was extended in 1891-92, 1899-1900, 1900-01 and 1902-03 till it covered all the regulation tracts except a few specially circumstanced areas. The system of separate sale of country spirit shops was extended *pari passu* to towns and large villages first, then to the taluks surrounding them, and last to the backward taluks, until it now covers practically the whole of the distillery area. Meanwhile the increase of the force and the suppression of illicit distillation and kindred offences

The progress made towards abolition in a single Province reviewed.

Year.	Percentage of vend fees to total revenue.
1884-85	32
1885-86	54
1886-87	44
1887-88	39
1888-89	42
1889-90	34
1890-91	36
1891-92	37
1892-93	37
1893-94	37
1894-95	32
1895-96	33
1896-97	33
1897-98	31
1898-99	35
1899-1900	31
1900-01	30
1901-02	30
1902-03	28
1903-04	27
1904-05	30

on the one hand and of illicit practices by shopkeepers on the other were steadily kept in view. Offences of the former class showed a tendency to increase as the fixed duties were raised and the area under the distillery system was extended, and the number advanced from 655 in 1886-87 to 1,853 in 1892-93, after which it fell gradually to 1,126 in 1904. The decrease in offences by shopkeepers has been more uniform and the number of prosecutions in cases of dilution has fallen from 1,303 in 1886-87 to 465 in 1904 in spite of the very large increase in the number of shopkeepers brought under direct control. The policy of making the duty the main feature in the taxation is shown by increases in the rate of duty common to the great majority of districts from an average per proof gallon of about Rs. 2 in 1884-85 to Rs. 3-2-0 in 1886-87, Rs. 3-12-0 in 1890-91, Rs. 4-6-0 in 1894-95, and to Rs. 5 in nine out of fourteen districts concerned with effect from 1st April 1906. The fall in the percentage of vend fees to total revenue is exhibited by the table in the margin. Under the recent general increase of duty the

percentage may be expected to fall to 25 per cent.

In 1895 the Government repeated its statement of policy:—"The system on which for many years past (practically since 1884) the abkari revenue has been raised is that of increasing dependence on fixed duties and decreasing reliance on

license fees, which are a source of revenue uncertain, fluctuating and more or less difficult to collect. The fixed duties are import duties, still-head duties and the tree-tax on palm trees, and the aim is and should be to rely upon these for the abkári revenue more and more until eventually license fees become little more than registration fees." In 1898 the Board of Revenue first made proposals for carrying the policy through to its logical conclusion and suggested an experiment in fixing the fees of toddy shops. This suggestion resulted in 1905 in the adoption of the system of fixed fees in the Ganjám and Vizagapatam districts which has been described above and which the Commissioner is anxious to continue and extend to country spirit shops.

199. It seems to the Committee that the policy thus illustrated is a proper policy and that the chief criticism which the figures invite is that the last stage in its execution might have been greatly expedited. Their conclusion is that in the early and intermediate stages of excise development the auction system has played an important and useful part, and that it cannot yet be dispensed with in those areas in which it has not been found possible to introduce efficient control over excise arrangements. It is also, for want of a better, the most suitable system in regard to articles which pay no duty and the only mode of taxing which is by means of vend fees. But in the case of articles which pay a direct duty it has disadvantages which outweigh its advantages, and should be replaced as soon as efficient control is secured and a proper substitute is found for it. To this end experiments should be made in suitable areas without further delay.

200. The essentials of the system to be sought for in any such experiment are that it should leave the taxation of liquor to be fixed directly by Government; that it should secure that the trade is in the hands of respectable and well-to-do men who, so long as they abide by the law and rules and are prepared to pay such reasonable fees as may be demanded of them, are secure in the tenure of their privileges during good behaviour; that it should give no artificial stimulus to the vendors' natural inclination to push sales and so increase their profits; that it should secure their coöperation with the Government establishments in checking breaches of the law; that it should not give rise to interests which it would cause inconvenience to Government to restrict or get rid of; that it should give the smallest possible opportunities for corruption and jobbery; and that it should be effective and easy for the Government establishments to work.

201. The system best adapted to meet these ends may not be the same in all Provinces. In the Committee's opinion that most suitable for the majority might well be evolved on the lines laid down by Sir Henry Stokes in 1884, that is to say, by the gradual replacement of auctions by fees fixed by Government officers as duties are raised, illicit practices got in hand, adulteration put down, an accurate register of issues established and knowledge gathered as to the capacity for taxation of different areas. Regarding the method of fixing the fees when this stage is reached the Committee have received a great variety of suggestions, the majority of which apply in one way or another the principle of settlement on past transactions. They do not propose to examine them all in detail, but think it will be sufficient to discuss the one or two which seem to be open to least objection, leaving it to Local Governments that may experiment in the direction indicated to make such additions and modifications as they think fit.

Of systems actually under trial perhaps the most satisfactory are those adopted in the case of small toddy shops in the Ganjám and Vizagapatam districts of Madras and of large ones in Madras Town. In the first instance the tree-tax already forms the bulk of the taxation and the fees for all the shops concerned have averaged Rs. 10 or less a month. They have been fixed at the rupee nearest to the average subject to a liability to auction, which is maintained as the system for the larger shops, if through an increase in consumption or otherwise it appears that they are worth more than the fee at which they have been appraised. In the second instance the tree-tax has been raised to a much higher rate and the fees are fixed each year on a scale which roughly amounts to four annas per tree taxed in the two

years previous. The system has been working for nearly twenty years and has been very successful on the whole. The one case of difficulty that arose was when the scale of fees was raised during a period of depression, and the levy in bad years of fees based on the transactions of more prosperous ones resulted in the ruin of several of the shopkeepers, and brought about the reduction of the fees to their former level.

202. One of the systems of disposal proposed to the Committee embraces the principles of both these schemes, but avoids the difficulty that has been experienced in Madras by the levy of the vend fee on the transactions of the current and not on those of the previous year. It will be sufficient to consider its application to the case of country spirit shops, though it would be equally applicable to any shops for the sale of articles on which a fixed duty is levied. What is suggested is that the issues to each shop in a district for a series of years in which there has been no change in the rate of duty should be ascertained and the average incidence of vend fees worked out; if a considerable portion of it is common to the whole district that portion should be added to the duty; the remainder, or the whole, as the case may be, would vary with the conditions of the shops, such as their distance from sources of supply, the density of the population in the areas served and the poverty or prosperity of the general run of customers; the shops should be grouped with reference to these conditions and a rate of surcharge per gallon approximately equal to the balance or whole of the past incidence of vend fee, as the case may be, should be worked out for each group; three or four such rates, which would generally vary with the degrees of density of the population, would be sufficient for most districts; the surcharge should then be collected quarterly in arrears on the actual issues. In the annual revision of settlements consumption would be the direct and only guide to an increase in taxation. The issues would need to be studied both for the district as a whole and for individual shops; a general substantial rise would show that the time had come for a general increase of duty; a small general rise would justify an enhancement of the surcharge so long as the lowest rate of surcharge did not reach ten annas a gallon, at which point an increase in the duty would be indicated; an advance in the issues to an individual shop would indicate that it could be raised to a higher group; in special cases, for instance the opening of railway works and the like, the increase of surcharge could be made in advance. It would be well however to impose a maximum of total taxation equal to say four annas a gallon more than the tariff rate, so as to avoid the replacement of country spirit by foreign liquor which has occasionally occurred in the past. A large general increase in consumption when this maximum had been reached would be an indication of the necessity for an increase in the tariff rate.

203. The advantages of such a scheme would be that the taxation on every gallon consumed would be fixed directly by Government; that the revenue would be collected on the issues of the current year and speculation would cease; that the grant of fixity of tenure would tend to secure a body of licensees who would be both more respectable in the conduct of their business and, having much more to lose, much less likely to defraud Government or their customers than is at present the case; and that the taxation in different areas would be proportioned to their circumstances without the necessity for issue from distilleries at different rates and the danger of malpractice which this involves.

204. Its introduction presupposes an accurate record of issues and such knowledge of shop values as is afforded by auctions under one rate of duty for a series of years. It would also of course be necessary that it should be given a full trial in selected areas before final adoption. As already intimated, the Committee do not regard this scheme as the sole alternative to auctions, but put it forward as affording a favourable basis for experiment.

205. The objections that may be urged against it are that it would create vested interests; that the selection of the licensee would give rise to corruption and jobbery; that the imposition of a heavy rate of direct taxation would induce malpractices by shopkeepers; and that the system would involve a loss of revenue.

206. The Committee realise that under any such system renewal of licenses would become the rule rather than the exception, and that the licenses would seldom change hands except on cancellation for bad conduct or breach of conditions or upon death. But, provided that the State retains the power to revise the fee and precautions are taken (as now) against allowing the license to be transferable, they do not consider that under competent administration there would be any danger or disadvantage in this; while in many respects there would be much advantage. It would of course be necessary to guard the State interests carefully in framing the license, making it subject to annual renewal and revision of rates, to unconditional cancellation for misconduct and to recall on payment of reasonable compensation at any time. To satisfy themselves on the point the Committee have made enquiries into the question of vested interests in the areas in which fixed fee systems are in force, and have been unable to trace any evidence of claims to such interests having been put forward. They would further remark that the conditions which have led to the creation of vested interests in England do not exist in India, and that the fact that the licensing power rests with the chief revenue authority of the district would itself be a sufficient safeguard.

207. The selection of the licensee is undoubtedly a difficulty. After considering a number of alternatives, the Committee are disposed to think that the continuation of existing holders during good behaviour is the most satisfactory. There remains the selection of a substitute on death or dismissal of a holder. In this case outright auction among candidates of good character, confirmation of the heir, selection by the Collector, and selection by lot are the alternatives. The hereditary system, which is supported by the analogy of the village offices in some Provinces, is successfully pursued in the case of the town toddy shops in Madras, with auctions in the case of failure of an heir. Selection by the Collector under rules carefully framed is the method pursued in the case of stamp vendors in most Provinces, in that of village officers in some, and in that of tobacco vendors in Bombay City. It has been adopted in the case of liquor shops in Sind and is said to lead to the introduction of a very respectable class of licensee, but in this Province some attention is also paid to the hereditary principle. Selection by lot is a last alternative. As local conditions and the size of districts and the number of shops in them vary largely in different Provinces, the Committee would leave the choice to the Local Governments making the experiment.

208. The Committee doubt whether there would be any loss of revenue due if the system were properly worked. At the outset the rates of duty and surcharge would be so pitched as to yield together approximately the same revenue as at present. The only reduction that would arise at this stage would be when the present incidence of total taxation is higher on country spirits than on foreign liquor. The loss resulting from restricting the taxation of the former by a maximum would be recouped by the readjustment of consumption of the two classes of liquor. In the future the realisations under fixed rates of taxation would increase and decrease automatically with the condition of the people, affording as they did so a much more reliable index to the necessity for an enhancement of the duty than auctions now do. The revenue that accrues from speculative and excessive bids would thus be the only amount that would ultimately be lost.

It has been suggested that Government would forego what is sometimes called the 'site value' of the shop. The Committee do not consider that there would be any material loss under this head. The petty shops have little or no site value. That of the larger ones is measured with sufficient approach to accuracy by the amount of their sales and the prices charged. Under the system proposed the surcharge would be levied directly on the amount of the issues to the shops and its rate would vary very nearly with the prices charged. The Committee believe that, when rates of duty have been properly adjusted and liquor is laid down at uniform prices throughout areas under the same rates, the variations necessary in the rates of surcharge will be found to be very few indeed. An examination of the transactions of each shop in the Nilgiri district for the past five years shows little

variation in the incidence of vend fees per gallon, the lower rates occurring more frequently in the towns than elsewhere.

Owing to the surcharge being collected in arrears, instead of in advance as vend fees are at present, there would be some additional risk of default, but it is believed that this would not be considerable. The greater permanency of the tenure and measures such as advance deposits and hypothecation of buildings would do much to reduce the risk.

209. The objection that the imposition of a high direct duty on the article taxed is liable to lead to sale of untaxed articles by licensed vendors is one which applies generally to the policy of making the fixed duty the main factor in the taxation, but especially to a system in which the whole of the taxation is based on the consumption. No doubt the danger is great if control is inadequate, and the auction system, while it increases the danger of fraud, recompenses the Government in some measure by enhanced fees which are often payments for fraudulent dealing. It is for this reason that the Committee prefaced their proposals for the replacement of auctions by insisting on the prior reorganisation of other parts of the excise administration. When a proper force has been employed and has secured control, the Committee do not believe that there is any appreciable danger of malpractices by shopkeepers, and they are convinced that there is much less likelihood of their occurring under a system that admits of a continuing tenancy from year to year than when the auction purchaser has a single year's tenancy and is very possibly paying so much for his privilege that there is left to him little or no margin for legitimate profit.

210. Another form of settlement which has more than once been proposed for adoption is analogous to the system employed in fixing the land revenue. It is suggested that a fee should be fixed for each shop by a responsible officer on the basis of past transactions and levied in advance as the auction fees at present are. This would avoid all risk of loss of revenue on the one hand, but on the other would involve the collection of fees based on past transactions instead of on those of the current year. So long as the fee is so pitched as to be a subsidiary item the system is one which might well be tried.

211. In areas where control has not been secured a system of settlement is for the present out of the question. The alternative to auctions suggested in this instance is that of taking a minimum guarantee from the vendor. In its application to whole districts this system has already been discussed. It remains to consider it as applied to the transactions of individual shops. It was in force in this shape in Bombay and the United Provinces in the case of opium until shortly before the appointment of the Royal Opium Commission, when it was abolished in deference to a resolution of the House of Commons. It was surrendered with misgivings by the Bombay authorities who expected a great increase in illicit sales. Their expectations have been realised. Under the first substitute which was tried, that of selected farmers without a minimum guarantee, there was an immediate and continuous decline of licit consumption and of revenue. Auctions of single shops were then tried in some districts and resulted in excessive bids and unduly high prices to consumers. Maximum prices having now been imposed, the accounts show that the shopkeepers cannot be doing an honest business. The net fall in licit consumption since the change has been 31 per cent. and in revenue 14 per cent., and vend fees now represent 51 per cent. of the total taxation in the districts in which the auction system is in force. In the case of country spirit the system of minimum guarantee on single shops has recently been tried in two districts, Khandesh and Nasik, in which illicit practices were rife. Confidential tenders in terms of rupees were invited in writing if the tenderers could write, otherwise by verbal offers. The local authorities used their discretion in accepting or rejecting tenders for particular amounts or the offers of particular individuals. In Nasik there were undoubtedly over-tenders and the arrangement almost amounted to an auction. In Khandesh the Collector gave much time and personal attention to the matter; the result has been an increase in revenue by 140 per cent. and a steady replacement of illicit

by licit consumption. In these respects, in exposing the previous mismanagement of the district monopoly contractor and in affording the local authorities information as to the consumption of particular shops, the system was an undoubted success. It has the further advantages as compared with auctions that it gives the Collector more freedom in the selection of shopkeepers and, when properly conducted, that it avoids the overbidding which results from the excitement of an auction.

It is objected to it that it has a tendency to increase consumption. The Collector of Khandesh points out that whether it does so or not is largely a matter of price since it may actually pay a vendor to default, making a large profit on a small turnover instead of a small profit on a large one; and he adds that in 1904-05 only seven-eighths of the revenue guaranteed and paid represented duty on liquor removed. His own recommendation is a combination of the minimum guarantee and auction systems, that is an auction subject to a guarantee to pay the duty on the average consumption of the shop. The Committee think that these systems may fairly be tried in difficult areas, that is, in areas where illicit practices are so rife that there is room for considerable increase in the licit consumption without its entailing an increase in the whole. In such areas the system of taking a minimum guarantee tends directly to secure the coöperation of the shopkeeper in checking illicit distillation and to discourage malpractices on his own part, because he has to pay the still-head duty on a given quantity of liquor whether he sells it or not.

212. Where auctions are continued some suggestions may be useful for mitigating the defects of the system. Many of these follow directly from what has been said above. There should be provision for regulation of the prices where competition between shops is inoperative by the imposition of a maximum selling price; there should be a preventive force capable of checking malpractices by shopkeepers; sale strengths should be fixed; vend monopolies where they exist should be gradually broken up and great care taken to prevent injudicious bidding by persons who have no opportunity of securing proper knowledge of shop values; surrenders of shops without forfeit except for special reasons should not be allowed; persons of bad character should not be permitted to bid; the deposit conditions should be such as to prevent men of straw having access to the auction room. It may be added that the privileges of manufacture and vend should be completely separated; that the auctioning officers should be given full information as to the value of the shops auctioned and full authority to refuse speculative bids; that the shop fee should be collected monthly and the deposits adjusted so as to secure the Government revenue without pressing too hardly on the poorer bidders; and that the auction should be held by the Collector or one of his Covenanted Assistants or Sub-divisional Officers.

213. A measure which has been sometimes recommended, but as to the advantages of which the Committee are doubtful, is the disposal of privileges for a term of years. It is claimed for this arrangement that it would have the advantages of lessening unhealthy competition, of freeing the shopkeeper from immediate pressure to make a profit and of giving him a greater inducement to respectable management. On the other hand, even if the competition were reduced by the exclusion of all but men of capital (which is not always a desirable end in itself), the competition among them for a valuable privilege might be even greater than before, while the danger of forced sales might only be postponed to the end of the term. Such an arrangement would also involve the abandonment of one of the chief advantages of the yearly auction system, namely that under it the Government demand responds readily to changes in the prosperity of the drinking classes. Under any system of disposal a lease for a term of years tends to check necessary increases in the still-head duty and it might similarly affect changes in the license conditions or desirable alterations in the number or sites of shops.

214. In concluding the consideration of this part of the question it will be appropriate to notice an experiment that has been made in Assam of entrusting to planters the retail sale of country liquor. This arrangement is commonly known as the Canteen system, the essence of which is that

Some suggestions for mitigating the defects of the auction system where it is continued.

The policy of extending the term of the auction license discussed.

The Canteen system.



the employer of labour himself controls the supply of liquor to his coolies, on the understanding that his self-interest, if not a higher motive, will check excess. Theoretically this system has much to commend it, and the results of the trial that has been made in the Sibsagar district are in the Committee's opinion highly creditable to the gentlemen who have undertaken it. As a system of general application, however the Committee fear that it is impracticable. Not only must the check on consumption be incomplete since it is impossible to close shops provided for the supply of the general public, but the control of the canteens, in the opinion of many of the more responsible among the planters, would be ineffective and unsatisfactory. The employer of labour must be a business man first and a philanthropist afterwards. In Assam at least it is more important to him to keep his labourers than to keep them absolutely temperate. The demand for labourers is greater than the supply; and there is a distinct danger that, if the shops for the supply of liquor to the coolies of a tea estate were placed under the control of the manager, they would be conducted rather with the object of attracting labour to that estate and keeping it there than of discouraging the excessive use of liquor by the coolies. The manager would be exposed to a strong temptation to supply to his workmen a ready means of spending earnings which otherwise might be saved and enable them to set up for themselves, and to draw labour to his own estate by affording greater facilities for drinking than could be obtained elsewhere. An unscrupulous employer would obtain an additional means of exercising power over his coolies which in the present conditions of Assam is eminently undesirable; and in all cases the management of the canteen would have to be deputed to some subordinate without any guarantee that the latter would be a suitable person and would not abuse the position. In the opinion of the Committee success in checking the evils of drinking in the tea gardens of Assam is to be achieved not by transferring the responsibility to private persons, but by enforcing adequate control by Government over the making, supplying and selling of liquor. The Local Government has made great progress in this direction.

## CHAPTER XI.—NUMBER AND LOCATION OF SHOPS.

215. The Committee have now dealt with the measures necessary for carrying into effect the first part of the general policy of the Government of India, namely to make the tax upon liquor as high as it is possible to raise it without stimulating illicit production to a degree which would increase instead of diminishing the total consumption, and without driving people to substitute deleterious drugs for alcohol or a more for a less harmful form of liquor. They have also suggested measures which they hope may have the result, not indeed of eliminating private profit, which is the ideal of some temperance reformers, but at least of rendering the liquor seller less directly dependent for his livelihood on a large sale or on illicit or improper practices.

The declaration of policy continues: "Subject to the same considerations, the number of liquor shops should be restricted as far as possible and their location should be periodically subject to strict examination with a view to minimise the temptation to drink, and to conform as far as is reasonable to public opinion;" and the Committee are instructed to enquire whether the directions conveyed in circular letter from the Finance and Commerce Department No. 2455-S.R., dated the 21st April 1904, intended to ensure that the number of places at which intoxicating liquors can be purchased should be strictly limited with regard to the circumstances of each locality, are adequate and are being properly carried out, and to examine the question of securing a reasonable degree of conformity with public opinion as to the location of shops.

216. The proper regulation of the number and sites of shops, and the imposition of restrictions on the sale of intoxicants such as are dealt with in the next chapter, have an influence in checking the spread of the drinking habit second only to the enhancement of the price of liquor, and before proceeding to an examination of these questions it will be well to consider briefly what evidence there is of the prevalence of drunkenness in India and of its increase or decline. In the following quotation from Mr. Crooke,\* the state of affairs obtaining in the early days of British knowledge of the country is strikingly contrasted with present conditions:—

"There seems no good reason to believe that the immoderate use of spirits has increased, though probably the consumption is more general than in the early years of our rule. At any rate, when we first came in contact with the natives, there was much drinking. Streyntsham Master, writing from Surat in 1672, says of the people: 'None of them will eat the Flesh of Cows, and Oxen or Calves, and almost as few of them forbear Wine, for those that eat noe flesh will Gulch abundance of strong drink.' Linschoten, at a rather earlier period, lamented that the Portuguese soldiers were learning from natives the taste for spirits, which took the place of the wine of their native land. Writing of Bengal early in the last century, Buchanan-Hamilton says: 'In no country have I seen so many drunken people walking abroad; and in more than one instance I saw men, who, from their dress, were far above the vulgar, lying on the road perfectly stupefied with drink, and that in the middle of the day, and in places far removed from the luxury and dissipation of towns.' It is also a fallacy to suppose that the habit did not prevail under native rule. Colebrooke, when he visited Nagpur in 1800, writes: 'The number of distillers' shops is incredible. Mahrattas of all ranks drink immoderately, and so do the women. Even ladies of rank use spirituous liquors; but the women, who fetch wood and grass from the forests, are, most of all, addicted to intoxication. It is curious to see of an evening crowds of well-dressed women getting drunk at a distiller's door.' Such scenes are certainly very unusual at the present day. When a native drinks he does not, as a rule, tipple; but he drinks with the object of getting drunk. This is done deliberately. A servant will often ask leave of his master to get drunk, and he can generally state the precise amount which will produce the

\* Things Indian, page 277.

desired effect. The use of foreign spirits is certainly on the increase among the educated classes, who are specially fond of cheap and noxious liqueurs."

217. For comparison with twenty years ago statistics of consumption are available as well as some of convictions for drunkenness. The former have been dealt with in the Honourable the Finance Member's Budget speech that has been alluded to. He pointed out that in the course of the period in question 132,000 square miles of territory had been transferred from the outstill to the distillery system, the number of shops in proportion to the population had been diminished by 30 per cent., and the recorded consumption in the distillery areas had been reduced from 4.95 to 4.06 proof gallons per 100 of the population, while the taxation had been raised from Rs. 2-10-7 to Rs. 4-7-8 per proof gallon or by no less than 68 per cent.

But this general decrease was not common to the whole country. It was largely due to the bringing of new areas under the distillery system. While this undoubtedly decreased drunkenness, since that is usually common in the outstill areas, it brought a larger proportion of the rural, which is the soberer, population within the purview of the statistics, and so tended to show a lower general consumption per head. On the other hand improvements in administration, by bringing illicit consumption under control, raise the recorded average, and an examination of the statistics for 1884-85 and 1904-05 of individual areas which have been under a distillery system throughout the period shows in some instances a distinct increase. The case of the distillery areas in the Bihar districts of Bengal has already been noticed. In the United Provinces the consumption per head in eight districts has increased by 50 per cent. or more. The recorded consumption per head in the Punjab has doubled. The same has happened in the South Arcot district of Madras, while that of Ganjám has trebled. Twelve districts of Bombay show an increase between them of 28 per cent., and in the Central Provinces the *per capita* consumption of the distillery areas, which in the last twenty years have been largely reduced by the exclusion of rural tracts, has increased by 7 per cent. These figures are based on the results of a favourable year and so somewhat exaggerate the increase, but they are sufficient to show that in some at any rate of the areas under settled excise administration there is a tendency in that direction requiring to be continually checked by enhancement of the taxation. A large increase in the total consumption of foreign liquor has also been noticed.

218. An increase in consumption in any area may be due to more liquor being taken by former consumers, or to the drinking habit having extended to previous non-consumers, or to both these causes, and it is impossible to say whether the statistics of consumption of themselves indicate an increase in drinking to intoxication. The only other figures available are those of convictions for drunkenness; and these are at best unsatisfactory, partly because many of the magisterial records have been destroyed and partly because in some Provinces cases of drunkenness are not separated in the statistics from those of other offences under the same section of the Police Act. The figures for the same areas also vary greatly from time to time with the attention paid to the matter by individual police officers. Such as they are they indicate that, as might be expected, prosecutions on this account are most common in cantonments, the Presidency towns and some of the larger cities, where consumption is generally large and doubtless police activity is greater than in ordinary towns. On the figures of 1905, the number of convictions per 10,000 of the census population are found to be in Belgaum cantonment 133, Poona 89, Calcutta 54, Madras 40, Bangalore 39, Bombay 30, Patna 28, Belgaum town 21, Karachi cantonment 20, Gaya, Lahore and Amritsar 15, Dacca and Karachi 12, Mianmir cantonment 11, Rawalpindi cantonment 9, Cawnpore and Nagpur 7, and Delhi and Sholapur 6. The remaining places for which statistics have been collected show convictions in a proportion of 5 or less per 10,000 of their population. Of areas in which this proportion is exceeded, Bombay and the Punjab contribute seven and five respectively, and the remaining Provinces three or less apiece. As compared with previous years, convictions have decreased in Calcutta, Dacca and Delhi, and in Bombay City there has been a fall of more than 50 per cent.; elsewhere they show a tendency to increase, particularly in the cantonments.

219. The Committee's enquiry has been particularly directed to the question of drunkenness among the better classes, with reference to which they have received a great variety of opinions. There is a natural tendency to deplore the habit of drinking altogether and, on the part of witnesses who regard alcohol in any shape or quantity as accursed, to make no distinction between moderate and excessive consumers. These tendencies account for some exaggerated opinions. The more accurate observers, including the Calcutta, Bombay and Amritsar Temperance Associations and such gentlemen as Raja Ban Behari Kapur of Burdwan, Rai Bahadur Jagannath Barua of Jorhat and Mr. Prabdial of Abbottabad are of opinion that there has been a decided reaction against the practice of drinking. There are still not a few moderate and some excessive consumers, but in some Provinces the spread of the drinking habit has been checked by the growth of a more healthy public opinion.

Another class of people amongst whom the prevalence of drunkenness has attracted much attention of late years consists of the coolies on tea gardens in Assam. Their case has been fully discussed in papers published by the Government of India, and it is only necessary for the Committee to state the results of the action taken. Opinion on this is entirely favourable. The appointment of controlling officers has checked drunkenness and improved the conduct of licensed premises, and the experiment of replacing outstills by a contract distillery, capable of furnishing a better class of liquor which is subject to payment of still-head duty, has the full approval of the planting community. Of thirty-six estate managers consulted by one of their own body, twenty-five thought there was no excess of drinking on their gardens and eight only that it was excessive. On the Darjeeling tea gardens where a like trouble has arisen under the outstill system action similar to that taken in Assam has been ordered by the Local Government, and it has only been postponed in Jalpaiguri by reason of the transfer of that district to another Province.

The case of the miners on the coal fields in Bengal is one that requires to be dealt with. The circumstances are similar to those in Assam; a low grade population lacking in self-restraint, high cash wages, and drink shops close to the site of work. The difficulty of moving, reducing or suppressing the shops without interfering with the supply of labour, if less in degree, is the same in kind as in the tea gardens. The problem is very difficult, and the Committee can only recommend that action should be taken on the lines that have so far proved satisfactory in Assam.

220. In considering the question of the number of shops, it is necessary to premise that the conditions of the several Provinces and the policies of the Local Governments differ as widely in this matter as they do in many other branches of excise administration. The proportion of consumers of intoxicants to the total population, and that of liquor-drinkers to drug-takers, vary very largely in the different Provinces; the density of the population ranges from 471 per square mile in Bengal to 7 per square mile in Baluchistan and the density of the drinking population has an equally wide range; some Governments consider it incumbent upon them to put shops within reach of all moderate consumers, others do not; some are content to recognise and pass by a small illicit consumption, provided it does not sensibly increase the whole, while others regard it as essential that illicit practices should be entirely stamped out; some attempt to regulate the number of shops according to standards of area and population, while others leave the matter to the discretion of the District Officer. It is impossible to examine fully the results of all these variations of conditions and policy, and it would be useless to attempt by means of statistics alone to arrive at a conclusion as to the sufficiency or otherwise of the shops in any particular area. In the following observations the Committee confine themselves to a few main heads, viz. the policy pursued and its results as judged, first by population per shop for sale of all kinds of intoxicants including opium and hemp drugs as well as liquor, and second by population per shop for sale of intoxicating liquors; and they attempt to indicate the areas in which a reduction or redistribution appears to be desirable with reference largely

to these considerations, but more particularly to the statements of the local officers who gave evidence before them.

221. The Bengal rules allow a very high limit of private possession of liquor.\*

Bengal. The number of shops is fixed from year to year by the Excise Commissioner on proposals submitted by the Collector. The great density of the population favours a low proportion of shops, and the general tendency of the administration has been to reduce the number of those for sale of country spirit. In the opinion of the Excise Commissioner, in which the Committee are disposed to concur, this has been carried so far in some districts that there are not enough left to supply legitimate needs. There have also been some remarkable variations in the practice pursued. A comparison of the present figures with those of twenty years ago shows that, while there has been a decrease in seven districts of more than 50 per cent., amounting in three cases to as much as 63, 69 and 73 per cent. respectively, five districts, of which one is Calcutta, have much the same number as they had before, while the Sonthal Parganas has an increase of 11 and Gaya one of 22.

*Tari* shops in Bihar form the most numerous class. These are in the proportion of one to 592 persons in Patna and one to 897 in Gaya. Muzaffarpur has 1,526 persons per shop. Three districts (the 24-Parganas, Monghyr and Saran) have between 2,000 and 3,000 and two (Shahabad and Champaran) between 3,000 and 4,000. Howrah has 4,816 persons per shop, Calcutta 7,041 and Hooghly 7,495. They are very numerous in the towns in Bihar, Bihar itself having 112 and Patna 120. Dinapore Cantonment had once 200 and now has 52.

The shops for the sale of *pachwai* in certain districts form the next most numerous class; the increase in these has already been noted. There is one shop to 2,168 persons in Birbhum, to 3,288 in Burdwan, and to 7,345 in Bankura. The only other district in which the population per shop approaches these figures is Darjeeling where there is a shop to every 7,549 persons in addition to one domestic consumption license to every 34.

The population per country spirit shop is least in Palamau (5,206), Angul and Khondmals (5,997), Ranchi (7,614), Hazaribagh (7,749), Calcutta (8,686), Manbhum (9,164), Gaya (10,456), Hooghly (10,089) and Patna (12,404). At the other end of the scale are five districts with over 40,000 persons per shop of which Cuttack has only one to 82,510 people; the population per liquor shop of all kinds in this district has increased in the last twenty years by 61 per cent. In respect of city shops the population is least in Monghyr (3,362), Darbhanga (3,896), Patna (4,493), and Gaya (4,752).

Shops for the sale of foreign liquor are most numerous in Calcutta which has one to 5,833 persons; but it must be remembered that the business done under foreign and country liquor licenses in that city is not always conducted on different premises, so that the total number of shops is considerably less than the figures indicate. Darjeeling has one shop to 15,569 people. The 24-Parganas, Hooghly and Howrah are the only other districts that have more than one to 100,000.

There is room for a considerable reduction in the number of *tari* shops in the Bihar districts both in urban and rural areas. It is hoped that this will be brought about under the operation of the system of *tari* administration which has been recommended.

The number of *pachwai* shops will admit of reduction in some districts. The Committee recognise the difficulty in the mining areas of diminishing the number of shops without giving one colliery an advantage over another in respect of proximity to those remaining, but they think a strict enquiry is very desirable into the necessity for existing shops wherever they are numerous.

In the case of country spirit shops the Committee do not recommend any reduction, but they think there is room for redistribution, more especially in Calcutta, Darbhanga, Darjeeling and Bankura. In the case of the last-named district they find that 38 out of 65 shops are in the outstill area which comprises only 28 per cent. of the population. This disproportion may be due in some measure to the facilities

for illicit distillation and the large proportion of drinking classes in that area, but the matter needs enquiry.

The question of the foreign liquor shops is much more important in Calcutta than anywhere else. The Committee would propose that, as soon as the system of vend is settled, the country and foreign liquor businesses should be entirely separated, and that a complete redistribution of the shops should take place. They expect that in such an arrangement it will be found possible without any increase in the total number of licenses to retain the small number of shops that will be necessary for the sale of foreign liquor for consumption on the premises.

222. The number of shops in Eastern Bengal is small because there are comparatively few people of the drinking classes. In Assam there is no indigenous race to whom spirit is a necessity, and both official and non-official opinion would regard it as a deplorable mistake to make provision for supplying the aboriginal tribes. The Committee have no suggestions to make in regard to the number of shops, except that in the case of the Eastern Bengal districts, as the readjustment of taxation and consumption of foreign and country spirits proceeds, it should be seen that there are enough shops for sale of the latter to meet the requirements of the people. The Backergunge district illustrates the need for attention to this matter. In it in the past twenty years country spirit shops have been reduced from 83 to 40, while foreign liquor shops have increased from 9 to 15, and a few years ago 80,000 bottles of *eau de Cologne* were reported to have been consumed. The question of the replacement of home-made by shop-made *pachwai* is under the consideration of the Local Government; the subject of the situation of shops which is all-important in Assam will be dealt with later.

223. In the United Provinces an attempt is made to regulate by standard proportions the number of shops for sale of country spirits. The maxima laid down, ordinarily not to be exceeded, are in tracts under the distillery system one shop to 5,000 persons or 10 square miles where the population is dense, and to 12 or 14 square miles where it is comparatively sparse, and in tracts under the farming or outstill systems one outstill and shop to 8,000 persons or 16 square miles in densely populated tracts, and to 18 or 20 square miles in thinly populated areas. In the opinion of the local officers the enforcement of this scale has not been altogether successful. The discretion given to the Collector to exceed the standard rates with the approval of the Excise Commissioner has not been exercised with sufficient freedom in districts where there is a large drinking population; and there has been too great a tendency to apply the scale to districts as a whole and not to smaller areas. The interests of the consumer have thus been disregarded in some instances. On the other hand the standard proportion laid down for ordinary observance has been largely exceeded in some tracts, more particularly those under outstills. It is in these that the number of country spirit shops is largest, the population ranging from 2,647 to 4,352 persons per shop in Jhansi, Mirzapur, Jalaun, Hamirpur and Banda. It exceeds 15,000 per shop in two of the hill districts and in Etawah, Aligarh, Bulandshahr and Muttra which lie in the temperate belt in the centre of the Province. The number of persons per town shop is least in Fyzabad where there is one to every 3,095 persons; in Saharanpur, Farrukhabad, Meerut and Gorakhpur there is one to between 5,000 and 6,000.

Foreign liquor shops are most numerous in districts containing hill stations or large cities; Dehra Dun has one to 7,128 and Naini Tal one to 11,971.

*Tari* shops are very numerous in the eastern districts; there is one to between 2,000 and 3,000 persons in Ghazipur, Ballia, Azamgarh, Mainpuri and Gorakhpur; Farrukhabad has one to 3,182 persons; Lucknow, Basti, Cawnpore and Unao have one to between 5,000 and 10,000.

The Committee would recommend curtailment of *tari* shops where they are most numerous. It is already contemplated in Ballia and Azamgarh and in the Gorakhpur city. Generally speaking they are disposed to think that there has been a tendency to too great reduction of the country spirit shops in some of the districts of largest consumption, though they recognise that the great density of the population, viz. 445 to the square mile, makes it possible for the Province to be administered with

a much smaller number than Provinces where the density is less. There is also room for redistribution and in the case of some towns for reduction. The number of outstill shops in some districts might perhaps be diminished.

224. In the Punjab, subject to a single restriction relating to 'first-class' shops, the Collector has full discretion in fixing the number to be licensed. This being so, some inequalities of distribution would, as the Excise Commissioner observes, naturally be anticipated from district to district; and, as District Officers vary in their views and succeed one another at short intervals, while the liquor dealer with a business to push is ever present, it would not be surprising to find a tendency in some quarters for arrangements to become adjusted to the convenience and profit of the latter. Other circumstances which he indicates as tending to increase the number of shops beyond the absolute minimum of strict requirements are the practice of opening two shops in a place which would be equally well supplied by one, the establishment of permanent shops in rural tracts to meet a demand which is occasional only, and the multiplication of those on the border between two jurisdictions under the mistaken impression that the excise revenue of one district requires protection against the competition of another. A comparison of the figures of twenty years ago with those of the present day does show some large variations which are probably due to the causes above indicated, as for instance an increase of 60 shops in Ludhiana, of 28 in Ambala and of 21 and 20 in Gurdaspur and Gujranwala, accompanied by a decrease of 29 in Lahore and 21 in Sialkot, but on the whole the progress has not been much out of proportion to the increase of population. The percentages of increase in the past twenty years have been 20 for population, 144 for country spirit consumption and 21 in the number of country spirit shops.

Even with this increase there is no district except Simla (as to which no inference can be drawn from the census figures) which has a population per shop of all classes less than the average for India as a whole (1 to 2,177 persons), and the general average for the Province is exceeded only in the North-West Frontier Province and Eastern Bengal and Assam. Shops for the sale of opium, hemp drugs and country spirit are almost equally distributed, the former being slightly the most numerous. The population per country spirit shop is least, after Simla, in the districts of Kangra (8,001), Ludhiana (8,742), and Ferozepore (9,038) and greatest in Hissar (52,114) and Rohtak (63,067). The population per town shop is much higher than in other Provinces. It is least in Sialkot (9,562) and Rawalpindi (9,904). In spite of these high averages the Excise Commissioner considers that the number of town shops is generally in excess of requirements. There is certainly room for redistribution in places. Two Members of the Committee who inspected those in the Anarkali Bazaar at Lahore found them excessively numerous for the size of the suburb. The proportion of town to rural shops varies widely. In Sialkot there is twice as large a population per rural shop as there is per town shop, and in Amritsar the exact reverse is the case.

Foreign liquor shops are most numerous, after Simla, in Rawalpindi which has one to 12,993 persons. Lahore has one to 28,344, Ambala one to 40,794 and Delhi one to 43,065. *Lugri* shops are sanctioned only in Kangra where there is one to 19,203 persons.

The Government has already ordered a thorough enquiry to be made. A scale is to be fixed for each town and adhered to, and all rural shops are to be scrutinized and the number for each district fixed by the Financial Commissioner, after which no new shops will be allowed to be opened without the Excise Commissioner's orders. The Committee have no suggestion to make on these orders except that it would be well to fix the numbers for smaller units than whole districts and to extend the scrutiny to foreign liquor and *lugri* shops also. In regard to the former it is to be remarked that they are most numerous where country liquor shops are fewest, and in regard to the latter that forty shops seem to be more than are needed seeing that they are all placed along one trade route. It will be necessary to observe the results of the action contemplated by the Government. While it is to be hoped that it will tend to check the present rapidly increasing consumption of spirit, there is a danger of any further restriction provoking an increase of illicit distillation which is already

a grave evil. Moreover the evidence shows that in rural tracts the concentration of shops involves a concentration of bad characters, so that, though many villages are anxious to have facilities for obtaining liquor, none are desirous of having shops for the purpose within their borders. The matter is largely one of local peculiarities. One officer of experience compares the ryot of the Punjab to the Finnish peasant in that his national habit requires liquor for festival occasions but not for daily consumption, and he believes that the needs of the situation may be met, as in Finland, by providing for a liberal issue of passes for special occasions. In the four districts where illicit distillation is most prevalent an experiment in this direction is being made and consumption on the premises has been entirely prohibited.

225. The North-West Frontier Province, by virtue of its Muhammadan population, has fewer shops for the sale of intoxicants than any other in India. The most noticeable fact in the figures relating to this Province is that the foreign liquor shops are almost as numerous as those for the sale of country spirit. A small reduction of both kinds might possibly be made in Peshawar city, which has a lower population per shop than most of the big cities of the Punjab. The Committee have no further suggestions to offer.

226. The Madras policy favours a liberal distribution of shops. Reasons given for this are that the drinking classes are widely distributed; that a proper provision for their needs is necessary for the check of illicit practices; that the establishment of a fair number of small shops prevents the securing of large monopolies; that police control of several small shops is easier than that of one large one; and in the case of toddy that a liberal supply of shops is necessary in order to ensure sale of the liquor in a comparatively fresh state. A maximum and a minimum number are fixed for each taluk and sub-division, and discretion is given to Collectors in regard to the opening and closing of individual shops within these limits. The minimum rentals are very low, viz. Rs. 12 per annum in the case of arrack and Rs. 4 per annum in the case of toddy shops. The district with the largest number of licenses of all kinds to population is South Canara (1 to 557); the four Ceded Districts follow with an average of one to 832, next come Gó dávari, Kistna, Guntúr and Nellore with an average of one to 916, next Tanjore (1 to 925) and the Madras Town Circle (1 to 992); Trichinopoly is the only district in which the population per license of all kinds exceeds that for the whole of India.

The bulk of the licenses granted are for the sale of toddy, of which South Canara has one to 834 persons, Kurnool one to 948, and Tanjore one to 1,067. The general average for the remainder of the Telugu districts except the two northernmost is about one to 1,600, for Madras and Malabar the same, and for the Tamil districts one to 2,400. Ganjám, Vizagapatam, South Arcot and Trichinopoly alone show an average of over 3,000 persons to a license.

Country spirit licenses are most numerous in South Canara (1 to 1,827 persons); eight districts have one to between two and 3,000 people and six have one to between 3,000 and 4,000. The average for the rest is about 5,000 persons to a license, except in Madras which has over 7,000. The population per town shop is least in Calicut (2,483), Tanjore (2,893), Bellary (2,912) and Negapatam (3,813) and rises to over 10,000 in Coimbatore and Madras.

Foreign liquor licenses are very numerous in the Nilgiris (1 to 2,102 persons) and in Madras Town (1 to 5,286). Gó dávari, Bellary and Malabar have one to between 40,000 and 50,000 people.

— These figures in a Province where there is no great variation in the percentage of drinking classes to the total population indicate the possibility of considerable revision. The Committee admit the necessity for a large number of toddy shops under the circumstances in which the tree-tax system is worked, though they think that some of these might be dispensed with, more especially in the Madras Town, the Ceded Districts, South Canara and part of Tinnevely. In the case of country spirits a liberal distribution of shops has no doubt been, and may for a time continue to be, necessary in the West Coast districts and in Gó dávari, Kistna and Guntúr in order to reconcile the people to the prohibition of distillation from the toddy which is available at their doors. In the Nilgiris there appear to be too many shops in spite of the fact



that there is a large visiting population to be provided for in addition to that shown in the census, and in the Ceded Districts, North and South Arcot and Coimbatore there does not appear to be any necessity for the maintenance of such a large number of licenses. The number of town shops in Calicut, Tanjore, Bellary and Negapatam is much larger than is necessary. The Committee would recommend a thorough enquiry into the distribution of licenses in these districts and towns, with a view to the abolition of those that are least needed. They would remark in this connection that so far as shops in towns are concerned they do not agree that from a police point of view many small shops are easier to control than a few large ones. They think that throughout the Presidency the shops in towns and large villages might well be reduced, and that in rural areas some at least of those that pay less than Rs. 2 a month might be closed without illicit practices resulting. They have already recommended a reduction of outstills in the Agency tracts, and anticipate that their proposals in respect of foreign liquor licenses, if accepted, will result in a reduction under that head.

227. The Bombay Government favours a much less liberal distribution of shops and a higher limit of private possession than are prescribed for Madras. The population per shop of all classes is 2,506 as against 1,155 in Madras, the quantity of country spirit allowed to be purchased at one time without a pass six bottles as against one, and the average annual sale per country liquor shop 946 as against 124 proof gallons. In the distribution of shops as in other particulars of the excise arrangements there are wide variations in general correspondence with the differing conditions. Thus Thana has one license for sale of intoxicants to every 945 people and Satara only one to 8,556.

The greater number of shops are for sale of country spirit. They are most numerous in Surat, Thana and Bombay, where the population per country spirit shop amounts to 2,238, 2,408 and 2,622 (3,297 on the recent enumeration) respectively. In Kanara it is 3,092 and in Kolaba 3,238; in Broach 4,421 and in the Panch Mahals 4,500. In Khandesh it rises to 5,598; the Collector states that an increase is necessary if the people are not to be driven to commit offences, that in one taluka there is only one shop to 43 square miles, and that the people supplement the licensed shops by the practice of *kevat* or sending regular messengers to bring six bottles at a time, who not unfrequently sell by the way. Ratnagiri has 6,246 persons per country spirit shop, Nasik 7,927, Belgaum 8,719 and Dharwar 9,051. The remaining districts have 10,000 and over, the highest figure being reached by Ahmednagar which has only 23 shops in the district and a population of 36,422 per shop. Town shops are most numerous in Surat, Bombay, and Poona where there are one to 2,339, 2,622 and 4,259 persons respectively.

Licenses for the sale of foreign liquor are most numerous in Bombay City where there is one to every 7,252 of the census and 9,122 of the present population. Poona, Thana, Kolaba and Ahmedabad have an average of about one to 52,000 people.

In respect of toddy Thana has one shop to 1,730 people, Surat one to 2,502 (in addition to one domestic consumption license to every 80), Bombay one to 3,104 (3,904 on the revised population) and Kanara one to 4,413. The population per shop is between 6,000 and 8,000 in Bijapur, Ratnagiri and Kolaba and between 9,000 and 10,000 in Belgaum, Broach and Dharwar. Shops are very scarce in the remaining districts. Town shops are numerous in Surat and Bombay and comparatively so in Sholapur.

In the case of shops for the sale of country spirit there is no doubt that where there are great facilities for illicit practices, as for example in Kaira, a more liberal distribution would have the advantage of lessening the temptation to such practices. A larger number of shops would also provide for the regulation of prices by competition and would facilitate the reduction of the limit of private possession. But the local authorities are of opinion that it would increase consumption and for this reason the Committee do not recommend it. They would however suggest a thorough investigation of the question of redistribution, more particularly as between town and country, as for instance in Poona where there are 36 shops in the city and cantonment and only 32 in the rest of the district. Such an investigation would seem especially desirable in Surat, Thana, Kanara and Kolaba where country spirit shops are very numerous, and a complete overhauling of the shops of all kinds in Bombay City is

evidently necessary. Belgaum is indicated by the local authorities as a district in which reduction is contemplated.

The number of foreign liquor licenses granted in Bombay City might perhaps be diminished; and the need for the present number of toddy shops in Thana and Surat is deserving of inquiry and consideration.

228. In Sind there do not appear to be any licensing rules, and some probability of an undesirable increase in shops is indicated by the statement of one Collector that he would regard an increase in consumption under existing licenses as a ground for granting more. There has however been a decrease in the number of country spirit shops by more than 50 per cent. in the last twenty years. The Province has a very low density of population, 68 to the square mile; 76 per cent. are Muhammadans. It has more shops for the sale of hemp drugs in proportion to its population than any other Province. Karachi has more shops than any other district, namely one country liquor, one foreign liquor, one opium and one hemp drugs shop to between 7,000 and 8,000 people. The Commissioner has undertaken to make a thorough inquiry into the necessity for existing shops.

229. The Central Provinces Administration is now in process of recasting a very defective excise system, one prominent feature of which was an excessive number of shops. The population per shop of all classes exceeds the average for India in only one district—Saugor. In Wardha and Mandla it is lower than in any other district in India, viz., 491 and 527. There is a shop to less than 1,000 persons in Betul, Balaghat, Chanda, Chhindwara, Seoni, Yeotmal, Bassim, Nimar, Hoshangabad and Bhandara. These low averages are partly due to a liberal distribution of shops for the sale of opium and hemp drugs, but country spirit shops are also much more numerous than in any other large Province. Six districts have one to less than 1,000 persons, six more one to between 1,000 and 2,000. The population per town shop amounts to 3,548 in Nagpur and to 5,313 in Jubbulpore. *Tari* shops are most numerous in Wardha (one to 1,058) and Bassim (one to 1,461). In Yeotmal there are 2,955 persons per shop, in Amraoti 3,388, in Ellichpur 3,965, in Nagpur 5,653, and in Akola 6,620. Jubbulpore has the largest number of foreign liquor licenses, viz. one to 12,603 persons.

The Local Government has already taken the question of the reduction of the number of shops thoroughly in hand, and the Committee's advice, as in the case of the still-head duty, was in the direction of deprecating too sudden a reform. The country is difficult to traverse and the population comparatively scattered, and the wide distribution of outstills in the past has spread the knowledge of distilling among the people. It is therefore necessary to proceed with caution in increasing the price of country spirit and reducing the number of shops, lest the result should be as it has been before a replacement of licit by illicit consumption.

230. Coorg has more shops of all kinds as compared with its population than any large Province. It heads the list both in the case of toddy, for the sale of which it has one shop to 615 people, and foreign liquor, in respect of which it has one to 22,576. In the case of country spirit it ranks fourth and has one shop to 4,013 persons. There are reasons for a liberal distribution in the low density of the population (114 to the square mile) and the difficult nature of the country, but it seems to the Committee that a scrutiny might well be made of the shops for the sale of liquors of all classes in order to see whether reduction is not possible without giving room for illicit production.

231. Ajmer-Merwara has an average population per shop of all kinds very nearly equal to that for the whole of British India. Country spirit shops are most numerous and amount to one to 3,289 persons; opium shops (one to 8,516) rank next; then shops for the sale of hemp drugs and, last, shops for the sale of foreign liquor (one to 59,614). Regarding this Province the Committee are not in possession of sufficient information to justify them in making any suggestions.

232. Baluchistan has a population of 7 to the square mile, mostly Muhammadan, and one country spirit shop to 2,835 people. The shops serve isolated stations, and no change appears to be called for.

233. On such figures as are available the shops in Cantonments and Residency limits appear to be decidedly numerous. Those in Hyderabad territory have one toddy shop to 662, one country spirit shop to 985, and one foreign liquor shop to 5,163 persons. Bangalore has a population of 1,599 per foreign liquor shop, of 4,480 per country spirit shop and of 9,955 per toddy shop. In Mhow and Neemuch the population per country spirit shop is 4,505 and 4,874 respectively, and in Nowgong 5,753. The Indore Residency limits have one foreign liquor shop to 1,853 persons and one country spirit shop to 11,118. It is believed that a thorough investigation in these areas will show that large reductions can be made.

234. In the licensing rules of the future the Committee would recommend a combination of the policies in force in the United Provinces and the Punjab, securing fully the benefit of local knowledge while imposing the check of superior authority on personal idiosyncracies. The essential thing is to ascertain for each tahsil or other sub-division of a district the number of shops required to provide for the needs of regular consumers. This only the local officer can do. But since opinions vary as to the circumstances which justify the opening or closing of a shop and experience shows that leaving the matter to local discretion results in unduly wide divergence of practice, it is recommended that the lists of the local officers should be submitted for approval to a higher authority which, after scrutiny and such alteration as may be necessary, should fix a maximum and minimum for each tahsil or sub-division. The local officer should then be given full discretion within these limits, but should be required to seek the sanction of higher authority to any departure from them. In the case of towns somewhat more definite rules may be prescribed. The objection to a population limit applies in this case with much less force, and there would probably be little difficulty in applying to all considerable towns in India the maximum in force in the United Provinces (one country spirit shop to 5,000 persons) or, if it were preferred, effect might be given to the procedure recently adopted in the Punjab of fixing after inquiry an exact number of shops for each city.

235. In addition to permanent licenses temporary licenses are granted in the case of country spirit for sale at fairs and festivals and in that of foreign liquor for entertainments and the like. The latter have already been dealt with. The rules governing the grant of the former provide generally for the disposal of temporary licenses on the same principles as are adopted in the case of permanent shops, provided that there is no existing permanent shop near enough to supply the wants of the collected people. In Bengal and Eastern Bengal and Assam proposals for grant of licenses for sale at fairs and festivals are required to be sent up ordinarily with those for the settlement of permanent shops, and a distance as well as a time limit is imposed. A distance limit is in force in the United Provinces and the Punjab together with a population limit in the former. The licenses are not auctioned in Madras, but temporary licenses are granted for not more than ten days at a time at the discretion of the Collector, the nearest licensee having the preference. In the North-West Frontier Province no sales are allowed except at permanent shops.

Objections are taken to these licenses on the ground that they are unnecessary and spread the habit of drinking among persons who have come together for a religious or holiday purpose and who would not drink liquor if it were not put in their way. There is no doubt that this may result if grant is unrestricted. At a religious fair in a Native State as many as thirteen liquor dealers have been found selling in a single compound. On the other hand, where permanent shops and private possession are as rigidly kept down as they are in some Provinces, there is an equal danger in allowing large numbers of habitual or occasional consumers to come together where they have no means of licitly gratifying their appetite.

In dealing with this question in the circular letter above quoted (paragraph 215) the Government of India observed that the habits of the people are so widely different in different parts of India that they doubted whether any general rule

could expediently be laid down and, in leaving the matter to the discretion of Local Governments, added: "In certain parts of the country and among certain classes where alcohol is drunk only on special occasions, such as marriages and funerals, it might be feasible and desirable to prohibit the sale of alcohol at public assemblies; but in other localities where the consumption of liquor in moderation is a general habit, the proposed restriction might prove an unnecessary hardship interfering with a perfectly legitimate demand." Since receipt of these orders the number of temporary licenses granted has been reduced by more than one Local Government, but no change has been made in the rules except by the Governments of Bengal, the United Provinces and the Central Provinces. In the United Provinces, where strict rules on the subject were already in force, orders have been issued prohibiting the grant of such licenses in the case of fairs lasting only one day if less than 10,000 persons are expected to assemble. In Bengal and the Central Provinces power to grant these licenses has been restricted to the Commissioner of Excise, who is required in the latter Province to report each case of grant to higher authority.

The Committee do not suggest any additions to the orders already issued. The matter is one which must be governed by local conditions. In the south of India, with a country spirit shop to 3,298 people, a density of the population of 270 to the square mile, a large proportion of habitual drinkers and a number of comparatively small assemblages to be considered, the grant of temporary licenses does little to increase drinking and the refusal of them would do little to check it. In the Punjab, on the other hand, there are four times the population per shop, a lower density, a large proportion of only occasional drinkers and the *melas* involve very large concourses lasting for days together. Here the question of grant of temporary licenses assumes grave proportions. If they are granted there will certainly be heavy consumption, if they are not a large number of people who are accustomed to drink at festival times will be left without means of supply and will almost certainly take steps to supply themselves illicitly. The choice between these evils can be made only by officers with a full knowledge of local circumstances, but the Committee would submit that in such cases control of the licensees' operations by a responsible officer is specially necessary.

236. In regard to the location of shops the Government of India have approved the rules in force in Bengal and Madras and commended the former to the notice of other Local Governments, adding that the location of existing shops should be periodically examined with a view to ascertaining whether it conforms to the rules in respect of sites, and that it should be laid down as a general direction that an established shop must not be allowed to remain on a site which would not be permissible for the location of a new shop. It will be convenient to reproduce the essential portion of the Bengal rule: "In any case no new liquor shop should be opened in a bazaar or at the entrance to a bazaar, nor near a bathing *ghât* or any other place of public resort, school, hospital, place of worship, factory, in the interior of a village, at the side of a road leading to a bathing *ghât* or other place of water-supply. In some districts, the side of a main road or a village inhabited by aborigines of known drinking habits should also be avoided. A liquor shop should not be inaccessible to persons requiring liquor, but it should not be in such a situation as to obtrude itself on the attention of the public or to render persons passing by subject to annoyance from persons drinking."

Rules on these lines have been or are being generally adopted, but progress in carrying them into effect must necessarily be gradual. There is a natural and, the Committee think, a wise reluctance to interfere immediately with a number of established sites, and there are very great difficulties, especially as long as the auction system continues, in finding new sites to take the place of those that are condemned. The case is stated emphatically by the Commissioner of Abkâri, Bombay, in a letter which is already before the Government. He says: "Objections to the sites of existing shops also receive careful attention and in some cases the sites have been changed; but objections of this kind are infrequent, and the general opinion of the District Officers is that there is little fault to be found with the situation of existing shops. It is however necessary to use extreme caution in dealing with objections

to sites of shops, since experience has shown that they are often prompted by evil or unreasonable motives. Some of them are made simply and solely for the purpose of extorting blackmail from the licensees; more are got up by disappointed competitors for the licenses, and many are made by fanatical temperance reformers, whose real objection is not to the unsuitability of any given site but to any liquor shop being opened anywhere. In the Town and Island of Bombay, where the number of shops is fixed, but the licenses are sold periodically by auction, and a new licensee has generally to find a fresh site for the shop, objections are invariably made to every change of site; and it is becoming increasingly difficult to find suitable sites for shops. This difficulty will presently arise in the districts into which the single shop system has been introduced. It is obvious that the number of suitable sites in any place is limited, and if the sites of the shops are constantly being changed, there is an evident risk that more or less unsuitable sites will from time to time be selected." It should further be observed that opposite opinions are held among temperance reformers themselves on essential principles underlying the question. While some advocate all possible publicity being given to liquor shops, others would have them placed where they are out of sight and offer no allurements or temptations; and while one party urges that they should be congregated in one place, many have objected to the concentration of even a few shops as a grave evil. Among the Governments also there are divergences in practice, Bengal prohibiting shops in the interior of villages, while the United Provinces will allow none to be placed outside the *abadi* or inhabited site.

237. The Committee can best aid in the disposal of this matter by attempting to clear up these points of divergence. It appears to them that there are three cases to be considered:—(1) Village shops in areas inhabited by aboriginal tribes or other classes who need specially to be protected against themselves; (2) other village shops; and (3) town shops. In the first case, which arises in districts such as Ranchi in Bengal and generally in the tea-planting districts of Assam, there are undoubted advantages in a distance limit, and the location of shops at a bazaar to which aborigines periodically resort is much to be deprecated. No exact rules can be laid down for the selection of a suitable site in such a case, but it may safely be said that shops should be restricted to the smallest possible number and should never be placed on a main road or in any other position that will put temptation in the way of the aborigines. In the case of ordinary villages the advantage appears to the Committee to lie in location within the village site where policing is easy and the respectable inhabitants will assist in securing proper management. Both in this case and in that of town shops it is necessary to strike a mean between over-publicity and concealment. The Committee have considered many opinions and would commend that of the Excise Commissioner of the Punjab. He writes: "The correct principles to follow in locating a shop appear to be these: its position should be so far public that persons entering it should not escape observation, and that supervision should be rendered easy, but it should not be so prominent as to compel attention, *e.g.* by occupying a whole side of a public square . . . or a 'corner-lot' . . . , it should never occupy a position to which the near neighbours object on grounds which upon inquiry appear to be other than grounds of personal spite; and so far as possible it should be at a distance from religious and other institutions" of the nature referred to in the Bengal rule. It remains to remark that in towns it is practically impossible under the operation of the auction system to secure sites fulfilling these conditions unless they are acquired by Government. This course is recommended by several authorities, and is approved by the representatives of the Calcutta Temperance Federation so long as it does not tend to render permanent the existence of shops which might otherwise be abolished.

238. A point on which temperance advocates have laid more stress than on any other is the grant of local option. This matter has not been referred to the Committee for consideration, but in view of the importance attached to it in some quarters it may be well to notice it briefly. Its advocates do not explain the term; but from an examination of their evidence it would appear that a definition given elsewhere would be applicable, namely that local option is prohibition in its more rational form. Action in this

The Committee's recommendations on general principles.

The decision as to location—Local option impracticable.

direction has never yet been taken in England, nor did the Royal Commission on the Liquor Licensing Laws recommend that it should be attempted. Where it has been tried, as in America, the best temperance opinion is doubtful of its entire efficacy. Messrs. Rowntree and Sherwell \* are "unable to believe that local option, if adopted, would solve the problem where it presents the gravest difficulties (i.e. in the towns and cities)", but think it "probable that it would find fruitful operation in the rural districts, as well as, occasionally, in a suburb or ward of a city." Dr. Gould † reports it in America to be "confined to country districts and harmful outside its own area." The conditions of India are peculiarly unsuited to the adoption of any such system. To quote the Government of India's Despatch No. 29 of 1890: "A system of local option would throw the whole administration into confusion, and would in some places create an intolerable class tyranny which might have very serious political effects. We doubt greatly if a Sikh community would quietly submit to the total prohibition of liquor by a Muhammadan majority, and we believe that in some tracts local option would lead to the indefinite multiplication of liquor shops and the reduction of the rate of duty to a minimum. . . . Any system of local option presupposes the existence of a highly developed system of local or municipal institutions to which representatives are elected by the mass of the people, and in which all conflicting interests command their due share of attention. No such system exists in India." The Select Committee on the Bengal Excise Bill of 1904, having considered the progress made in the matter since the above lines were written, arrived at the conclusion that local option properly so called is no less impracticable now than it was fourteen years ago, and the Committee of the Calcutta Temperance Federation in a letter written as recently as 7th April 1906 state frankly that after full consideration of the question they can name, even at the capital of the Empire, no registry of voters qualified to decide the questions at issue. It may thus be taken as settled that, whether it is in itself a desirable measure or not, local option as understood in America is no more possible in India in 1906 than it was in 1890.

239. This being so it remains for the Committee to consider, first what is the best licensing authority, second how such authority can best be informed as to local opinion. From an order of the Government of India of 1871 which has already been quoted (paragraph 197), it would appear that the original intention was that licensing should, as in England, be a magisterial function. It still continues in the hands of the Collector-Magistrates, though it has come in the course of years to be regarded as a part of their revenue duties. The only cases in which there is any exception to this rule are the Presidency towns; in Calcutta licensing is one of the functions of the Superintendent of Excise Revenue who is not a Magistrate, in Madras a Deputy Commissioner of Abkari has been created a Collector for the purposes of the Excise Act so far as the Madras Town Circle is concerned, and in Bombay the Collector is the licensing authority, but exercises no magisterial functions. It is in the case of the Presidency towns that the necessity for a change is most strongly urged by reformers. The authorities proposed are the Municipal Councils or the Presidency Magistrates. The proposal to entrust licensing functions to Municipal and Local bodies is not a new one. It has been rejected before on the grounds that they are not representative of the main body of the people, that they are largely composed of persons who are taught by religion or caste to regard all alcohol as evil and that they are in no way responsible for the excise administration or for the maintenance of law and order. These reasons continue to have full force. While therefore regarding the local bodies as valuable exponents of certain sections of public opinion to which due attention should always be paid, the Committee cannot recommend that they should be invested with licensing functions. With regard to the Presidency Magistrates, the Committee doubt whether they would have either time or sufficient experience of excise administration satisfactorily to carry out the work, and fear that the transfer of such authority to their courts would open a wide field for chicanery, as it is not unlikely that many objections would be made merely for the purpose of levying blackmail from intending licensees and that legal formalities would be abused accordingly.

The objections to sites are most prevalent in the Presidency towns.

\* The Temperance Problem and Social Reform, page 207.

† Popular Control of the Liquor Traffic, page 77.

240. At the same time there is room for much improvement in dealing with licensing in the Presidency towns, and the shortcoming may partly be due to the fact that the licensing officer has been in Calcutta in a comparatively subordinate position, in Madras an officer who had to tour over a large part of the Presidency, and in Bombay the Collector of Customs who had multifarious other duties to perform. But it is much more largely due to the auction system under which a number of licensees are bound from year to year or period to period to find private premises within which to exercise the rights which they have purchased for high prices. The difficulties of securing such sites even in the neighbourhood of a formerly sanctioned location are sufficient to render any licensing authority extremely chary of making a change in site. They have been increased by the action of some temperance associations which, with the object of reducing the number of shops whenever possible, have taken advantage of every opportunity of objection, both in the rare case of the opening of a new shop and in the less uncommon one of the transfer of an existing license to another site. The net result has been that apart from change of premises in the same locality the situation of shops in the Presidency towns has remained very much as it was, although the population has shifted considerably. A thorough overhauling is needed, and it is suggested that this should be undertaken in the first instance by a local committee to be presided over by the Commissioner of Excise in Calcutta and in Madras and Bombay by the Collector, and to consist in addition to the president of representatives of the local Corporation and the Police Department, with final control in the Chief Revenue Authority.

241. For the future the Committee would suggest that licensing should as elsewhere be placed in the hands of the Collector in Madras and Bombay, where, as a result of the separation of Customs duties from those of the ordinary Collectors, there will now be available an officer of the Civil Service who can attend properly to licensing questions. In Calcutta the change in the Customs arrangements involves no change in the Land Revenue staff, and in view of the comparatively subordinate position occupied by the Superintendent of Excise Revenue the Committee would suggest that the Commissioner of Excise should be entrusted with this duty. Outside the Presidency towns they recommend no change in the rural and the smaller urban areas, but suggest that the settlement of the sites of shops in the larger cities might with advantage be carried out by the revenue authority in concert with a local committee properly representative of the population affected.

242. For the purpose of ascertaining local opinion it is at present usual to give the public information of the intention to open or transfer a shop by a notice published in the Gazette or affixed to the proposed site of the shop or exhibited on places near it or at police stations in the neighbourhood, or by beat of drum and proclamation in the locality concerned, and after a reasonable interval to hold a local inquiry, with or without the formal hearing of objections. What is required is a method which will give the fullest opportunity for the expression of genuine local opinion, while excluding extraneous and factitious objections. In the Committee's opinion a notice put up at or near the proposed site and published in the locality by beat of drum is to be preferred to a notification in the Gazette, because the former directly appeals to the persons actually concerned, while the latter invites the objections of those who desire to close all shops for the sale of liquor, whatever their site may be. For similar reasons the Committee are of opinion that a local and personal inquiry by a district officer is much to be preferred to a formal diet for evidence. The former secures knowledge of the actual opinion of the respectable law-abiding inhabitants who have any desire to be heard; the latter is apt to elicit only the contentions of persons of extreme views or litigious character. While therefore not objecting to formal inquiries where the Local Governments may find these to be necessary, the Committee would strongly urge that reliance should mainly be placed on personal enquiry made on the spot by a fully qualified local officer.

243. In addition to the general provision for ascertaining local opinion, the law and rules make special provision for consultation of particular local bodies and officers. Commissioners of Police in Presidency towns give their own licenses or certificates under the Police Acts; Municipal Councils are required by rule to be consulted in Bengal, the United Provinces, Madras, and the Central Provinces, and the framers of the Bengal Excise Bill, while expanding the rules, have proposed to make them part of the substantive law; Local Boards and Railway authorities are to be consulted in the United Provinces and the Central Provinces; and the Forest authorities in the Central Provinces. The Bombay Government does not consider it expedient to consult Municipalities and Local Boards, on the ground that such bodies are in no way responsible for the excise administration or for the maintenance of law and order and that to ask for their advice on a local question would be regarded as the reverse of complimentary unless the advice were accepted.

Bodies and persons to be specially consulted.

It appears to the Committee desirable that opportunity should be given for the expression of opinion by local bodies, by Railway authorities in the case of shops near stations, and by Forest Officers in the case of those that supply aboriginal tribes inhabiting the forests. The Collector-Magistrate, as head of the police of the district, will be aware of objections on police grounds. The Committee would add an instruction for the consultation of large employers of labour, such as mill or colliery owners or planters, in the case of shops affecting their labour force. With the aid of these regulations the Indian licensing system will closely correspond to that of Sweden and Norway where "the licensing authorities in the cities, towns, and villages of both countries are the magistracy, acting with the advice of the municipal representatives or general town meeting, and with the formal assent of the governor. The reason why the latter functionary is made a party to the transaction is that, *ex-officio*, he is the chief of the police system of the province. Hence, when consenting to licensing concessions he will naturally have in mind the facilities offered for policing public-houses, and knows better, perhaps, than any one else the records of the applicants." \*

244. The procedure in consultation of local bodies is defined in Bengal, Eastern Bengal and Assam, the United Provinces and Madras. The existing Bengal rules provide that the Collector shall before the commencement of the excise year notify to the municipal commissioners the sites of all shops proposed to be licensed within municipal limits, carefully consider their objections, if any, and, if he does not accept them, refer them to the Commissioner of Excise for decision. The same rules are in force in Eastern Bengal and Assam. In the United Provinces and Madras Municipal Councils are consulted only when a change in the number or sites of shops is contemplated. In the latter case it may be noticed that it is not considered "desirable that the sites of shops should be too precisely fixed and notified, as this might throw the purchaser into the hands of the owners of the only possible house or houses, and, should he be unable to come to terms with them, complication with other shopkeepers may result from his being permitted to use a site outside the notified limits." The rules therefore provide that the locality only is to be notified, and this is defined as comprising in towns the street or streets in which the shop may be opened. The practice in Bombay City, on the other hand, is to give notice after the licensee has selected his site to all occupiers of houses within 100 yards of it.

Procedure in consultation of local bodies.

In the last draft of the Bengal Excise Bill it is proposed to give legal sanction to the existing rules after expanding them as follows. In the case of mufassal municipalities the Collector is to send to the Municipal Chairman a suitable time before the commencement of the licensing period a list of shops proposed to be opened within municipal limits; the Chairman should publish the list at the municipal office, and, in the case of new shops, by beat of drum in the localities in which they are proposed to be opened, and send to each ward commissioner a list of the shops in his ward.



A definite period for receipt of objections being fixed by the Chairman, that authority should forward them with his opinion to the Collector. The latter officer is to submit these objections and any others he may receive direct with his proposals to the Excise Commissioner whose decision will be final. In the case of Calcutta the same method is to be followed except that in the event of the Excise Commissioner not accepting the opinion of the Chairman of the Corporation the point of difference between them is to be referred to the Board of Revenue for decision. A similar procedure is to be applied as far as practicable to the case of mufassal shops outside the limits of municipalities.

While fully approving the principle of laying down definite orders in reference to the manner of ascertaining local opinion, the Committee cannot concur in the proposal to take the decision of questions of location out of the hands of the Collector. They will not attempt to suggest any general procedure. The circumstances of different Provinces and the state of development of local self-government are too various for this to be possible. But they would lay stress on the necessity everywhere for local inspection and inquiry and the maintenance of the authority and enforcement of the responsibility of the local officers, and they would deprecate any attempt to convert into substantive law provisions for consultation which must be experimental in the first place and which can amply be dealt with by executive order.

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## CHAPTER XII.—RESTRICTIONS ON THE RETAIL SALE OF LIQUOR.

245. Another section of the order appointing the Committee is concerned with restrictions on sale designed with the object of checking drunkenness. The Committee are instructed to consider how far it is possible to minimise the dangers arising from the traffic in drink by prohibiting the sale of liquor to children or to drunken persons and by checking the occurrence of drunkenness in the neighbourhood of shops or stills; and to report whether drunkenness might not be discouraged by forbidding the sale of country spirit above a fixed low strength, whether such a general prohibition would be open to objection, and what measures can be adopted to discourage the clandestine purchase of liquor by members of classes whose religion or caste forbids the use of alcohol. They are also to bring to notice cases in which there appears to be a tendency to press increase of excise revenue for its own sake and not merely as a means of reducing consumption and any regulations of the local excise systems which may tend to lead to increase of drinking, the imposition of a minimum guarantee on shopkeepers and the fixation of maximum selling prices being cited, as specific instances of such a tendency.

With regard to these considerations the defects which the Committee have to bring to notice lie in practice rather than in precept. It is easy to point to rules or license conditions giving effect to the leading principles accepted as properly restrictive of trade in liquor, but there are many instances in which these have not been carried out in the way intended.

246. The restrictions on the sale of intoxicants which the experience of many years and many places has proved to be desirable are stated by a leading American authority\* to be chiefly these:—

“There should be no selling to minors, intoxicated persons, or habitual drunkards.

“There should be no selling on Sundays, election days, or legal holidays in general, such as Christmas Day, Memorial Day, and the Fourth of July. Where, however, such a restriction is openly disregarded, as in St. Louis, it is injurious to have it in the law.

“Saloons should not be allowed to become places of entertainment, and to this end they should not be allowed to provide musical instruments, billiard or pool tables, bowling alleys, cards, or dice.

“Saloons should not be licensed in theatres or concert halls; and no boxing, wrestling, cock-fighting, or other exhibition should be allowed in saloons.

“Every saloon should be wide open to public inspection from the highway, no screens or partitions being permitted.

“There should be a limit to the hours of selling, and the shorter the hours the better. In the different States saloons close at various hours. Thus, in Maine cities in which saloons are openly maintained, the hour for closing is 10 P.M., and in Massachusetts it is 11 P.M., but the county dispensaries of South Carolina close at 6 P.M.

“It has been found necessary to prevent by police regulation the display of obscene pictures in saloons, and the employment of women as bar-tenders, waitresses, singers or actresses.”

Under the Gothenburg system spirit is not allowed to be sold in such quantities as are likely to cause intoxication, all sales are to be strictly for cash and the price list is sanctioned by authority.

With the exception of the prohibition of sale on Sundays and holidays which is not applicable to Indian conditions and that of sale to habitual drunkards which is not practicable under the present law, these or similar restrictions are embodied

\* The Liquor Problem in its Legislative Aspects, by the 'Committee of Fifty,' page 11.

in the licenses issued in most Indian Provinces, though undoubtedly they are not always strictly enforced. The Committee propose to consider the possibilities of improvement in this regard under the heads (1) conditions relating to buildings, (2) sanctioned hours of sale, (3) persons by whom sale is prohibited, (4) persons to whom sale is prohibited, (5) restrictions on quantity sold, (6) restrictions on strength and price, (7) general conduct of premises, and (8) official control.

247. Under the head of conditions relating to buildings the questions which arise are whether (a) back and side entrances should be prohibited, (b) private rooms should be permitted, (c) the whole interior should be visible from the doorway and (d) residence on the premises should be allowed.

Conditions relating to buildings.

Back and side entrances are prohibited in Calcutta and windows opening into the street are required to be covered with wire netting. In Bombay City a similar regulation is enforced in the case of doors and windows not opening on to a public road. These provisions are necessary for the prevention of secret drinking and sale after hours, and should be general so far as town shops are concerned. An additional police precaution suggested for Calcutta by the local temperance association is a grating in the door to facilitate detection of sale after closing time. An order to the opposite effect is in force in the liquor market of Surat referred to in Sir Frederick Lely's memorandum which was dealt with in the circular letter from the Finance and Commerce Department No. 2455-S.R., dated the 21st April 1904. There, according to the witnesses who gave evidence before the Committee, Mr. Lely as Collector gave orders that doors opening into the public road should be closed and access to the shop allowed only from the back and side, the purpose being to prevent respectable people being molested by drunken persons.

(a) Prohibition of back and side entrances.

On the subject of the prohibition of private rooms opinion is not unanimous. It is objected by some authorities that it would only lead to a worse evil in the shape of drinking at home. Another objection is that there are sometimes two classes of frequenters of a liquor shop, of which one would suffer contamination by contact with the other. The Committee have carefully considered the matter, and are of opinion that those who advocate the provision of private accommodation in liquor shops on the score of the danger attendant on home drinking are apt to exaggerate that danger. While not recommending a general prohibition of private rooms they consider that the provision of such accommodation should be restricted and controlled. In the United Provinces private rooms are allowed to exist only on the condition that the entrance to them is through the main shop or bears a notice board indicating that it is an entrance to a liquor shop. This condition might be generally prescribed, and it might further be advisable in most Provinces to require that private rooms be specially sanctioned by the licensing authority.

(b) Prohibition of private rooms.

The case of the Punjab demands special attention. The consumption is large and the shops few and local custom has made them places of assembly. The following account of the ordinary country spirit shop is taken from the Excise Commissioner's letter which has already been quoted (paragraph 237): "The character of the Indian spirit shop differs greatly in the large centres and in the smaller towns and rural tracts. The typical rural shop is located in a zamindar's house, with a yard about it, and those drinkers who wish to linger over their cups squat down in the yard on the bare ground, or at best on a *takht* or dais, of the kind which one sees in the village *chaupal*.\* In the larger towns, the shop has a close resemblance to the second-class imported liquor shops . . . . . Sometimes, as in Lahore and Rawalpindi, it is a regular rabbit-warren of passages and chambers, upstairs and downstairs, very difficult to supervise. At Amritsar, where accommodation is cramped, there is often an annexe next door or over the way, where good company congregates in the afternoons. Side doors and back doors are very common, and the evening closing rule has a tendency to become a dead letter. In the cantonments and other places where dhobis, grass-cutters and other similar

\* Guest-house or place of assembly.

castes in European service are numerous, the shop is a regular club-house for *panchayat* meetings. Questions of betrothal and divorce, punishments for offences against caste rule, and other matters of common interest, are settled on the premises with the help of the bottle; and fines are paid in liquor and drunk then and there by the adjudicating tribunal. There is no condition in the license which enjoins, or even justifies, refusal to serve a drunken man; and it is the frankly admitted custom to continue supplying a customer so long as he is conscious and can pay. The *panchayats* sit long and sometimes late; and their *chaudhris* \* are persons whom the liquor dealers make a point of keeping in good humour, by presents of liquor and even of money." The Local Government has ordered experiments to be made in the direction of prohibition of private rooms before deciding on any more definite action in the matter. The Committee fully concur in the wisdom of this course, but would suggest that, concomitantly with experiments in the direction of more complete reform, measures should be taken for removing the prominent defects in existing premises as brought to notice by the Excise Commissioner. A regulation has already been issued requiring liquor shops to be opened only in buildings of one storey.

The only Government that requires shops to contain no angles or recesses or any part not visible from the doorway is that of the Central Provinces. The desirability of such a regulation is generally accepted subject to the exceptions which arise in cases referred to in the previous paragraph, though the difficulty of obtaining new premises may in cases delay its enforcement.

The rules in force in Madras and the Central Provinces require that sales shall be conducted in a suitable building of which the whole or part must be entirely set aside for use as a shop and that, if there are means of communication between the shop and an adjacent dwelling house, they must be kept closed at night. Some temperance advocates have urged that residence on the premises should be entirely prohibited. The Committee cannot accept this suggestion which would involve the shopkeeper in unnecessary expense and render him unable to safeguard his property. But they think that a rule on the lines quoted might be generally applied.

The Assam and Bombay orders insist on cleanliness, the latter providing for an annual whitewashing. While this rule like the foregoing is eminently desirable, it is hardly necessary to add that the easiest way of ensuring respectable premises is to secure a respectable licensee with some fixity of tenure.

248. The hours within which sale is most commonly allowed are between sunrise and 9 p.m., but in towns shops of particular classes are allowed to be kept open till 10, 11 and 12 p.m. As already noticed sales of foreign liquor are allowed in Calcutta even later than this on payment of special fees, and in Bombay City there is no closing hour for hotels, while some refreshment rooms are specially licensed to sell all night. Sale after hours is alleged to occur almost everywhere, while the effect of enforcing restrictions in Calcutta is reported to have been an enlarged sale in brothels, a result which is facilitated by the high limit of private possession. The Committee consider that as a general rule the closing hour should be fixed at 9 p.m., and that this should be allowed to be exceeded only in special cases in which a special fee should be levied. In some cases earlier closure is desirable. In Assam it has been proposed to close shops frequented by tea-garden coolies at 4 p.m. in the cold weather and 6 p.m. in the hot weather. The gentlemen who conducted the canteen experiment went even further and opened for only two hours in the afternoon on week-days and in the mornings of Sundays. It may be desirable to enforce similar regulations where similar circumstances exist or arise.

It will be useful to note here the cases in which temporary closure is required. All shops may be closed under orders of the Collector when troops are encamped or marching in the vicinity. They may also be closed at times of

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\* Headmen.

religious excitement, festivals or disturbances. In Bombay a salutary rule is in force which requires closure on the shopkeeper's own motion on the occasion of a riot or disturbance in the neighbourhood.

249. In Bengal, Eastern Bengal and Assam, the United Provinces and Bombay  
Persons by whom sale is prohibited. no person may be employed in the sale of liquor without the specific approval of the Collector. In Madras and the Central Provinces the Collector may require all employees to be reported for his approval, but he uses the power only where circumstances show it to be necessary to do so. The employment of women except under sanction of the Board of Revenue is prohibited in Bengal. The form of lease for a *tari* farm in the United Provinces prohibits the licensing by the farmer of minors, females and eunuchs, and the Madras and Central Provinces licenses prohibit the employment of persons suffering from leprosy or contagious diseases. Prohibition of the employment of minors in Bengal is one of the proposals made in connection with the Excise Bill.

On the subject of the general restriction the Committee think it sufficient to quote the evidence of a Bengal Collector:—"I do not know the character of ninety-nine out of a hundred of the vendors, nor could you get other ones in many cases. It is quite impossible to enforce the rule regarding the requirement of approval after enquiry. The men are simply registered and there it ends." It seems to the Committee that it is desirable to have the power of approval in reserve for enforcement if necessary, but that actual approval in every case is apt to result in mere formality. With regard to the specific prohibitions the Committee thoroughly approve that of the employment of minors and diseased persons. The prohibition of the employment of women is a question on which considerable difference of opinion exists. It is urged by persons used to town conditions and refers more particularly to barmaids. There is no doubt that in towns the employment of women at liquor shops is generally undesirable. There is no class of respectable women in the cities of India who look for employment in such a capacity; and the Committee can regard the women who do, whether they are natives of India or foreigners, only as allurements to the larger consumption of liquor. On the other hand, sale by the wife of a licensee or by a respectable female is open to no valid objection on the score of sex; it is a common family division of labour; many a *tari*-drawer is employed the greater part of the day in tapping his trees while his wife sells the *tari* to customers. A prohibition of sale in such cases would be an unwarrantable hardship. In the Committee's opinion a superior revenue authority should be invested with the power of prohibiting the employment of women in liquor shops when they are used to push the sale of liquor or offend against morality and decency.

250. The catalogue of persons to whom the sale of liquors is either prohibited  
Persons to whom sale is prohibited. or proposed to be prohibited is a long one. They may be considered under the following heads:—

- (a) soldiers and persons connected with them;
- (b) officials on duty, namely sailors, policemen, excise officers and servants of railway companies;
- (c) European vagrants under escort of the police;
- (d) insane persons;
- (e) drunken persons and habitual drunkards;
- (f) children; and
- (g) women.

(a) Practically all licenses contain conditions against sale to European non-commissioned officers or soldiers or to sepoys in uniform, and  
Soldiers. some add members of soldiers' families, camp followers and persons living in barracks. The form of the conditions enforcing the prohibition is very variable, having been expanded from time to time in different areas as evasions showed expansion to be necessary. The Committee do not propose to discuss the variations in detail, but think it would be useful if they were examined by some competent military authority and a general condition prescribed for adoption.

(b) The prohibition of sale to policemen, excise officers and railway servants on duty calls for no remark. In the case of sailors, it appears right to retain or insert a condition prohibiting vend to them when on duty, though the occasions for the application of this condition may be few.

(c) and (d) Sale to European vagrants under escort of the police and to insane persons is doubtless undesirable, but there are next to no instances in the Committee's knowledge in which the condition contained in the licenses has been disregarded.

(e) The compulsory refusal of further supply to drunken persons which is already in force in some Provinces should certainly be made general. In the Punjab there is at present no such condition except in the fixed fee licenses for the Sikh districts, and the Committee found on their inspection of shops several cases of drunkenness on the premises. It does not appear to them that the country is ripe for the prohibition of sale to habitual drunkards, if only for the reason that there is no general law under which a man can be convicted for mere drunkenness.

(f) Sale to children is prohibited in the outstill areas of Bengal and Eastern Bengal and throughout Assam, the United Provinces, the Punjab, Madras, Bombay and the Central Provinces. The limit of age is 12 in Bengal, the United Provinces and the Central Provinces, 14 in Madras and in Bombay 14, raised in a few cases to 15. In the Punjab there is no limit nor in fact is actual sale to children prohibited. The condition in the license merely requires that liquor shall not be supplied knowingly for the consumption of minors, and it is reported by the Excise Commissioner to be practically a dead letter. The condition has been amended in the form of license issued for the Sikh districts. The Committee themselves witnessed sale to children under an outstill license in Bengal. In this Province a general prohibition of sale to persons under 14 is proposed. This is the limit of age which is commonly accepted as appropriate, though some temperance advocates would go so far as to prohibit sale to persons under 21. The Committee would recommend a general prohibition of sale to persons under 14.

(g) Restrictions on sale to women are suggested on the grounds that it is contrary to the custom of the country for them to resort to liquor shops, that since the existing extent of sales to women is small restrictions of the kind could be enforced now without provoking any great amount of discontent, and that in towns at any rate the few women who do frequent the shops are usually women of bad character whose presence there should be discouraged. On the other hand it is urged that to prohibit sale to women would probably result in an undesirable traffic in liquor taking place in brothels, or in a resort to worse intoxicants. The Committee recognise the force of this contention and are not prepared to recommend any general regulation on the subject, but see no objection to power being taken for the enforcement of such prohibition in special areas where it is thought to be necessary.

251. In most areas the largest quantity allowed to be sold for removal at one time is one seer or one reputed quart bottle of country spirit, four seers of *tari* and two gallons of foreign liquor. These are the statutory limits of retail sale prescribed by Act XII of 1896. The limit in respect of foreign liquors follows European precedents, and the high limit in the case of *tari* is open to no serious objection, though it may be mentioned that in Madras, which consumes more *tari* than the rest of India put together, a half gallon limit is found sufficient. The much lower limit which is generally enforced in the case of country spirit is exceeded in parts of Bengal, including Calcutta, where quantities up to twelve bottles are allowed to be removed at one time, in Assam where three bottles are allowed, and in the outstill areas of the United Provinces and in Bombay and Sind generally where the limit is one Imperial gallon. The necessity for these high limits arises from paucity of shops and from the habits of the people which demand large quantities for festival or other occasions. On the other hand there is evidence that illicit sales are facilitated by the permission to remove large quantities in Calcutta, in outstill tracts such as Darjeeling and in parts of Bombay. It seems to the Committee very desirable

that the limit should be reduced where possible, and they think that progress in this direction would be greatly assisted by the general adoption of rules similar to those in force in some Provinces providing for the ready grant of permits for possession of larger quantities when required for special occasions. The Committee do not propose to suggest a list of officers who may be empowered in this respect since that is a matter for the Local Governments to decide, but they think that generally the power may be granted to officers of a rank not lower than that corresponding to the *kanungo* or revenue inspector, as well as to some non-officials such as the *saildars* of the Punjab and perhaps planters in Assam. In special cases they would extend the power to shopkeepers and they have in their draft Bill made provision that will admit of this. They would recommend that, as the grant of permits by these persons becomes more general and as the people become accustomed to resort to them, the limit of possession of country spirit, where it is in excess, should be curtailed. In most distillery tracts it can probably be reduced without trouble to one reputed quart bottle; in some of the more remote outstill tracts it may be necessary for the present to allow the sale of as much as three bottles at a time.

252. Restrictions on strength and price are necessary in two cases; in the first, to check drunkenness or injury to the drinker by sale at too low a price or at too high a strength; in the second, where Government has imposed a high fixed duty and grants a monopoly of sale, to ensure that the poorer consumer gets what he pays for and is not injured or driven to illicit practices by the issue of an adulterated article or by a price that is quite beyond his means.

253. It is generally accepted that the strength of country spirit should be regulated wherever there is a staff competent to enforce the rule without undue harassment of the vendor. In the case of foreign liquor no exact regulation is possible, but proposals have been made for the control of compounding and bottling and for maintaining the standards of strength observed in England.

254. A regulation which exists in some Provinces and which is strongly recommended for adoption in all is a stringent prohibition of drugging. Though there is no recent analytical evidence of the detection of deleterious drugs in country spirit, the belief that they are added is as widespread and persistent as it was at the time of the Bengal Excise Commission, and the temptation to the vendor to water his liquor and make up its intoxicating properties by the admixture of drugs increases in proportion to the enhancement of the excise duty. Deaths from such practices in the case of *pachwai* have been cited. The Committee would recommend the insertion in all licenses of a condition absolutely prohibiting the addition to the liquor of any drug or other substance, and the issue of instructions to inspecting officers periodically to secure and send for analysis samples of liquor, not as it is stocked by shopkeepers, but in the state in which it is actually sold.

255. A safeguard against such practices which is strongly recommended in several Provinces and is in use in some districts of the United Provinces and the Punjab, where it appears to be giving satisfaction, is the issue of liquor to shopkeepers in sealed bottles. It is objected that this must increase the cost to the consumer. Undoubtedly it does so, but the extra cost of issuing a small proportion of the liquor in this shape will not be great, and if purchasers show a readiness to pay it, it will be a sure sign that the shopkeepers are not dealing honestly. For areas in which drugging or over-much watering is suspected the Committee would commend a regulation requiring shopkeepers to keep a moderate stock of liquor in sealed bottles on sale at a fixed price.

256. The strengths at which spirit is issued from distilleries and drunk at shops are very various. In the sadar distillery areas of Bengal and Eastern Bengal there are in all twenty-eight grades of issue strength fixed according to what was supposed to be the taste of the consumers, and these are allowed to be further altered before sale. In the contract distillery

areas of Orissa and Assam fixed strengths of 20°, 50°, 60° and 70° U.P. are adopted as circumstances require and no watering is allowed. The issue strengths in the United Provinces used to be 25° and 50° U.P. They were altered in 1895 to proof and 25° U.P., but there is no restriction on watering and liquor is sometimes sold as weak as 75° U.P.. Proof and 25° U.P. are the issue strengths in the Punjab and the North-West Frontier Province, but as here again there is no restriction on dilution, although a certain quantity is sold at nearly the strength of issue, the bulk is sold at about 30° U.P. and some even at 65° U.P. In Madras the strengths fixed by rule both for issue and for retail sale are 20°, 30° and 60° U.P. The accounts, which are not wholly reliable in the earlier years, show a considerable replacement of 60° by 30° but none of 30° by 20° U.P. Over the greater part of Bombay and the Central Provinces issue and retail sale at 25° and 60° U.P. are enforced. The Bombay rates of duty slightly favour spirit of the latter strength which continues to find a ready market and speaking generally is most largely used in the districts of highest consumption. The Sind issues vary from proof to 40° U.P. and the rates of duty differ for different kinds of spirit. A preferential rate for weak *mhowra* spirit has not aided it in competition with other spirit. The regulations enforced in Ajmer-Merwara are the same as in Bombay, but the strengths authorised are 15°, 25° and 50° U.P. In Coorg and Bangalore 20° U.P. is the only strength issued.

257. The Government of India desire to be informed whether drunkenness could be checked by prohibiting the sale of spirit above a fixed low strength. On this point the Committee have taken a great deal of evidence which is practically unanimous against the proposal. The term 'low strength' is of course a relative one, for what is low to the Punjabi is high to the Bihari. On the assumption however that consideration was directed towards issue at such a moderate strength that a glass or so of spirit would not be enough to cause intoxication, the officers to whom the question has been referred find two objections to such an arrangement, first that people who are accustomed to strong spirit would not take the weak liquor at all, but would procure illicitly spirit of the strength to which they are accustomed or would take to the use of imported liquor; second that the drinker who takes spirit for the purpose of intoxication would not be deterred by having to drink a certain amount of water with it.

258. The suggestion however raises certain other important questions viz. :—  
 (1) whether some issue strengths are not too high and what is the proper maximum, (2) whether some others are not so low as to create difficulties in the administration of an advanced excise system and what is a proper minimum, and (3) whether in areas where the people are accustomed to weak spirit it is not desirable to give some advantage in the duty to the weaker kind, since it is to the interest of the shopkeeper to replace the weaker by the stronger by reason of the higher cost of carriage of the former.

The first of these questions is one to be decided by medical authority. Major Bedford says "undiluted 25° U.P. is too strong to drink 'neat'; such spirit should be diluted. I should say that 35° to 40° U.P. is about as high as liquor should be issued if it is to be drunk 'neat.' I think 30° U.P. is a little too high." The local officers are of opinion that it would not be possible, more particularly in the Punjab, where the Jat Sikh is accustomed to a strong spirit, to reduce suddenly the maximum sale strength to the standard suggested, but it seems to the Committee that it might be done by degrees. As a first step they would suggest the cessation of sale at proof in the United Provinces and the Punjab, at 20° U.P. in Madras and at any strength above 25° U.P. in Bengal, Eastern Bengal and Assam, Coorg, Ajmer-Merwara and Bangalore. In Sind, where very strong liquor is drunk at present, if the local authorities consider that a reduction to 25° U.P. in the first instance would create difficulties a commencement might be made by a reduction to 10° U.P. At a later stage steps might be taken to reduce the 25° U.P., which would be the highest sale strength in the great majority of cases, to 30° U.P. and ultimately perhaps even lower. It is to be



noticed however that the practice of dilution before drinking by the customers is spreading, so that it is by no means a universal rule that spirit is drunk at the strength at which it is sold. In the areas where strong spirit is now drunk any experiments made in reduction of strength will need to be very carefully watched to see that illicit practices do not ensue.

The difficulty attaching to issue at a very low strength is that it has repeatedly been found that a very weak spirit will not keep, but turns to vinegar, thus causing the consumers injury as well as dissatisfaction. The Committee have satisfied themselves that a spirit of 60° U.P., if properly manufactured, will both keep and carry, and it seems to them that this is the lowest strength at which issues need ordinarily be allowed. In special cases, as for instance among aboriginal tribes, arrangements may be made for issue of a weaker liquor. In Provinces such as the United Provinces where there is at present no provision for issue at a strength lower than 25° U.P. the Committee would suggest that arrangements should be made for issue at 50°, which might be reduced to 60° when the higher strength is lowered to 30° U.P.

259. In areas where weak spirit is now drunk a small differentiation of duty in favour of the lower strength appears to be necessary to prevent its being ousted by the stronger liquor which is more profitable to the shopkeeper. In Bombay the differentiation involved by taxing 60° at half the rate imposed on 25° U.P. has kept the former in the market, while in Madras under the imposition of taxation exactly proportionate to strength it has almost gone out of use. Another expedient adopted in Bombay and proposed for Bengal is to require the shopkeeper to maintain a stock of the weaker liquor. The Committee see no objection to such an arrangement if it is thought desirable.

260. Regulations as to price require sale either above a minimum, at a fixed price or below a maximum. Minimum prices are imposed commonly in the case of articles which pay no fixed duty, the object being to check excessive indulgence. Though it is generally admitted to be almost impossible to enforce them in specific instances, they have a beneficial effect on the general policy of the liquor sellers by compelling them to take a moderate profit on a moderate sale and restraining them through fear of losing their licenses from a bolder policy of reducing prices and so increasing consumption as to make the trade as a whole more profitable.

261. Maximum prices which were in effect fixed prices were imposed in 1905 in the four districts of the Punjab where illicit distillation is especially rife, licensees being required to sell at not more than 12 annas a bottle of 25° U.P. The purpose of the regulation is to put licit liquor on the market at a price which the people consider reasonable and to check an enhancement by the licensees to such a point that the consumers will prefer to run the risks involved in procuring illicit liquor.

A regulation having a similar object is in force in Madras and the Central Provinces where licensees are required to publish their current prices on their notice boards. This acts as a protection to the consumer and informs the inspecting officer of undue reduction or enhancement.

A similar publication of actual prices is generally required in Bombay, and in addition maximum prices are almost universally imposed. Their purpose is to prevent licensees who enjoy an actual or practical monopoly from driving the poorer consumers to illicit practices by putting up prices to a figure which only the respectable class, who are the most paying portion of their *clientèle*, can afford. A regulation of a like nature is imposed in Madras in the rare cases in which shops are opened under a commission system to meet combinations of bidders to defeat the auctions. In such cases the number of shops opened is much below the usual figure, and maximum prices are imposed to ensure that they supply the reasonable demands of habitual consumers. The Committee do not regard the regulation in either case as one tending to increase drunkenness. "The fundamental problems," to quote a writer in the 'Pioneer,' "are (1) to ascertain for each locality a price which will discourage excessive indulgence, but which at the same

time will not be prohibitive for the moderate drinker, and (2) having ascertained that price, to compel the vendor to adhere to it." The imposition of a maximum aims at a solution of one of these problems. Its tendency in effect is to fix prices at a level as high as the poorer consumer can reasonably be asked to pay. The withdrawal of the regulation would only lead to illicit practices.

262. As a corollary to the regulation of strength and prices shopkeepers are required to maintain fixed measures in parts of Bengal and throughout Madras, Bombay, Sind, the Central Provinces and Ajmer-Merwara and hydrometers and thermometers in Bombay. Possession of incorrect measures on the premises is penalised in some of these Provinces. The maintenance of correct measures is desirable everywhere and essential wherever any regulations on price are enforced. The Committee do not think it necessary to insist on instruments being kept by shopkeepers, but would recommend a supply of cheap and reliable hydrometers being made available to such as desire to purchase them.

263. It follows from the above discussion that the custom of giving free doles of liquor should be prohibited. This practice appears to be a local one in Assam and the Punjab and may be met by a special condition in the local licenses.

264. Barter of liquor for goods tends to the impoverishment of the humbler classes, and also to liquor sellers becoming recipients of stolen property. It is not however possible effectively to enforce a prohibition in areas where coin does not circulate. On this subject Sir Frederick Lely says: "However advisable in the more advanced tracts, it is at the best ineffective when no cash is used in the payment of wages or other private transactions and at its worst it strengthens the hold of the liquor seller over his simple clients. The average man in the remote tracts eats his little crop of grain and for the rest of the year relies chiefly on forest produce. He really pays for his liquor with a basket of *mhowra* flowers or whatever else comes to hand, and it is no advantage to make him go through the form of turning it into money, while it gives the shopkeeper a pretext for exacting discount." A general prohibition of receipt of anything but coin in payment of liquor may be accompanied by a provision allowing barter of grain in backward areas.

265. On the subject of sale on credit the Excise Commissioner of the Punjab writes:—"Credit is given freely, sometimes it would appear, almost recklessly. At most town shops any known resident—down to the sweeper—can obtain liquor without immediate payment. Three or four of the Multan shops have accumulated in one year outstandings of twelve or fifteen hundred rupees apiece, and it is significant that one of the lessees has a money-lending as well as a liquor-selling business. Competition has a tendency to stimulate the giving of credit, because refusal may drive a customer elsewhere, and one or two dealers have complained to me that they are forced to indulge the drinker in consequence. On the other hand, the Delhi monopolist, after many years of business, has extremely large outstanding claims, and after questioning a number of dealers on the subject, I have come to the conclusion that their business benefits by the running account, and that the abolition of credit would reduce their receipts. Ninety per cent. of these men said that there would be less drinking if no credit were given." Rules prohibiting this practice are in force in Assam, Madras, Bombay, the Central Provinces, Coorg and Baluchistan and a similar rule has been introduced in the Sikh districts of the Punjab. The Madras rule adds to the general prohibition a proviso that "this condition is not meant to restrict credit sales in the ordinary course of business by shopkeepers or firms of standing and respectability dealing in foreign liquor for consumption off the premises." A rule on these lines appears to be desirable.

266. The licenses generally prohibit the assembling on licensed premises of notorious bad characters, of persons 'wanted' by the police, and in Bengal of two or more prostitutes, and require the licensee to give notice to the nearest police officer of the resort of such persons to his shop. They also require him to permit no gambling

and, except in the Punjab, no drunkenness. A recent addition to the Assam license which has been adopted in the Bengal Bill makes the licensee responsible for drunkenness in the neighbourhood of as well as on his premises. The necessity for intervening to check entertainments on these premises appears to have arisen only recently. *Tamashas* are prohibited in Assam. In Bombay the bars advertise music by European women. In the south-west of the Punjab it is a common practice for female singers to attend at the shops for the entertainment of customers.

Conditions in check of the assembling of bad characters are commendable so far as it is possible to give effect to them, though it may be doubted whether that effect is great. The prohibition of gambling is useful and necessary. Entertainments on licensed premises may be forbidden as against the general custom of the country; but the Committee are not prepared to recommend the prohibition of the sale of food on such premises as some temperance advocates propose. A penalty for permitting drunkenness on the premises is most desirable. The imposition of a penalty for drunkenness in the neighbourhood of licensed premises is reported to have worked successfully in Assam where shops are isolated, but the Committee see practical difficulties in the way of applying in a city like Calcutta a regulation that would make a shopkeeper liable to lose his license every time a drunken man passed down the street in which his shop was situated. The suggestions made for tracing responsibility, such as enquiry of the drunken person or requiring a medical officer to determine by standards of time and distance at what shop he had been supplied, serve only to show that the rule would be unworkable. The Committee cannot recommend its application elsewhere than in villages with a single shop apiece.

267. But however excellent the regulations may be in themselves they are useless unless there is a force capable of seeing that they are given effect to, and duly instructed in that regard. While the police have in a great measure been relieved of the duty of supervising the interior conduct of liquor shops and are content to deal with drunkenness in the streets, the excise officers who have relieved them are apt to confine their inspections to matters connected with the revenue, and the controlling authorities are reluctant to apply a regulation, the enforcement of which by officers of the class at present employed might result only in the levy of blackmail from shopkeepers. In Assam the difficulty has been met by the appointment of special inspectors whose primary duty is the control of licensed premises and more particularly of drunkenness thereon. The result is stated to have been a large increase of sobriety at weekly markets. The Committee would recommend insistence in all Provinces on the performance of similar duties by officers of the standing of Inspector or Darogha of Excise. They would also suggest that a record should be maintained of convictions for drunkenness in places where laws under which it is punishable are in force as well as of action taken against licensees for permitting it, and that the subject should be noticed in the annual Excise Administration Reports.

268. Among other special measures and proposals that have in view the reduction of drunkenness is the order issued in the four districts of the Punjab in which illicit distillation is very rife prohibiting from the 1st April 1906 the consumption of country spirit either on the sale premises or in a public place within a hundred yards thereof. A register of purchasers is also required to be maintained. Precedent for such action is to be found in Russia and South Carolina: the Committee are disposed to doubt its efficacy. Given a class in which in the absence of an effective public opinion a substitute for it may be found in the sentiments of a man's own household, prohibition of consumption on the premises may lead to a reduction of the habit, though it is very doubtful whether in some Provinces it has done so in the case of the smoking of opium or *charas*. In the present case there is evidence that among the Jat Sikhs the women also drink; and thus there is danger that the measure adopted will encourage instead of diminishing the consumption of spirits. The Committee are disposed to think that the proper course is to locate the evil and as far as possible minimise it by supervision and control. The experiment is one that needs to be very carefully watched.

269. The previous paragraphs dispose in a great measure of the Government's instructions to the Committee to consider what measures can be adopted to discourage the clandestine purchase of liquor by members of classes whose religion or caste forbids the use of alcohol. The prohibition of back and side entrances to shops and the regulation of private rooms will remove special conveniences for those who cannot drink without loss of self-respect or be seen drinking without losing the respect of their society. The prohibition of the sale for consumption off the premises of pocket flasks of foreign liquor holding less than a pint will take away another facility. In the redistribution of shops in Calcutta which has been recommended in a previous chapter care should be taken to place them so as not to offer temptation to clerks and others passing to and from their offices as the rum shops do at present. Further than this the Committee have little to suggest. The evidence shows that the habit of drinking among the classes in question is decreasing in several Provinces under the influence of a healthier public opinion and that various social and religious agencies are actively engaged in promoting temperance. The recognized leaders have not asked for assistance or made any proposals, and many of those put forward by irresponsible persons on their behalf can only be characterized as absurd. Such are the suggestions that every man who desires to consume liquor should be required to take a license for a quantity to be fixed with reference to his capacity and strength of mind, and that a register of consumers should be maintained at each shop for communication to the vernacular press and the headmen of the castes. In the words of the Despatch of 1890: "For Muhammadans and Hindus of certain castes no special restrictions are necessary in order to discourage drinking. The habit is opposed to their religious principles and is discountenanced by the public opinion to which they are subject. It is no doubt true that some Muhammadans and some Hindus, for whom drink is forbidden by their religion, do drink secretly or openly, but this is either because they choose to disregard in this respect the principles of the religion which they profess, or because they have adopted Western habits and modes of life. In such cases any restrictions that Government could impose would be of infinitely less force than those which have been already disregarded." One way in which Government can perhaps exercise an influence is through the Department of Public Instruction. It is in evidence that country lads coming into towns for their education are sometimes corrupted by town habits, and it is thought that a stricter supervision of the management of hostels may do something to check their contamination. It is also understood that the educational authorities in the Punjab and Bombay have agreed to arrange for temperance teaching in schools. This example might be followed elsewhere.

270. The Committee are also to direct their attention to any cases in which there may seem to be a tendency to press increase of excise revenue for its own sake, and not merely as a means of reducing consumption. They have noticed the question of the maximum price and have discussed in a previous chapter that of imposing a minimum guarantee on shopkeepers. They have nothing new to say on the general aspect of the question. The ideal set before the Excise Departments is the securing of a maximum of revenue on a minimum of consumption. The consumption is affected by a variety of causes of which one of the most important is the adjustment of systems and taxes. In this the subordinate officer has no voice, and it is therefore hardly to be wondered at if he is apt to regard the revenue as the measure of success in his work. No one is more ready than the temperance leaders themselves to acknowledge that the policy of the responsible officers of Government is in agreement with the best temperance sentiment. Their complaint is directed against the subordinates and is that the lower one goes the more does the revenue point of view come into prominence. In the Committee's opinion the remedy for this lies in an improvement of the personnel of the departments and the strict enforcement of their responsibility in the matter of the control of shops and the prevention of drunkenness.

## CHAPTER XIII.—ESTABLISHMENTS.

271. The matter of establishments is now for disposal, and with regard thereto the orders of Government proceed: "The expansion of distillery areas and the concentration of manufacture at a few centres must necessarily afford temptations to the illicit production of liquor or to its transport from outstill areas. The Committee should therefore consider whether the preventive arrangements in the various Provinces are adequate, having regard both to present circumstances and to those which may prevail in the future, and should submit such recommendations for reform as they may consider necessary. Assuming that preventive arrangements can be best carried out by a special excise agency, the Committee should also consider what the relations between that agency and the police ought to be. On the other hand, the extraordinarily high proportion of prosecutions and departmental cases in Madras, where special preventive agencies have been highly developed, has attracted the attention of the Government of India, and the Committee should consider whether this evil is an inevitable feature of the local system of administration, or whether it cannot be remedied by suitable arrangements." Elsewhere in the resolution the Committee are instructed to report whether there is sufficient coördination and coöperation between the various Provinces in the matter of excise work, and, if there is not, to consider in what direction any improvement in this respect can be made, and whether special measures are required to cope with the smuggling of liquor from Native States.

272. The adequacy of their excise establishments has been under consideration by the Local Governments, and—independently of the Committee—proposals for revision have been put forward in Bengal, the United Provinces, the Punjab, Madras, Bombay, and Sind. A former scheme for the old Province of Bengal of which the present proposals are an instalment provided for an increase in Eastern Bengal also. The establishments in Assam and the Central Provinces have recently been revised. It is therefore in the minor Administrations only that the need for revision has not already been recognised. If the recommendations of the Committee are accepted in respect of the extension of distillery systems, an increase in the taxation of spirit, the adoption of the tree-tax system and the enforcement of adequate control over shops, the need for stronger establishments will become proportionately greater. To repeat the words of the Bengal Excise Commission of 1884: "All attempts to improve the excise administration must begin with strengthening and improving excise establishments."

273. This being the case it is unnecessary to consider in detail the arguments that favour the employment of an adequate staff. But with reference to the extent of increase necessary it may be useful to notice briefly the evidence as to the prevalence of one of the commonest but most serious offences against the excise law. It is sometimes said that illicit distillation is a bogey put forward by Governments unwilling to enhance taxation and improve their systems. That this is not the case was sufficiently shown in the Despatch of 1890 where it was remarked: "The tendency to illicit distillation forms a very real and, at a certain point, an insurmountable obstacle in the way of raising the price of liquor by imposing a heavy duty on it. In some places, the sympathy of the people is distinctly on the side of illicit distillation and we are not aware of a single instance in which zeal for the cause of temperance has led to the discovery of unlawful practices." Since this was written the rates of duty have increased in a greater degree than the establishments have been improved, and the Committee have received evidence from several Provinces of the wide prevalence of illegal manufacture. In Bengal for many years it was regarded as barring the way to the replacement of the outstill system; in recent times it has been detected in some of the few districts that were believed free of it, for instance the 24-Parganas and Calcutta itself; it is rife in Burdwan and Bankura

and has been responsible for an experiment in the reduction of price in the Sonthal Parganas similar to that in the Sikh districts of the Punjab. A Collector of the United Provinces says that it exists in every district in that Province, and the Committee heard of one illicit distiller who had suffered conviction no less than twenty-three times. Belgaum, Dharwar, Nasik, Khandesh, Broach, Surat, Ratnagiri and the Panch Mahals are Bombay districts in parts of which it is declared to be rampant, while the Commissioner of Abkari writes of Kaira:—“The consumption of country liquor and the revenue derived therefrom are lower than in any other district in this Presidency. It has for a long time been supposed that this was due to the sober habits of the people, but recent enquiries have shown that, as a matter of fact, a considerable number of the population are hard drinkers and illicit distillation is rife.” The worst case of all is that of the Punjab where this offence is reported extremely prevalent in rural tracts over more than one-third of the Province and not uncommon in the towns, and has in fact assumed such serious proportions that the Local Government in taking measures for repression is not prepared at present to attempt to do more than put down illicit distillation for sale. The following extract from the Excise Administration Report for 1903-04 graphically describes the wide prevalence of the habit:—“On the roofs of city houses, and in the tanning yards of Delhi; in the secluded wooded reaches of the Ravi and the labyrinth of ravines below the Siwaliks; in plague-smitten villages to which officialdom pays perfunctory visits; at the bottom of the bullock walks beside isolated wells; in respectable European compounds under the very noses of liquor-hating missionaries; on swampy islands cut off from access by flood-water; wherever there is the chance of concealment from the eye of authority; with pickets out to give information of any hostile approach: illicit distillation flourishes. Baniyas and Kayasths of Delhi; Gurkha soldiers from the Dharmasala cantonment and a trumpeter of the 12th Cavalry at Multan; a Brahman *fakir* of Hoshiarpur; a Government schoolmaster of Rawalpindi; a family of mission servants; Muhammadans, to whom drink should be anathema; are among those who have been suspected or convicted of the offence in the year under report.”

274. In dealing with the improvements necessary the Committee will, as instructed, take the reforms contemplated by the local authorities as the starting point of their consideration. In the case of Bengal these are set forth in the Excise Commissioner's letter No. 173 E, dated 13th September 1905, but the proposals therein put forward are designed only as an instalment of the more complete scheme which is embodied in his letter No. 51 E., dated 4th June 1900. The establishments for Eastern Bengal and for Assam are not homogeneous. The latter have recently been improved. So far as Eastern Bengal is concerned the Committee propose to consider the scheme contained in the second of the letters above quoted which embodied complete proposals for the whole of the old Province. The proposals for the United Provinces are contained in letter of the Board of Revenue No. 2084 N./V.-657A, dated 19th July 1905, and those for the Punjab in the Excise Commissioner's draft letter, dated 14th October 1905, which has yet to be submitted to the Local Government. Those for Madras (embodied in the Madras Government's letter No. 740, dated 11th August 1905) have recently received the sanction of the Secretary of State. The Commissioner of Abkari, Bombay, has submitted a scheme of revision in his letter No. 4779, dated 8th August 1905; and the Commissioner in Sind in his letter No. 6-740, dated 18th November 1905.

275. The establishments as existing and as revised according to these proposals may conveniently be considered under the following branches:—(1) Peons or chaprasis and petty officers, (2) clerical staff, (3) inspecting and preventive staff, (4) distillery and warehouse establishment, (5) general controlling authorities, (6) special officers for control of distilleries, warehouses, breweries, etc., and (7) the head of the department.

276. The peons and petty officers at present employed are drafted sometimes from the Land Revenue Department, sometimes from the Police, and sometimes they are units of the Excise establishment proper. Drafting from other departments has been found unsatisfactory

in most Provinces, in existing special establishments the peons are commonly part of the close service and the new proposals for such establishments for the most part make similar provision. It is generally agreed that these men should be given no independent preventive or detective duties, but should be employed under direction for purposes of watch and ward, carrying of papers and assisting in seizures, and in areas under the tree-tax system in the marking of trees. Their pay will vary from Province to Province, but should generally be regulated with reference to that of police constables. They should be as few as is consistent with efficiency and in Provinces where a close department is organised should wear a suitable uniform and should be taught some elementary drill. Without attempting to lay down a definite standard the Committee would suggest that four for a distillery, one for a warehouse, and two for each preventive or patrolling officer should generally be sufficient. Petty officers with peons under them may be used at fixed frontier posts to check the smuggling of contraband articles and for patrolling palm groves and similar duties under the immediate control of superior officers of the preventive staff. It is also useful to have a class of petty officers in order to ensure prospects of promotion to deserving peons.

The table in the margin shows the number of men of each class employed or proposed to be employed in each Province. In the case of Provinces in which the establishments for excise are or are proposed to be combined with those for other work, the figures include the whole of the preventive staff, whether employed for excise alone or for salt or other duties in addition, and thus the number of men shown is larger than that actually employed on excise duty. The total is small in the United Provinces, the Punjab, the North-West Frontier Province and Sind. In the United Provinces and Sind this is due to the fact

Province	Petty officers	Peons
Bengal	106	1,230
Eastern Bengal	12	243
Assam		21
United Provinces		96
Punjab		104
North-West Frontier Province		20
Madrass	349	4,964
Bombay	220	1,221
Sind	97	71
Central Provinces		409
Coorg		11
Ajmer-Merwara	11	33
Baluchistan		
Bangalore		9

\* Includes four sowars on Rs. 35 each.  
 † Includes constables on Rs. 10 and Rs. 14 for Inspectors, Karachi, Hyderabad and Sukkur, 12 dafedars and 73 sowars.

that the existing provision for police guards for the distilleries is continued in the proposals. In the Punjab the Excise Commissioner proposes to have no distillery guards; he considers it improbable that anything worse than petty pilfering will occur from distilleries owned and managed by men for whom detection would connote social and pecuniary ruin, and would trust altogether to the security of the buildings and the proper custody of the revenue keys. This does not appear to the Committee to be at all a proper view of the matter; they are of opinion that the distilleries need guarding with no less strictness than Government treasuries, and would provide generally for guards on the scale suggested above out of the special establishment. The number of petty officers and peons employed in Madras is very much larger than in any other Province and in the case of peons is larger than for all the other Provinces together. This is due in the main to the facts that salt work is combined with abkari, that palm trees are distributed throughout the whole area of this Province in a way that occurs nowhere else in India, and that saline soils are widely distributed. Accordingly a large patrolling staff is necessary if extensive illicit tapping and salt manufacture are to be prevented. At the same time it appears to the Committee now that the necessity of obedience to the law is clearly coming home to the people, that the time will presently arrive for a gradual reduction in number and improvement in the personnel of the department, and they think that this should commence with the peons.

277. Of clerical establishments the Committee have nothing to say except that, so far as they are employed directly under Collectors, they should be merged in the general staff of the Collectorate offices; and that it is a mistake to regard them as a recruiting ground for preventive officers.

278. The first question for consideration with reference to the inspecting and preventive staff is the proper relation between such officers and the police. The Committee's opinion is that, though in backward Provinces it may be desirable during the period of development to leave excise prevention in the hands of the police, this is inexpedient in any case as a final arrangement. In addition to their preventive duties the executive excise officers have others which the police cannot properly perform; and even as regards prevention the common experience is that the police attend to it very inadequately. The suppression of fiscal offences is work of a kind quite different from the repression of ordinary crime. The persons who give information are of a different class, and whereas the policemen's posts are fixed and known, it is necessary for an exciseman to move freely about his charge so that illicit distillers may not have knowledge of his whereabouts. Friction and delays inevitably follow any attempt to combine a small excise staff with the general police of the country, and to entrust to police officers the prosecution of excise cases not unfrequently results in failure. In the Committee's opinion the relation to be secured—if not immediately, at least in the ultimate development of the excise establishment—is one in which the responsibility for inspection of shops and prevention of offences should lie with the special excise staff, which should be sufficiently strong to undertake these duties, while the police should coöperate in detection, be liberally rewarded for so doing, and be expected to provide a force when large seizures are in prospect. Prosecutions of excise cases should be instituted directly by excise officers and without the intervention of the police.

279. It follows that under such an arrangement the inspecting and preventive officers form the most important part of the excise staff. The following table exhibits the number of such officers employed or proposed to be employed in each Province as compared with its area, population and excise revenue. In preparing it the officers have been divided into two classes according as they are to be paid less or more than Rs. 100 a month, this being roughly the dividing line in Provinces with organized establishments between subordinate officers who work under control and those who have a more or less independent position. Where Rs. 100 represents the pay of the highest grade of an inferior class the officers in that grade are shown in the first column, and where it is that of the lowest grade of a superior class they are shown in the second:—

Province.	Area in square miles.	Population.	Excise revenue.	Preventive officers				
				On Rs. 100 and under.	No.	On Rs. 100 and over.	No.	
Bengal	106,281	50,083,075	1,40,70,488	Sub-Inspectors (30, 40, 50, 60, 70, 80).	197	Inspectors (100, 125, 150, 175, 200). Superintendents (250, 300, 350, 400, 500).	(27) (26)	53
Eastern Bengal	44,904	24,537,029	27,20,164	Sub-Inspectors (30, 40, 50, 60, 70, 80).	57	Inspectors (125, 150, 175, 200). Superintendents (250, 300, 350, 400).	(18) (5)	23
Assam	52,959	5,759,444	30,51,075	Sub-Inspector (50)	1	Inspectors (150, 175, 250, 400).		3
United Provinces	107,164	47,671,375	1,02,25,065			Inspectors (100, 125, 150, 200, 250).		43
Punjab	97,209	20,306,252	31,50,820	Girdewars or Sub-Inspectors (30, 40). Naib Tahsildars (60, 80, 100).	(18) (29)			47



Provinces.	Area in square miles.	Population.	Excise revenue.	Preventive officers			
				On Rs. 100 and under.	No.	On Rs. 100 and over.	No.
North-West Frontier Province.	16,466	2,041,193	1,92,897	Daroghas (20, 30, 40—50, 50—60).	6		
Madras	141,699	38,195,654	1,87,66,957	Sub-Inspectors (30, 40, 50, 60, 70).	630	Assistant Inspectors (125, 150, 175). Inspectors (250, 300, 350, 400).	(26) (61) 87
Bombay	76,918	15,523,370	1,23,84,750	Sub-Inspectors (30, 35, 40, 50, 60, 75).	122	Inspectors (100, 125, 150, 175, 200, 225, 250, 300).	125
Sind	47,066	3,240,910	13,66,672	Inspectors (75, 80, 90)	6	Inspectors (100, 125, 150, 175, 250).	16
Central Provinces	100,685	12,423,849	59,37,019	Sub-Inspectors (30, 40, 50, 60, 70).	168	Extra Assistant Commissioners (200 to 300).	10
Coorg	1,582	180,607	1,79,128	Testers .. 25 (3) Inspectors .. 50 (2)	5		
Ajmer-Merwara	2,711	476,912	1,62,438	Sub-Inspector .. 50 (1) Deputy Inspectors .. 75 (2) Inspector .. 100 (1)	4		
Baluchistan	47,736	342,336	1,87,035	.....	.....		
Bangalore	.....	.....	.....	Assistant Superintendent. (100)	1		

It will be convenient to examine the details of the table by Provinces.

The Bengal proposals provide for 53 officers drawing Rs. 100 a month and more and 197 drawing less. The number of sub-inspectors to a district varies from two to sixteen and averages six. The direct charge of excise under the control of the Collector is to lie in twenty-five districts with a Superintendent and in nine, where it is of minor importance, with an Inspector. Eighteen more Inspectors are provided for work in heavy districts under the Superintendent, and a special Superintendent is to be posted to control preventive work in Calcutta. The proposals do not make provision for the tree-tax system which will involve a further increase if it is introduced. The Committee have no further remarks to offer except that it is desirable to make every endeavour to improve the personnel of the sub-inspectors who seem to be of an inferior class, and to insist upon a standard of educational qualification before appointment.

Similar remarks apply to the establishments proposed for Eastern Bengal. In the amalgamation of excise staffs in Eastern Bengal and Assam, it will perhaps be possible to bring on to one list the proposed Superintendents for Eastern Bengal and the present Inspectors in Assam and to provide a duly qualified subordinate service graded in another list.

The chief comment which the proposals for the United Provinces invite is that they are insufficient to provide for the adequate check of excise offences. The Committee are disposed to think that this Province has reached a stage at which the excise staff may relieve the police of the bulk of their preventive and detective duties. The establishment suggested is a very modest one costing as a whole only 1.6 per cent. of the revenue, and the Committee would recommend that the proposed staff of 45 Inspectors for 48 districts should be gradually expanded in a manner commensurate with the work to be dealt with.

The same remarks apply but with more force to the case of the Punjab. In his memorandum on the revision of the excise systems of 1894 Sir William Davies

referred to the maxim of political economy that "no tax should be kept so high as to furnish a motive for its evasion too strong to be counteracted by ordinary means of prevention, and especially no commodity should be taxed so highly as to raise up a class of lawless characters, smugglers, illicit distillers and the like."\* There is no doubt that this point has been reached in the Punjab, and the authorities are attempting to remedy the evil by a reduction of the price of liquor, apparently in the belief that the means of prevention at their disposal are insufficient to counteract the motives for evasion which the present rate of taxation furnishes. The Committee must question the wisdom of this course and they are disposed to agree with a former Excise Commissioner who writes: "My opinion as Excise Commissioner was and still is that we must maintain our high rate of duty and deal with the question of illicit distillation by preventive measures. I do not think there has so far been any real effort in that direction. The preventive establishment is ridiculously inadequate and the matter has never received more than intermittent attention." In submitting his present proposals the Excise Commissioner says; "It is officers rather than rank and file that are needed; men of decent position who will get about the country on horseback, serve as a standing reminder that information is wanted and that the risk of discovery cannot with impunity be ignored, and set the police in motion when there are good reasons for doing so;" but the staff actually suggested consists of 47 officers on a pay of Rs. 30 rising to Rs. 100, to be recruited among others from field *kanungoes* and *patwaris*. The Excise Commissioner adds elsewhere that if he had more money to spend he would employ more head constables and *girdawars* on preventive duty. The Committee agree with him in his statement of principle, but they are obliged to characterize as unsatisfactory his proposals for carrying the principle into effect. The widespread prevalence of illicit distillation in the Province is a very grave evil from the point of view of morality as much as from that of the revenue, and the Committee cannot regard as at all suitable proposals to cope with it by the employment in the worst districts of one officer on Rs. 80 with one or two assistants on Rs. 30 or 40 and an even smaller establishment in others. They think that, as the Excise Commissioner himself says, it is essential to have the officer in charge of preventive operations in a position that commands respect, and for superior control they would have men of a much higher class than those proposed by him, the latter being appointed as their subordinates. They are aware that such an arrangement would be expensive and might involve a percentage of charges to revenue exceeding that of any other Province, but they think that this expenditure should be accepted until the present abnormal state of affairs is brought to some satisfactory settlement.

In the North-West Frontier Province the establishment is required more for control of shops than for any other purpose. The Revenue Commissioner thinks that the personnel might be improved. The cantonment establishments might also be amalgamated with the rest as has been done in the proposals for the Punjab. The Committee have no further suggestions to offer.

The Madras establishment is large in comparison with others. The 630 sub-inspectors are employed chiefly in connection with tree-tax, and a great part of the work of the 87 Inspectors and Assistant Inspectors has to do with the issue of licenses for tree-marking and the like and with the preliminary inquiries into cases reported by sub-inspectors which are features peculiar to this Province. As remarked in dealing with peons and petty officers the Committee think that there may be room for reduction in this staff as the people's respect for the law increases and prosecutions diminish. Some reductions of the kind have already been made. The Committee would recommend that future revisions of the establishment should take the direction of augmenting the number of officers in the higher and reducing that of those in the lower grades. An increase in the number of officers empowered to make inquiry into cases under section 40 of the Madras Abkari Act is desirable in order to reduce the delays in placing accused persons before Magistrates and the difficulties undergone by persons subjected to departmental enquiries.

\* Mill's Principles of Political Economy, Book V, Chapter VI.

The staff proposed for Bombay differs from that employed in Madras in that the number of officers on a pay of Rs. 100 and over exceeds that of officers on less than Rs. 100 a month. This difference is partly explained by the fact that the cost of living in Bombay is very much higher, so much so that some officers who were examined recommended that no sub-inspector should be paid less than Rs. 75 a month. The Commissioner of Abkari is of opinion that those of the class at present employed are the most worthless people in Government service and he proposes to employ them only on work that is capable of check, thus remedying a defect in the present arrangements under which a sub-inspector on Rs. 25 may be in sole charge of one or more talukas. The Committee have no suggestion to make on these proposals except to recommend that the control of tree-marking should be undertaken by the special staff. It is not clear on the papers that this is intended, and if it is not possible for it to be arranged for with the staff suggested, they think that a suitable increase should be made.

The principles on which the scheme for the amalgamated Salt, Excise and Opium staff for Sind has been drawn up are; (a) to have a comparatively small establishment of well-paid men of fair education and intelligence with a tolerably high standard of probity instead of a large body of ill-paid men who cannot be trusted to do their work properly, and (b) to provide ample and responsible supervision over the establishment. Though the officers are divided in the table into two classes, they are really all grades of a single class. The establishment appears to the Committee to be suitable to the circumstances.

In the Central Provinces sub-inspectors at the rate of two to a tahsil working directly under the Excise Officer of the district are on trial. So far as their work can be judged at present, the local officers consider that they have effected an improvement in the administration. The Committee suggest no change pending further experience, except that steps should be taken to distribute the staff more exactly with reference to the work to be performed than has hitherto been done.

The Chief Commissioner is of opinion that the Coorg staff needs improvement. Three of the officers, though classed as testers, have preventive duties to do. It is for the local authorities to consider the best means of providing suitable arrangements for this small Province.

The staff in Ajmer-Merwara is reported inadequate to prevent offences and may be suitably increased, especially if the Contract Supply system is introduced and the district monopolist's private establishment disbanded.

Baluchistan has no staff. The Committee fully agree with the local authorities as to the inadvisability of employing an establishment of any magnitude; but if a distillery system be introduced along the railway line they think it advisable to have two or three Inspectors for control of shops.

The Bangalore staff consists of a Superintendent and an Assistant Superintendent for the cantonment, and is adequate. The Committee would recommend that the employment of a similar staff be considered by the authorities responsible for the control of other cantonments in Native States.

In concluding their suggestions with regard to the officers to be employed on preventive and detective duties the Committee desire to make a strong recommendation that officers of the class of sub-inspector should never be employed except under adequate control, and while they recognize the impossibility of fixing a scale of pay suitable to all Provinces, they think it would be well if Rs. 50, the lowest rate of pay proposed by the Police Commission for sub-inspectors of police, were laid down as the minimum for officers of corresponding rank in the Excise Department. They would add a caution as to recruitment generally. It appears that in some Provinces no rules at present exist prescribing educational or other qualifications for officers entering this department and the evidence shows that many undesirable persons have been entertained. The Committee would strongly urge the application of rules such as are generally in use in the Land Revenue, Police and other departments requiring physical and educational qualifications from all candidates.

280. The Committee have already recommended that where an adequate special staff is employed the prosecution of offences should be entrusted to it and not to the police. The wisdom of this course is proved by the experience of Bengal and Madras and (in respect of salt cases) of Bombay. Elsewhere there is evidence to show that when prosecutions are conducted by the police many cases fail or are thrown out through departmental jealousy or lack of interest. In making this recommendation for the adoption of direct prosecution the Committee do not propose that provisions on the Madras model should be repeated in other Provinces. While they ensure a very high percentage of convictions in cases brought to trial and the release of many persons who might otherwise be placed before the magistracy, they involve much trouble and delay and would be out of the question in Provinces where a smaller departmental establishment is employed. The Committee have therefore thought it better to provide in the draft Bill that the Local Government may give excise officers of any grade that it may think suitable the powers in respect of enquiry into and prosecution of offences arising within their limits which are enjoyed under the Code of Criminal Procedure by the officer in charge of a police station. In many Provinces the practice for some time to come will be for both police and excise officers to undertake the prosecution of excise offences.

281. The cases prosecuted under the Excise and Opium Acts in each Province in 1904-05 are roughly classified in the marginal table. The Committee have in this chapter indicated how in the case of the most important offence against the Excise laws the small number of prosecutions is not due to any lack of offenders throughout the

Province.	Illicit manufacture or import.	Illicit transport, possession or sale.	Breaches of license conditions.
Bengal .. ..	1,088	2,096	165
Assam .. ..	136	148	..
United Provinces ..	694	489	382
Punjab .. ..	588	336	152
North-West Frontier Province.	32	4	7
Madras .. ..	9,952	5,604	1,248
Bombay .. ..	1,464	724	317
Sind .. ..	22	47	16
Central Provinces ..	439	634	130
Coorg .. ..	53	17	5

country, and have shown in a previous chapter that in most Provinces the control of shops is insufficient or altogether absent. If illicit practices are to be put down and shops properly controlled a large number of prosecutions for a time at any rate is unavoidable and bound to accompany the first introduction of an advanced system of excise. If the law is vigorously enforced prosecutions will decline as soon as the people learn to respect it. This has been illustrated in the case of Madras in dealing with prosecutions arising in connection with the tree-tax system. It remains to answer the question whether so large a number of prosecutions as have taken place in that Presidency is an inevitable feature of the local system of administration. In the Committee's opinion it is not. A considerable number is inevitable, but if preventive officers will devote themselves more to crime really affecting the revenue and less to technical offences, and if Magistrates will inflict deterrent punishments when serious offences are proved, the number of prosecutions will be largely reduced. In any case it is not to be expected that any other Province will show a number of prosecutions approaching the Madras figure, if only for the reason that 47 per cent. of those arising in that Presidency are connected with toddy, of which Madras consumes more than all the other Provinces of India together. The best means of further reducing prosecutions in Madras is to improve the personnel of the sub-inspectors and to bring this branch of the excise administration more under the direct cognizance of the Collectors than it is at present.

282. The classes of officers now employed for control of distilleries and warehouses have been mentioned in a previous chapter (paragraphs 52 and 53). The necessity for a thorough reform in most Provinces is fully accepted; and the subjoined table exhibits the classes proposed to be employed—

Distillery and warehouse staff.

Province.	Number of distilleries.	Number of warehouses.	Distillery and warehouse officers proposed to be employed			
			On a pay of Rs. 100 and less.	No.	On a pay of Rs. 100 and over.	No.
Bengal ..	27	21	Sub-Inspectors (30, 40, 50, 60, 70, 80).	14	Inspectors (100, 125, 150, 175, 200).	14
Eastern Bengal.	3	11	Sub-Inspectors (30, 40, 50, 60, 70, 80).	4	Inspector (150)	1
Assam ..	1	..	Clerks (25, 40)	2	..	..
United Provinces.	20	16	Muharrirs (18, 20, 25, 30)	26	Inspectors (100, 125, 150, 175, 200, 225, 250).	20
Punjab ..	5	..	Naib Tahsildars (40, 60, 80)	3	Head Inspector (300)	1
North-West Frontier Provinces.	2	..	Muharrirs (20, 25)	2	Tahsildars (150)	2
Madras ..	11	17	Sub-Inspectors (30, 40, 50, 60, 70).	28	Assistant Inspectors (125, 150, 175).	16
Bombay ..	26	4	Sub-Inspectors (14) (30, 35, 40, 50, 60, 75). Gaugers (3) (30-40, 50-65, and 75-100).	17	Inspectors (31) (100, 125, 150, 175, 200, 225, 250, 300). Supervisors (2) (150-275, 300-450).	33
Sind ..	1	..	..	..	Assistant Inspectors (100, 150).	2
Central Provinces	5	63	Sub-Inspectors (30, 40, 50, 60, 70).	63	Inspector (250-300-350) Inspectors (100, 125, 150)	1 5
Coorg ..	..	1	Tester .. 25 Darogha .. 50-5-75	2	..	..
Ajmer-Merwara.	1	..	Darogha .. 60	1	..	..
Baluchistan ..	..	..	..	..	..	..
Bangalore ..	..	1	Sub-Inspector .. 30	1	..	..

The Committee's recommendations are that the officers for this service should belong to the ordinary excise establishment and should be posted to special duty after a suitable training; that usually the small warehouses (where blending would not be allowed) should be controlled by periodical visits of the nearest officer of the preventive staff, and the larger ones managed by an officer of the lowest class of preventive officers, that is generally speaking a sub-inspector, while officers of the higher classes should be posted to distilleries with due reference to their importance and the character of their management.

283. It may be useful to add a recommendation here that all the Government staff should be paid directly by the State. It is a practice in many Provinces to make distillers pay either the whole or part of the salaries of the men posted to their distilleries or a fee based on the gallonage. It does not appear to the Committee that these charges bring any real profit to Government. The small amounts that are realised are undoubtedly more than recouped by the distillers by an addition to the price of the spirit, which ultimately reacts on the revenue, and the system is liable to have undesirable results in other ways. The Excise Commissioner, Punjab, reports that the muharrirs employed in distilleries in that Province are ordinarily treated as servants by the distillers whom they are appointed to supervise, a position which is partly attributable to the fact that their pay though disbursed by Government is actually contributed by the firms concerned, and in recommending that the system should be abolished he observes that it places the supervisor in a false relation towards the distilling firm and hampers the introduction of improvements by complicating the interests of the administration with the claims and protests of the trade.

284. For special reasons however some charges on distillers are desirable, e.g. to prevent petty manufacturers working in private buildings from involving Government in unnecessary expense. To avoid this the Committee would suggest that a distiller should be made liable for establishment charges whenever these amount to more than 10 per cent. of the duty on issues from his distillery. In several Provinces quarters for distillery officers are required to be provided. While not regarding this as necessary in every case, the Committee would recommend the general adoption of the English rule which requires distillers to provide quarters when none are available at a reasonable rent in the neighbourhood. Another rule in force in

Madras and the Central Provinces also borrowed from the English system requires the payment of overtime fees when attendance is required for longer than the prescribed daily period.

285. In dealing with the question of control it will be useful first to attempt to define the position of the Land Revenue authorities. The Committee are fully agreed with the Local Governments that it is above all things necessary to maintain the authority and secure the coöperation of the Collector. To quote the Excise Commissioner of the Punjab, "the difference between a *darogha* wandering in forlorn obscurity from shop to shop with his little retinue of peons and a *darogha* in touch with Tahsildars, Deputy Inspectors of Police, Revenue *girdawars* and *patwaris* and accompanied or met by *saidars* and local notables is the difference between weakness and strength, and it is the word of the 'district authorities' which makes that difference." But opinion is equally unanimous that under present conditions Collectors have not the time for the detailed control which an organized system requires, and in the words of the Government of India "the formation of a large preventive staff unless adequately supervised and very strictly controlled would constitute a grave administrative evil." The question therefore arises how such detailed control is to be obtained while maintaining the authority and securing the coöperation of the Collectors. The first step in this direction has almost invariably been the devolution of the control of excise to a particular officer of the district staff. The highly organized combined establishment in Madras was developed in the first instance out of Salt Deputy Collectors. In Bombay a system of control through the ordinary Assistant or Deputy Collectors is now giving way to one of control by special Assistants. In Bengal full-time Deputy Collectors of the Land Revenue staff have long been employed in districts in which excise is important, but have shown a tendency to become specialised and to perform functions which the Collectors ought properly to exercise. The Bengal system is now on trial in the Central Provinces. In the United Provinces an Assistant of the district staff, commonly a Covenanted Civilian, is placed in charge of excise work. In the Punjab a single officer is deputed to control excise work and try excise cases, but in spite of instructions to the contrary in the Excise Pamphlet, he is too frequently the Treasury Officer who is burdened with routine work and unable to move from headquarters.

As excise work becomes specialised, and this must be the case if systems are to be improved, this combination of functions becomes impossible. In Madras it has long since ceased. In Bombay it is in process of replacement. The necessity for carrying the specialisation of the lower grades of the department through to the higher has been repeatedly urged in Bengal and forms part of the present proposals. In the Central Provinces the Bengal system affords a useful intermediate stage, but the Chief Commissioner is convinced that complete specialisation will ultimately be necessary. The proposals for the United Provinces and the Punjab do not discuss the question because they provide for only a very partial relief of the police in the matter of prevention and detection of offences. When those duties are taken over by the department it seems to the Committee that the appointment of special officers for the control of the preventive staff will certainly be necessary, and if the active measures for the repression of illicit distillation which they regard as the first essential of excise reform in the latter Province are adopted, they would recommend the immediate appointment of one or two Extra Assistant Commissioners to control them.

286. The extent of the connection of the controlling officer with the district authorities falls next for consideration. The Punjab and Madras Provinces represent the opposite extremes of policy. In the Punjab the controlling officer is occupied with other duties, is frequently unable to travel and therefore to exercise any proper control, and is the trying Magistrate for cases reported by the *daroghas* whom he supervises. In Madras the jurisdictions of the Assistant Commissioners are not coterminous with the Collectorates, and while the Assistant Commissioner sees and confers with the Collector the two officers have in actual work less connection with one another than is desirable. The results show themselves on the

The controlling staff—  
general.

Controlling officer's relation to the district authorities.

one hand in excess of departmentalism and a tendency among the subordinates to regard statistics of cases and revenue as all-important and on the other in diminished sympathy and coöperation of the general revenue staff with the excise establishment. The proper position of the controlling officer appears to the Committee to be one analogous to that of the Superintendent of Police. He should be subordinate to the Collector in all matters of general policy and in constant touch with him, but he should relieve him of all matters of detail and should report to his departmental head on matters of discipline and internal organization. This is approximately the relation aimed at in the proposals put forward for Bengal and Bombay. It should be clearly defined by rule. Such definition is the more necessary when, as under the Bombay proposals, a single excise officer will have to deal with the Collectors of two or more districts. The Committee would add in conclusion that it is their experience that the appointment of an officer in this position does not, as is sometimes feared, tend to relieve the Collector of his interest and responsibility in excise matters, but rather enables him to put them to much better use than before by supplementing his general knowledge of the needs of his district by an expert and special knowledge of excise conditions.

The position of other revenue and magisterial authorities may be briefly disposed of. Commissioners of division in the Committee's opinion should have no direct concern with excise, but should as in Bengal and in the United Provinces be consulted on questions of policy both by Collectors and by superior authority. The coöperation of Sub-divisional Officers is no less necessary than that of Collectors, more particularly in connection with licensing questions; their dissociation from excise functions is to be deprecated. It will be useful if arrangements are made as in the United Provinces for the training of junior Covenanted officers in excise matters by their occasional appointment to the control of the district excise. The assistance of Cantonment Magistrates may be very valuable. On this point reference may be made to the rule in force in the United Provinces under which a Cantonment Magistrate may with the permission of the Commanding Officer be placed in charge of the excise revenue under the Collector's superintendence, thus occupying the same position in the cantonment as the officer in charge of excise does in the rest of the district.

287. The following table shows the number of controlling officers of the standing of Assistant Collector, Assistant Commissioner, or Superintendent employed or proposed to be employed in the several Provinces as part of the separate excise staff:—

Province.	Assistant Collectors.	Assistant Commissioners.	Superintendent.
Bengal .. .. .	..	3 { 600 700 800	..
Eastern Bengal .. .. .	..	2 do.	..
United Provinces .. .. .	..	..	..
Punjab .. .. .	..	..	..
Madras .. .. .	..	12 { 500-800 900 1,000	..
Bombay .. .. .	7 { 400 600 800	..	..
Sind .. .. .	..	1 (800)	..
Central Provinces .. .. .	..	..	..
Bangalore .. .. .	..	..	1 (500-800)

In addition to the Assistant Commissioners the Madras Salt, Abkari and Customs Department has three Deputy Commissioners for general control and for making the many personal inspections that are necessary for proper administration.

288. It will be appropriate to consider here how far the amalgamation of the present excise staff with other establishments is convenient or desirable. It is hardly necessary to insist that all the staffs employed on the excise of liquor, opium or drugs, or the prevention of offences against the excise laws, should be graded together and put under the same control. In respect of the special opium staff this reform has recently been effected in the Central Provinces, and amalgamation is proposed in Bombay and Sind where the staffs are already under the same control. There are some small special opium and *charas* establishments in the Punjab which still remain to be absorbed. On the subject of amalgamation with departments not directly concerned with excise the general opinion would appear to be that it is desirable where they are cognate, since a larger cadre facilitates recruiting and ensures a fair flow of promotion, while a periodical change of occupation for excise officers is very desirable and an occasional transfer to sedentary work gives a much-needed rest to preventive officers whose ordinary duties keep them constantly on tour. Such an amalgamation has been carried into effect as between Salt, Abkari and Customs in Madras, and is proposed in the case of Salt, Excise and Opium in Sind and Salt and Excise in Bengal. An absorption of the Salt staff at Chittagong into an amalgamated Excise establishment for Eastern Bengal and Assam is spoken of as possible. In Bombay the Salt and Excise Departments render mutual assistance and under the new scheme some officers will have duties under both. An ultimate amalgamation is anticipated and the Committee think that its evolution might be accelerated. The combination of the Opium and Excise Departments in the United Provinces was recently proposed. On excise grounds the rejection of the proposal is to be regretted. Whether the revised Excise establishments contemplated in Northern India could not with advantage undertake the duties of patrol performed by similar officers under the Northern India Salt Department is a question on which the Committee are not in a position to express an opinion, but they received evidence incidentally that the wandering subordinates of the Imperial Department would be better able to do their work if they were backed by the authority of the local officer.

289. Other considerations affect the question of amalgamating the Excise Department with one which is not cognate, as for example the Land Revenue Department. In such a combination the advantages above enumerated give place to disadvantages. Service in the Excise Department, if properly performed, is harder, more continuous, more tedious and less interesting than in almost any other branch of the public service. It does not offer the same scope for administrative ability or such prospects of advancement as service in the Land Revenue Department, and when an officer is liable to serve in either branch a deputation to Excise tends to make him lose that general knowledge and training which lead to more profitable and honourable office. Accordingly the attempt to combine the departments which has been made in all the older Provinces has been or is being given up. It will be sufficient to quote the experience of Bengal and the United Provinces. Referring in his Administration Report for 1892-93 to the Special Excise Deputy Collectors the Bengal Commissioner says: "It is hardly to be expected that a special department like excise can be administered with success without an intimate knowledge of a vast amount of details connected with the manufacture of, and trade in, the various articles of excise. To acquire this knowledge is a work of time while it is of little or no use to the officer after he ceases to belong to the department. The duties, on the other hand, are irksome, and involve a considerable amount of outdoor work. Service in the department is therefore by no means popular, and instances are but too frequent of officers leaving no stone unturned to get back to the general line. In the ordinary course they are permitted to revert after a few years of excise work with the result that all this special knowledge goes for nothing, while the new men who take their places have to go over the same process of training, and in the meanwhile the work suffers." In the United Provinces it is recorded in connection with the recent reorganisation proposals that fifteen Inspectors have been removed on promotion temporarily or otherwise

The question of amalgamation of excise with cognate departments.

And of deputation of Land Revenue officers to excise work.



in two years, each transfer causing a dislocation of the arrangements in several districts. In any arrangement under which one department depends for recruitment upon another the less popular is liable either to become a dumping ground for incompetents or to be officered by a succession of capable but inexperienced men who leave just as they have learnt their work and become useful. An objection raised to the Punjab proposals is that the expansion contemplated by them of the lower appointments on the Land Revenue list will increase a congestion which is already a serious matter of itself.

The Committee lay some stress on the facts and arguments above summarized because they have a direct bearing on the scheme which is shortly to be placed before the Punjab Government. That scheme embodies exactly those principles which the older Provinces have rejected. It is true that it is proposed in drafting Tahsildars and Naib Tahsildars to the excise branch to compensate them by an appropriate pecuniary allowance for the sacrifice which they make and for the risk which they run by diversion to a less promising line of service, and to give them small revenue and magisterial powers in order to enhance their prestige with the people and their own self-respect. Similar allowances have been tried and have failed in Bengal. In any case it seems to the Committee that the fact that the scheme needs bolstering up by special arrangements of this sort is a strong argument against it. In their opinion the proper course to pursue is not to bribe Land Revenue officers to undertake unpopular work which they will despise, but to recognise that the work is unpopular and pay for it accordingly and thus establish a close service which will develop an *esprit de corps* of its own.

290. Another feature of the Punjab scheme which it is necessary to notice briefly is the reliance placed on local notables for assistance in the prevention and detection of illicit distillation. While fully concurring in the policy of ensuring the coöperation of the respectable portion of the public, the Committee cannot consider it desirable either to make the local notables the main agents in the prevention or detection of offences or to enforce with too much severity their responsibility in case of failure to bring offences to notice. That they are not a wholly reliable agency is clear from the Excise Commissioner's statement that "the native servants of Government and local notables share in the popular feeling of sympathy" with the illicit distiller "and often help to dispose of the liquor." It is also the case that the strict enforcement of this responsibility in the case of actions of which they are presumed to be cognizant or which they are powerless to prevent must ultimately tend to alienate the sympathies of the best elements of the population. It seems to the Committee that it is essential to employ in the first place a sufficient preventive force under efficient control, that the coöperation of the local notables should be regarded as only subsidiary assistance and that punishment of these persons for failure to prevent offences should be resorted to only when it can be shown that they were aware of their commission. Provision to the latter effect has been embodied in the Committee's draft Bill.

291. The next division of the establishment which has to be considered is that required for technical control. No such establishment is provided at present except in Madras where an expert officer obtained from the Inland Revenue Department in England undertakes with the assistance of three Distillery Inspectors the control of all technical operations at distilleries, warehouses and breweries in the Presidency in addition to laboratory work at headquarters and the training of distillery officers. The Local Governments are unanimous in recommending the appointment of similar officers. A proposal to this effect was submitted from Bengal, but was not sanctioned by the Government of India on the ground that the appointment of an expert would not become necessary until large and well equipped distilleries had been developed. The Committee would respectfully submit that it is in the course of this development that the services of such an officer are most valuable. Many of the distillers in the country are as wanting in technical knowledge as the controlling officers, and neither have a proper understanding of the best means of adapting a new building to the requirements of up-to-date control. It seems therefore, to the

Committee that where large distilleries are being built, as in Bengal and the Central Provinces, it is of the utmost importance to have the building adequately supervised from the first so as to avoid the necessity for subsequent alteration possibly at large expense. The thorough overhauling of existing large distilleries such as are found in Bombay is no less urgently needed; the breweries outside Madras and Bangalore are practically free of control; and there are many other directions in which the services of such officers are required. At the same time it does not appear that there is any necessity for so many as one expert to each Province. The Madras officer attends to Bangalore as well as Madras. A second for Bengal and Eastern Bengal and Assam, a third for the United Provinces, the Punjab and the North-West Frontier Province and a fourth for Bombay, Sind and the Central Provinces would probably be sufficient for present requirements. The Committee would suggest that three duly qualified officers should be procured from England, in the first instance on a three years' agreement.

292. The position of the head of the department has reference naturally to the importance of the Province or Administration. In the North-West Frontier Province and Baluchistan the Revenue Commissioner undertakes control of excise in addition to other branches of the revenue. The Commissioner in Coorg takes direct charge and the Chief Commissioner is both Chief Revenue Authority and Local Government. In the case of Ajmer-Merwara the Collector of one of the districts controls the excise of both under the Agent to the Governor-General in Rajputana. The Excise Commissioner for the Central Provinces is a Deputy Commissioner with a local allowance acting directly under the orders of the Chief Commissioner and exercises an authority somewhat similar to though not so extended as that of the Inspector-General of Police. The functions of the Excise Commissioner and the Chief Revenue Authority for Madras and for Bombay are merged in one office and are performed by a Member of the Board of Revenue in Madras and by an officer of corresponding standing in Bombay. In Bengal, Eastern Bengal and Assam, the United Provinces and the Punjab the functions are separated and the Excise Commissioner works under the Board of Revenue or the Financial Commissioner as Chief Revenue Authority. With regard to this arrangement it is of interest to recall some remarks made by Mr. Buckland on the subject in his report on the Madras and Bombay systems in 1888. He said: "It is of the greatest importance again to diminish the number of links in an administrative chain. This is not a special feature of abkári matters, but it is common to all administrative departments. In Madras and Bombay there is no abkári authority except the Commissioner between the Collectors on the one hand and the Government on the other. It is worthy of remark that, in constituting the Abkári Commissionership in Madras, it was originally contemplated by Government to place the appointment under the Board of Revenue, but it was finally decided that the Commissioner of Abkári should be a Member of the Board. Under the original plan the Commissioner's proposals and schemes would all have had to be submitted to two sets of authorities—the Board and Government. It is easy to see that they would have had much difficulty in passing such an ordeal: delays would have resulted; the mutilation of schemes would have discouraged the Commissioner; he would have had no real power or authority; his relations with the Collectors would soon have become embarrassing. The position of the Abkári Commissioner as finally settled in Madras, and as assigned in Bombay in 1878, is the best calculated to develop the usefulness of the appointment. It admits of liberty of action being granted to the Abkári Commissioner, with the necessary control of supreme authority; it is the position accorded to heads of other departments, such as Jails and Registration." The Committee have evidence that the difficulties which Mr. Buckland anticipated with an Excise Commissioner and a superior authority under Government have in fact arisen. Delays have resulted; Excise Commissioners have been much discouraged by the mutilation of their schemes; some have complained that they had no real power or authority, and instances of friction with Collectors have not been wanting. These difficulties have not been sufficient to prevent considerable advances in the administration, but they seem to

the Committee to be such as should be removed when opportunity offers. The alternatives appear to be to invest the Chief Revenue Authority with the responsible control of the department allowing him the assistance of one or two superior inspecting officers, or to put an end to the direct connection between the present Chief Revenue Authorities and the department, giving the head of it a position corresponding to that of the Inspector-General of Police and complete control subject to the Local Government. In Bengal and Eastern Bengal and Assam the former alternative has been suggested as possible now that the work devolving on the Members of the Board of Revenue has been decreased. The cost might be less than that of the present proposals for Bengal if the duties assigned to the Assistant Commissioners of Excise were also performed by the inspecting agency above suggested. In the United Provinces the Member of the Board of Revenue in charge of Excise himself recognises the difficulties of the present position, which he describes by saying that there are now five wheels to the coach, and proposes the adoption of the second alternative. The same solution would very possibly be suitable to the Punjab. It should be added that there is in Bombay under present arrangements too much centralisation of work in the hands of the Commissioner, which is liable to create difficulties to a new incumbent. The amalgamation of the Salt and Excise Departments which is expected to be evolved in course of time will help to remedy this by supplying a deputy in the person of the Collector of Salt Revenue.

It is hardly necessary to add that the head of the department should in all cases be a comparatively senior officer and that changes should be avoided so far as possible. A convenient means of ensuring this is to provide that no new permanent incumbent shall take over charge of the department except on the understanding that he is to take no leave except sick leave for a term of two years.

293. The following table summarises the figures in the previous paragraphs and shows roughly the number of men proposed to be employed in each of the large Provinces on menial, executive, technical and supervising duties respectively, and the approximate percentage borne to the excise revenue by the cost of each establishment as shown in the returns or proposals of the Province concerned :-

Province.	Number of men proposed to be employed.				Percentage of cost of proposed staff to excise revenue of 1904-05.
	Menial.	Executive.	Technical.	Supervising.	
Bengal .. .. .	1,386	250	28	2	4.1
Eastern Bengal .. .. .	225	80	5	2	3.6
United Provinces .. .. .	96	45	21	..	1.6
Punjab .. .. .	104	47	5	..	2.9
Madras .. .. .	5,306	717	43	19	5.7
Bombay .. .. .	1,441	248	45	7	5.8
Sind .. .. .	168	22	3	1	2.3
Central Provinces .. .. .	409	176	68	..	4.0

294. It may be useful to add a brief statement of the Committee's general conclusions. The essence of good excise administration is a well-paid and properly recruited preventive staff, incessant inspection both by it and by active controlling officers, the maintenance of the Collector's authority assisted by the special department, and an adequate provision for technical work and for training of technical officers. The combination of all branches of the Excise Department is strongly recommended and amalgamation with cognate departments is desirable, but the deputation to excise work of officers from departments which possess superior attractions is to be deprecated. The head of the department should be an officer of standing who should have the power of issuing orders both to the Collectors and to the special staff, and reasonable continuity in the office should be secured. If there is a Chief Revenue Authority intermediate between the head of the department and Government the interference of that authority should be confined to important matters of policy. The Commissioner should have superior subordinates of a standing to carry on settled policy who would afford a recruiting ground for future heads of the department. It is

desirable at any rate in the larger Provinces for officers of the department to wear uniform so as to enable them to exercise without hindrance the duties conferred on them by the law and to check attempts at personation. The fitting expenditure on establishments depends on many considerations, but *prima facie* 5 per cent. of the revenue is a justifiable charge, and more may be desirable.

295. The Committee have recommended the appointment of technical officers for control of distilleries. They now make some further proposals in the same connection. Classes for the training of distillery officers are held in Madras, and in Bombay a laboratory training is given. Elsewhere the officers are self-taught or not taught at all and it is difficult to estimate the results of the ignorance that prevails. The want of knowledge among distillers is illustrated by the fact that Major Bedford found the processes of no less than 38 distilleries radically defective in so simple a matter as the proper dilution of the wash, though in 1884 Dr. Warden had pointed out the proper proportions. If the quality of spirit is to be improved and a considerable loss of revenue that occurs at present is to be checked, it is essential that distillery officers should have a chemical and technical training in their work sufficient to enable them both to control and to instruct. The Local Governments are unanimous in recommending this. The Committee think it would not be out of place if a portion of the course were open to such distillers as desired to take advantage of it.

296. Another urgent necessity of the administration is an excise laboratory both for periodical tests and for experimental work. The Committee believe that such laboratories are found in all European countries. The need for one must be felt in any department dealing with manufactures in which chemical processes are involved. The only one at present in India is that in Madras which has fully justified its existence, but there is much ground which it has not attempted to cover. The work which the Committee anticipate would be undertaken by such a laboratory as is recommended by them would include the investigation of distilling materials in use in India, the fixing of standards of outturn, enquiry into native ferments, the determination of the best conditions for working the various materials and yeasts, the adaptation to Indian conditions of processes worked out in temperate climates, the ascertainment of the best means of dealing with the technical difficulties which stand in the way of the production of spirit from *mahua* by modern processes, the scrutiny of proposals regarding plant proposed to be set up in new distilleries, the testing of samples of washes that give unsatisfactory or variable outturn and of samples of liquor produced at distilleries and purchased at shops, the determination of obscuration caused by acids, the preparation of tables of wastages in blending and otherwise and the investigation of chemical 'dyes' as an aid to the detection of illicit liquor. Among cognate industries which might be assisted with advice are those concerned with the production of turpentine, acetone and lemon-grass oil. It is in the Committee's knowledge that in one instance the latter manufacture has had to be given up because of deaths caused by the fumes in the absence of a proper still. In connection with foreign liquor there will be, if the Committee's recommendations are accepted, a variety of samples of liquor to be analysed for purity, samples of flavouring and colouring matters to be investigated and various materials used in the manufacture of beer to be examined. The tests for obscuration used in Customs ports have also been found recently to need thorough revision. Science applied to the toddy trade will, it is hoped, result in the evolving of a test for the detection of lime which will be an efficient check on the admixture of sweet and fermented toddy. The process of manufacture of *pachwai* needs thorough overhauling; great advantage has resulted in Japan from such an enquiry. There is similar scope for the application of science to dealings in opium and *ganja*.

Another most useful purpose which an excise laboratory could serve, if a small store and workshop were added to it, is in respect of the purchase, issue and standardization of hydrometers and the provision of some other articles commonly used in distilleries. A store and workshop of this kind which is attached to the laboratory at Madras

The necessity for technical training.

The necessity for an excise laboratory.

And a store and workshop for excise apparatus.

has been found of great service. In the matter of nycrometers the Committee found that there was great waste of money in some Provinces; several in use were set to fixed temperatures, and expensive brass hydrometers which are quite unsuited to acid Indian spirits were employed and issued even to subordinate officers. Major Bedford found 40 per cent. of those he observed in his tour incorrect, some by as much as nine degrees. The use of such instruments is liable to result in a very considerable loss of revenue. The Committee would recommend that the stamp of instrument best suited for use by each class of officer should be ascertained and a sufficient supply for all Provinces procured from England and issued after correction at a central laboratory. Arrangements might then be made for periodical return to store and restandardization. The other articles that might be dealt with at a similar store are saccharometers, thermometers, bung-rods, excise safes, cocks, and measures. One great obstacle in the way of revising distillery arrangements is the difficulty of procuring articles of this nature in India.

In deciding where the technical school and laboratory should be established it has to be remembered that Madras is already provided for and that there is a laboratory now working at Kasauli. The facts above set forth and others appearing from Major Bedford's reports indicate that the latter institution should be maintained for some time to come. The school, the Committee are disposed to think, would be best held at one of the larger distilleries in the plains, and the Local Governments would probably prefer that the instructors, one of whom should be a technical officer and the other a chemist from the laboratory, should attend and deal with a class in each Province in turn. Until technical officers are appointed it will perhaps be necessary to hold these schools in the neighbourhood of Kasauli and to require all the instruction to be done by the laboratory staff. The Committee's recommendation is that the Kasauli laboratory should be maintained for another three years at least in order to deal with the matters above alluded to and that the question of its further maintenance should then be considered, possibly in connection with that of the establishment of a general laboratory for commercial investigations.

297. The Committee are instructed to report whether there is sufficient coöperation and coördination between Provinces in excise matters. At present there is not; indeed the tendency has been to treat each Province as a watertight compartment. Supply of country spirit by one Province to another was till recent years unknown. The distribution of Rosa rum caused much correspondence and difficulty. Foreign liquors made in the country still lack the privilege of free transit and in some cases are not allowed import at all. Even protective belts of outstills by one Province against another with an outstill system are sometimes employed. Where negotiations with Native States have been conducted, it is not unusual to find that each Province has treated for itself and that the arrangements along the border of a State vary with the jurisdictions which it touches. Coöperation in respect of travelling smugglers is conspicuously wanting, and there are no arrangements for passing on information regarding them such as are employed by the police in the case of important criminals. In respect of coördination it would be easy to cite numerous instances in which Provinces have laboriously experimented with systems which have been tried and rejected by their neighbours, only to discard them in their turn.

There are three remedies possible for this state of affairs, the first for Provinces to depute their own officers to study the arrangements of others, the second for the provincial Excise Commissioners to meet in periodical conference, the third for an officer with a general knowledge of systems to be made available by the Government of India for investigation, consultation and advice. All three methods have their advantages. The first has been largely made use of by the deputation of officers from other Provinces to study *ganja* arrangements in Bengal and distillery methods in Madras, and at the Committee's instance two Excise Commissioners have been sent on deputation for the latter purpose in the last three months. But the advantages of such deputations tend to be confined to the officers deputed. Periodical consultations have undoubtedly had advantages in other departments

and would be similarly beneficial in the matter of excise. The appointment of an expert officer to explain systems under trial, to investigate difficulties on the spot and to bring the experience of one Province to the aid of another would greatly facilitate and expedite the widespread reorganization of excise arrangements which the acceptance of the Committee's proposals will involve, and would yield more valuable and permanent results than the other two expedients. Such an officer might also serve a very useful purpose in treating for all the Provinces concerned with Native States which touch a number of different jurisdictions. The Committee think that all three methods might be given a trial, premising in the case of the last that the functions of the officer employed should be purely advisory.

298. The Committee do not propose to discuss in any detail the question of smuggling from Native States. It is a difficulty which is felt in almost every Province and in their opinion might be greatly reduced if it were properly approached. The isolated references by individual Provinces in respect of particular shops or areas, not infrequently couched in somewhat technical language, have not carried conviction to native rulers who possibly did not understand them, and if they did did not recognise that they were put forward in pursuance of the Government of India's policy as a whole, but regarded them as aiming at securing revenue for the Government at the expense of the Native State. What appears to the Committee to be necessary in the first place is an explanation, personal if possible, of the Government's policy to the rulers and an invitation to coöperate. If they are willing to do so, as the Committee believe will frequently be found to be the case, they may be lent the assistance of qualified officers. If with such assistance they bring their systems into line with those of the adjacent Provinces, as some of the more advanced have already done, nothing further is required than to induce them to continue the progress as British administration improves. Should they be unwilling to do this they may fairly be asked to arrange the institution of a mutual shopless zone along their borders. For this purpose a local committee representing the Administrations concerned is desirable for the purpose of travelling along the border and determining the large villages or other places within the zone at which it is necessary to allow sale of intoxicants to continue. In special cases where small isolated areas of Native State territory lie in the midst of British districts it is impossible to arrange a zone of this kind and a more satisfactory means of settlement is the leasing of the excise management of the area in question by the Government within whose territory it lies. This is an arrangement that has been successfully carried out by the Bombay Government and has been imitated in the Central Provinces. In all such arrangements the Committee cannot too strongly recommend personal negotiation and a consideration of the interests of the State as a whole. In the case of the Bundelkhand border for instance they have urged the necessity of negotiation at the same time with all the States concerned, since the removal of shops from the border by one of them would expose it to smuggling from its neighbours if all did not take simultaneous action.

299. The Committee will conclude with a brief mention of some administrative arrangements in check of illicit practices. One which is in use in Madras is a prohibition of the manufacture of spirit from certain bases which are commonly used for illicit manufacture. Another device enforced in this Presidency known as the Sweet Toddy Rules has been noticed. The Mhowra Flowers Act is one which has been found necessary for local reasons in Bombay, but the Committee do not recommend its extension to any other area. The question of the limitation of strength and private possession of country spirit has been discussed in connection with the prevention of drunkenness. It has also an important bearing on the detection of crime since in order to imitate an exact strength an illicit distiller must be expert as well as possessed of instruments, while the limitation of possession without permit not unfrequently results in the detection of illicit liquor the possession of which under one of the Acts in force is not an offence in itself.

The colouring of liquor is another means of facilitating the detection of illicit practices. This is arranged sometimes by requiring outstill manufacturers to-

colour all that they make so as to ensure its detection if it is taken into a distillery area and at others by colouring distillery liquor so as to ensure detection of illicit liquor that is uncoloured. Similar arrangements are made where varying rates of duty are enforced to distinguish the liquor issued under different rates. The regulation regarding outstill liquor is useful though it is impossible to enforce it in all cases. In the case of colouring of distillery liquor most elaborate arrangements were made in Bengal for the use of a chemical 'dye' which would give a particular reaction. They proved a failure under circumstances which have been reported to the Government of India by Major Bedford. The Committee are disposed to doubt whether such elaborate arrangements were called for or will be necessary in any case until it is shown that the illicit distillers have reached the stage of imitating a fixed strength and the simple processes of colouring that are readily available. Such arrangements are successfully enforced in parts of Madras and Bombay.

The grant of rewards is an unpleasant necessity of the prevention of fiscal offences since no private person is likely to give information without such an incentive. Rewards given should be prompt and liberal, and the Committee think that they should be granted by the revenue authorities and not by magistrates and have accordingly omitted from their draft Bill the provisions regarding them which appear in some existing Acts. Formal rules should be drawn up regarding their grant which should include a limitation of the classes of officers to whom they should be awarded. One more arrangement hitherto not commonly adopted is the black-listing of villages in which excise offences are unusually rife. It has been found a useful measure to maintain a record of convictions in particular villages and to secure that those at which fiscal offences are very common are more frequently visited than the others or to post officers in the locality so long as necessity exists. Other aids to prevention will doubtless suggest themselves as the organization and work of the establishment proceeds.

## CHAPTER XIV.—LAW AND RULES.

300. The Committee are instructed to consider whether the various defects which have been brought to notice in the Northern India Excise Act (XII of 1896) make a complete repeal and re-enactment of that Act desirable; and if so, to indicate the main lines on which fresh legislation is required. They are also to report whether it would be preferable to have one new Act for the Provinces to which the existing Act extends, or whether Provinces with Legislative Councils might not preferably have local Acts of their own as is already the case in Madras, Bengal and Bombay. In either case they are requested to prepare a skeleton Bill which will serve as a model for the separate local Acts if these are found preferable, and to advise regarding the local modifications which would be necessary. The Central Provinces draft Bill is indicated as a useful basis on which to work.

In a subsequent reference they are desired to consider the control of the methylated spirit traffic by specific legislation in connection with the revision of Act XII of 1896.

301. In carrying out these instructions the Committee have made a minute study of Excise Acts at present in force in India of which, including some Native State enactments, ten have passed under their scrutiny. In the result it appears that, in respect of their material provisions, the Excise Acts in force in India can practically be reduced to two; namely,—

- (1) those which proceed on the model of Bengal Act XXI of 1856, including Bengal Act VII of 1878 with its subsequent modifications, Act XII of 1896, which is in force in the United Provinces, the Punjab, the Central Provinces, Burma, Coorg, and Ajmer-Merwara and has been extended to Baluchistan and Bangalore, The Mhow, Neemuch and Nowgong Excise Law of 1898, The Indore Residency Bazars Excise Law of 1904, and among Native State enactments, The Bhartpur Excise Law; and
- (2) those which are modelled on Bombay Act V of 1878, including Madras Act I of 1886, and The Excise Laws of Mysore and Kashmir

302. In examining the characteristics of these two groups of enactments the Committee propose to commence with the latter, for the reason that the former are all either under revision or in urgent need of it, while the latter in many respects provide the model on which the revision is proceeding. The principles on which the authors of this group of enactments proceeded are described in a note which was written at the time of the framing of Madras Act I of 1886. It was said of it that "the most striking feature is the permissive character of the enactment; the Act requires that manufacture, possession and sale shall be covered by license granted by due authority, but, speaking generally, it may be said that in other respects it merely indicates the broad lines on which the abkari administration is to be conducted, and the nature of the control which may be exercised, leaving points of detail to be determined by rules framed under the Act which have the force of law. This elasticity is of great value, as it enables the Government to deal with varying circumstances without necessitating frequent recourse to the legislature to amend the law, and leaves the Government free to make control more stringent or relax it by applying the provisions of the Act as may appear desirable with reference to the requirements of different localities, or the necessity for restricting the traffic in different descriptions of liquor." The Act accordingly embodied provisions in respect of country spirits giving power to the Local Government to license or establish distilleries or warehouses, to fix rates of duty on country spirits locally produced or imported, and to prohibit by notification transport from



one local area into another. Foreign liquors were defined so as to cover all which were made liable to the tariff rate of duty. Provision was made for the taxation of toddy under either a tree-tax or a farming system as might be convenient to the Local Government. The provisions relating to intoxicating drugs were similar to those relating to country spirits, cultivation being substituted for manufacture. Power was taken for the creation of an Excise Department and the appointment of an officer to control it, and for enquiry by its officers into offences against the Excise law under powers similar to those conferred by the Code of Criminal Procedure. The miscellaneous sections provided for the making and notification of rules, the compounding of offences, bar of actions, exemption of medicated articles and the like.

303. The Acts based on the Bengal Act XXI of 1856 proceed on a different conception. Instead of enabling they are restrictive; specific systems are provided for, and it is frequently impossible to develop a system because the law in force provides only for such features as were known at the time of its passing. This form of legislation is carried to the pitch of absurdity in the Bhartpur enactment where the headings of columns of returns and provisions for filling them are entered in the substantive law.

304. A few instances of such defects in Act XII of 1896 may be mentioned. This Act provides only for the Sadar Distillery system in its crudest form. Though it allows differentiation of duties, it makes no provision for the punishment of the transport of liquor issued under one rate into an area under another. It contains particular provision for every detail of the transactions in warehouses for custody of hemp drugs, but ignores the subject of the wholesale vend of liquor. It leaves the definition of country and foreign liquor to be varied from time to time by Local Governments, and gives wholly inadequate powers for the regulation of the traffic in *tari*. The procedure prescribed for dealing with offences is such as to put great obstacles in the way of detection and arrest. The power of inspection is unnecessarily limited; the punishments prescribed are inadequate; the sections that permit of rule-making are so scattered that it is impossible to frame a coherent set of rules on any general subject; and there is no provision for the notification of rules when made. There are many minor defects. The Committee have no hesitation in saying that this Act should be completely repealed.

305. Another of this group to which the Committee have given much consideration is the Bengal Excise Bill. They are aware that this represents the results of several years' labour and that it has in a measure received the approval of the Supreme Government; but after careful examination of its provisions and discussion of them with the Bengal Government, they feel it their duty to recommend that it should not become law in its present form. The following are a few of the leading defects they find in it. It retains some provisions which at the time of its inception were still in force, but are now liable to become not only unnecessary but harmful. Of such a nature is the distinction between distilleries worked after the European and those worked after the native method—a distinction which has ceased to exist and might prove an obstacle in the way of the accepted policy of the Government of India to admit to the country spirit market spirit made in India in properly equipped distilleries. The matter is further complicated by the omission properly to define country liquor and foreign liquor and by the provision made in clause 5 for the manufacture of country spirit in a distillery licensed under clause 3. Another instance of obsolete provisions that have been retained is that for the grant of foreign liquor licenses to travelling merchants. In its newer provisions the Bill repeats the mistake in the old Act of attempting to provide specifically for systems not yet fully developed. The exact details of the system of Contract Supply vary from time to time and from Province to Province, but the Bill in question attempts to define them in the substantive law of a Province which is still in the very early stages of trial of the system. Other provisions which show a tendency to tie the hands of the Government unnecessarily and might prove very inconvenient in actual practice are those relating to the conduct of warehouses. Clauses which are of much

importance from the point of view of the present inquiry are those relating to inter-provincial import and export. These appear to the Committee to be so framed as to be liable to put obstacles in the way of the coördination and coöperation between Provinces which the Government of India desire. The Bill contains no provision for the legalization of the tree-tax system, the retrial of which has been recommended both by the local authorities and by the Committee. Excise offences are greatly multiplied, whereas they could have been grouped into a few broad classes. The procedure in respect of detection and arrest is in the Committee's opinion capable of simplification. Above all the Bill is extremely verbose, very much longer than any existing Act, and contains some repetitions which could be avoided and many provisions which do not need to appear in the substantive law, while the provisions under which rules may be made are scattered over no less than forty-eight different clauses and sub-clauses.

306. If the above recommendations for the repeal of Act XII of 1896 and the recasting of the Bengal Bill are accepted, the way is open for legislation for the whole of India except Madras and Bombay. In considering the form which this legislation should take the Committee are met by the questions whether the new law should be in the shape of separate Acts for Provinces which have Legislative Councils of their own and of a common Act for the rest or of a general law enacted by the Government of India, whether such a general law should apply not only to the Provinces to which Act XII of 1896 now applies but also to Bengal and Eastern Bengal and Assam and whether (though this question is not within the terms of the reference made to them) the general Act should be made applicable to the whole of British India. Of the local Governments which are under Act XII of 1896 and have Legislative Councils, those of the United Provinces and the Punjab do not press for separate Acts of their own; the point was not discussed with the Government of Bengal; the Government of Eastern Bengal and Assam had no decided opinion to offer, and the Committee are not acquainted with the views of the Government of Burma. After full deliberation on the respective merits of one general Act and of a number of local Acts, the Committee have formed a decided opinion in favour of the one Act, provided that its scope be made sufficiently wide and its provisions sufficiently elastic to enable each Local Government to adopt and work whatever system is deemed best for its Province in respect of any article dealt with in excise administration. One of the chief objects of their appointment is to secure the coördination of the excise systems, and there is nothing in their opinion which will tend so much to this end as a coördination of the main provisions of the law. This is especially necessary in the case of the definition and taxation of foreign liquors made in India, the grant to them of free transit from Province to Province, the freeing of inter-provincial imports and exports from harassing restrictions, and similar matters. The only reason in favour of local Acts is that they are more easily altered and more readily adapted to local circumstances. After examining the operation of the Acts in force the Committee consider that this reason has little weight in the case of excise. The local conditions that need special treatment are not such as are common to whole Provinces, but arise from the fact that general development has been slower in some areas than in others. These are fitly dealt with by orders of Local Governments exempting areas or persons from the operation of the whole or part of the law. The general principles of the excise administration are common to the whole of India, and the broad outlines of the law will be the same whether it is contained in one or in many Acts. There are manifest advantages in having it drawn up in a uniform shape by the highest authority, and manifest disadvantages in working coördinated systems under differing laws.

307. The Committee have also come to the conclusion that since the existing Bengal Act must be amended there is no sound reason why Bengal or Eastern Bengal and Assam should remain outside the system of excise legislation which it is proposed to apply to the Provinces under the present general law, and that it is highly desirable that one Act should cover them all. Theoretically it might be deemed preferable that the same Act should extend to the whole of India; but the Committee are of opinion that it need not be extended to Madras and Bombay at present since the Acts in

The question of a general Act or special Acts for Provinces.

And of the law of the future in Bengal and Eastern Bengal and Assam.

force in those Presidencies do not stand in need of general revision, though they are capable of amendment in certain details which will be referred to later. The new Act should however be made sufficient for all other parts of British India and capable of extension to the above two Provinces if desired, and all local laws made for special areas should disappear.

308. The main lines on which the new legislation should proceed have already been briefly indicated. It must be of such a nature as to provide for the observance, throughout the area of its application, of the principles of excise policy laid down by the Government of India, and for controlling and coördinating the various systems of excise administration so that they work harmoniously to the greatest advantage of the whole of that area, while enabling each Province to adopt and carry out such methods within its own limits as are found most suitable to the local conditions. In other words it will follow the model of the enactments of the permissive group, of which the pioneer is the Bombay Act V of 1878, and the Madras Act I of 1886 an improved copy. The draft Bill which the Committee have prepared with a view to giving effect to these objects is contained in Appendix I, and a full explanation of its objects and of the reasons for the provisions which are embodied in its clauses is given in Appendix II. It will be sufficient here to recite the more important of these:—

The only definitions which it is necessary to notice are those of 'country' and 'foreign' liquor and 'intoxicating drug.' The provisions of the Madras Act which define country liquor as liquor which does not pay the tariff rate of duty and foreign liquor as including all liquors that do are adopted with a view to carrying into effect the policy of the Government of India of admitting spirit manufactured in well equipped distilleries into the country spirit market and of abolishing all intermediate classifications. The definition of 'intoxicating drug' has been extended so as to bring cocaine or the like within the purview of the law. Power is given to Local Governments to create Excise departments suitable to their necessities. The Excise Commissioner, if one is appointed, is to be the head of the department and his relation to the Collector is defined. The conditions necessary to facilitate inter-provincial import and export without relaxing proper control are next laid down, the difficulty attending such import and export being one of the greatest defects of the present law. In dealing with manufacture, possession and sale the Committee have entered provisions which, while imposing the necessary restrictions on the public, will enable the Governments to adopt any system of administration that appears most suitable to particular areas. In reproducing the provisions of the Madras Act which allow of the introduction of the tree-tax system, they have extended the power of exemption of unfermented *tari* so as to cover that which is drawn as a beverage as well as that which is intended for conversion into *gur*. The levy of duties or fees in any of the ways in which it is desirable that they should be levied is authorized. The licensing clauses in force in Madras have been extended and provision has been made for cancellation and surrender. The clauses relating to the making of rules are grouped together and full powers conferred in all necessary matters especially in regard to the restrictions on retail sale which have been referred to in a previous chapter. An important change in the clauses relating to the powers and duties of officers is the direct application of the provisions of the Code of Criminal Procedure to the investigation of excise offences instead of the enactment of parallel provisions. The clauses relating to penalties have been brought together, and punishments are on a higher scale than is in force in Northern India. An enhanced penalty has been provided for the repetition of certain offences. Provision is made for Gazette notification of all rules made under the Act.

309. In one of the debates on the Bengal Bill objection was taken to the grant of a general rule-making power and it was urged that the substantive law should embody provisions relating to the employment of particular systems of excise. The Committee as practical administrators must dissent strongly from the view that when a Government has decided on the adoption or abandonment of a particular system it should embody its conclusions, in the former case in great detail, in the substantive law. Such

An outline of the general legislation proposed.

The objections to legislation by notification.

action would not only tie the hands of Government in a most unnecessary way, but would also almost inevitably end in defeating its own object. Improvement can be effected only by constant trial and experiment, and if a Government is tied to a particular system and specific methods, experiment is impossible without recourse to the legislature, and constant changes in the law are above all things to be avoided.

The alternative course of what is sometimes known as legislation by notification can be well or ill pursued. In Bengal there would appear to have been grounds for complaint on this head.

Are due partly to improper procedure.

The law in force contains no provision for publication in the Gazette of rules made under it; those that have been published are not quoted in full in the Excise Manual, nor is a reference to the original invariably given, while the substance of them is sometimes at fault, as in the matter of sale to children which is prohibited at outstills but not at shops in areas under a distillery system.

These are defects which can be remedied. The Committee have provided the remedy for one of them in Gazette notification. In a later part of this chapter they make proposals for improving the manuals and for issuing rules imposing restrictions on sales which will be uniform, clear and accessible. They may add here that they have had no complaints of the inadequacy of the law in the Provinces where permissive legislation is in force, that they believe that the interests of the public can be amply safeguarded under the operation of such legislation, and that they regard a wide power of rule-making as absolutely essential to the proper working of excise systems in their present stages of development.

The safeguards that can be adopted and the necessity for a wide power of rule-making.

310. In making this recommendation however they do not intend to suggest any objection to a Local Government undertaking subsidiary legislation (subject to Imperial control) to meet any point which may appear to that Government incapable of adequate treatment by rules and orders, or which it is advisable to deal with by special enactment. If for example it is still thought expedient in Bengal to give legislative sanction to the provisions in regard to the method of ascertaining local opinion concerning the opening of shops, which are embodied in the Bengal Excise Bill but are not contemplated or desired in any other Province, or to make further legal provisions aiming at moral ends, there seems no reason why while accepting the general Excise Act the Bengal Government (or any other Government with a Legislative Council) should not introduce separate legislation of its own to deal with such matters. But the Committee must deprecate Provincial legislatures undertaking amendments or extensions of the general Act which are properly general in their nature. Prominent instances of this have recently occurred in the case of cocaine, in respect of which more than one Province under Act XII of 1896 has legislated in amendment for its own territories, thus aiding the more rapid spread of the evil in the remainder.

Subsidiary legislation for special purposes.

311. The Committee have considered the question of repealing Act XVI of 1863, and of embodying in their Bill provisions dealing with denatured spirit. They see no difficulty in adopting this course for the Provinces to which the general Act will apply. In the case of other Provinces, *i.e.* (if the Committee's recommendations be accepted) in the case of Madras and Bombay, Act XVI of 1863 must remain in force until the Governments insert in their Excise Acts provisions corresponding to those dealing with denatured spirit which are included in the Committee's draft Bill. The Committee recommend that amendment of these local Acts should be undertaken in the direction indicated. It is advisable that Act XVI of 1863 should be replaced by more complete provisions, because that Act has no regard to the issue of denatured spirit for purposes other than arts, manufactures and chemistry, gives no power to control possession or sale of such spirit, and prescribes insufficient penalties for breach of the law, with obsolete procedure for the levy of fines imposed. It is convenient that provisions dealing adequately with all these points should find place in the law which treats of all exciseable articles.

The law relating to denatured spirit.

312. The Bombay Act stands in need of amendment both in respect of denatured spirit and in some other particulars. Of the latter, the most important relate to the definition of country liquor, the exemption of importers of foreign liquor from taking out licenses, the grant of power to excise officers to prosecute excise cases without the intervention of the police, and the subjection of such officers to discipline similar to that imposed on police officers by the Police Act. The definition of country liquor as including all liquor produced or manufactured in India impedes the policy approved by the Government of India of treating only the plain spirit made in India as country spirit and all sophisticated country spirits as foreign spirit. Under the existing definition the same spirit is at one time treated as foreign spirit, at another as country, or—it may be—is even subjected to the restrictions on both. The Committee suggest that country and foreign liquor should be defined in some such way as in clause 3 of their Bill. The exemption granted by the proviso to section 16 of the Bombay Act to importers of liquor in Bombay City who sell it in original casks and packages exists nowhere else in India, and appears to the Committee not to admit of any sound defence, while it stands in the way of that regulation of the traffic in foreign liquors which is becoming increasingly advisable. For the efficient working of the excise administration it is eminently desirable that the officers of the department should themselves be enabled to take their cases into Court, and that their responsibilities in regard to the discharge of their duty should be defined. These and a number of minor suggestions for improvement are contained in Appendix III which brings together the points in which the Committee recommend that the amendment of the Bombay Act should be taken into consideration.

313. Less room for improvement in the Madras Act has come to the notice of the Committee. The need for embodying in that Act provisions regarding denatured spirit is the same as in the case of Bombay ; but the majority of the points in which the Bombay Act may be improved have already been met in the later Madras Act. The Committee would only suggest that the Madras Government, when amending its Act in respect to denatured spirit, might with advantage take into consideration the appendices to this report and introduce such amendments as on consideration appear necessary. A further point to be considered in Madras in connection with the question of law is the inadvisability of retaining in the Agency tracts an Act repealed elsewhere (Act III of 1864). On this subject the Committee have been in correspondence with the Government of Madras, and for reasons which are briefly summarised in Chapter II of this report, have recommended that the Act should be withdrawn, and Act I of 1886 made to apply. The Madras Government is not in agreement, but in the Committee's opinion has not given adequate consideration to the reasons which the Committee in the correspondence have assigned for their recommendation.

314. Every Province has recognized the need of an Excise Manual, containing the law, rules and orders relating to excise ; but very great diversity exists in the form and arrangement of those in use. The Committee acknowledge that in this matter uniformity is unattainable, and that each Government may rightly have its own idea of what a manual properly should be. They nevertheless think it desirable to remark that the cardinal points to be attended to are systematic arrangement, completeness and conciseness, and that no existing manual combines all these requisites. In one the arrangement is unsatisfactory, another is lamentably incomplete, a third is needlessly diffuse. Without therefore entering into great minuteness in their recommendations, the Committee wish to suggest a general outline of the manner in which in their opinion a manual might most conveniently be arranged. They think that the multiplication of volumes should be avoided as far as possible, and that the whole should consist of three parts :—

Part I—The law, with rulings.

Part II—Rules, Standing Orders and explanation and commentary.

Part III—Forms.

To these may be added as a fourth part the technical matter which, the Committee understand, is to be prepared by Major Bedford, dealing with elementary chemistry, mensuration and technical distillation and brewing. Other technical or special information in regard to hemp drugs and opium may be added. In Part I the law should be printed in large type, with the rulings of courts of law under any particular section printed in small type below that section. It would probably be convenient to divide Part II into three sections:—(a) general, (b) liquor, (c) drugs; and in each section to treat of subjects as far as possible in the order in which they are dealt with in the law. The general section would contain matter relating to all exciseable articles or the excise administration generally; in sections (b) and (c) each kind of liquor and of intoxicating drugs would be taken up in turn. Notifications and rules having the force of law would be distinguished by different type from standing orders, commentary and explanation. Where the rules and orders relating to excise opium are small in bulk, they would conveniently be brought into a fourth section—(d)—of Part II—the Opium Act being inserted in Part I; otherwise all matter relating to opium should be included in a separate volume. It would not be always desirable or necessary to quote notifications in full; their exact effect, with a reference to the publication (usually the Gazette) in which the original is to be found, would be sufficient. Similarly the phraseology of rules might be curtailed, so long as care was taken to give the exact wording of the effective part of each rule, with a reference to the publication containing the original; and standing orders should in like manner be reproduced as concisely as is consistent with clearness, while explanation and commentary should be as brief as possible. In Part III would be collected all prescribed forms arranged and numbered in their proper order according to the sequence of subjects adopted in Part II. All these parts should be supplied with full cross references and there should be a complete index.

315. The Committee think it desirable that clauses in licenses and other forms, designed to meet similar or identical conditions, should themselves be in similar or identical terms. They find that there is at present a great want of uniformity in this regard and that it is by no means easy to ascertain what are the essential conditions in each Province. They have indicated in the chapter on Restrictions on the Retail Sale of Liquor the matters in respect of which definite regulation appears to be desirable, and they would recommend that after considering the recommendations made on this head each Local Government should frame a clear and concise set of rules for the information of the public and for embodiment in the licenses. The other clauses in the licenses should be framed with the greatest possible simplicity, and as far as may be in the same words in each Province, when the subject-matter is the same and local circumstances require no divergence. By embodying all these forms in Part III of the manual and allowing the manual to be on sale, the desirable object will be attained of affording information as to the forms of licenses to those concerned with or interested in excise matters outside the body of servants for whose instruction it is primarily intended.

When the Act, the rules, and the forms have been settled and a manual complete in its Parts I, II and III has been compiled, it should be the duty of the Excise Commissioner to see that all officers to whom it is supplied are furnished regularly with correction slips, and of all such officers punctually to incorporate the slips received, so that the manual may be kept up to date. Correction slips should equally be made available to the public by purchase. Whether a condensed form of the manual, in English or the vernacular, is required for the use of subordinate officers of the Excise Department is a question which the Committee would leave to each Government to decide for itself according to the strength and quality of its excise establishments. The Local Government of Eastern Bengal and Assam regards this as a point of considerable importance.

And for rules imposing restrictions on sales to be uniform, clear and accessible.

## CHAPTER XV.—SUMMARY.

The Committee append a summary of their conclusions.

## GENERAL.

316. The majority of the existing concessions of free distilling, tapping and brewing are unavoidable, but as general administration advances the restriction of the area of concession should be kept steadily in view. Para. 19
- Concessions to backward tribes.
317. (a) The abolition of the outstill system is in rapid progress. Para. 21
- Outstills.
- (b) The operation of the system may ultimately be restricted to a block of country between Chota Nagpur and the Gódávári and a few minor areas of little importance. Para. 21
- (c) The Committee can suggest no useful changes in the present system of outstill administration. Para. 22
318. (a) The Contract Supply system is the best working distillery system that has yet been devised. Para. 49
- Distillery systems.
- (b) The District Monopoly system is suitable as an intermediate arrangement in areas of difficult country. Para. 49
- (c) The arrangements for distillery control need complete revision in all Provinces except Madras. A system based on English methods is recommended. Para. 54
319. The arrangements for the distribution of spirit must vary with local circumstances. Bonded warehouses are most suitable under contract supply. Paras. 6 & 63.
- Wholesale vend.
320. (a) The fixed duty should be the main factor in the taxation. Para. 18
- Still-head duty.
- (b) In most instances the rates of still-head duty can be increased without giving rise to uncontrollable illicit practices. Paras. 94 to 106.
321. (a) Country spirits should be sold at fixed strengths wherever a staff is employed that is capable of enforcing this regulation without undue harassment of the shopkeepers. Paras. 18 253 & 29
- Sale strengths.
- (b) The strengths fixed should not ultimately be higher than 30° U.P. or lower than 60° U.P. Para. 25
322. The limit of retail sale and of possession of country spirit for private consumption should be reduced where possible to one quart. Para. 25
- Limit of possession.
323. (a) The consumption of all classes of foreign liquor has largely increased. Paras. 12 to 130.
- Foreign liquor.
- (b) The recognition of any class intermediate between country and foreign spirit should cease in all Provinces as early as possible. Para. 10
- (c) 'Foreign' liquor made in India should be put on the same footing as that which is imported. Paras. 10 & 133.
- (d) Strict control over compounding and bottling arrangements should be enforced. Paras. 11 & 116.
- (e) The inferior limits of strength for foreign spirit which are imposed in some Provinces should be reduced to those enforced under the English law, and the regulation made general. Para. 116
- (f) Licenses for sale of foreign liquor for consumption on the premises should be strictly limited. Para. 121
- (g) The rate of duty on beer should be increased and the arrangements for control of breweries improved. Paras. 11 & 132.
324. (a) The consumption of *tari* unless properly controlled is liable to lead to much drunkenness. Para. 134
- Tari.
- (b) The tree-tax system is the best method of control where consumption is considerable. Para. 162

- Para. 163. (c) The system can be so worked as to avoid undue harassment of the people.
- Para. 163. (d) The provisions made should be such as will facilitate the procuring of *tari* for consumption in a fresh state.
- Paras. 178 & 179. 325. (a) The consumption of country beers is causing much drunkenness in certain areas and the beers made are sometimes very deleterious.
- Country beers.
- Para. 181. (b) Greater control over manufacture and vend is desirable.
- Paras. 121, 168, 194 to 196, 237, 240 & 247. Retail vend. 326. (a) The disposal of privileges by auction is responsible for many defects in present arrangements.
- Para. 192. (b) It is inevitable where no fixed duties are levied.
- Para. 199. (c) Where fixed duties are imposed they should be the main factor of the taxation, and as efficient control is secured the auction system should be replaced by one which gives a better guarantee of respectable management.
- Paras. 220 to 233. Number and location of shops. 327. (a) The number of shops can be reduced in some areas; in others reduction has gone too far.
- Para. 240. (b) A scrutiny of both number and sites of town shops is very desirable and should be conducted in the Presidency towns by special committees.
- Para. 234. (c) For the future a maximum and minimum standard for each local area should be fixed within which discretion should be given to local officers.
- Para. 232. (d) Due provision should be made for ascertaining public opinion as to the location of shops, but reliance should be placed and action should proceed on the enquiries of trustworthy officers.
- Para. 246. Restrictions on sale. 328. (a) The conditions of the licenses which aim at checking drunkenness need thorough scrutiny.
- Para. 247. (b) All back and side entrances to shops should be closed.
- Para. 247. (c) Private rooms should be allowed only under special sanction.
- Para. 248. (d) The closing hour should be strictly enforced.
- Para. 259. (e) The Committee are not convinced of the necessity or the practicability of any further measures for the prevention of clandestine purchase by the better classes.
- Para. 249. (f) The employment of women should be prohibited where it is objectionable.
- Para. 250. (g) Sale to children or drunken persons should everywhere be put a stop to.
- Para. 265. (h) Sale on credit should be allowed only under special conditions.
- Para. 267. (i) All shopkeepers' transactions should be properly controlled.
- Para. 261. (j) The fixing of maximum prices as practised at present has no tendency to lead to increase of drunkenness.
- Para. 272. Establishments. 329. (a) The Governments are practically unanimous in desiring stronger establishments.
- Para. 294. (b) The Committee recommend the employment of a force more or less on the model of the police force to attend to both excise work and the check of drunkenness.
- Para. 286. (c) It is essential that the authority and coöperation of the Collectors should be maintained.
- Paras. 295 & 296. (d) Special provision for training of officers in technical work is necessary and a general excise laboratory is desirable.
- Para. 297. (e) The appointment of a special officer to advise on and to coöordinate excise administration throughout India is recommended.
- Paras. 301 & 302. Law. 330. (a) The laws in force are on two different models, but the revisions in progress tend to follow one model.
- Para. 307. (b) The Committee recommend a single law for all India outside Madras and Bombay and anticipate that the law of these two Provinces will ultimately be assimilated to it.
- Paras. 314 & 315. (c) The manuals and license forms of some Provinces stand in much need of amendment.



## PROVINCIAL.

The following are the more important of the recommendations that are special to particular Provinces :—

- Bengal**
331. (a) In Bengal the restriction of home manufacture of *pachwai* may gradually proceed. Para. 13.
- (b) The arrangements for levying fees for the privilege should be revised and put under better control. Para. 14.
- (c) The restriction of the outstill area is in hand and the ultimate abolition of the system is hoped for. Para. 21.
- (d) The Contract Supply system with bonded warehouses as a means of distribution has been adopted as the system of the Province. Paras. 50 & 56.
- (e) A thorough revision of the rates of duty is recommended as the abolition of outstills proceeds. Para. 94.
- (f) The limits of retail sale and possession of country spirit should be revised and generally reduced. Para. 251.
- (g) The country and foreign liquor businesses should be separated. Paras. 110 & 221.
- (h) So also should licenses for 'on' and 'off' sale of foreign liquor. Para. 120.
- (i) The number of places licensed for 'on' sale should be reduced. Para. 124.
- (j) The system of passes for foreign liquor should be abolished. Para. 110.
- (k) The gradual introduction of a simplified form of the tree-tax system is recommended. Para. 161.
- (l) The traffic in fresh *tari* used for drinking purposes should be brought under stricter control. Para. 165.
- (m) The manufacture and sale of *pachwai* should be put under closer regulation. Para. 161.
- (n) *Tari* shops are too numerous in Bihar. Para. 221.
- (o) A redistribution of country spirit shops as between urban and rural areas and a strict scrutiny by a special committee of the shops in Calcutta City are desirable. Paras. 221 & 240.
- (p) A reorganisation of the Salt and Excise departments on the lines proposed is recommended. Both Collectors and Sub-divisional Officers should give more attention to excise work than they do at present. Paras. 279, 285 & 288.
- (q) The Province will do well to adopt the general law proposed for all India outside Madras and Bombay. Para. 307.
- (r) The license conditions can be simplified and improved and the manual should be recast. Paras. 311 & 315.
- Eastern Bengal and Assam.**
332. (a) The systems in the two parts of the Province should be made more uniform.
- (b) It is not at present practicable to limit the concessions granted in respect of home manufacture of country beers in Assam, but the privilege of free distillation in the Khasi and Jaintia Hills may be somewhat restricted. Para. 13.
- (c) The outstill system can be abolished gradually throughout the Province. Para. 21.
- (d) The Contract Supply system with bonded warehouses has been adopted as the future system of supply. Para. 50.
- (e) There is no room at present for any increase in existing still-head duties in Eastern Bengal. A still-head duty can be imposed at a moderate rate to commence with in the planting districts. Para. 95.
- (f) The number of shops needs no change. The question of location in Assam requires particular scrutiny. Paras. 222 & 237.
- (g) No further trial of the Canteen system is recommended. Para. 214.
- (h) A reorganisation and amalgamation of the staff employed is necessary. Para. 279.
- (i) It is suggested that this Province should adopt the law proposed for those now under Act XII of 1896. Para. 307.
- United Provinces.**
333. (a) The concessions granted are of small importance and no change in respect of them is feasible. Para. 13.
- (b) The outstill area can be largely reduced, but the system must be retained in some inaccessible and isolated tracts. Para. 21.
- (c) The number of sadar distilleries and of distillers in them should be reduced and their processes improved. Para. 25.

- Para. 24. (d) Private firms should be admitted to the country spirit market.
- Para. 50. (e) The development of the arrangements so modified into a system of Contract Supply is for consideration.
- Para. 59. (f) The present system of wholesale shops is not a success and needs radical alteration.
- Para. 96. (g) The question of the general increase of the still-head duty should be taken up with the return of more favourable seasons.
- Para. 110. (h) The allowance for wastage after issue from breweries should be abolished.
- Para. 164. (i) The question of the re-introduction of the tree-tax system is for consideration when the taxation on country spirit is increased.
- Para. 223. (j) There is room for some reduction of country spirit shops in outstill areas and of *tari* shops in the eastern districts.
- Para. 279. (k) The staff needs considerable increase. The proposals now before the Local Government should be taken as a first instalment of reform. Ultimately the establishment should be sufficiently improved to relieve the police of preventive and detective duties.
- Paras. 54 & 55. (l) The distillery staff should be strengthened and the exemption of the Rosa distillery from control withdrawn.
- Para. 13. Punjab. 334. (a) The concessions are unimportant.
- Para. 21. (b) The outstill system has been practically abolished.
- Paras. 39 & 50. (c) The safeguards provided under the distillery system do not appear sufficient to prevent an undue enhancement of the price. It is recommended that an understanding with the distillers on the subject of price should be arrived at, the system of Contract Supply being held in reserve.
- Para. 59. (d) The arrangements for wholesale vend need considerable modification to make them efficient.
- Paras. 81 & 97. (e) Consumption is increasing rapidly, but there is no room for increase in the rate of duty until illicit distillation has been got in hand.
- Para. 110. (f) Regulations imposing the tariff rate on all 'foreign' liquor made in the country should be brought into force as soon as possible.
- Para. 121. (g) 'On' sale under 'first class' licenses should be prohibited.
- Para. 110. (h) The allowance for wastage after issue from breweries should be abolished.
- Para. 224. (i) The number of country spirit shops in towns and of *bugri* shops on the Kulu road should be scrutinised.
- Paras. 247 & 250. (j) The nature of the buildings used for shops and the license conditions imposed in check of drunkenness need special attention.
- Paras. 279 & 285. (k) The extreme prevalence of illicit distillation in the Province is the greatest problem before the Government and the matter should be taken thoroughly in hand by a competent staff, an experiment in such action being made in the first instance in a selected district or districts.
- Para. 289. (l) The Committee advise recruitment of a staff for the purpose otherwise than by the temporary deputation of Land Revenue officers.
- Paras. 26 & 50. North-West Frontier Province. 335. (a) The general distillery system will follow that of the Punjab. Of the two sadar distilleries in out-of-the-way districts, one will be abolished and the other improved.
- Para. 98. (b) An increase in duty is possible.
- Paras. 225 & 279. (c) Shops are few, illicit distillation is unknown and the general majority of the population are abstainers. A very moderate staff is therefore sufficient.
- Para. 13. 336. (a) The area in which concessions are granted can be reduced. Concessions in the remainder cannot at present be interfered with.
- Para. 21. Madras. (b) The outstill area in the Agency tracts can be diminished and that in the Chavakkat Deputy Tahsildar's division should be brought under better control.
- Paras. 50 & 99. (c) The Contract Supply system is already in force and the rates of duty have recently been raised. There appears to be room for further increase in some districts.
- Para. 121. (d) The foreign liquor 'taverns' should be reduced in number.
- Para. 114. (e) A sufficient standard of quality should be fixed for all beer produced.

- (f) The administration of toddy should be improved by the employment of more Assistant Inspectors and simplification of the regulations relating to sweet toddy. The rates of tree-tax should be raised. Paras. 160 & 168.
- (g) The number of shops particularly in towns and large villages should be reduced. Para. 226.
- (h) The reduction and rearrangement of those in Madras Town should be taken in hand by a special committee. Para. 240.
- (i) The question of the reduction in number and the improvement of the personnel of the staff employed should be taken into consideration as reduction in the number of offences shows that the people are learning to respect the law. Paras. 279 & 281.
- (j) The law in force is capable of amendment in certain particulars. The whole Presidency should be brought under Act I of 1886 and the administration of the Agency tracts dealt with more fully in the annual reports. Paras. 18, 21 & 313.
- Bombay.** 337. (a) The existing variety in systems and rates of duty should be reduced where possible. Paras. 100 & 151.
- (b) The concessions to the Kaliparaj should be gradually withdrawn as their condition improves. Para. 18.
- (c) One of the two outstill areas may be brought under a better system of supply. Para. 21.
- (d) The conditions of the Presidency are very variable and extreme difficulties prevail in preventing illicit practices in certain areas. For these the District Monopoly system is suitable. Paras. 33 & 36.
- (e) Elsewhere the extension of the system of Contract Supply is recommended. Para. 50.
- (f) The arrangements at the distilleries at Dadar and Uran need thorough overhauling. Para. 52.
- (g) The toddy distilleries on the South Coast should be gradually abolished. Para. 31.
- (h) Consumption is very large in the coast districts and Khandesh, and measures should be taken to reduce it by enhancement of duties and suppression of illicit practices. Paras. 84 & 100.
- (i) The prohibition of the sale of foreign liquor at a lower strength than 15° U.P. should be cancelled and the limits in force in the United Kingdom substituted. Para. 116.
- (j) The exemption from license of importers in Bombay City who sell in the original packages should be annulled. Paras. 118 & 312.
- (k) The toddy system is suitable but needs a better staff to enforce it. Paras. 151 & 279.
- (l) The system of disposal of shops on a minimum guarantee is suitable, like the District Monopoly system, as an intermediate arrangement in difficult areas. Para. 211.
- (m) The number of shops can be reduced in Bombay City and with this object a special committee is proposed. Elsewhere the number and distribution of shops should be scrutinised. Paras. 227 & 240.
- (n) The proposals for the improvement of the excise staff are suitable, but the amalgamation of the Salt and Excise establishments should be expedited. Paras. 279 & 288.
- (o) The law is capable of amendment in several particulars. Para. 312.
- (p) A proper Excise Manual is an urgent necessity. Para. 314.
- Sind.** 338. (a) Precautions are necessary under the present distillery system to prevent the undue enhancement of prices. The system of Contract Supply should be kept in view. Paras. 28 & 50.
- (b) The taxation on spiced liquors should be gradually raised to the tariff rate and when this point is reached they should be treated as foreign spirit. Paras. 31 & 108.
- (c) The duty should be made proportionate to strength and gradually raised, and the scale of fees for retail vend revised so as to make them correspond more closely to the value of the shops. Paras. 101 & 190.
- (d) The change in the limit of strength of foreign liquor recommended for Bombay should be adopted. Para. 116.
- (e) The improvement of the staff and its amalgamation with the Salt and Opium establishments on the lines proposed is recommended. Paras. 279 & 288.

Paras. 102  
& 229.

339. The Government of India have already issued orders with reference to this Province. The Committee have suggested no changes, but have advised caution in carrying the reforms into effect.

Central Provinces

Para. 103.  
Paras. 190  
& 202.

Coorg.

340. (a) The duty on country spirit can be raised.

(b) It should be considered whether the scale of surcharge for retail vend should not be revised so as to differentiate between the circumstances of different shops or groups of shops.

Para. 132.

(c) The method of taxation of beer is not in accordance with the present law.

Para. 164.

(d) A very simple form of tree-tax might perhaps be introduced.

Para. 230.

(e) The number of shops might be reduced.

Para. 279.

(f) The establishments should be improved.

Para. 8.

Ajmer-Merwara.

341. (a) The concession to the *tazimi istimrardars* should cease with the lives of the present holders.

Para. 50.

(b) The introduction of the Contract Supply system is suggested.

Para. 104.

(c) The duty in the Ajmer city might be increased.

Para. 116.

(d) The recommendation made for Bombay in respect of the limit of strength of foreign liquor should be adopted.

Para. 279.

(e) The establishment should be increased.

Para. 50.

Baluchistan.

342. (a) A simple form of distillery system for areas on the railway line is suggested.

Para. 279.

(b) A small establishment will be necessary to carry it into effect.

Para. 106.

Cantonments in Native States.

343. (a) In Bangalore an increase of duty is recommended.

Para. 114.

(b) A sufficient standard of quality for locally made beer should be imposed.

Para. 50.

(c) For other cantonments an efficient system of spirit supply on the lines of that in force in Bangalore is suggested.

Paras. 233  
& 279.

(d) There is much room for improvement by reduction of shops and in other particulars in these areas.

J. THOMSON, *President.*

K. G. GUPTA,

R. A. LAMB,

J. M. HOLMS,

C. G. PARSONS,

} *Members.*

C. G. TODHUNTER, *Secretary.*

OOTACAMUND,

*The 4th July 1906.*

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APPENDICES.

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# APPENDIX I.

## DRAFT EXCISE BILL.

NOTE.—The corresponding sections of Act XII of 1896 and of the Madras Abkari Act, 1886, are noted on the margin.

### *An Act to consolidate and amend the Excise Law in certain Provinces.*

WHEREAS it is expedient to consolidate and amend the law in certain Provinces relating to the import, export, transport, manufacture, sale, and possession of intoxicating liquor and of intoxicating drugs; It is enacted as follows:—

#### I.—PRELIMINARY AND DEFINITIONS.

Short title.	1. This Act may be cited as "The Excise Act, 190 "	
Extent.	It extends to the whole of British India except the Presidencies of Madras and Bombay.	
And it shall come into force in any local area within the territories administered by any Local Government to such extent and from such date as the Local Government by notification shall direct.		Section 1, Madras.
Commencement.		
2. From the date on which this Act comes into force in any local area, the enactments and law mentioned in the schedule hereto annexed shall be repealed to the extent specified in the third column of the said schedule.		
Repeal of enactments.		
3. In this Act, unless there be something repugnant in the subject or context—		
Interpretation.		
(1) "Excise revenue" means revenue derived or derivable from any duty, fee, tax, fine (other than a fine imposed by a court of law) or confiscation imposed or ordered under the provisions of this Act, or of any other law for the time being in force relating to liquor or intoxicating drugs.		Cf. section 3 (1), Madras.
"Excise revenue."		
(2) "Excise officer" means a Collector, or any officer or other person appointed or invested with powers under section 7.		Cf. section 3 (2), Madras.
"Excise officer."		
(3) "Excise Commissioner" means the officer appointed by the Local Government under section 7, clause (a).		Cf. section 3 (3), Madras.
"Excise Commissioner."		
(4) "Chief Revenue Authority" means the authority or officer declared by the Local Government, subject to the control of the Governor-General in Council, to be the Chief Revenue Authority for the purposes of this Act.		Cf. section 3 (1) (a), Act XII.
"Chief Revenue Authority."		
(5) "Magistrate" means any Magistrate exercising powers not less than those of a Magistrate of the second class, or any Magistrate of the third class specially authorized in this behalf by the District Magistrate.		Cf. section 3 (1) (b), Act XII.
"Magistrate."		
(6) "Tari" means fermented or unfermented juice drawn from a cocoanut, palmyra, date, or any other kind of palm tree.		Section 3 (7), Madras.
"Tari."		
(7) "Spirit" means any liquor containing alcohol obtained by distillation, whether it is denatured or not.		Cf. section 3 (1) (i), Act XII, and section 3 (8), Madras.
"Spirit."		
(8) "Denatured" means effectually and permanently rendered unfit for human consumption.		New.
"Denatured."		
(9) "Beer" includes ale, stout, porter and all other fermented liquors made from malt.		Cf. section 3 (10), Madras.
"Beer."		
(10) "Liquor" includes spirits of wine, spirit, wine, tari, pachwai, beer and all liquid consisting of or containing alcohol; also any substance which the Local Government may by notification declare to be liquor for the purposes of this Act.		Cf. section 3 (9), Madras.
"Liquor."		
(11) "Country liquor" means any liquor manufactured in British India on which duty of excise has not been levied or is not leviable at the full rate of duty chargeable on like liquor imported into British India from foreign countries by sea.		Cf. section 3 (11), Madras.
"Country liquor."		

*Cf. section 3 (12), Madras.* "Foreign liquor." (12) "Foreign liquor" includes all liquor other than country liquor.

Provided that in any case in which doubt may arise the Local Government, with the previous sanction of the Governor-General in Council, may by notification declare whether for the purposes of this Act or any rules made thereunder any particular liquor shall be deemed to be "country liquor" or "foreign liquor".

"Intoxicating drug." (13) "Intoxicating drug" includes—

*Cf. section 3 (13), Madras.* (a) cocaine, ganja, bhang, charas, and every preparation and admixture of the same, and every intoxicating drink or substance prepared from any part of the hemp plant (*Cannabis sativa* or *Indica*), from grain or from other material and not included in the term "liquor", but does not include opium or anything included within the meaning of that word as defined in the Indian Opium Act, 1878;

*New.* (b) any other substance which the Local Government, subject to the control of the Governor-General in Council, may specify by notification, together with every preparation and admixture of the same.

The Local Government, subject to the control of the Governor-General in Council, may by notification declare what shall be deemed to be ganja, bhang, charas or other substance specified as an intoxicating drug.

Section 3 (14), Madras. "Sale" or "selling." (14) "Sale" or "selling" includes any transfer otherwise than by way of gift.

*New.* "Exciseable article." (15) "Exciseable article" means and includes any liquor or intoxicating drug as defined by this Act.

Section 3 (15), Madras. "Import." (16) "Import" means to bring into any Province to which this Act applies from sea or from foreign territory or from any other part of British India.

Section 3 (16), Madras. "Export." (17) "Export" means to take out of any Province to which the Act applies to sea or to foreign territory or to any other part of British India.

Section 3 (17), Madras. "Transport." (18) "Transport" means to move from one place to another within any Province to which this Act applies.

*Cf. section 3 (18), Madras.* (19) "Manufacture" includes every process, whether natural or artificial, by which any exciseable article is produced or prepared, and also redistillation and every process for the rectification, flavouring, blending or colouring of liquor.

Section 3 (20), Madras. "Place." (20) "Place" includes also a house, building, shop, tent and vessel.

*Cf. section 3 (1) (a), Act XII.* 4. The Local Government, subject to the control of the Governor-General in Council, may by notification declare, with respect either to the whole Province or to any local area, and as regards purchasers generally or any specified class of purchasers, and generally or for any specified occasion, what quantity of any exciseable article shall, for the purposes of this Act, be the limit of sale by retail and sale by wholesale respectively.

*Cf. section 4, Act XII.* Saving of enactment. 5. Nothing contained in this Act shall affect the provisions of the Cantonment Act, 1889.

## II.—ESTABLISHMENT AND CONTROL

*Cf. section 4, Bombay Abkari Act, 1878.* The collection of the excise revenue to lie with the Collector. 6. Except as otherwise provided by this Act, the collection of the excise revenue shall be under the charge of the Collector.

*Cf. sections 4 and 5 (1), Madras.* The Local Government may appoint an officer to control the administration of the Excise Department; 7. The Local Government may, by notification, applicable to the whole Province or to any district or local area in which this Act is in force,

(a) appoint an officer who shall, subject to the orders of the Chief Revenue Authority, if any, have the control of the administration of the Excise Department and of the collection of the excise revenue;

(b) appoint any person other than the Collector to exercise all or any of the powers and to perform all or any of the duties of a Collector in respect of the excise revenue, either concurrently with or in exclusion of the Collector, subject to such control as the Local Government may direct;

may appoint persons other than the Collector to exercise all or any of his powers;

may appoint officers to take action under sections 34, 36 and 47 (a);

and other officers;

may appoint any Government officer or other person to act as above;

may delegate any of its powers to the Chief Revenue Authority or an Excise officer;

may withdraw powers;

and may permit delegation of powers.

(c) appoint officers or persons to perform the acts and duties mentioned in sections 34, 36 and 47 (a);

(d) appoint officers of the Excise Department of such classes and with such designations, powers and duties under the Act as the Local Government may think fit;

(e) order that all or any of the powers and duties assigned to any officer under clauses (c) and (d) of this section shall be exercised and performed by any Government officer or any person;

(f) delegate to the Chief Revenue Authority or any Excise officer all or any of its powers under the Act;

(g) withdraw from any officer or person any or all of his powers in respect of the excise revenue;

(h) permit the delegation by the Excise Commissioner or by Collectors of any powers conferred by this Act or exercised in respect of excise revenue under any Act for the time being in force.

8. (1) The Collector shall in all proceedings under this Act be subject to the control of the Excise Commissioner, and all orders passed by a Collector under this Act shall be appealable to the Excise Commissioner in manner provided by the rules for the time being in force relating to appeals from the orders of Collectors in the Land Revenue Department. Cf. section 64, Act XII.

(2) All orders passed by the Excise Commissioner otherwise than on appeal shall be appealable to the Chief Revenue Authority or to the Local Government, if there be no Chief Revenue Authority.

### III.—IMPORT, EXPORT AND TRANSPORT.

9. (1) No exciseable article which is liable to the payment of duty under the Indian Tariff Act, 1894, or any other law for the time being in force relating to the duties of customs on goods imported into British India, shall be imported unless the duty prescribed by such law has been paid. Cf. section 6, Madras, and section 81, Act XII.

(2) No liquor manufactured in British India which is liable to the payment of a duty equal to the duty of customs chargeable on like liquor under the Indian Tariff Act, 1894, or other law as aforesaid shall be imported unless such duty has been paid or a bond executed for the payment of such duty.

(3) No other exciseable article shall be imported unless the Local Government of the Province of import shall have given permission, general or special, for its import, subject to such conditions as it may think fit, and unless the duty, if any, leviable under this Act has been paid or a bond executed for the payment of such duty.

10. No exciseable article referred to in sub-section (2) or sub-section (3) of section 9 which has been imported and was, upon importation, subject to duty, and no exciseable article which has been manufactured in any Province in which this Act is in force shall be exported unless the duty, if any, leviable under this Act has been paid or a bond executed for the payment of such duty. Cf. section 7, Madras.

11. The Local Government may by notification prohibit the transport of any exciseable article from any local area into any other local area. Section 9, Madras (Cf. section 12 (2) (c), Act XII).

12. No exciseable article exceeding such quantity as the Local Government may prescribe by notification, either generally for the whole Province or for any local area, shall be imported, exported or transported except under a pass issued under the provisions of the next following section: Cf. section 10, Madras.

Provided that in the case of duty-paid foreign liquor other than denatured spirit such passes shall be dispensed with, unless the Local Government shall by notification otherwise direct with respect to any local area.

13. Passes for the import, export or transport of exciseable articles may be granted by the Collector. Cf. section 11, Madras, and section 20, Act XII.

Such passes may be either general for definite periods and kinds of exciseable articles or special for specified occasions and particular consignments only.

Passes granted under this section shall be in such form, and shall contain such particulars and be granted to such persons, as the Local Government may by notification prescribe.

Provided that a pass granted to cover any exciseable article exported from one Province into another shall cover it from the place of export to the place of import.



## IV.—MANUFACTURE, POSSESSION AND SALE.

Cf. section 12, Madras, and sections 5 and 12, Act XII.

Manufacture of exciseable articles prohibited except under provisions of this Act.

14. (a) No exciseable article shall be manufactured;

(b) no hemp plant (*Cannabis sativa* or *Indica*) shall be cultivated or collected;

(c) no tari-producing tree shall be tapped;

(d) no tari shall be drawn from any tree;

(e) no distillery or brewery shall be constructed or worked; and

(f) no person shall use, keep or have in his possession any materials, still, utensil, implement or apparatus whatsoever for the purpose of manufacturing any exciseable article other than tari;

except under the authority and subject to the terms and conditions of a license granted in that behalf by the Collector, or by the Excise Commissioner under section 15, or under the provisions of section 20.

Cf. section 15, Madras.

Provided that the Local Government may by notification declare that the provisions of this section shall not apply in any local area to trees tapped, or tari drawn, under such conditions as the Excise Commissioner may prescribe.

Cf. section 14, Madras, and sections 6 and 14, Act XII.

Establishment or licensing of distilleries and warehouses.

15. The Excise Commissioner may—

(a) establish a distillery in which spirit may be manufactured under a license granted under section 14 on such conditions as the Local Government deems fit to impose;

(b) discontinue any distillery so established;

(c) license, on such conditions as the Local Government deems fit to impose, the construction and working of a distillery or brewery;

(d) establish or license a warehouse wherein any exciseable article may be deposited and kept without payment of duty; and

(e) discontinue any warehouse so established.

Cf. section 18, Madras, and sections 16 and 30, Act XII.

Possession of exciseable articles in excess of the quantity prescribed by Government prohibited.

16. No person not being a licensed manufacturer or vendor of any exciseable article shall have in his possession any quantity of any exciseable article in excess of such quantity as the Local Government under section 4 may declare to be the limit of sale by retail, unless under a permit granted by the Collector in that behalf.

Provided that—

No fee to be charged for permit for possession for private consumption.

(1) no fee shall be charged for any such permit granted for the possession of such exciseable article for *bonâ fide* private consumption or use;

Proviso as regards foreign liquor.

(2) nothing in this section extends to any foreign liquor, other than denatured spirit, in the possession of any common carrier or warehouseman as such, or purchased by any person for his *bonâ fide* private consumption and not for sale.

Provided further that—

Cf. section 18, Act XII.

Prohibition of possession in certain cases.

(3) the Local Government may by notification prohibit the possession by any person or class of persons, either throughout the whole Province or in any local area, of any exciseable article, either absolutely or subject to such conditions as it may prescribe.

Cf. section 15, Madras, and section 21, Act XII.

Sale of exciseable articles without license prohibited.

17. No exciseable article shall be sold without a license from the Collector; provided that—

(1) a person having the right to the tari drawn from any tree may sell the same without a license to a person licensed to manufacture or sell tari under this Act, and a cultivator or owner of any plant from which an intoxicating drug is produced may sell without a license those portions of the plant from which the intoxicating drug is manufactured or produced to any person licensed under this Act to deal in the same, or to any officer whom the Excise Commissioner may prescribe;

New.

(2) a license for sale in more than one district of a Province shall be granted by the Excise Commissioner;

New.

(3) a license for sale in more than one Province shall be granted by such authority and subject to such conditions as the Local Governments of the Provinces concerned may determine;

Proviso (a), section 21, Act XII.

(4) nothing in this section applies to the sale of any foreign liquor legally procured by any person for his private use and sold by him or by auction on his behalf or on behalf of his representatives in interest upon his quitting a station or after his decease.

Exclusive privileges of manufacture, etc., may be granted.

18. The Local Government may grant to any person on such conditions and for such period as it may deem fit the exclusive privilege—

Cf. section 16, Madras.

(1) of manufacturing or of supplying by wholesale, or of both, or

(2) of selling by wholesale or by retail, or

(3) of manufacturing or of supplying by wholesale, or of both, and of selling by retail any country liquor or intoxicating drug within any local area.

No grantee of any privilege under this section shall exercise the same until he has received a license in that behalf from the Collector.

In such cases, if the Local Government shall by notification so direct, the provisions of section 14 relating to tari and tari-producing trees shall not apply.

Manufacture and sale of spirits, etc., in military cantonments.

19. Within the limits of any military cantonment, and within such distance from those limits as the Local Government in any case may prescribe, no licenses for the manufacture or sale of liquor and no exclusive privilege in respect of liquor under section 18 shall be granted, unless with the knowledge and consent of the Commanding Officer.

Cf. section 62, Act XII.

Grantee of tari privileges may grant license.

20. When any exclusive privilege of manufacturing tari has been granted under section 18, the Local Government may declare that the written permission of the grantee to draw tari shall have the same force and effect as a license from the Collector for that purpose under section 14.

Cf. section 21, Madras.

Grantee may let or assign.

21. Subject to any conditions imposed by section 18, any grantee of any exclusive privilege may let or assign the whole or any portion of his privilege; but no lessee or assignee of such privilege shall exercise any rights as such unless and until the grantee shall have applied to the Collector for a license to be given to such lessee or assignee, and such lessee or assignee shall have received the same.

Cf. section 22, Madras, and section 25, Act XII.

Recovery by grantee of rents due to him.

22. It shall be lawful for any such grantee, lessee or assignee as aforesaid to proceed against any person holding under him for the recovery of any money due to him as if it were an arrear of rent recoverable under the law for the time being in force with regard to landholder and tenant.

Cf. section 23, Madras, and section 28, Act XII.

Provided that nothing contained in this section shall affect the right of any such grantee, lessee or assignee, to recover by civil suit any such amount due to him from any such person as aforesaid.

## V.—DUTIES AND FEES.

Duty on exciseable articles.

23. A duty, at such rate or rates as the Local Government shall direct, may be imposed, either generally or for any specified local area, on any exciseable article—

Cf. section 17, Madras, sections 7, 8 and 13, Act XII, and section 1, Act XVI of 1863.

(a) imported in accordance with the provisions of section 9 (2); or

(b) permitted to be imported or exported in accordance with the provisions of section 9 (3) or section 10; or

(c) permitted to be transported; or

(d) manufactured under any license granted in respect of clauses (a), (b), (c) and (d) of section 14; or

(e) manufactured in any distillery established, or any distillery or brewery licensed, under section 15.

Provided that the duty on denatured spirit or beer manufactured in India shall be equal to the duty to which denatured spirit or beer respectively imported into British India by sea is liable under the Indian Tariff Act, 1894, or any other law for the time being in force relating to the duties of customs on goods imported into British India.

*Explanation.*—Duty may be imposed under this section at different rates according to the places to which any exciseable article is to be removed for consumption.

How duty may be levied.

24. Subject to such rules regulating the time, place and manner of payment as the Local Government may prescribe, such duty may be levied in one or more of the following ways—

Cf. section 18, Madras.

(a) with reference to clause (a) of the foregoing section—

(i) by payment of duty either in the Province of import or in the Province of export, or

(ii) by payment upon issue for sale from a warehouse established or licensed under section 15 (d);

- (b) with reference to clause (b) of the foregoing section—
- (i) by payment of duty either in the Province of import, or in the Province or territory of export, according as the Local Government of the Province of import may direct, or
  - (ii) by payment upon issue for sale from a warehouse established or licensed under section 15 (d);
- (c) with reference to clause (c) of the foregoing section—
- (i) by payment in the district from which the excisable article is to be transported, or
  - (ii) by payment upon issue for sale from a warehouse established or licensed under section 15 (d);
- (d) with reference to clause (d) of the foregoing section—
- (i) in the case of intoxicating drugs by an acreage rate to be levied on the cultivation of any plant from which any intoxicating drug may be produced or manufactured, or by a rate to be charged upon the quantity produced or manufactured, or issued from a warehouse established or licensed under section 15 (d), or
  - (ii) in the case of tari, by a tax on each tree from which the tari is drawn;
- (e) with reference to clause (e) of the foregoing section—  
by duty to be charged in the case of spirit or beer either on the quantity produced in or issued from the distillery or brewery, as the case may be, or issued from a warehouse established or licensed under section 15 (d); or in accordance with such scale of equivalents, calculated on the quantity of materials used or by the degree of attenuation of the wash or wort, as the case may be, as the Local Government may prescribe.

*Cf. section 18 (e), Madras.*

**25.** Instead of or in addition to any duty leviable under this chapter the Local Government may accept payment of a sum in consideration of the grant of any exclusive privilege under section 18.  
Payment for privileges.

## VI.—LICENSES, ETC.

*Section 24, Madras.*

Form and conditions of licenses, etc.

**26.** Every license, permit or pass granted under this Act shall be granted—

- (a) on payment of such fees, if any,
- (b) for such period,
- (c) subject to such restrictions and on such conditions, and
- (d) shall be in such form and contain such particulars,

as the Local Government may direct either generally or in any particular instance in this behalf.

*Section 25, Madras.*

Counterpart agreement to be executed by licensee.

**27.** Every person taking out a license under this Act may be required to execute a counterpart agreement in conformity with the tenor of his license, and to give such security for the performance of his agreement as the authority granting the license may require.

*Cf. section 26, Madras.*

Power to cancel or suspend licenses, etc.

**28.** (1) Subject to such restrictions as the Local Government may prescribe, the authority granting any license, permit or pass under this Act may cancel or suspend it—

- (a) if any duty or fee payable by the holder thereof be not duly paid; or
- (b) in the event of any breach by the holder of such license, permit or pass, or by his servants, or by any one acting with his express or implied permission on his behalf, of any of the terms or conditions of such license, permit or pass; or
- (c) if the holder thereof is convicted of any offence under this Act or any other law for the time being in force relating to revenue, or of any cognizable and non-bailable offence, or of any offence under the Merchandise Marks Act, 1889, or under any section which has been introduced into the Indian Penal Code by section 3 of that Act; or is punished for any offence referred to in clause 8 of section 167 of the Sea Customs Act, 1878; or
- (d) where a license, permit or pass has been granted on the application of the holder of an exclusive privilege under this Act, on the requisition in writing of such person.

(2) When a license, permit or pass held by any person is cancelled under clause (a) or clause (b) of sub-section (1), the authority aforesaid may cancel any other license, permit or pass granted to such person under this Act or under any other law for the time being in force relating to excise revenue or under the Opium Act, 1878.

(3) The holder shall be entitled to no compensation for the cancellation or suspension of his license, permit or pass under this section nor to refund of any fee paid or deposit made in respect thereof.

**29.** (1) Whenever the authority stated in section 28 considers that a license should be cancelled for any cause other than those specified in that section, he shall remit a sum equal to the amount of the fees payable in respect thereof for fifteen days, and may cancel the license either—

Further power to cancel licenses.

*Cf. section 28, Act XII.*

- (a) on the expiration of fifteen days' notice in writing of his intention to do so, or
- (b) forthwith, without notice.

(2) If any license be cancelled under clause (b) of sub-section (1) the aforesaid authority shall, in addition to remitting such sum as aforesaid, pay to the licensee such further sum by way of compensation as the Excise Commissioner may direct.

(3) When a license is cancelled under this section, any fee paid in advance or deposit made by the licensee in respect thereof shall be refunded to him, less the amount, if any, due to Government.

**30.** Any holder of a license to sell under this Act may surrender his license on the expiration of one month's notice in writing given by him to the Collector of his intention to surrender the same and on payment of the fee payable for the license for the whole period for which it would have been current but for such surrender.

Surrender of license.

*Cf. section 24, Act XII.*

Provided that, if the Excise Commissioner is satisfied that there is sufficient reason for surrendering a license, he may remit to the holder thereof the sum so payable on surrender, or any portion thereof.

## VII.—GENERAL PROVISIONS.

Certain licensees required to keep instruments for testing, etc.

**31.** Every person who manufactures or sells any exciseable article under a license granted under this Act shall be bound—

*Cf. section 27, Madras.*

(a) to supply himself with such measures, weights and instruments as the Local Government may prescribe and to keep the same in good condition; and

(b) when such measures, weights and instruments have been prescribed, on the requisition of any Excise officer duly empowered in that behalf, at any time to measure, weigh or test any exciseable article in his possession in such manner as the said Excise officer may require.

**32.** All excise revenue, including all amounts due to Government by any person on account of any contract relating to the excise revenue, may be recovered from the person primarily liable to pay the same, or from his surety (if any), as arrears of land revenue or in the manner provided for the recovery of public demands by any law for the time being in force. In case of default made by a holder of a license or by a grantee of an exclusive privilege the Collector may take the grant under management at the risk of the defaulter or may declare the grant forfeited and resell it at the risk and loss of the defaulter. When a grant is under management under this section, the Collector may recover as excise revenue any monies due to the defaulter by any lessee or assignee.

Recovery of excise revenue.

*Cf. section 28, Madras, and section 34, Act XII.*

**33.** (1) The Local Government may make rules for the purpose of carrying out the provisions of this Act or other law for the time being in force relating to excise revenue.

*New. Cf. sections 5 and 29, Madras, and sections 9, 10, 12, 19, 29 and 65, Act XII.*

(2) In particular and without prejudice to the generality of the foregoing provision, the Local Government may make rules—

- (a) regulating the delegation of any powers by the Excise Commissioner or by Collectors under section 7 (h);
- (b) prescribing the powers and duties of officers of the Excise Department;
- (c) regulating the import, export or transport of any exciseable article;
- (d) regulating the manufacture, supply or storage of any exciseable article, including—
  - (i) the erection, inspection, supervision, management and control of any place for the manufacture, supply or storage of such article, and the fittings, implements and apparatus to be maintained therein;
  - (ii) the cultivation of the hemp plant and the collection of the spontaneous growth of such plant and the preparation of any intoxicating drug from such growth;
  - (iii) the tapping of tari-producing trees and the drawing of tari from such trees;
- (e) regulating the deposit of any exciseable article in a warehouse and the removal therefrom of such article;
- (f) regulating the periods and localities for which licenses for the wholesale or retail vend of any exciseable article may be granted;
- (g) prescribing the procedure to be followed and the matters to be ascertained before any license for such vend is granted for any locality;
- (h) prescribing in the case of any exciseable article the way in which the duty on such article shall be levied;

(i) prescribing the scale of fees or the manner of fixing the fees payable in respect of any privilege, license, permit or pass or of the storing of any exciseable article ;

(j) regulating the time, place and manner of payment of any duty or fee ;

(k) prescribing the restrictions under and the conditions on which any license, permit or pass may be granted, including—

(i) the prohibition of the admixture with any exciseable article of any substance deemed to be noxious or objectionable ;

(ii) the fixing of the strength, price or quantity in excess of or below which any exciseable article shall not be sold or supplied, and the quantity in excess of which denatured spirit shall not be possessed, and the prescription of a standard of quality for any exciseable article ;

(iii) the prohibition of the employment by the license-holder of any person or class of persons to assist him in his business in any capacity whatsoever ;

(iv) the prescription of the persons to whom any exciseable article may or may not be sold ;

(v) the prohibition of sale except for cash ;

(vi) the prevention of drunkenness, gambling or disorderly conduct in or near any licensed premises, and the meeting or remaining of persons of bad character in such premises ;

(vii) the prescription of the days and hours during which any licensed premises may or may not be kept open, and provision for the closure of such premises on special occasions ;

(viii) the prescription of the nature of the premises in which any exciseable article may be sold and the notices to be exposed at such premises ; and

(ix) the prescription of the accounts to be maintained and the returns to be submitted by license-holders ;

(l) (i) declaring the process by which spirit manufactured in British India shall be denatured ;

(ii) for causing such spirit to be denatured through the agency or under the supervision of its own officers ;

(iii) for ascertaining whether such spirit has been denatured ;

(m) providing for the destruction or other disposal of any exciseable article deemed to be unfit for use ;

(n) regulating the disposal of confiscated articles.

#### VIII.—POWERS AND DUTIES OF OFFICERS, ETC.

Section 32,  
Madras  
(Cf. section  
35, Act XII).

**34.** The Excise Commissioner, or a Collector, or any Excise officer not below such rank as the Local Government may prescribe, or any police officer duly empowered in that behalf, may enter and inspect, at any time by day or by night, any place in which any licensed manufacturer carries on the manufacture of or stores any exciseable article; and may enter and inspect, at any time during which the same may be open, any place in which any exciseable article is kept for sale by any licensed person; and may examine, test, measure or weigh any materials, stills, utensils, implements, apparatus, or exciseable article found in such place.

New.

**35.** Within such specified area as the Local Government by notification may direct, any Excise officer, not below such rank as the Local Government may prescribe, shall, within the limits of the area to which he is appointed (which area, for the purposes of section 156 of the Code of Criminal Procedure, shall be regarded as the limits of a police station), and as regards all offences under this Act, exercise powers similar to those exercised by an officer in charge of a police station under the provisions of the Code of Criminal Procedure, 1898.

Cf. section  
34, Madras,  
and sections  
36 and 37,  
Act XII.

**36.** Any officer of the Excise, Police, Salt, Customs, Opium or Land Revenue Departments, not below such rank and subject to such restrictions as the Local Government may prescribe, and any other person duly empowered, may arrest without warrant any person found committing an offence punishable under section 45 or section 46; and may seize and detain any exciseable or other article which he has reason to believe to be liable to confiscation under this Act or other law for the time being in force relating to excise revenue; and may search any person upon whom, and any vessel, vehicle, animal, package, receptacle, or covering in or upon which, he may have reasonable cause to suspect any such article to be.

Cf. section 30,  
Madras, and  
section 40,  
Act XII.

**37.** If a Collector or a Magistrate, upon information obtained and after such enquiry as he thinks necessary, has reason to believe that an offence under section 45 or section 46 has been or is likely to be committed, he may issue a warrant for the search for any exciseable article, materials, still, utensil, implement or apparatus in respect of which the alleged offence has been or is likely to be committed.

**38.** Whenever a Collector, or any Excise officer not below such rank as the Local Government may prescribe, has reason to believe that an offence under section 45 or section 46 has been, is being, or is likely to be, committed, and that a search warrant cannot be obtained without affording the offender an opportunity of escape or of concealing evidence of the offence, he may, after recording the grounds of his belief, at any time by day or night enter and search any place and may seize anything found therein, which he has reason to believe to be liable to confiscation under this Act; and may detain and search and, if he thinks proper, arrest any person found in such place whom he has reason to believe to be guilty of such offence as aforesaid.

Power of Excise officers to search without a warrant.

*Cf.* section 31, Madras, and section 33, Act XII.

**39.** The provisions of the Code of Criminal Procedure, 1898, relating to arrests, searches, search-warrants, the production of persons arrested and the investigation of offences shall be held to be applicable to all action taken in these respects under this Act; provided that an offence punishable under section 45 or section 46 may be investigated without the order of a Magistrate.

Arrests, searches, etc., how to be made.

*New.* *Cf.* section 36, Madras.

**40.** All offences under this Act shall be bailable within the meaning of the Code of Criminal Procedure, 1898, and the provisions of that Code in respect of bail shall be applicable thereto.

Offences to be bailable.

*New.*

**41.** Every officer of the Police, Salt, Customs, Opium and Land Revenue Departments shall be bound to give immediate information to an Excise officer of all breaches of any of the provisions of this Act which may come to his knowledge, and to aid any Excise officer in carrying out the provisions of this Act upon request made by such officer.

Officers of certain departments bound to report offences and to assist.

*Cf.* sections 37 and 38, Madras, and section 43, Act XII.

**42.** (a) All zamindars, proprietors, tenants, undertenants and cultivators who own or hold land on which—

Landholders and others to give information.

*New.* *Cf.* section 39, Madras.

(b) all zaildars in whose zail, and

(c) all lambardars, village headmen and chaukidars in whose village—

there shall be any manufacture of any exciseable article not licensed under this Act, or the unlawful cultivation or collection of any plants from which an intoxicating drug can be produced, shall in the absence of reasonable excuse be bound to give notice of the same to a Magistrate or to an officer of the Excise, Police or Land Revenue Departments immediately the same shall have come to their knowledge.

**43.** All officers in charge of police stations shall take charge of and keep in safe custody, pending the orders of a Magistrate or of the Collector, all articles seized under this Act which may be delivered to them; and shall allow any Excise officer who may accompany such articles to the police station, or may be deputed for the purpose by his superior officer, to affix his seal to such articles and to take samples of and from them. All samples so taken shall also be sealed with the seal of the officer in charge of the police station.

Police to take charge of articles seized.

Section 53, Madras.

**44.** The District Magistrate by notice in writing to the licensee may require that any shop in which any exciseable article is sold shall be closed at such times or for such period as he may think necessary for the preservation of the public peace.

Closing of shops for the sake of public peace.

Section 54, Madras.

If a riot or unlawful assembly is apprehended or occurs in the vicinity of any such shop, a Magistrate of any class, or any police officer above the rank of constable who is present, may require such shop to be kept closed for such period as he may think necessary.

## IX.—PENALTIES.

**45.** Whoever, in contravention of this Act, or of any rule or order made under this Act, or of any license, permit or pass obtained under this Act—

For illegal import, etc.

*Cf.* section 55, Madras, and sections 45, 46, 48, 49 and 51, Act XII.

(a) imports, exports, transports or possesses any exciseable article; or

(b) manufactures any exciseable article; or

(c) cultivates or collects the hemp plant (*Cannabis sativa* or *Indica*); or

(d) taps any tari-producing tree; or

(e) draws tari from any tree; or

(f) constructs or works any distillery or brewery; or

(g) uses, keeps, or has in his possession any materials, still, utensil, implement or apparatus whatsoever for the purpose of manufacturing any exciseable article other than tari; or

(h) sells any exciseable article;

shall, on conviction before a Magistrate, be punished for each such offence with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

**46.** Whoever without lawful authority has in his possession any quantity of any exciseable article knowing the same to have been unlawfully imported, transported or manufactured or knowing the prescribed duty not to have been paid thereon, shall, on conviction before a Magistrate, be punished with imprisonment for a term which

For illegal possession.

Section 58, Madras.

may extend to six months, or with fine which may extend to one thousand rupees, or with both.

*Cf. section 56, Madras, and sections 50 and 52, Act XII.*

**47.** Whoever, being the holder of a license, permit or pass granted under this Act, or being in the employ of such holder and acting on his behalf,—

(a) fails to produce such license, permit or pass on the demand of any Excise officer or of any other officer duly empowered to make such demand; or

(b) wilfully contravenes any rule made under section 33; or

(c) wilfully does or omits to do anything in breach of any of the conditions of the license, permit or pass not otherwise provided for in the Act;

shall, on conviction before a Magistrate, be punished for each such offence with imprisonment which may extend to three months, or with fine which may extend to two hundred rupees, or with both.

*Cf. section 62, Madras.*

**48.** Any Excise officer who without lawful excuse shall cease or refuse to perform, or shall withdraw himself from, the duties of his office, unless expressly allowed to do so in writing by the Excise Commissioner, or unless he shall have given to his superior officer two months' notice in writing of his intention to do so; or who shall be guilty of cowardice; shall, on conviction before a Magistrate, be punished with imprisonment which may extend to three months, or with fine which may extend to six months' pay, or with both.

*Cf. section 63, Madras, and section 47, Act XII.*

**49.** Whoever is guilty of any act or intentional omission in contravention of any of the provisions of this Act, or of any rule or order made under this Act, and not otherwise provided for in this Act, shall, on conviction before a Magistrate, be punished for each such act or omission with fine which may extend to two hundred rupees.

*New.*

**50.** If any person, after having been previously convicted of an offence punishable under section 45 or section 46 or under the similar provisions in any enactment repealed by this Act, subsequently commits and is convicted of an offence punishable under either of those sections, he shall be liable to twice the punishment which might be imposed on a first conviction under this Act.

Provided that nothing in this section shall prevent any offence which might otherwise have been tried summarily under Chapter XXII of the Criminal Procedure Code, 1898, from being so tried.

*Cf. section 57, Act XII.*

**51.** (1) No Magistrate shall take cognizance of an offence punishable—

(a) under section 45 or section 46 except on his own knowledge or suspicion, or on the complaint or report of an Excise officer, or

(b) under section 47, section 48 or section 49 except on the complaint or report of the Collector or an Excise officer authorized by him in that behalf.

(2) Except with the special sanction of the Local Government, no Magistrate shall take cognizance of any offence punishable under this Act, unless the prosecution is instituted within a year after the commission of the offence.

*Section 64, Madras.*

**52.** In prosecutions under section 45 it shall be presumed, until the contrary is proved, that the accused person has committed an offence under that section in respect of any exciseable article, or any still, utensil, implement, or apparatus whatsoever for the manufacture of any exciseable article other than tari, or any such materials as are ordinarily used in the manufacture of any exciseable article, for the possession of which he is unable to account satisfactorily;

and the holder of a license, permit or pass under this Act shall be punishable, as well as the actual offender, for any offence under section 45 or section 46 or section 47 committed by any person in his employ and acting on his behalf as if he had himself committed the same, unless he shall establish that all due and reasonable precautions were exercised by him to prevent the commission of such offence.

Provided that no person other than the actual offender shall be punished with imprisonment except in default of payment of fine.

*Cf. section 65, Madras.*

**53.** Whenever an offence has been committed under this Act the exciseable article, materials, still, utensil, implement, or apparatus in respect of or by means of which an offence has been committed shall be liable to confiscation.

Any exciseable article lawfully imported, transported, manufactured, had in possession or sold along with, or in addition to, any exciseable article liable to confiscation under this section, and

the receptacles, packages and coverings in which any such exciseable article, materials, still, utensil, implement, or apparatus as aforesaid is found, and the other contents, if any, of the receptacles or packages in which the same is found, and the animals, carts, vessels, or other conveyances used in carrying the same, shall likewise be liable to confiscation.

54. (1) When in any case tried by him the Magistrate decides that anything is liable to confiscation under the foregoing section, he may order confiscation or may give the owner of the thing liable to be confiscated an option to pay, in lieu of confiscation, such fine as he thinks fit.

Confiscation how ordered.

*Cf.* section 66, Madras, and section 61, Act XII.

(2) When an offence under this Act has been committed, but the offender is not known or cannot be found, or when anything liable to confiscation under this Act and not in the possession of any person cannot be satisfactorily accounted for, the case shall be enquired into and determined by the Collector, who may order confiscation ;

Provided that no such order shall be made until the expiration of one month from the date of seizing the thing intended to be confiscated or without hearing the person, if any, claiming any right thereto, and evidence, if any, which he produces in support of his claim ;

Provided further that if the thing in question is liable to speedy and natural decay, or if the Collector is of opinion that the sale would be for the benefit of its owner, the Collector may at any time direct it to be sold ; and the provisions of this sub-section shall, as nearly as may be practicable, apply to the nett proceeds of such sale.

*Cf.* section 525, Code of Criminal Procedure.

55. Any Excise officer specially empowered by the Local Government in that behalf may accept from any person whose license, permit or pass is liable to be cancelled or suspended under clauses (a) and (b) of section 28, or who is reasonably suspected of having committed an offence under section 47 or section 49, a sum of money not exceeding two hundred rupees in lieu of such cancellation or suspension or by way of composition for the offence which may have been committed, as the case may be ; and in all cases whatsoever in which any property has been seized as liable to confiscation under this Act may release the same on payment of the value thereof as estimated by such officer.

Power to compound offences.

Section 67, Madras.

On the payment of such sum of money, or such value, or both, as the case may be, to such officer, the accused person, if in custody, shall be discharged, the property seized shall be released, and no further proceedings shall be taken against such person or property.

#### X.—MISCELLANEOUS.

56. Nothing in the foregoing provisions of this Act applies to the import, manufacture, possession, sale or supply of any *bonâ fide* medicated article for medicinal purposes by medical practitioners, chemists, druggists, apothecaries or keepers of dispensaries ; but the Local Government may by notification prohibit throughout the Province, or within any local area, the import, manufacture, possession, supply or sale of any such article except under such conditions as it may prescribe.

Exception of medicated articles.

*Cf.* section 71, Madras.

Power of Local Government to exempt exciseable articles from the provisions of the Act.

57. The Local Government may by notification either wholly or partially exempt any exciseable article from all or any of the provisions of this Act, either throughout the Province or in any specified area, or for any specified period or occasion, or as regards any specified class of persons.

*Cf.* section 66, Act XII.

58. All rules made and notifications issued under this Act shall be made and issued by publication in the Government Gazette, and shall thereupon have the force of law and be read as part of this Act, and may in like manner be varied, suspended or cancelled.

Publication of rules and notifications.

*Cf.* section 69, Madras.

59. No action shall lie against the Secretary of State for India in Council, or against any Excise officer, for damages in any Civil Court for any act *bonâ fide* done or ordered to be done in pursuance of this Act, or of any law for the time being in force relating to excise revenue :

Bar of actions.

Section 72, Madras.

and all prosecutions of any Excise officer, and all actions which may be lawfully brought against the Secretary of State for India in Council or against any Excise officer, in respect of anything done, or alleged to have been done, in pursuance of this Act, shall be instituted within six months from the date of the act complained of and not afterwards.

#### SCHEDULE.

(See Section 2.)

Enactment or law.	Title or subject.	Extent of repeal.
Act XVI of 1868 .. ..	Making special provision for the levy of the excise duty payable on spirits used exclusively in arts and manufactures or in chemistry.	The whole except in so far as it affects the Presidencies of Madras and Bombay.
Act XII of 1896 .. .. Etc.	The Excise Act, 1896 .. .. Etc.	The whole. Etc.



## APPENDIX II.

## NOTES EXPLANATORY OF THE DRAFT EXCISE BILL.

[The corresponding sections of Act XII of 1896 or of the Madras Abkari Act, 1886, are noted in the margin of the draft. When a clause is based on a section of the Madras Act, only important variations from the provisions of that Act are dealt with in this note. As the draft is framed as an Imperial enactment, its construction is affected by the General Clauses Act, 1897.]

It is deemed convenient to extend the Act to the whole of British India except Madras and Bombay instead of specifying particular territories to which it applies. If its extension to the Provinces of Bengal and of Eastern Bengal and Assam be not accepted, they also will have to be specifically excluded.

It has been left to the Local Government concerned to apply the Act or portions thereof to different areas at such times as it thinks fit. The general control of the Government of India in this matter can be exercised without specific provision in the Act.

In view of section 6 of the General Clauses Act, 1897, a provision similar to section 2 (2), Act XII of 1896, is not needed.

*Clause 3.*—Unless otherwise stated the definitions follow the wording of those in the Madras Abkari Act with a few verbal changes.

*Clause 3 (1).*—Judicial fines have been excluded from the scope of the definition of "Excise revenue". It is unnecessary that the Collector or his excise subordinates should have power in respect of their collection.

*Clause 3 (4).*—It is left open to the Local Government, subject to the control of the Government of India, to declare who is to be the Chief Revenue Authority, if any, for the purposes of the Act.

*Clause 3 (5).*—It is deemed advisable to have statutory provision as to what Magistrate should try excise cases, and not to leave the matter to executive order. The definition of "Magistrate" in Act XII of 1896 has been adopted.

*Clause 3 (7).*—The definition of "spirit" in Act XII of 1896 has been amplified so as to make it clear that it includes denatured spirit.

*Clause 3 (8).*—"Denatured" is defined.

*Clause 3 (9).*—The definition of "beer" in the Madras Act has been adopted, the word "usually" being omitted. It is not desirable to make the definition of "beer" too wide.

*Clause 3 (10).*—"Methylated spirits" are not mentioned in the definition of "liquor," as they are now specifically included in that of "spirit," which "liquor" includes. In Bengal there has been some difficulty in determining what the term "pachwai" includes, and an addition has been made to give the Local Government power to declare what is liquor for purposes of this Act. [*Cf.* clause 2 (1) (j) and clause 2 (1) (o) of the Bengal Excise Bill, 1904.]

*Clause 3 (11) and 3 (12).*—The distinction in the Madras Abkari Act between "country" and "foreign" liquor has been adopted and the wording has been altered to make it clear that "foreign" liquor includes all liquor made in Madras and Bombay which has paid the full tariff rate of duty, as well as such liquor made in Provinces to which this Act relates.

To ensure uniformity of practice the previous sanction of the Government of India is made necessary to the declaration by a Local Government in case of doubt whether any particular liquor is "country" or "foreign".

*Clause 3 (13).*—"Cocaine" is included in the definition of "intoxicating drug" and power is given to the Local Government, subject to the control of the Government of India, to declare any substance to be an intoxicating drug. The word "substance" is used in place of the word "drug" which is not defined. To meet difficulties which have arisen, a provision is added enabling the Local Government, under the same control, to declare what shall be deemed to be a particular drug specified as an intoxicating drug.

*Clause 3 (15).*—It is convenient to have a definition of "exciseable article".

*Clause 3 (19).*—The definition of "manufacture" has been recast to avoid the need of a separate definition of "rectification".

*Clause 4.*—This is modelled on clause 2 (3) of the Bengal Excise Bill, 1904, but the decision in an important matter of the kind which may affect neighbouring Provinces is vested in the Local Government, subject to the control of the Government of India.

*Clause 5.*—It is proposed to repeal the Excise Spirits Act, 1863, except as regards Bombay and Madras, as the necessary provisions are embodied in the present draft. The reference to that Act is therefore omitted.

*Clause 7.*—This is based on sections 4 and 5 (1), Madras Abkari Act, with slight alterations, mostly verbal. Section 5 (1) of the Madras Abkari Act is covered by clause 7 (d) of the draft, and power to make rules regulating the delegation of powers finds place in clause 33.

*Clause 8* is modelled on section 64 of Act XII of 1896, an appeal being given from original orders of the Excise Commissioner. It is not considered advisable to allow a second appeal, and the power of revision by the Chief Revenue Authority, if any, can be exercised under the general powers of control conferred by clause 7 (a). The right of appeal to the Local Government against certain orders of the Excise Commissioner in no way affects the general power of control inherent in the Local Government.

*Clause 9.*—The first part of this clause relates to the import of exciseable articles which have paid the full tariff rate of duty. The second part deals with liquor manufactured in British India which, having paid the full tariff rate of duty, is treated as foreign liquor under this Act. It is considered desirable to allow import of such liquor either in bond or after payment of duty as may be most convenient to the importer, and for import in either way the permission of the Local Government of the Province of import is not required. The third part of the clause provides both for the case of country liquor or intoxicating drugs imported into one Province from another and for that of similar exciseable articles imported from a Native State which has not been declared to be "foreign territory" under section 5 of the Indian Tariff Act, 1894. In both cases a condition precedent to import is the permission of the Local Government of the Province of import.

*Clause 10.*—In view of the general power of exemption given by clause 57 of this Bill, a provision safeguarding the power of exemption similar to that in section 8, Madras Abkari Act, is not required.

*Clause 11.*—This clause read with clause 33 (2) (c), which gives power to make rules to regulate transport, is sufficient to meet the case of prohibition of transport except under certain specified conditions.

*Clause 12* has been amplified to make passes necessary for import and export as well as for transport of exciseable articles over a certain quantity. Denatured spirit has been excluded from the operation of the proviso, as it is desirable to control its movement. As liquor made in India which has paid the full tariff rate falls within the definition of foreign liquor, it will ordinarily, once it has paid duty, be allowed to be exported, imported or transported without a pass. The words in section 10 of the Madras Abkari Act limiting the exemption of foreign liquor have not been reproduced, because it is difficult to determine for what purpose such liquor is transported, and, if there is any abuse of the exemption, the Local Government may direct that passes be required.

*Clause 13.*—This clause has been enlarged so as to cover passes for export and import as well as for transport. The words "or by any person duly empowered in this behalf" in section 11, Madras Abkari Act, have been omitted, as under clause 7 (h) the Collector may be authorised to delegate his powers as to granting passes.

The proviso is added to facilitate inter-provincial export and import.

*Clause 14.*—An addition has been made to meet the case of the collection of the hemp plant, which should, unless an exemption be allowed, be under license. Reference is made in the clause to the licenses granted under the following clause by the Excise Commissioner for a distillery, brewery or warehouse.

The proviso to section 12 of the Madras Abkari Act has been omitted, as clause 57, giving general power to exempt, is sufficient, but a modification of the last proviso to section 15 of the Madras Abkari Act has been inserted, as it is wider in its operation than clause 57. It is drafted so as to cover the case of sweet tari as well as tari drawn for the manufacture of gur or jaggery.

*Clause 15* is based on section 14, Madras Abkari Act, but the licensing of a private distillery, as well as the power of establishing a public distillery, is entrusted to the Excise Commissioner, who will be subject to the orders of the Chief Revenue Authority as well as of the Local Government in this as in other respects.

*Clause 16* embodies the substance of section 13, Madras Abkari Act, excluding denatured spirit from the exemption conferred on foreign liquor. A new proviso has been added. It will meet the case of cocaine and other intoxicating drugs deserving of special restriction and will also be of use in tracts bordering on foreign territory where smuggling of illicit spirit is rife.

*Clause 17* is based on section 15 of the Madras Abkari Act. Provision is made for the sale without a license of the produce of the hemp plant to Government officers, if deemed advisable. The first proviso to section 15 is omitted as covered by clause 57. The second and third provisos to the clause provide for licenses granted in respect of river steamers and through dining cars on railways. The last proviso reproduces section 21 (a), Act XII of 1896.

*Clause 18.*—The terms of this clause are comprehensive enough to cover the grant of all farms, of a district monopoly and of a contract to supply spirit under the Contract Supply system. The reference made in section 16 of the Madras Abkari Act to the grant of a privilege within a local area other than an exclusive privilege has been omitted, as such a privilege must be an

exclusive one. The grant of a license to sell, by wholesale or by retail, at a definite place, but not within a definite local area, is separately provided for by clause 17.

*Clause 19* reproduces section 62, Act XII of 1896, with a slight alteration in wording. It seems unnecessary to make statutory provision for the immediate cancellation of a license on the requisition of the Commanding Officer of a cantonment.

*Clause 20.*—This and the two following clauses have been removed from the chapter as to duties and fees to that regarding manufacture, possession and sale, as they more conveniently follow clause 18.

*Clause 21* provides for the case of a farm, when farm is permitted.

Section 20 of the Madras Abkari Act, which authorises the farm of duties, has been omitted; such authorisation is never given.

*Clause 23.*—This clause has been recast so as to follow the wording of the preceding clauses referred to. It is not considered necessary to provide for a duty on exciseable articles sold. In practice no such duty is levied and revenue can more conveniently be raised from license fees for the privilege of sale.

As the proviso to this clause lays down that the duty on denatured spirit or beer made in India shall be equal to the tariff rate, an alteration of the tariff rate will not necessitate an amendment of the Act. If the recommendation of the Committee to remove the duty on denatured spirit made in British India is accepted, this proviso will require alteration. It is not considered advisable to allow Local Governments to impose on beer a rate of duty lower than the tariff rate.

An explanation has been added on the lines of section 7, Act XII of 1896, as to the duty varying according to the places to which the exciseable article is removed for consumption. It is understood that a Local Government has power to impose a rate of duty on spirit according to its strength. A proviso enabling a Local Government to exempt from duty in special cases is no longer needed in view of clause 57.

*Clause 24.*—This clause has been recast and the order of treatment in the foregoing clause followed.

*Sub-clauses (a) and (b)* provide in the case of inter-provincial import that duty may be paid either in the Province of import or in that of export or may be paid on issue from bond, as the Local Government of the Province of import may direct, in the case of exciseable articles other than liquor made in British India which has paid the full tariff rate of duty. In the case of such liquor it will rest with the importer to decide in which of the ways specified he will pay the duty. If paid in the Province of export, the duty will be credited to that Province; and it is not suggested that the system of inter-provincial account transfers should be revived. *Sub-clause (b)* further covers the case of exciseable articles imported from Native States.

The remaining changes explain themselves.

*Clause 25.*—It is desirable to distinguish between duty and fees, and no reference to the fees mentioned in section 18 (c) and (d) of the Madras Abkari Act has been made in the foregoing clause. Fees on licenses for manufacture or sale are sufficiently provided for by clause 26, and the present clause repeats section 18 (c) of the Madras Act with slight alterations.

The heading of the chapter has been altered to cover both duties and fees.

*Clause 28.*—In this clause provision is made for the cancellation or suspension of a permit as well as a license or pass, and the reference to recall has been removed. The cancellation of farms is not specially referred to, as under clause 18 every farmer has to take out a license.

*Sub-clause (1) (c)* is based on clause 43 (1) (c) of the Bengal Excise Bill, 1904, though the reference to a cognizable and non-bailable offence is retained. To meet the case of convictions under the Sea Customs Act or other similar Act, the limitation of convictions to those under the law relating to the excise revenue has been enlarged. The provision allowing cancellation or suspension at will if the conditions of the license provide for it has been removed, as this is a pure matter of contract. When a license is cancelled because of the non-payment of duty or fee or because of a breach of its conditions, it is desirable that the Collector should have power to cancel any licenses of a similar nature held by the licensee: and *sub-clause (2)* confers this power. If a licensee has been convicted as mentioned in *sub-clause (1) (c)*, the Collector is empowered by that *sub-clause* to cancel all or any of his licenses granted under this Act.

*Sub-clause (3)* provides specifically that in the event of a license, permit or pass being cancelled the holder is not entitled to the refund of a fee or deposit.

*Clause 29* is based on section 23, Act XII of 1896, and clause 44 of the Bengal Excise Bill, 1904. Some such provision is deemed equitable.

*Clause 30* is based on clause 45 of the Bengal Excise Bill, 1904 (*Cf.* section 24, Act XII of 1896). It is advisable to retain some provision relating to surrenders, and the keeping of remissions in the hands of the Excise Commissioner is a safeguard against any undue leniency.

*Clause 31* has been extended to cover the case of the manufacture or sale of any exciseable article, as it may be advisable to require sellers of intoxicating drugs to keep weights. In view of the extension of the provision the Local Government alone is given power to prescribe measures, weights and instruments, though it is at liberty to delegate such power, if it think fit.

*Clause 32.*—Specific reference is made to default by the holder of a license, to make it clear that Government has the same power in respect of the grant covered by that license as it has in the case of a grant of an exclusive privilege under clause 16.

*Clause 33.*—In this clause the order of the preceding clauses of the Bill has been followed, and endeavour is made to bring together all the rule-making powers which in other Acts are scattered over several sections. It is made clear that the specification of certain of the more important matters as to which rules may be made does not limit the generality of the power of the Local Government to make rules to carry out the provisions of the Act. The Local Government under clause 7 (h) may delegate its power to make rules to the Chief Revenue Authority or Excise Commissioner or other authority, and in practice will no doubt make extensive use of this permission to delegate.

No provision is made for rules for the grant of compensation to persons released or acquitted, or for the grant of rewards, as in the Committee's opinion these matters can be more suitably dealt with by executive instructions.

*Sub-clause (2) (c).*—The Committee do not consider it necessary to provide specially for the previous sanction of the Government of India being requisite to rules governing inter-provincial import and export, as the general power of control of that Government seems sufficient.

*Sub-clause (2) (g).*—Under the clause as drafted can be made *inter alia* rules governing the conduct of auctions or other methods of disposal of shops, and rules for ascertaining public opinion in the matter of the grant of licenses. If the Government of Bengal accept the draft Bill, it may desire to have supplementary legislation to meet the requirements of that Province, where it has been decided that there should be statutory provision for the ascertainment of local opinion and for giving due weight to such opinion when ascertained.

*Sub-clause (2) (k)* specifies the more important matters for consideration when rules are made declaring what the conditions of licenses are to be.

*Sub-clause (2) (l)* gives power to the Local Government to make rules as to denatured spirit and will replace section 2, Act XVI of 1863; while sub-clause 2 (k) (ii) enables a limit to be fixed for possession of denatured spirit by a licensed vendor. It is not considered necessary to make provision in the Bill for the amendment of section 155 of the Sea Customs Act, 1878, to bring it into line with clause 33 (2) (l). The section as it stands gives sufficient power to make rules, and it can be remodelled when the Sea Customs Act next comes under revision.

*Clause 35* limits the power of investigation of the Excise officer of superior rank to specified areas prescribed by the Local Government. This power has not been conferred before in the Provinces in which Act XII of 1896 is in force, and it may be desirable to be cautious in conferring it. The Committee consider that clauses 35, 39 and 40 sufficiently provide for the matters dealt with in sections 44 to 49 of the Madras Abkari Act and that a general reference to the necessary provisions of the Code of Criminal Procedure is a more convenient arrangement than their reproduction in the Bill.

*Clause 36.*—The power of arrest without warrant is at present in most Provinces in which Act XII of 1896 is in force confined to officers above the rank of an excise peon or police constable: and it is deemed desirable to allow the Local Government to declare by what officer and under what restrictions this power shall be exercised. The Salt, Customs, Opium and Land Revenue Departments also are included in the departments mentioned. If it should be deemed proper to give statutory power to any officer of the Excise or Police Departments to arrest for any offence committed in his presence, a slight modification of the first few words of the clause would suffice: "Any officer of the Excise or Police Departments, and any officer of the Salt, Customs, Opium or Land Revenue Departments not below such rank, etc., etc."

*Clause 37.*—Power to issue a warrant is given to a Collector as well as to a Magistrate. The word "Collector" under the General Clauses Act, 1897, includes the Collector of Calcutta, who has no magisterial powers.

*Clause 38.*—As the operation of clause 35 is now limited, this clause becomes necessary. It is based on section 31 of the Madras Abkari Act (*Cf.* section 38, Act XII of 1896), with an alteration in wording which makes for clearness.

*Clause 39.*—The provisions of the Code of Criminal Procedure as to the investigation of offences have also been made applicable to investigations under this Act; and it is made clear that offences under clause 45 or clause 46 may be investigated without the order of a Magistrate. Without special direction they could not be so investigated, as they are offences for which only a specified class of police officers can arrest without warrant, and are therefore not cognizable offences.

*Clause 41* is based on sections 37 and 38 of the Madras Abkari Act, which are much wider than section 43 of Act XII of 1896. It is deemed advisable to confine the obligation to give information of excise offences to the officers of the departments most intimately connected with police or revenue matters; and not, as in Madras, to oblige all officers employed by Government to give immediate information of any breach of the condition of a license, however petty.

*Clause 42* is based on section 39 of the Madras Abkari Act and goes further than section 53 of Act XII of 1896, which limits responsibility to authorisation of or connivance at illegal

dealings. It has been expanded to meet the needs of the Punjab, where difficulty has arisen in case of illicit distillation within the village site, and also to cover the case of unlawful cultivation or collection of hemp.

*Clause 44.*—A Magistrate of any class is specified in view of the restricted definition of Magistrate; and it is deemed prudent to give power to close a shop in the emergency stated only to a police officer above the rank of constable.

*Clause 45.*—The collection of the hemp plant, as well as its cultivation, is mentioned.

*Clause 47.*—A permit is referred to, as well as a license or pass, and with advertence to the third ruling printed under section 56 of the Madras Abkari Act in the Madras Excise Manual provision is specifically made for the misconduct of the servants of a licensee.

*Clause 47 (c)* follows the wording of the Bombay Abkari Act, as it is advisable specially to provide for omissions. Clauses (d) and (e) of section 56 of the Madras Abkari Act have not been reproduced, as these matters will ordinarily be provided for by conditions in the licenses under rules made under clause 33 (k) (vi).

Similarly if a licensed vendor employs a person whom he is prohibited from employing or sells to any person to whom he is prohibited to sell, or receives any wearing apparel or other thing in barter in contravention of the terms of his license, he is punishable under this clause, and no specific reference to these matters is required.

*Clause 48.*—The provision for punishment for unwarrantable violence to a person in custody which section 62 of the Madras Abkari Act contains has not been reproduced, as it is believed that the ordinary criminal law is sufficient.

*Clause 50* enables enhanced punishment to be given in case of previous convictions of the more serious offences under the Act. It is not considered necessary to provide for enhanced punishment in cases of offences under clauses 46, 47 and 48. After a first conviction licenses are not likely to be renewed nor are Excise officers likely to be retained in the service.

*Clause 51* has been drafted so as to permit a Magistrate to take cognizance of the more serious offences under the Act on his own knowledge or suspicion, or on the information of an Excise officer; while, to prevent harassment of licensed vendors and of the public, he can take no action in respect of the less serious offences, breaches of conditions of licenses and the like, except at the instance of the Collector or an Excise officer authorised by him. To meet difficulties which have arisen, the period after the commission of the offence within which a prosecution may ordinarily be instituted has been raised to one year, while this limit may be extended in exceptional cases by the Local Government.

*Clause 56.*—In view of the increasing use as intoxicants of medicated articles sold by druggist it is deemed advisable to give power in special cases to prohibit import, manufacture, possession and supply as well as sale.

*Clause 57* enlarges the scope of section 66, Act XII of 1896, and follows the wording of clause 107 of the Bengal Excise Bill, 1904, providing for whole or partial exemption and exemption for any specified period or occasion, in addition to the exemptions now covered by section 66.

*Clause 58.*—Owing to the extensive scope of clause 49 the distinction between rules and notifications whereby the doing or not doing of anything is made punishable and other rules and notifications is a distinction not easy to observe in practice, and section 69 of the Madras Act has been modified accordingly.

## APPENDIX III.

SUGGESTIONS FOR THE AMENDMENT OF THE BOMBAY  
ABKARI ACT, 1878.

*Section 3 (1).*—“Fine” might be limited as in the draft Bill.

*Section 3 (3).*—“Commissioner” should be defined as the officer appointed to be the Commissioner for the purposes of this Act, and in subsequent sections “Commissioner” might be substituted for “Commissioners”. The Divisional Commissioners have long ceased to do what the Act lays on them; the Commissioner of Customs, Salt, Opium and Abkari in the Presidency proper and in Sind the Commissioner in Sind are the only Commissioners who exercise powers under the Act.

*Section 3 (5).*—“Magistrate” might include a third class Magistrate specially empowered, by the District Magistrate, as in the draft Bill.

*Section 3 (8).*—“Country liquor” and “foreign liquor” should be defined as in the draft Bill for reasons given in the report.

*Section 3 (10).*—Perhaps the definition of “import” and “export” would be better expressed in the form adopted in the draft Bill; and a definition of transport should be added.

A definition of “exciseable article” and the use of that phrase in subsequent sections, as in the draft Bill, would shorten the wording in many places.

“Denatured” should be defined; and if necessary, definitions of “sale” and “place” may be included.

A clause similar to clause 4 of the draft Bill would enable the legal prescription of limits of wholesale and retail vend. Section 17 contains power to limit retail; but does not define wholesale or retail or give power to fix limits for wholesale.

*Sections 9, 10 and 11.*—It is suggested that in order to facilitate the inter-provincial import and export of exciseable articles, the provisions relating to these might be remodelled on the lines of the draft Bill.

*Section 14.*—It might be well to insert “no toddy-producing trees shall be tapped,” as in clause 14 (c) of the draft Bill.

The proviso to clause 14 might be inserted; also a provision for the regulation of bottling.

It seems desirable that there should be a specific “possession” section, on the lines of clause 16 of the draft Bill.

*Section 15*—provides for “public” distilleries only, i.e., those “established by the Collector”.

Section 14 contains the only provision for licensing private distilleries, which are dealt with further by rules under section 35, and there is no provision for establishing or licensing warehouses—except for intoxicating drugs under section 27-A. Clause 15 of the draft Bill might be followed.

*Section 16.*—For reasons given in the report the first proviso should be repealed.

*Section 19.*—The section might be amended on the model of clauses 23 and 24 of the draft Bill, “fee” being distinguished from “duty” and differentiation of rates provided for.

*Section 24*—seems to be time expired.

*Section 27*—could be included in a remodelled section 19.

*Section 27-A*—makes no provision for warehouses for liquor. Compare note on section 15.

*Section 27-B, C, D*—contain more detail than is perhaps necessary in an Act, and such matters are usually dealt with in rules.

*Section 28*—seems to cover section 23, though the latter goes into greater detail on the particular subject with which it deals.

*Section 32*—For “recall or cancel” it seems better to read “cancel or suspend”.

The words “any Criminal offence” at the end of the section are exceedingly wide, and might be restricted as in the corresponding clause of the draft Bill (clause 28).

Offences against his license committed by a licensee are punishable under section 45 read with section 56 only on conviction by a Magistrate. It has been suggested, and the Committee approve the suggestion, that it would be useful to give the Collector power to impose fine for petty breaches of license conditions. One way of providing for this would be by a clause similar to clause 55 of the draft Bill. The advisability might be considered of adopting clauses 28 and 29 of the draft Bill.

*Section 35.*—It is suggested that the section might with advantage be amplified in the manner adopted in clause 33 of the draft Bill. In any case power should be taken to make rules regulating the traffic in denatured spirit.

*Sections 36 to 42.*—The Committee think it highly desirable that officers of the Excise Department should be empowered to take excise cases into court themselves (compare paragraph 280 of the report); and recommend that provision should be made accordingly by the insertion of sections similar either to those contained in the Madras Act (sections 40 *et seq.*) or to clauses 35, 39 and 40 of the draft Bill, as may be found most convenient.

*Section 43.*—In clause (a) it would be well to insert “taps any toddy-producing tree” (compare note on section 14) in order that to establish the offence of illicit tapping it may suffice to show that the tree was tapped, without proof of toddy being actually drawn.

*Sections 45, 47 and 49.*—The scale of penalties might be raised, as in the Madras Act and the draft Bill.

In section 47 amendment is greatly needed, in order to penalise the possession of illicit liquor in any quantity, whether within the limit of possession or otherwise (compare clause 46 of the draft Bill).

*Section 48*—seems to be covered by the Indian Penal Code.

*Section 49.*—No similar provision has been included in the draft Bill, as the Committee think that the acts referred to are sufficiently met by the provisions of the Indian Penal Code relating to trespass, mischief, wrongful restraint and confinement. On the other hand it seems desirable to insert a clause similar to clause 48 of the draft Bill—see section 62 of the Madras Act.

*Section 45 (b)* provides for wilful acts and omissions of a general nature by holders of licenses, etc. It is for consideration whether provision should be made for such acts and omissions by others, as in clause 49 of the draft Bill and section 63 of the Madras Act.

*Section 53.*—It might be better to provide, as in clause 52 of the draft Bill and section 64 of the Madras Act, that only the actual offender may be punished with a substantive term of imprisonment.

*Section 55.*—It is suggested that confiscation may conveniently be ordered by the Magistrate when a case is sent to him, and by the Collector in other cases. Compare clause 54 of draft Bill and Madras Act, section 66.

*Section 58*—could be brought under a general rule-making section. Compare note on section 35.

*Section 59.*—The Committee think it distinctly preferable that the grant of rewards should not be limited by the proceeds of fines and confiscations under the Act, and that the rules regarding them should be issued as standing orders by Government in its executive capacity and not as rules under the Act.

*Section 61.*—The reference to Act XVI of 1863 should be omitted, and the Act repealed for the Presidency of Bombay, the provisions of the draft Bill regarding denatured spirit being included in the Bombay Act.

A section on the lines of clause 58 of the draft Bill should be added providing for the publication in the *Bombay Government Gazette* of all rules made and notifications issued under the Act.

EAST INDIA (EXCISE COMMITTEE).

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ORDERS

OF THE

GOVERNMENT OF INDIA

ON

CHAPTERS XI., XII. AND XIII.

OF THE

REPORT OF THE EXCISE COMMITTEE, 1905-6.

[*In continuation of House of Commons Papers 142 and 209 of 1907.*]

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Presented to both Houses of Parliament by Command of His Majesty.

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ORDERS

OF THE

GOVERNMENT OF INDIA

ON

CHAPTERS XI., XII. AND XIII.

OF THE

REPORT OF THE EXCISE COMMITTEE, 1905-6.

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No. 1.

*Orders of the Government of India on Chapters XI. and XII. of the Report of the Excise Committee, No. 5086-Exc., dated the 15th August, 1907.*

IN a series of previous Resolutions the Government of India have dealt with the questions discussed in successive Chapters of the Excise Committee's Report. They turn now to the subject of Chapters XI. and XII. of that Report, and propose to deal in the present Resolution with

- (1) the number, location and licensing of liquor shops ;
- (2) the conditions under which liquor should be sold.

As the Committee have remarked, these matters are of the highest importance in their bearing on the Government's recognised policy of restricting the consumption of intoxicating liquors by fiscal measures.

I.—NUMBER, LOCATION AND LICENSING OF LIQUOR SHOPS.

2. Throughout India as a whole, as the statistics in paragraph 75 of the Committee's Report conclusively show, the proportion of shops to the population which they serve is extremely moderate. The distribution, however, is very uneven. On the one hand, there are areas where the facilities for supply are in excess ; on the other hand, in some areas they are so deficient as to provide a direct incentive to illicit practices. Among the former may be mentioned the Central Provinces (where, however, a thorough reform is now in progress), Behar and the eastern districts of the United Provinces in regard to *tari* shops, certain districts of Bengal in regard to *pachwai* shops, and parts of Madras. Among the areas where the number of shops is insufficient to check illicit supplies are some of the Bengal districts, certain districts of relatively large consumption in the United Provinces, and parts of Bombay (where the difficulty will become more acute when the District Monopoly system in that province is replaced by the system of Contract Distilleries). The considerations which, in the Government of India's opinion, must govern the decision as to the number of shops to be established in a given area are perfectly clear. If shops are allowed to be so sparse that each has a practical monopoly over a considerable area, prices will inevitably be raised and illicit practices encouraged ; this danger will be accentuated if the limit of private possession of liquor is reduced, as suggested in paragraph 12 below. On the other hand, while shops need not necessarily be so limited in number as to make it impossible for a resident in a particular area to get his liquor except from one particular shop, it should only be possible for him to do so at the cost of considerable inconvenience, and he

ought to have as little freedom of choice in the matter as possible. If two or more shops are equally convenient to any considerable number of persons, the fact affords what the Government of India would regard as *prima facie* evidence that the number of shops in that particular area is excessive.

3. The Government of India are desirous that Local Governments, who have not recently examined the subject, should now investigate the number of shops required in their provinces with reference to the criteria indicated above and the more detailed criticisms of the Excise Committee. The Government of India, however, wish to guard against any possible misconception of these instructions. They do not suggest that there should be any addition to the total number of liquor shops in India. The investigation should aim at a redistribution where the present arrangement is uneven, and at a reduction where the number of shops is now in excess.

It is of course impossible to lay down a uniform standard even for a single large province, as different tracts differ materially in the distribution and density of the drinking population and the facilities for putting down illicit consumption where shops are sparse. The Committee's proposal (paragraph 234 of the Report) to consider separately, with reference to local conditions, a minimum and a maximum scale of shops for every tahsil or other convenient sub-division of a district, is one which has the approval of the Government of India; a similar scale might also be determined for each municipality. The determination of maximum and minimum numbers for each municipality and rural area would give the local authorities sufficient scope to provide for varying circumstances; but the margin between the minimum and maximum figure in each case must not be large.

4. The licensing authority in India, outside the Presidency towns, is the District officer; and the Excise Committee have carefully considered whether the existing practice calls for modification. In the granting of liquor licenses and the location of liquor shops, the extent to which public opinion can be ascertained, and the weight which should attach to such opinion as is expressed, are questions of no small difficulty. Local option, in the sense in which that term is generally understood, is quite impracticable in India. As the Government of India wrote in 1890, it "would throw the whole Administration into confusion, and would in some places create an intolerable class tyranny which might have very serious political effects." The

Paragraph 98 of the Government of India's Despatch No. 29, dated the 4th February, 1890.

position has not materially changed since this was written; and it is impossible for the Government to lay aside its responsibilities for fixing, whether by itself or through its officers, the number and sites of liquor shops. The Government of India would be glad, however, to see local opinion consulted more systematically and recorded more definitely than is the case at present; and to that end they suggest for the careful consideration of Local Governments the following modifications in the present procedure, which are based to a certain extent on the Committee's recommendations.

5. The machinery which the Committee proposed for the licensing of shops in the Presidency and other large towns is a small local committee; and the Government of India think that a similar body might suitably be utilized for drawing up the maximum and minimum scales both in the Presidency towns and other large municipalities with a population exceeding, say, 20,000 or some other suitable figure to be fixed by the Local Government. The Committee in the Presidency towns and Rangoon might consist of (1) the Collector, the Excise Commissioner, or other Chief Revenue officer; (2) the Commissioner of Police; (3) the Chairman of the Corporation; and (4) the Municipal Commissioner or Commissioners for each ward separately. In other municipalities it might similarly consist of (1) the District officer; (2) the District Superintendent of Police; (3) the Chairman of the municipality; and (4) the members (or a selected member), for each ward separately. The precise constitution of the Committees must however in all cases be left to the discretion of the Local Government concerned, and there is no need for uniformity. These Committees might prepare their proposals, or consider those of the Collector, once in three to five years and submit them to the Chief Revenue authority for the approval of Government, whose decision should be final. Whether a similar agency could be employed for rural areas, or even for small towns, appears to the Government

of India to be somewhat doubtful. Members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops required in the smaller and more densely populated areas with which they are familiar. The extension of the system outside the larger towns, however, is a matter which may be left to the discretion of Local Governments.

6. The exact position of shops for which licenses have been granted is a matter on which considerable diversity of opinion has been expressed, both by administrative authorities, and by those who interest themselves in temperance reform. The Government of India, however, are in general accord with the broad principles which the Committee (paragraph 237 of their Report) have recommended for observance in the selection of sites. They also approve of the Committee's further suggestions in the direction of notifying proposed sites with the object of ascertaining any local objections to them, and of obtaining the opinions of those who may be specially interested, such as railway authorities, Forest officers, and large employers of labour in tea gardens, mills and coal mines. In addition to these measures the Collector should, before each periodical auction or settlement in a large town, consult the local committee above described, if possible personally. Their advice for or against the location of a shop in a particular place where it is proposed to have it would be valuable; but the Collector's decision should be final, and the licensing of shop-keepers should also be left in his hands. Any police objection as to the character of applicants would of course be duly considered, as is already definitely required in the case of Presidency towns.

## II.—CONDITIONS OF THE RETAIL SALE OF LIQUOR.

7. On this important subject the Excise Committee have recorded a number of recommendations, which have the entire concurrence of the Government of India, and which they commend to the most careful consideration of Local Governments. It is impossible, within the limits of a Resolution, to enumerate the many details of a policy upon which the Committee's pronouncements are accepted by the Government of India; but the following matters may be selected for special reference.

*Shop premises (paragraph 247 of the Report).*—These should, as a rule, have only a single door opening into a public road. When special circumstances appear to justify it, however, provision may be made for a separate private bar, which should require a special license from the Collector; there need be no objection to a separate entrance to such a bar, provided it is labelled as such. Each shop should be so constructed that the interior, whether of a public or private bar, may be visible from its door-way, and it should not be a place of residence save for the vendor and his family or caretakers. The employment as shops of buildings such as the Committee describe at Amritsar, where the shops are turned into local club houses, should be put a stop to.

8. *Hours of sale (paragraph 248 of the Report).*—Shops should not be opened before sunrise and should ordinarily be closed not later than 9 p.m.; and in certain places, as in the Assam tea gardens, earlier closing hours may be laid down at the discretion of the local authorities. When for any reason a shop is kept open after ordinary hours, it should be under special license and on payment of a special fee. Shops should be liable to temporary closure, under the orders of a Collector, when troops are encamped or marching in the vicinity and in times of religious excitement or disturbance; and, as is required in Bombay, a shop-keeper should himself take the initiative in closing a shop when there is riot or disturbance in the neighbourhood.

9. *Persons who should not be allowed to sell liquor (paragraph 249 of the Report).*—Sale by minors (*i.e.*, in this connection, persons below the age of 14) and diseased persons should be prohibited. As regards sale by women, the Government of India agree with the view taken by the Government of Bombay in 1905 that there is no necessity for its absolute prohibition, and that it will be sufficient to cancel the license and to refuse renewal in the case of any person who is found to allow the business of a refreshment room to be carried on in a manner which is open to reasonable suspicion. It is, however, ordinarily desirable to confine permission to a wife, daughter, or other near relative of the

shop-keeper who is living with him ; and there may, as the Committee indicate, be particular places in which it is desirable to forbid sale by women altogether. The Collector should in all cases have power to call for the names of persons employed or proposed to be employed in liquor shops, and to forbid sale by such as he may disapprove.

10. *Persons to whom liquor should not be sold (paragraph 250 of the Report).*—These should include :—

- (1) Sailors and the soldiers, and the members of their families, except when supplied at licensed houses, refreshment rooms and shops, which have been specially approved by the General Officer Commanding the Division (or Independent Brigade) or the Officer Commanding the Cantonment or Camp, and then only in respect to such liquors as shall be approved by the same authority in consultation with the local Excise authorities, and specified in the vendor's license.
- (2) Camp followers, policemen, Excise officers and railway servants when on duty.
- (3) European vagrants under escort of the police.
- (4) Insane persons.
- (5) Persons known or believed to be intoxicated.
- (6) Children (*i.e.*, in this connection, persons below the age of 14).

The Government of India agree with the Committee that sale to women may be prohibited by a Local Government in special areas where it may be thought necessary. But there should be no general prohibition.

11. *General conduct of shop premises (paragraphs 266 and 268 of the Report).*—Gambling and entertainments on shop premises should be forbidden. A shop-keeper's responsibility for drunkenness on his own premises should be insisted on, and the further provision (suggested in paragraph 11 of Government of India Resolution No. 7057-Exc., dated the 18th December, 1906) that, in cases where drunkenness amounting to a public nuisance occurs in the vicinity of a shop, the shop-keeper should be liable to have his license cancelled, may also be useful in certain cases. It can of course, as the Committee point out, only be enforced in the case of villages with single shops, and a town shop-keeper could not be made "liable to lose his license every time a drunken man passed down the street in which his shop was situated." Orders prohibiting consumption on the premises are of doubtful efficacy, and the Government of India are not satisfied that they should be issued, except, of course, in cases of foreign liquor shops which have only a license for consumption off the premises. To enable a consumer to send for country spirit for consumption at home or in a friend's house would, in many cases, encourage drinking by making it possible to avoid the loss of credit which visits to the liquor shops would otherwise entail.

12. *Limits of retail sale and consequently of private possession (paragraph 251 of the Report).*—The circumstances of different provinces, and of different tracts within the same province, vary greatly, and in fixing the limits of private possession it is necessary to consider the drinking habits of the people, and also the number of shops. Where shops are sparse the amount which a consumer may obtain at one time must necessarily be larger than where they are numerous. An unnecessarily high limit, on the other hand, merely tempts the possessor to become an illicit vendor. While not wishing to lay down any general rule, the Government of India consider that a maximum limit of one gallon, whether in the case of country spirit, *tari* or foreign liquor, should not ordinarily be exceeded. But in any province in which the prescription of a smaller maximum in regard to country spirit or *tari* has not been found inconvenient, such smaller maximum may of course be adhered to.

The Government of India do not approve of the suggestion that shop-keepers and non-officials should have general powers to extend the limits of private possession. The power to grant special permits must rest with the responsible officers of Government and should not be entrusted to non-officials unconnected with the liquor trade. Shop-keepers should not be allowed to grant such permits, and consequently to sell more than the usual retail limit, except on special occasions, such as funerals and the like, which cannot be foreseen ; and they should be required to report their action on every such occasion to the tahsildar (or other responsible Government officer) and be

warned that any abuse of this privilege will debar them from holding shops thereafter.

13. *Regulation of the strengths of liquor sold (paragraphs 252, 253, and 256 to 259 of the Report).*—Country spirit in distillery areas should be sold at fixed strengths wherever there is an establishment capable of enforcing this condition without undue harassment of the shop-keeper. This is desirable, both in order to prevent fraud on the consumer by the watering of liquor, and also as a check on the utilization by country spirit vendors of foreign spirit, which is subject to different Excise conditions and is intended for a different class of consumers. Moreover, as the Committee observe (paragraph 299 of the Report), it is more difficult to produce illicit liquor that will pass detection when it is necessary to imitate precise strengths of licit spirit. The Committee's recommendations on this point may be summarized as follows :—

- (1) There should eventually be two strengths, a low strength of 60° under-proof (approximately the lowest limit at which spirit, if properly manufactured, can keep and carry in good condition) and a higher limit of 30° under-proof.
- (2) Where spirit is at present sold at higher strengths, a reduction of the maximum strength should be carefully carried out so as not to provoke illicit practices. As a first step, the sales at proof strength in the United Provinces and the Punjab, at 20° under-proof in Madras, and at any strengths above 25° under-proof in Sind, Bengal, Eastern Bengal and Assam, Coorg, Ajmer-Merwara and Bangalore, should cease; and in provinces such as the United Provinces, where there is no provision for issue at a strength lower than 25° under-proof, arrangements should be made for issue at 50° under-proof for the present, to be reduced later to 60°.
- (3) In areas where weak spirit is now drunk, a small differentiation of duty in favour of the lower strength is desirable to prevent its displacement by the stronger liquor which is more profitable to the shop-keeper.
- (4) Shop-keepers should be required to maintain stocks of the weaker liquor for sale.

The Government of India accept the view that the absolute prohibition of the sale of country liquor above a low fixed strength will not be effective in preventing drunkenness, and they consider that the adoption of the above measures should tend to secure, as far as this is possible, the sale of a weak but at the same time wholesome spirit. They also agree with the Committee (paragraph 254 of the Report) that any adulteration of spirit by the vendor should be prohibited and should involve the cancellation of his license, and that samples of spirits as sold in the shops should be periodically sent up by Excise officers for analysis; and further (paragraph 255 of the Report) that, where adulteration or undue watering of spirit is believed to be prevalent, a shop-keeper may be required to keep a stock of liquor in sealed bottles.

14. *Regulation of prices (paragraphs 260 and 261 of the Report).*—In distillery areas it is desirable that minimum prices should be prescribed under a separate shop system in order to prevent reckless competition and to deter shop-keepers from undue efforts to clear off stocks towards the close of the period of the currency of their licenses. The enactment of maximum prices is, however, open to the objection that it exposes Government to the charge of making liquor cheaper than it would otherwise be, and is justifiable only where one man has the monopoly of sale over a considerable area. The Government of India are in general accord with the further suggestions made by the Committee in this connection in paragraphs 262 to 265 of the Report.

15. *Official control (paragraph 267 of the Report).*—The Committee point out that however excellent regulations may be in themselves, they are useless unless there is a force which is capable of seeing that they are given effect to and which is duly instructed in that regard. They observe that in Assam the difficulty has been successfully met by the appointment of special Inspectors whose primary duty is the control of licensed premises and more particularly of drunkenness thereon, and they recommend the insistence in all provinces on the performance of similar duties by officers of the standing of Inspector or

Darogha of Excise. They also suggest that a record should be maintained of convictions for drunkenness in places where it is punishable, as well as of action taken against licensees for permitting it, and that the subject should be noticed in the annual Administration Reports. The Government of India accept these proposals generally, but consider that the inspection of shops and control of drunkenness should be undertaken by the regular Excise staff of each province and not by a special agency appointed for that purpose only. On the question of adopting special measures with the object of discouraging the clandestine purchase of liquor by members of classes whose religion or caste forbids the use of alcohol, the Committee conclude (paragraph 269 of the Report) that nothing beyond the general measures already discussed is feasible from the Excise point of view ; and in this view the Government of India concur.

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## No. 2.

*Orders of the Government of India on Chapter XIII. of the Report of the Excise Committee, No. 4341-Exc., dated the 11th July, 1907.*

IN this Resolution the Government of India propose to examine the ground covered by Chapter XIII. of the Excise Committee's Report. In that Chapter the Committee have expressed their views regarding the staff necessary for the control and administration of Excise, as well as for the duties of inspection and prevention. The importance of this branch of the subject cannot easily be exaggerated. As the Committee justly observe, "the essence of good Excise administration is a well paid and properly recruited preventive staff, incessant inspection both by it and by active controlling officers, the maintenance of the Collector's authority assisted by the special department, and an adequate provision for technical work and for training of technical officers."

A separate communication will be addressed to the Governments of Madras, the United Provinces, the Punjab, and the Chief Commissioner of the Central Provinces, on the subject of the improvement of their Excise establishments ; and it is not proposed, in the present Resolution, to refer again to those questions of establishment and prevention which have already been dealt with in preceding Resolutions. The following remarks, however, express the conclusions of the Government of India upon the matters of wider and more general importance which fell within the scope of the Committee's enquiry.

2. The first question for consideration is the proper status of the head of the Excise Department in each province. The Committee advise that the Excise Commissioner should be brought into immediate relations with the Local Government, either as a Member of the Board of Revenue, as is now the case in Madras, or by serving directly under Government, as happens, owing to the absence of a Board of Revenue, in Bombay. They suggest that the former system might be followed in Bengal and Eastern Bengal and Assam, by making one of the Members of the Board Excise Commissioner, and the latter in the United Provinces and the Punjab, by removing the Excise Commissioner from his subordination to the Board of Revenue and the Financial Commissioner respectively. The Government of India are unable to accept these suggestions in their entirety. They fully recognise the advantages of the arrangement in Madras and Bombay, where the Excise Commissioner and the Chief Revenue Authority are one and the same functionary, who works directly under the Local Government. But they consider that where, as in Northern India, these two functions are separated, it would be incongruous to remove from the control of the Chief Revenue Authority the second largest of our great Revenue departments. The Board of Revenue and the Financial Commissioner are not mere channels of communication between the Excise Commissioner and the Local Government. They intercept and dispose of many references with which the Local Government would otherwise have to deal, and they assist the latter in disposing of those references which have to be submitted to it ; they are, moreover, peripatetic and inspecting agencies, whereas the Secretariat is not. The Government of India, therefore, have no objection to the adoption by any Local Government of the first alternative suggested by the Committee, viz., that

a Member of the Board of Revenue, or the Financial Commissioner, as the case may be, should be constituted Excise Commissioner, with the assistance of one or two superior inspecting officers. They do not, however, approve of the second alternative, and are clearly of opinion that where the Excise Commissioner and the Chief Revenue Authority are separate functionaries, the former should be subordinate to the latter and not directly to the Local Government. If any Local Government should desire to introduce such a system, the necessity for it would require to be very fully explained.

3. Where the Excise Commissioner is not also the Chief Revenue Authority, it is clearly desirable, as the Committee recommends, that he should in all cases be a comparatively senior officer, who should have the power of issuing orders both to Collectors and to the special staff; and also that a reasonable continuity in the office should be secured. To ensure this latter object, the Government of India would be glad to see it laid down as a general rule that no one should be appointed Excise Commissioner unless he is prepared to hold the office for three years without taking ordinary furlough during that period. There need be no objection to his taking privilege leave or leave on urgent private affairs; and sick leave must, of course, as the Committee recognise, be granted if necessary.

4. The second of the general questions which the Committee have examined is the position of the Land Revenue Authorities in relation to the Department of Excise. The existing conditions of Excise, as well as the prospects of its further development, require a considerable measure of departmental specialization in the larger provinces. But the Government of India unhesitatingly accept the view that, however he may be recruited, the district head of the department should be under the control of the Collector, occupying in respect to him the same position as the Superintendent of Police does in police work. They consider that his tenure should be continuous, so far as possible; and for this and other reasons they do not regard it as desirable (differing on this point from the Committee) that junior Civilians should be trained in Excise work by occasional appointment to the control of the district Excise. The more suitable method of instructing these officers would be by the delegation to them of local control as sub-divisional officers.

The Government of India approve (1) of the view that Commissioners of divisions should have no direct concern with Excise, though they should be consulted on questions of policy both by Collectors and by superior authority, and (2) of the rule in force in the United Provinces, under which cantonment magistrates may, with the permission of the Commanding Officer, be placed in charge of the Excise revenue under the Collector's superintendence, thus occupying the same position in the cantonment as the officer in charge of Excise does in the rest of the district.

5. The third important question concerning the Excise staff relates to the preventive establishments. The Government of India have already explained their view that proper preventive arrangements are essential to the success of the policy of adequate control of shops for the sale of fermented liquors, abolition of outstill areas, concentration of manufacture of country liquor, and introduction of the tree-tax system of taxing *tari* wherever this may be decided upon. In the Chapter now under consideration, the Committee discuss in detail the strength of the preventive establishments in the various provinces and the reforms which are necessary. Their conclusions have the complete concurrence of the Government of India, and are, as already noted, being separately commended to the attention of Local Governments. Broadly speaking, it is essential to the proper administration of Excise that officers who have to discharge responsible functions should be adequately paid; that those of the type of Sub-Inspectors should only be employed under adequate control; and that peons and petty officers should be given no independent detective duties, but should be employed under direction for purposes of watch and ward and for similar unimportant services, while their numbers should be strictly limited to what is required for the performance of such duties.

6. The proper relations between the preventive staff and the police are described by the Committee (paragraphs 278 and 280 of the Report) in terms which the Government of India entirely accept. The special preventive force should be responsible for the inspection of shops and prevention of Excise offences and it should be sufficiently strong to undertake these duties; while the



police should co-operate in detection, be liberally rewarded for so doing, and be expected to provide a force when large seizures are in prospect. Prosecution for Excise offences should be instituted directly by Excise officers and without the intervention of the police, though, as the Committee recognise, the practice in most provinces for some time to come will be for both Police and Excise officers to institute such prosecutions. In making these recommendations, the Committee suggest that Excise officers should simply have the power of officers in charge of police stations, *i.e.*, that they should be compelled to send up cases for prosecution provided that there is evidence or reasonable suspicion to justify the forwarding of the accused to a magistrate. The Government of India, however, would be glad to see Excise officers vested, under proper safeguards, with a wider discretion. They have already expressed the opinion that before

Paragraph 9 of Resolution No. 2996-Exc., dated the 16th May, 1907.

the tree-tax system is introduced in provinces where it is not now in force, the superior staff should have full discretion to release persons brought before them on failure of adequate proof, or with a warning in the case of ignorant and petty offenders against the repetition of the offence. They invite Local Governments to consider whether similar discretionary powers might not usefully be entrusted to the superior staff in respect to other Excise matters also, with a view to reducing the number of prosecutions for petty and unimportant offences.

7. The propriety of amalgamating Excise with other Departments, a question which has frequently been under the Government of India's consideration, has been fully discussed by the Committee, who advise—

- (1) That the staffs employed on the Excise of liquor, opium and hemp drugs should be amalgamated everywhere.
- (2) That the amalgamation of the Excise staff with other cognate departments, such as Salt, is also desirable, since a larger cadre facilitates recruiting and ensures a fair flow of promotion, while a periodical change of occupation for Excise officers is very necessary.
- (3) That the recruitment of Excise officers from the Land Revenue or other unallied departments is not expedient, since "in any arrangement under which one department depends for recruitment upon another, the less popular is liable either to become a dumping ground for incompetents or to be officered by a succession of capable but inexperienced men who leave the department just as they have learnt their work and become useful."

These recommendations are generally suitable. The Government of India consider it expedient and desirable that the Salt and Excise Departments belonging to the same Local Government should be amalgamated, as has long been the case in Madras, as has recently been accepted for Sind, as has been proposed to the Local Government in respect of Bombay proper, and as, it is understood, is under consideration in Bengal. They do not, however, consider that any amalgamation should be attempted between the provincial Excise staff and the Northern India Salt Department, or that the preventive work now done by that Department in the United Provinces and the Punjab should be handed over to provincial Excise establishments, which do not at present exist there on a thoroughly efficient footing.

8. The Government of India have reserved for separate consideration the remarks of the Committee regarding the appointment of an expert officer to assist in the co-ordination of Excise work in the different provinces. They commend for general acceptance the Committee's concluding suggestions (paragraphs 298 and 299 of the Report) for the prevention of smuggling from Native States and for the check of illicit practices in British India.

**EAST INDIA (EXCISE).**

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**CORRESPONDENCE**

REGARDING

**INDIAN EXCISE ADMINISTRATION.**

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Vol. I.



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Presented to both Houses of Parliament by Command of His Majesty.

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CORRESPONDENCE

REGARDING

INDIAN EXCISE ADMINISTRATION.

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No. 1.

*Letter from the Government of India, Department of Commerce and Industry, to the Most Honourable the Marquess of Crewe, K.G., His Majesty's Secretary of State for India, No. 12 of 1914 (Excise), dated Delhi, the 26th February, 1914.*

We have the honour to reply to despatches No. 85, Revenue, dated the 6th September, 1912, and No. 2, Revenue, dated the 3rd January, 1913, in which Your Lordship asked for our views on the questions raised by Sir Herbert Roberts, Bart., M.P., and the other members of the Temperance Deputation which waited upon you on the 18th of July, 1912. Your Lordship referred to despatch No. 294, of the 8th October, 1908, from Lord Minto's Government on the subject of Sir Herbert Roberts' earlier Deputation of August, 1907, and asked that the recommendations contained in the statement recently submitted by Sir Herbert Roberts should be examined in the light of any new facts which might have come to notice since the issue of that despatch. You desired that we should again give the subject our most careful consideration, and that we should acquaint Your Lordship with our conclusions on the specific reforms suggested in the statement. As the Deputation have raised questions closely connected with the principles on which our whole excise policy is based, we considered it desirable in the present instance to consult Local Governments before submitting our views. We now enclose copies of a circular letter which we addressed to them on the subject on the 24th January, 1913, and of their replies, together with copies of statements A to P, containing statistics of the consumption, revenue, etc., in each province for each of the years 1905-06 to 1912-13, which we have had compiled from figures furnished by Local Governments.\* We also enclose copies of an address recently presented at Calcutta to His Excellency the Viceroy by representatives of temperance organizations in India and of the reply made to it.\* We desire to draw Your Lordship's attention to the singular unanimity underlying the replies to our letter of the 24th January, 1913. Indeed, apart from the one question of the relative merits of the auction and fixed fee systems for the disposal of shop licences, a question on which divergent opinions are expressed and which we admit to be still *sub judice*, it is apparent that Local Governments are agreed both as to the ideals to be kept in view and the methods by which it is hoped to attain them.

2. That our excise policy has developed slowly and after mature consideration of all the problems which confront it, Your Lordship is well aware. Confining our examination of the question to the developments which have taken place since the year 1888, it will be remembered that in the despatches from the then Secretary of State, Lord Cross, No. 28, Revenue, dated the 19th April of that year, and No. 31, Revenue, dated the 14th March, 1889, the following were laid down as the correct principles on which Indian excise policy should be based :—

- (i) that any extension of the habit of drinking was to be discouraged;

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\* The enclosures will be issued as Vol. II.

(ii) that taxation was to be as high as was possible without encouraging illicit manufacture and vend;

(iii) that, subject to these considerations, a maximum revenue was to be raised from a minimum consumption of intoxicating liquors.

These principles were re-affirmed in Lord Cross's despatch, No. 52, Revenue, dated the 16th May, 1889; and in paragraphs 103 to 105 of their reply No. 29, dated the 4th February, 1890, Lord Lansdowne's Government accepted them in full, and indicated the lines on which effect would be given to them. The following were the practical measures suggested in the despatch :—

- (i) the abolition of the outstill system where practicable;
- (ii) the gradual introduction of the central distillery system;
- (iii) the imposition of as high a rate of duty as possible on country liquor, but the duty not to exceed the tax on imported liquor;
- (iv) the restriction of the number of shops.

The policy thus outlined was fully accepted by Lord Cross in his despatch, No. 25, Revenue, dated the 27th March, 1890, and has been consistently followed ever since. The general effect of the recommendations of the Excise Committee of 1905-06 was to carry forward this policy on the same lines, but in greater detail. The various Resolutions issued on a consideration of their Report are known to Your Lordship, and do not require recapitulation. They give full and clear expression to the policy which we still approve, and to which Local Governments, under our instructions, continue to give effect.

3. We now turn to the specific recommendations made by the Deputation as summarised in the 21st paragraph of the statement prepared by Sir Herbert Roberts. The first is as follows :—

“ That the licences for the sale of intoxicants should be steadily reduced in number, and that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises.”

These questions were dealt with in paragraphs 220 to 235 and 248 of the Excise Committee's Report; and our attitude towards them is expressed in paragraphs 2, 3, and 8 of Resolution No. 5086, Exc., dated the 15th August, 1907. Reference is also invited to paragraphs 19 and 20 of the despatch from Lord Minto's Government No. 294, dated the 8th October, 1908. In the views expressed in that despatch on the desirability of steadily reducing the number of shops we entirely concur. A statement (III) has been prepared from the replies submitted by Local Governments, and is appended to enclosure No. 18 of this despatch, indicating the extent to which reductions have been effected since 1905-06. It will be observed that country spirit shops have been reduced by 7,788; opium shops by 2,380; and shops for the retail sale of hemp drugs by 1,516. Foreign liquor shops have, it is true, increased by 181; but this increase is largely illusory, and is due chiefly to improvements of system whereby licences are now insisted on for bars, canteens, etc., for which they were not previously required. Toddy shops have also been reduced to the extent of 11,150. The net number of shops abolished during the last seven years thus reaches the striking total of 22,653. The replies received from Local Governments indicate that all possible measures are being taken to reduce the number of shops, and we are entitled to claim that these measures have been attended with considerable success.

4. The Local Governments are also paying full attention to the question of the limitation of hours of sale. In paragraph 12 of their letter of the 27th October last, the Bengal Government intimate that they propose to issue orders directing that no shop for the sale of intoxicants shall be open before 8 A.M. in the hot weather and 10 A.M. in the cold weather; they will also provide for the closure of all country spirit shops at sunset in rural areas. In Bihar and Orissa, the Punjab, the Central Provinces and Sind, in particular, steps are being taken still further to limit the hours during which such shops will remain open. On a careful consideration of all the replies received, we do not consider that it would be advisable to press for further limitations at present.

5. The next recommendation runs as follows :—

“ That the system of excise advisory committees be extended to all municipalities and that these committees should be made more representative and given power to deal with all licences for the sale of intoxicants of every kind.”

The desirability of ascertaining and deferring as much as possible to reasonable public opinion was intimated to Local Governments so long ago as in 1889, and the same principle has constantly been re-affirmed in subsequent communications. In

paragraph 238 of their Report, the Excise Committee drew attention to the dangers to be anticipated from a system of local option, and in paragraphs 240 to 244 they advocated the appointment of advisory committees. Their conclusions were confirmed in paragraphs 4, 5, and 6 of Resolution No. 5086, Exc., dated the 15th August, 1907. We invite attention to our despatch, No. 48, dated the 20th September, 1911, which indicates the number of advisory committees appointed in each province and the action taken by the local authorities on their recommendations. Part of this information was brought up to date in the statement reproduced in the proceedings of the meeting of our Legislative Council held on the 9th September last. The number of shops closed during 1910-11 on the recommendation of advisory committees was 105; during 1911-12, 63; and last year, 120. These figures do not, however, adequately represent the extent to which the system is developing. The Bengal Government in particular have recently made a decided step forward in constituting all Local Boards committees for the rural areas in which they are situated; in delegating to Commissioners of Divisions power to appoint committees for the municipal areas under their charge; and in appointing fresh committees with licensing powers for Calcutta and its suburbs. In Assam, the Municipal Boards act as advisory committees in urban areas, and the Chief Commissioner proposes that the Local Boards should be similarly consulted in future with regard to rural areas. In the Central Provinces, municipal committees advise regarding licences in all large towns, and the system will be still further extended to all urban areas. In the Punjab and the United Provinces, advisory committees are employed, though they have not yet been found very helpful. In Bombay, the system is widely in force. In the United Provinces and in Bihar and Orissa, it has hitherto been in force in the principal towns; but will now be extended to all municipalities, and in the latter province it will also be tried in rural areas. In Burma, the Local Government propose to increase the number of committees from 10 to 60. In Madras, the system is already in force in all municipalities, and the question of its extension to unions is under consideration.

6. We have already expressed our opinion that the danger to be anticipated from the grant of full licensing powers to committees possessing a non-official majority is that a system of local option would thereby be created, the effects of which could not but be antagonistic to genuine progress in the cause of temperance. The case against local option was well put in paragraph 8 of the despatch from Lord Lansdowne's Government No. 157, dated the 25th May, 1889, and again in paragraph 98 of their despatch of the 4th February, 1890; and we believe that conditions have not since altered to such an extent as to require a reconsideration of the arguments then adduced. It is only too likely that, if non-official committees received full licensing powers, one of two tendencies would at once manifest itself. If the temperance element prevailed, shops would be abolished at the first opportunity, and an immense field would thus be thrown open to illicit manufacture. On the other hand, in more backward areas, the apathy of the members would afford openings to those interested in the trade, and licences would be indiscriminately granted. These apprehensions are by no means illusory, but are based on actual experience. The former tendency is well illustrated by the remark made by the Honourable Dr. D. P. Sarvadhikary, as reported in the proceedings accompanying Your Lordship's despatch under reply, that "if we had our way, most of the drink shops would disappear to-morrow." Its dangers are noticed by the Government of Madras in paragraph 11 of their letter of the 12th November, 1913. Instances of the latter tendency are cited in paragraph 6 of the letter of the 30th September last from the Government of the United Provinces and in paragraph 7 of the Central Provinces letter of the 12th idem. In the United Provinces, an increase in the number of drinking shops was sanctioned by a municipal committee with the avowed object of stimulating competition and so reducing the retail price of liquor. In the Central Provinces, the Collector of Jubbulpore "had to intervene to prevent the opening of a new foreign liquor shop, the petition for which had been backed by a large number of respectable people." The possibility of alterations between both tendencies is mentioned in paragraph 9 (1) of the letter from the Government of the Punjab. On a considered view of all the circumstances we are of opinion that it would be not merely unwise but dangerous for Local Governments to surrender licensing functions to committees possessing non-official majorities. By retaining this power in the hands of experienced officers or of committees with official majorities they ensure its exercise by the one authority capable of forming an unbiased opinion on the desirability of granting or withholding licences. There is

no doubt, however, that the advice of the committees is generally salutary. The system, as already observed, is gaining ground steadily; the views of the committees command great and increasing attention; and we consider that it would be most imprudent to attempt to hasten unduly a movement which has developed and is developing naturally on healthy lines of its own.

7. The third recommendation is :—

“ That the auction system of licensing shall be superseded by a system of fixed licence fees as recommended by the Government Excise Committee of Enquiry.”

The question here raised is admittedly controversial. In paragraphs 190 *et seq.* of their Report the Excise Committee of 1905-06 recommended the adoption of the fixed fee system when the duty had been raised “ to the highest pitch possible for the time being,” and when illicit manufacture had been reduced to a minimum. Lord Minto’s Government, however, decided, for the reasons set forth in their Resolution No. 2997, Exc., dated the 16th May, 1907, in favour of the auction system, with safeguards to minimise the risk of licences falling to undesirable persons on purely speculative bids. On the relative merits of both systems the opinions of the Local Governments, as expressed in the correspondence appended to this despatch, are of considerable interest. It will be observed that the Government of Bombay have adopted the fixed fee system, and, although they are not prepared to express a final opinion at present, they report that their local officers are almost unanimous in its favour. In Ajmer-Merwara, shops are only put up to auction if the incumbent is unwilling to retain his licence at a fee calculated to bring him a fair profit during the ensuing year. The Chief Commissioners of the Central Provinces and Assam admit that it is the ultimate ideal, but prefer the auction system under present conditions. The Government of the United Provinces prefers the latter system, but is prepared to experiment with fixed fees if the Government of India desire. The Chief Commissioner of Baluchistan is willing to undertake, but does not recommend, a similar experiment. The Punjab Government has tried the fixed fee system and has deliberately rejected it as it was found “ to lead to a great increase in recorded consumption.” The remaining Local Governments and Administrations prefer the auction system.

We do not consider that it is possible to add materially to the opinions already expressed on this difficult question. On the one hand, the auction system prevents the growth of vested interests which have admittedly given rise to considerable difficulties in the United Kingdom. It also provides an automatic indication of the extent to which duty may with safety be enhanced, retail prices increased, and a rise of consumption checked. On the other hand, there is the danger that under this system licences may pass into undesirable hands and practices may thus be encouraged which the local excise staff will find difficulty in suppressing. Possibly, when conditions become more settled, when the material prosperity of the lower classes becomes less exposed to the fluctuations contingent on good and bad harvests, and above all, when provincial excise establishments have attained a greater degree of efficiency, an alteration of system may be found desirable. For the present, therefore, while we desire to retain the existing systems as they have developed to meet local needs, we do not regard the question as closed. The Bombay experiment is being watched with close interest, and we are considering the advisability of suggesting to other Local Governments the desirability of initiating similar experiments in suitable areas.

8. The fourth recommendation of the Deputation is :—

(5). “ That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committees or some other independent authority.”

This proposal, together with the suggestions contained in paragraph 15 of Sir Herbert Roberts’ statement for the improvement of the advisory committee system, has already been partially dealt with in the fifth and sixth paragraphs of this despatch. We do not propose to repeat the arguments already adduced in favour of the retention of licensing powers in the hands of the local officers, or of advisory committees constituted with an official majority. We are glad to observe that Your Lordship, while expressing the opinion that you would like to see the double function gradually disappear, drew the attention of the Deputation to the unfairness of charging Government officers with greater consideration for the public revenues than for the social well-being of the people. The imputation has been

frequently made by critics of Indian excise policy. It was fully met by Lord Minto's Government in paragraph 14 of their despatch of the 8th October, 1908, and again in the reply given by His Excellency the Viceroy to the Indian Temperance Deputation at Calcutta. We desire to repeat the assertion made in that reply, that we can find no evidence that officers aim at securing a large excise revenue through an increased consumption of intoxicants, or that they receive any encouragement to do so from their superiors. Such a procedure would be contrary to the whole spirit of British administration in India, and we fully endorse the Punjab Government's condemnation of these charges "as cruel and unjust to the class of officers who form the backbone of our rule in India."

9. We have now dealt with the major recommendations contained in Sir Herbert Roberts' statement. Other suggestions have also been offered, and we notice these in the order in which they were made. In paragraph 10a of the statement it is suggested that, if possible, more complete and uniform statistics should be furnished in the official returns, particularly those representing the consumption of outstill and imported liquors. We regret that we are unable to furnish figures representing consumption in outstill areas as they could only be obtained by inquiries which would cause undue harassment to vendors and consumers. It is further very unlikely that, if obtained, they would be reliable; and their value would be still further depreciated by the fact that the outstills are being gradually ousted by the contract distillery system under which full statistics are given. We have, however, in one respect been able to meet the wishes of the Deputation by the issue of instructions under which statistics of the local consumption of imported liquors are now given in the annual provincial Reports. In paragraph 11 of the statement the request contained in paragraph 10a is extended to statistics of convictions for drunkenness. The subject was dealt with in paragraph 267 of the Excise Committee's Report and in paragraph 15 of the Resolution, dated the 15th August, 1907. Uniformity has already been introduced in the preparation of these statistics, and we do not consider that further action is at present desirable to supplement that already reported to Your Lordship in our despatch, No. 35, dated the 27th June, 1912.

In dealing with the question of statistics we invite attention to the suggestions contained in your Revenue Secretary's letter, No. R. & S. 3688, dated the 28th November last. We propose to examine carefully the methods by which the statistics attached to the provincial Excise Reports are collated and, if necessary, we will issue instructions designed to ensure greater uniformity in their preparation in future. Divergencies of system are chiefly due to the inclusion or exclusion of figures for Native States, of collections made in advance of the year to which they relate, and of duty on liquor and drugs transferred to other provinces for consumption. These and similar inconsistencies have been rectified in the statements forwarded with this despatch. It is for this reason that the figures now furnished differ in many cases both from those contained in the annual Excise Reports and from those supplied with the despatch from Lord Minto's Government, No. 294, dated the 8th October, 1908.

10. It is further suggested in paragraph 20 of the statement that definite instructions should be issued as to our attitude in relation to excise policy. The first definite pronouncement of this kind was made in circular No. 4393, of the Department of Finance and Commerce, dated the 11th August, 1888, and its enclosures. Similar instructions have frequently issued since; we need only mention those contained in circulars No. 3392, dated the 3rd July, 1889; No. 2053, dated the 26th April, 1890; No. 2455-S. R., dated the 21st April, 1904, with which a copy of a memorandum by Sir F. S. P. (then Mr.) Lely was brought to the notice of local authorities, the opportunity being taken to re-affirm the general principles on which our Indian excise policy is based; and Resolution No. 5001, Exc., dated the 7th September, 1905, appointing the Excise Committee of that year. We have no objection, however, to the proposal that Local Governments should again be addressed on the subject, and we propose to do so after the issue of this despatch.

Finally, it is suggested in the last paragraph of the statement that "the facts submitted in regard to the growth of the drink habit in India justify a consideration of the situation through an independent inquiry." We would urge upon Your Lordship that there are no adequate grounds for accepting this suggestion, and we consider that such an inquiry would not serve any useful purpose. The Report submitted by the Excise Committee of 1905-6 was most detailed and helpful; its recommendations cannot reasonably be considered to be out of date,

but continue to occupy fully the attention of Local Governments and of the Government of India; and any special inquiries which are considered necessary to supplement information contained in the Report are made by Local Governments and Administrations on their own responsibility. Instances may be found in the Bombay Foreign Liquor Committee of 1908-09; in the inquiry made by Messrs. Comber and Stephen in 1910 into opium smuggling from India to Burma; and in the recent Assam Committee on Opium. In these circumstances, we consider that all reasonable steps are being taken at present to ensure the assimilation of excise experience of the past and steady progress on sound and well-considered lines in the future.

11. That our excise administration is capable of still further improvement we are ready to admit, and it is a subject which receives our constant and watchful attention. We trust, however, that we have said sufficient to convince Your Lordship that its foundations have been carefully and wisely laid, and that any attempt to attain by short cuts the objects which we set as permanently and consistently before us as do those most interested in temperance reform, could only end in a breakdown of the system. We are convinced, in short, that we differ from our critics not so much on general principles as in the methods by which we attempt to realise them. At the same time, in perusing the speeches made by members of the Deputation, we are driven to the conclusion that they have not adequately realised the difficulties with which a sound excise policy is beset in this country, and we are glad to observe that Your Lordship drew their attention to this fact. We notice, in the first place, that many of the speakers have not merely confused increased revenue with increased consumption but have also frequently overlooked or misrepresented the effect of the former in raising retail prices and thus checking consumption. The error was to our minds adequately exposed by Lord Minto's Government in their despatch No. 294, dated the 8th October, 1908; and in view of the clear explanation given in that despatch we venture very strongly to deprecate the tendency displayed in the memorial under consideration still to rely on the same arguments. The natural tendencies operating towards increased consumption were fully and clearly given in 1908, and, beyond observing that there was evidence of a disposition on the part of the speakers to minimise the individual importance of each of these tendencies and to overlook their collective effect, we do not consider it necessary to refer to them. We desire to draw attention in detail, however, to the statements (I—VI) appended to enclosure No. 18 to this despatch, which prove how dangerous it is to take it for granted that increased revenue indicates an increase in actual consumption. While the revenue from country spirits, opium, and hemp drugs has increased by 28, 26 and 46 per cent. respectively, since 1905-06, the consumption per hundred of the population has in the case of country spirits increased by only 5 per cent.; that of opium has remained stationary; and that of hemp drugs has decreased by over 8 per cent. The Deputation realise, it is true, that the effect of the conversion of outstills into distillery shops is to exaggerate the figures representing the recorded consumption; this point was clearly brought out in paragraph 4 of the despatch of the 8th October, 1908. They have, however, considerably under-estimated the effects of the conversion, and in order to make the point clear we have indicated in statements A, B and C, which are included in enclosure No. 16, the annual progress made in substituting distilleries for outstills. We invite a reference also to statement I in enclosure No. 18, giving the annual statistics of the consumption of country spirit calculated on the actual population of the areas into which the system has been introduced, the population figures naturally expanding with each annual extension of the system. Calculated on this basis,—the only one which ensures accuracy and fairness,—the increase of consumption during the last seven years amounts to only a quarter of a gallon per hundred of the population. We trust Your Lordship will agree that this increase is almost negligible, and proves that the measures already taken by raising the still-head duty, by reducing the number of shops, by the careful selection of shop sites and the regulation of hours of sale, and finally, but not least, by the general strengthening of excise establishments, have curtailed the increase of consumption which would otherwise, in view of the increasing prosperity of the lower classes, have attained considerable proportions. We desire, in this connection, specially to invite Your Lordship's attention to the remarkable increase in wages and general prosperity which the labouring classes in India have experienced during the last decade. In the absence of such progress, it would not have been possible for the still-head duty to be raised as it has been. Similarly, if the duty had



not been raised, the increase in consumption would, we are convinced, have been very marked. It has, in fact, been trifling.

12. In this connection we also desire to draw attention to the theory advanced in more than one of the reported speeches that the consumption of liquor, moderate or immoderate, is contrary to the sentiment of the great majority of the population of India, and that in many classes of Indian society it has never been practised. Similar statements have been repeatedly made by critics of Indian excise policy, and our predecessors have frequently had occasion to refute them. We need only refer to despatch No. 166, dated the 25th June, 1887, to paragraph 101 of despatch No. 29, dated the 4th February, 1890, and to paragraph 6 of that of the 8th October, 1908, to show that indulgence in liquor and drugs was widespread before British rule. It was definitely stated in paragraph 4 of despatch No. 166, dated the 25th June, 1887, that "the classes whose habits of life are framed with a strict regard to religious or social restrictions form in India no larger a proportion of the population than in other countries." This conclusion is no less true now than it was then. In support of it we would refer to the general tenor of the replies now received from Local Governments, and particularly to paragraph 3 of the letters from Madras and Bihar and Orissa, and to paragraph 6 of the letter from the Punjab Government. The attention of the Deputation was drawn to this misconception in Your Lordship's reply, and we consider it unnecessary to expand the argument further.

13. A third misconception under which the Deputation appear to labour reveals itself in the tendency on the part of more than one speaker to minimise the dangers from illicit manufacture and vend. Not only the replies now received from Local Governments but also the opinions recorded in their annual Excise Reports show that this danger is very serious, if not the most serious which confronts us. The question is perhaps one on which we differ most vitally from the Deputation, and for this reason we venture to deal with it in some detail, although it was noticed in Your Lordship's reply to the address. It seems to us that, from all points of view, our primary duty, and one of greater importance even than the reduction of licit consumption, is the complete suppression of illicit manufacture and vend. Until this preliminary object has been effected no stability can be looked for in our excise policy, the results of which would be seriously undermined if they involved any palliation of illicit methods or any undue encouragement to illicit distillation. We desire to dissociate ourselves entirely from the theory that if the licit supply were completely stopped, consumption would diminish. It is difficult under present conditions to guard against illicit manufacture. If licit supplies were stopped the task, hard as it is, would become impossible, and the result would be completely to defeat the ideals to which both the Deputation and we ourselves aspire. Possibly, the immediate result of such a course might be a reduction in the total number of consumers, but intemperance would certainly increase, as a result of lower retail prices, and we have no doubt that ultimately consumption would rise considerably beyond the level which it has now attained. Nor could any moral principles justify the demoralising effect on large sections of the population of the evasion of laws which it would be impossible to enforce. In these circumstances, we do not consider that we should be justified in prohibiting moderate consumption even with a view to check occasional abuse. We are only justified in expecting, by the measures already indicated, to secure the enhancement of retail prices and thereby to impose an artificial check on the increase of consumption which would otherwise occur as a result of natural tendencies. In short, we still follow the principles laid down in the second paragraph of the Resolution issued by Lord Curzon's Government on the 7th September, 1905, as summarised in paragraph 7 of the despatch from Lord Minto's Government No. 294, dated the 8th October, 1908. Our policy is not aimed against those who use alcohol in moderation. We merely attempt by raising retail prices to minimise temptation to those who do not drink and to discourage excess among those who do. We are chiefly concerned with the reduction of actual consumption, and this can only be effected when illicit supplies are suppressed by all such measures as are reasonable and practical.

14. Basing our policy, then, on these principles, and bearing in mind the limitations to which it is subject, we may fairly claim that a considerable measure of success has already been attained. The persistent pressing by the Government of India of the policy of substituting distilleries for outstills has had a very great effect, and is being steadily pushed forward. Distilleries are ousting the more primitive outstills, duty is being steadily pushed up, the numbers of shops are being widely reduced, and excise establishments are being generally strengthened. We

would add that statutory penalties against smuggling and other illegal methods are being gradually enhanced, particularly in the direction of securing firmer control over the cocaine traffic. The statements attached to this report enable a close estimate to be formed of the success which has attended our efforts. In the period that has elapsed since the revision of our excise administration which followed the Report of the Excise Committee of 1905-06, we have transferred no less than 213,000 square miles of territory from the outstill to the distillery system; while in 1905-06 39 per cent. of the total excise area of India, and 28 per cent. of the population of that area, were served by outstills, the proportions at the present time are only 15 and 8 per cent., respectively. In the third paragraph of this despatch we have already indicated the extent to which we have been able to effect reductions in the numbers of shops for the retail sale of liquors and drugs. The number of country spirit shops per 100,000 of the population has fallen from 15 to 11, and the area served by each has risen from 27½ to nearly 37 square miles. The abolition of shops of other kinds has been carried out no less effectively, and the total net reduction amounts to 22,653. It is true that our excise revenue has increased enormously and is still increasing. We have, however, already shown that this increase is a necessary result of the system, and in no way constitutes the object in view. That there has been in fact no proportionate increase in consumption is evident on a reference to the statements enclosed. We have shown in paragraph 11 of this despatch that, while the revenue from country spirit, opium, and hemp drugs has increased considerably since 1905-06, the consumption of country spirit has only increased by 5 per cent. during the same period; that of opium is practically stationary; and that of hemp drugs has diminished by over 8 per cent. It is true that the recorded consumption of country spirit in distillery areas has risen from 7 to 10 million gallons, but almost the whole of the increase can be accounted for partly by the substitution throughout extensive areas of the distillery for the outstill system under which no record of consumption can be maintained, and partly by the imposition of closer control over illicit manufacture. Other statistics point to the same conclusions. Although the customs duty on imported liquors increased, as statement V shows, from nearly a crore to over a crore and a quarter, the increase was entirely due to the enhancements of duty summarised in statement VI; the actual imports declined during the period from 6,739,000 to 6,351,000 gallons (statement II). Finally, although, for the reasons already given, it is impossible to give statistics of the consumption of other country liquors, the rates of taxation of toddy have been raised by more than 50 per cent. and it is more than probable that enhancements of the retail prices have checked, if not actually diminished, consumption.

15. We claim, in conclusion, that our policy is realising its avowed object of checking the increase of consumption. Progress must be slow, for, as we have already shown, we consider the suppression of illicit methods to be a *sine quâ non* to success. There is one direction in which we feel that much still remains to be accomplished. Our Local Governments frequently draw attention to the desirability, and indeed the necessity, of resolute and sympathetic work by temperance leagues among the people themselves. A certain number of leagues of this kind have, it is true, been formed. The special need of the country is not merely the formation of more leagues, but also more sustained effort after formation. There is evidence that the promoters are too frequently content with memorialising Government, on whom they are inclined to throw the whole burden of the struggle against intemperance. While fully cognisant of our own responsibilities and resolved that they shall be adequately discharged, we are assured that, until the advantages of temperance principles are resolutely and systematically brought home to the masses by the independent efforts of non-official leagues, the natural tendencies in favour of increased consumption will continue to operate in some degree, however much we may try to counter them by increased taxation.

We have, &c.,

(Signed) HARDINGE OF PENSHURST.  
O'MOORE CREAGH.  
R. W. CARLYLE.  
HARCOURT BUTLER.  
SAYID ALI IMAM.  
W. H. CLARK.  
R. H. CRADDOCK.  
W. S. MEYER.

## No. 2.

*Circular letter from the Honourable Mr. R. E. Enthoven, C.I.E., I.C.S., Secretary to the Government of India (Department of Commerce and Industry) to Local Governments, Administrations, &c.,\* No. 1766-1783-81 (Excise), dated Simla, the 18th March, 1914.*

In reference to your letter, I am directed to forward copy of a despatch addressed to the Secretary of State for India on the subject of the suggestions offered by the Temperance Deputation which was received at the India Office in July, 1912 (and of the despatch to which it is a reply). Attention is also invited to the enclosed copies of a statement submitted by representatives of the Indian Temperance organizations to His Excellency the Viceroy at Calcutta on the 26th of December last, and of the reply thereto.

2. It will be observed that the Government of India have taken the opportunity, in addressing the Secretary of State, of re-affirming the general principles on which their excise policy is based. They now desire that these principles should again be brought to the notice of all Local Governments and Administrations, for information and for communication to local officers, in order to ensure that, so far as is possible, provincial excise administration may be conducted on uniform lines. It is recognised that complete homogeneity is not possible. At the same time uniformity of principle and co-ordination of effort are essential; and it is hoped, by drawing attention to questions of general application and importance, to ensure that, in the provincial administration of excise, the fundamental principles at stake shall not be overlooked.

3. Reference is made in the second paragraph of the despatch to correspondence indicating the lines on which the excise policy of the Government of India has developed. In the tenth paragraph will be found references to general instructions which have been issued from time to time to Local Governments on the subject. I am to request that the attention of local officers may be drawn to these instructions, which may now be brought up to date in the light of the recommendations made by the Excise Committee of 1905-06 and of the experience since gained. The attitude of the Government of India in excise matters is clearly stated in the second paragraph of the Resolution in the Finance Department No. 5001-Exc., dated the 7th September, 1905, and the passage is quoted here for convenience of reference:—

“The Government of India have no desire to interfere with the habits of those who use alcohol in moderation, this is regarded by them as outside the duty of the Government and it is necessary in their opinion to make due provision for the needs of such persons. Their settled policy, however, is to minimise temptation to those who do not drink and to discourage excess among those who do; and to the furtherance of this policy all considerations of revenue must be absolutely subordinated.”

The general measures by which effect should be given to this policy may be briefly indicated as follows:—

- (1) Every effort should be made to suppress illicit methods of all kinds;
- (2) in order to effect this, the excise staff should be utilised in directions calculated to maintain the closest possible control and supervision over the liquor and drugs traffic and their work should be facilitated by the adoption, where feasible, of the contract distillery in lieu of the outstill system;
- (3) so far as is possible without unduly encouraging illicit methods, consumption should be discouraged—
  - (a) by the levy of as high a rate of duty as is possible, taking into account the special conditions obtaining in the locality and neighbourhood;
  - (b) by reducing, as far as possible and with due regard to legitimate requirements, the number of retail shops for the sale of liquor and drugs;

\* Madras, Bombay, Bengal, Burma, Bihar, and Orissa, United Provinces of Agra and Oudh, Punjab, North-West Frontier Province, Central Provinces, Assam, Ajmer-Merwara, Delhi, Coorg, Baluchistan, Central India, Rajputana, Resident in Mysore, and Resident at Hyderabad.

† (To Central India, Mysore, Rajputana and Hyderabad only.)

(c) by regulating and closely supervising the hours of sale, the selection of sites, and the general practices adopted in manufacture and vend.

(4) Advisory Committees should be appointed where possible, and effect should be given to their recommendations in so far as they are consistent with the general principles now laid down.

I am to ask that these principles may be brought to the notice of local officers with the request that they may be borne in mind in the excise administration of their districts.

\*[4. In connection with the appointment and powers of Advisory Committees I am to invite special attention to the terms in which His Excellency the Viceroy referred, in his reply to the Indian Temperance Deputation, to the Licensing Boards recently constituted for Calcutta and neighbouring municipalities under the Notification of the Bengal Government No. 1812-S.R., dated the 11th November, 1913. I am to request that a full report on the results of the experiment may be submitted to the Government of India when a Local Government consider that they are in a position to express a considered opinion on the subject.]

†4. Paragraph 7 of the despatch deals with the difficult question of the best system for the disposal of vend licences, a question on which there is considerable divergence of opinion. The subject is also mentioned in the reply given by His Excellency the Viceroy to the representatives of the Indian Temperance organizations. ‡[I am to enclose extracts of the correspondence noted indicating the measures adopted by the Bombay Government in substituting the fixed-fee for the auction system in the Presidency. The Government of India are watching this experiment with interest; but, until its results are known, they do not intend to make a final pronouncement on the subject. They merely desire to suggest, leaving the decision for the present in (in the hands of the Local Government), (your hands), that should the conditions in any particular area within the province of (limits of your jurisdiction) indicate that the results of the auction system are not satisfactory and that a change of system is desirable, an experiment might be made in such area with the fixed-fee system on the lines which have hitherto been successful in the Bombay Presidency or on such other lines as the Government of (you) may prefer. The Government of India would be glad to be kept informed of the introduction and progress of any experiment made on these lines.]

§[I am to state that the Government of India are watching with interest the results of the experiment now being conducted in the Bombay Presidency in the adoption of the fixed-fee system. I am to request that, with the permission of His Excellency the Governor in Council, the progress of the experiment may continue to be noticed in the annual Excise Reports of the Presidency; and that a full report on the subject, indicating the chief developments of the system, any defects which may have been observed in its operation and remedies suggested for their correction, may be submitted for the information of the Government of India when the Local Government consider that the system has developed sufficiently to justify generalisations on the experience obtained.]

||5. I am now to draw attention to the recommendation contained in paragraph 10a of the statement submitted by Sir Herbert Roberts to the Secretary of State which forms an enclosure to the despatch to the Government of India No. 85-Revenue, dated the 6th September, 1912, "that, if possible, more complete and uniform statistics should be furnished in the official returns to show the total consumption of intoxicants in India." It will be observed that the statistics which you furnished in response to the letter in this Department No. 477, 490-218, dated the 24th January, 1913, have undergone some modification prior to their inclusion in Statements A to P appended to the despatch to the Secretary of State No. 12-Excise, dated the 26th February, 1914. The reasons for which these modifications were made are indicated briefly in the ninth paragraph of the despatch. The Government of India are now examining the forms of the statistics appended to the annual provincial Excise Reports with a view to secure greater uniformity, if possible, in their compilation, and a further communication will shortly be addressed to you on the subject.

\* To Bengal only.

‡ To Bombay only.

† 5 in Bengal letter.

‡ Not to Bombay.

|| 6 in Bengal letter.

\*6. Finally, I am to refer to paragraph 17 of the statement submitted to His Excellency the Viceroy by the representatives of Indian Temperance organizations, recommending the application of provincial revenues to the provision of counter-attractions to intemperance. In his reply, His Excellency stated that he would bring this suggestion to the notice of Local Governments, and I am now to request that attention may be drawn to it, and that such action may be taken in regard to it as may be considered to be feasible.

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### No. 3.

*Despatch from the Secretary of State for India to His Excellency the Right Honourable the Governor-General of India in Council, No. 77 (Revenue), dated 29th May, 1914.*

I have given my close attention in Council to Your Excellency's despatch No. 12, of 1914, dated the 26th February, 1914, relating to the Excise policy of your Government. I have to express my satisfaction at the careful consideration which has been given to the subject both in Your Excellency's general summary and in the detailed Reports annexed to your despatch, which have been obtained from the Local Governments, upon the situation in the respective provinces of India. These surveys throw light on the marked progress that has followed from the Report of the Excise Committee of 1905-06, showing that the original impulse of improvement due to the work of that Committee is not yet exhausted. They constitute a valuable record, both of the policy and of the methods that have been applied to the problem, and should serve to remove misapprehensions that appear to have been entertained in this country, as in India, with regard to the work of Government in the sphere of excise administration.

2. I concur in what I conceive to be the main position taken up in Your Excellency's despatch. For the last 25 years the aim of the Government of India, in an often-quoted declaration, has been, first, to discourage any extension of the habit of drinking, and secondly, within the limits prescribed by the necessity of suppressing unauthorised manufacture and sale, to raise a maximum revenue from a minimum consumption of intoxicating liquors. The expansion of revenue from intoxicants in recent years has been represented by temperance deputations both here and in India as concurrent with, or as evidence of, a heavy increase of consumption; and the suggestion has been put forward that the Government or its officials were fostering the increase of drinking habits to secure the expansion of revenue. The statistical table giving the consumption of country spirit in Distillery areas (Statement I. in Enclosure No. 18) emphatically disposes of this contention so far as country spirit is concerned. It appears to establish that for India as a whole the increase of the consumption of country spirit per 100 of population is but slight,—not more than five per cent. during the period of seven years. It is true that this figure generalised for the whole of India doubtless loses sight of local variations and increases in particular areas; still, the broad fact that emerges is that during the period under review, a general increase of consumption, which in the present social and industrial conditions of India might have been apprehended, has in effect been held in check. Your despatch makes clear that the means by which this result has been attained are, first, the more stringent administrative control of the trade, whether through the extension of the distillery system or otherwise, secondly, a very appreciable reduction of drinking facilities, and thirdly, the application of the economic check upon consumption effected by the increased taxation of intoxicants and the enhancement of prices that ensues.

3. I observe with sympathy the strong protests made alike in your despatch and in the reports from Local Governments against the suggestion that district officers and other officials should be thought willing to subordinate the good order and welfare of the people to considerations of revenue. As I have before now stated, I am convinced that that aspersion is entirely without foundation.

4. The general conclusion that the action of Government has checked any widespread expansion of consumption over India as a whole is, unfortunately, qualified by the fact that in certain areas alluded to in the Local Governments' Reports, an increase alike of consumption and of intemperance must be admitted and faced. Higher wages, and a rising standard of prosperity, the growth of industrial and urban conditions, the relaxation of social and religious restrictions, and an imitation of Western manners in an unfortunate direction, tend to, and account for, these local increases of consumption apart from any action of Government. When it is remembered that a large mass of the people, in some cases from immemorial custom, is not averse to the use of intoxicants (I observe, for instance, that in Madras three-fourths, and in Bihar two-thirds, of the population are classed in the reports as drinkers of alcoholic liquors), it is impossible not to view with some concern the influences and tendencies referred to above. The present attitude of vigilance and restriction on the part of Government is thus seen to be essential. In an address to the Calcutta Temperance Federation (Enclosure No. 18) Your Excellency declared that "the Government of India, the Local Governments and Administrations and their officials are unanimous in desiring to promote the cause of temperance in this country by all means within their powers." Those powers are clearly limited by the habits of the drinking portions of the population, and by the grave possibilities that might be involved in driving consumption to a more deleterious class of drug or to illicit and cheaper sources of supply. But with due recognition of those limits, I concur with your declaration. Doubtless the Local Governments will continue to give attention to the areas of heavy or increasing consumption, and the Government of India can count on my support for any well devised expedients to safeguard the prevalent sobriety of India and to counteract any tendencies that threaten to undermine it.

5. I pass to the consideration of the detailed points on which the opinions of the Local Governments have been obtained. Your despatch records the considerable progress already realised in several directions.

In these points of excise administration too rigid a uniformity of system is clearly unsuitable, and my inclination would be to respect the discretion of Local Governments and their right to make well-considered experiments for the control of the trade. I note that since 1905-6 no less than 22,653 shops, licensed for the sale of liquor or drugs, have been closed and that while in some areas reduction has been carried as far as at present seems advisable, in others a further diminution may still be looked for. I agree with Your Excellency's Government not at present to press the Local Governments to make further limitation of the hours of sale than they now express their willingness to effect. I approve the changes for which some of the provinces are prepared. Such experiments as the later opening hour of 10 a.m. in Bihar and Orissa, or even of noon in the exceptional circumstances of the North-West Frontier Province, and as the closing hour of sunset suggested for rural areas in Bengal or even of 4 p.m. which the Government of Assam is ready to consider, will doubtless be carefully watched; and if successful, such examples may be followed in those other parts of India which are not at present prepared for any change.

6. Similarly I am ready to accept your view as to the extension and powers of the Advisory Committees, subject to certain observations, which I should desire to make. In the first place, the widely-spread establishment of these Committees in municipalities and rural areas implies the practical acceptance of the principle that licensing is a function which, without sacrificing the avowed aims and the responsibilities of Government, should be exercised in concert with local advice and as far as possible in deference to local opinion. That principle may be worked out with considerable flexibility of detail according to the circumstances of each locality. It appears suitable to utilise, for rural areas, Local Boards, as is proposed in Bengal and Assam, or District Boards, as in the Punjab, in place of creating new administrative machinery. Where the Local Government, however, does not consider it expedient to set up Advisory Committees in rural areas, there might be less formal means of consulting local opinion. For instance, I observe that in Madras the existing rule is that :—

"Local opinion and where necessary the opinions of persons who may be specially interested, such as railway authorities, forest officers, and large employers of labour, should be obtained, and representations from District or Taluk boards or from village panchayats should receive attention."

In Burma it is stated that "the opinions of rural tracts, and more especially of the inhabitants of the village, in which it is proposed to establish a new shop, should continue to be consulted as at present, and no new shop should be opened in the face of any strong opposition from them, unless it is conclusively shown that such opposition springs from interested motives."

These rules of practice seem to me to be appropriate.

Secondly, I hope that it may be found possible not to limit the functions of the Advisory Committees merely to questions of the number or location of shops. They may well serve as a channel through which local opinion may be consulted as to matters of excise, for instance, methods of trading, hours of sale (on which they have been consulted in Bombay), or generally as to abuses and irregularities. It might also be within their recognised sphere to call attention to special cases and localities, in town or country, in which it might seem desirable and likely to be in consonance with the wishes of the inhabitants that the ward or special area should be kept altogether immune from the sale of intoxicants. In this connection I may refer to the instance of the Khondmals sub-division in Bihar and Orissa, where an aboriginal tribe, accustomed to heavy spirit drinking, petitioned for, and obtained in 1910, the entire removal of country liquor shops from their area. It would be a matter for regret if illicit selling were to threaten the breakdown of this experiment. Such cases are no doubt exceptional and may seldom come under the observation of an Advisory Committee. But a committee should have power to draw attention to any case of the kind coming to notice within their respective local areas. I entirely approve the principle stated by the Commissioner of Excise in the following passage :—

"Whenever it appears that the people of any particular locality have so far been convinced of the benefits of temperance as to abstain or even to make an honest attempt of abstaining from alcohol, Government will only be too willing to close the shops as they have done in the Khondmals."

Thirdly, Your Excellency's Government take the view that without prejudice to the eventual development of local control, it is not desirable at present to grant executive powers to the Advisory Committees. I accept the opinion that their institution is as yet too recent to warrant a further extension of their functions. In some cases their inactivity is criticised, though on the whole they appear to have justified their existence. It may be unwise to force a premature development, but their future working should be closely watched. I can see no reason why, while their powers are of a consultative nature, these bodies need necessarily have an official majority—a point which is not objected to in Bengal and elsewhere, though it is not conceded in Madras. I am glad, however, to observe the experiment of instituting Licensing Boards with full and final powers of determining the number and location of licensed shops for Calcutta and each of its suburban municipalities, and for each of the towns of Howrah and Bally. This proposal, under which the Excise Department and the leading temperance associations are to have each one representative on a board of seven, will preclude the suggestion that financial considerations can have a predominant voice in licensing decisions. I await with interest the Report upon the subject asked for in your circular letter of the 18th March, 1914, and I share the hope expressed by Your Excellency in your address to the deputation that waited upon you at Calcutta that if the experiment should prove successful, the way will be cleared for a similar experiment in other large towns.

7. I observe that Your Excellency's Government treat the auction system of licensing as the one question among excise problems, on which diversity of opinion is expressed by the Local Governments. In place of the definite decision in favour of a modified auction system taken up by the Excise Resolution of 16th May, 1907, the subject is held in your despatch to be admittedly controversial, an open question that is regarded as being *sub judice*. At the same time the experiment of a fixed fee system for country liquor shops was sanctioned by the Government of India on the application of the Bombay Government for the year 1909-10 in three selected districts, and from the commencement of the year 1912-13 the auction system for the disposal of country liquor shops was practically abolished everywhere in the Presidency, save for the discretionary power reserved to the Collector of resorting to auctions in rare and exceptional cases.

I shall not attempt to cover the ground of a well-worn controversy. The arguments are to be found in documents alluded to in the Despatch, and they were doubtless duly weighed before the Government of India gave permission to the Bombay

Government to try its experiment. Any and every licensing system is open to some objections, and often there is but a choice of evils. Whatever may be the practical difficulties which Indian conditions present, there is much to be said in favour of a fixed fee system which would secure to the State the full profits but not more than those profits accruing from the monopoly which the State itself creates. Such a system would leave to the liquor seller the average trading profits which he might expect to obtain from the sale of ordinary commodities with which the State does not interfere. It is one of the defects of the auction system, that even when speculative bids are rejected, it is liable to encroach on the fair profit of the trader, who in turn is tempted to recoup himself by illegitimate practices. Under a properly constituted fee system, based on accurate information intelligently and honestly used, the selection of the licensee would be on grounds of respectability, good record, and fitness. While no colour would be left for the suggestion that revenue was the predominant consideration, the revenue that would be derived primarily from still-head duties, and in a secondary degree from fees representing the monopoly profits of the individual shop, would be in practice as high as under a properly worked auction system the State ought in theory to exact.

Such a system of adequate fixed fees differs widely from a system in which the fee is intentionally fixed at a low rate as part of a plan for lowering the price of liquor. This appears to have been the case with the unsuccessful Punjab experiment. It is enough to say that the object so avowed is in clear opposition to the spirit of your Government's policy, and that, as is now recognised, other means must be found of coping with illicit distillation. A proper fixed fee system should, as above stated, secure all the monopoly profits to which the State has a fair claim. On the other hand there are some indications that in Calcutta and in towns in the United Provinces, where there is no free choice of sites, the auction system does not in fact secure for the State all such profits.

I note that among the reasons which led the Government of India to reject the fixed fee system recommended by the Excise Committee of 1905-06 the experience of England seems to have been emphasised. In paragraphs 20 to 22 of the orders of the Government of India on chapter X of the Report of the Excise Committee, the fixed fee system, it is stated, "has proved the most serious obstacle to real temperance reform in England." And you dwell on the considerable difficulties that the growth of vested interests in England has given rise to. I agree that the old English system, under which low conventional fixed fees were levied, aiming merely at the recovery of an arbitrary and limited amount of revenue, inasmuch as it left most of the monopoly profits in private hands, tended to the creation of vested interests. But the later experience of England should not be overlooked. The new system introduced under the Licensing Act of 1904 for new licences—of which it is true that only a comparatively small number are granted—does succeed in preventing the creation of vested interests in this class of licence, and no compensation is paid when these licences terminate or are not regranted. It is not suggested that in its details this reformed English system should be copied, or that its precise machinery could be reproduced in India. Under the contract distillery system there is far better provision possible in India for determining precisely the proper annual fees of licences. But the principle is in essence the same as that now working in Bombay.

The Bombay system, which began as a limited experiment six years ago and is now in its third year of universal operation through the Presidency, may not have been working long enough to make it possible to gauge accurately the full effects of the abolition of the auction system. But so far it appears to give satisfaction, though in the last Excise Report of the Bombay Government for 1912-13, the Commissioner of Customs remarks that "the scale which has been tentatively prescribed for working out the fees, and which is a very important feature of it, is, I am inclined to think, susceptible of modifications which will improve it." In a matter of this kind I should hesitate to override the objections which are felt by some of the Local Governments to the fixed fee system. You state that "the Bombay experiment is being closely watched and that you are considering the advisability of suggesting to other Local Governments the desirability of initiating similar experiments in suitable areas." I trust that before long it may be found practicable to try these experiments in different localities, and that taking full advantage of the details of the Bombay experience, those excise officials who have expressed their willingness to undertake this experiment should have the opportunity of doing so.



8. I have only further to observe that stress is laid throughout the Reports on the importance of education and of the independent efforts of temperance workers as the real means of securing reform. On the first point your Lordship, in replying to the Calcutta deputation, referred to the question of temperance teaching in schools. I would venture to suggest that the syllabus of lessons on temperance, which received the support of the British Medical Association, and was issued by the Board of Education in 1909, a copy of which is appended\* to this despatch, might be adapted for use in schools in India; and that at least two or three lessons a year in those schools should be based upon it. It would doubtless need some recasting to meet Indian conditions; even though Indian students may not personally need warning, there is some evidence that it is among the educated classes that the tendency to imitate Western manners may serve to weaken the influence of traditional restrictions, and it may be desirable to emphasise the attitude of leading scientific authorities of the West. I also endorse the appeal that is made more than once in the Reports for the co-operation of temperance reformers in India. A fruitful field is opened to them by the representation offered to members of the leading Temperance Associations on the Advisory Committees and on the new Licensing Boards in Calcutta. But there is need for a movement of reform from within, springing from the people themselves, without which, as you rightly point out, the administrative efforts of Government must be hampered in the successful attainment of the objects that it has in view.

I have, &c.,  
(Signed) CREWE.

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\* Not printed.

# EAST INDIA (EXCISE)

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## CORRESPONDENCE

REGARDING

# EXCISE ADMINISTRATION.

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Vol. II.

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Presented to both Houses of Parliament by Command of His Majesty.

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Enclosure No. 1.

No. 477—490—218.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE AND INDUSTRY.

[EXCISE.]

FROM

THE HONOURABLE MR. R. E. ENTHOVEN, C.I.E., I.C.S.,  
*Secretary to the Government of India,*

TO

THE SECRETARY TO THE GOVERNMENT OF MADRAS,  
REVENUE DEPARTMENT.

THE CHIEF SECRETARY TO THE GOVERNMENT OF BOMBAY,  
REVENUE DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF BENGAL,  
FINANCIAL DEPARTMENT.

THE REVENUE SECRETARY TO THE GOVERNMENT OF  
BURMA.

THE SECRETARY TO THE GOVERNMENT OF BIHAR AND  
ORISSA, FINANCIAL DEPARTMENT.

THE SECRETARY TO THE GOVERNMENT OF THE  
UNITED PROVINCES, SEPARATE REVENUE  
(EXCISE) DEPARTMENT.

THE FINANCIAL SECRETARY TO THE  
GOVERNMENT OF THE PUNJAB.

THE HONOURABLE THE AGENT TO THE GOVERNOR  
GENERAL AND CHIEF COMMISSIONER,  
NORTH-WEST FRONTIER PROVINCE.

THE HONOURABLE THE CHIEF COMMISSIONER OF THE  
CENTRAL PROVINCES.

THE HONOURABLE THE CHIEF COMMISSIONER OF  
ASSAM.

THE HONOURABLE THE CHIEF COMMISSIONER OF  
AJMER-MERWARA.

THE HONOURABLE THE CHIEF COMMISSIONER OF  
DELHI.

THE CHIEF COMMISSIONER OF  
COORG.

THE HONOURABLE THE AGENT TO THE  
GOVERNOR GENERAL AND CHIEF  
COMMISSIONER IN BALUCHISTAN.

*Delhi, the 24th January 1913.*

SIR,

I am directed to forward for the information of the Government of a copy of  
your information the papers specified in the margin,\* relating

to certain criticisms made on the Excise Administration in India by two Deputations which waited upon the Right Honourable the Secretary of State for India in August 1907 and July 1912.

\* (1) Letter from the India Office No. R. and S. 2535, dated the 23rd August 1907, and enclosure.

(2) Despatch from the Secretary of State for India No. 200-Revenue, dated the 15th November 1907, and enclosures.

(3) Despatch to the Secretary of State for India No. 294, dated the 8th October 1908, and enclosures.

(4) Despatch from the Secretary of State for India No. 85-Revenue, dated the 6th September 1912, and enclosures.

(5) Despatch from the Secretary of State for India No. 2-Revenue, dated the 3rd January 1913, and enclosures.

2. With reference to the Deputation of July last, I am to remark that the last occasion on which the Government of India addressed the Secretary of State on this subject was in their despatch of 8th October 1908, of which a copy forms one of the enclosures to this letter. In that despatch they discussed the views put before Lord Morley by a similar Deputation which waited upon him in August 1907. On the present occasion it has seemed to them desirable to consult Local Governments and Administrations before furnishing the Secretary of State with their conclusions on the recommendations made by the Deputation of 1912. While the general facts are known to them as to the progress which has been made in giving effect to the recommendations of the Excise Committee of 1905-06, as approved by the Government of India, in the matter of the extension of distillery areas, the enhancement of the duties on intoxicants, the reduction and redistribution of excise shops and the evolution of a system of local advisory committees, there are special aspects of the drink question in each province, and it is on these especially that I am to invite an expression of opinion. I am to ask that in dealing with this question statistics may be furnished in the forms annexed, showing the consumption of and taxation realised on excisable articles of different descriptions in \_\_\_\_\_, during each of the years 1905-06 to 1911-12. The statistics for the old provinces of Bengal and Eastern Bengal and Assam might be furnished by the Government of Bengal in consultation, if necessary, with the Governments of Bihar and Orissa and Assam.

3. The proposals of the Deputation of July last relating to the extension of the powers and scope of local advisory committees, a modification of their constitution and the further curtailment of the numbers of shops and the hours of sale also require consideration with reference to the special circumstances of each province. I am in this connection to forward a copy of a statement which was furnished by the Government of India to the Secretary of State in September 1911, showing the number of local advisory committees appointed in each province and the action taken on their recommendations. I am to enquire to what extent <sup>the Government of</sup> \_\_\_\_\_ <sup>you</sup> would be prepared to give effect to the recommendations of the Deputation in regard to the enlargement of the powers and functions of these committees and the modification of their constitution. The statistics asked for in the preceding paragraph will show the reductions already effected in the number of shops. I am also to enquire what further reductions (if any) will now be possible. In making recommendations on this subject the danger of reducing shops to such an extent as to give practical monopolies to the shopkeepers will no doubt be borne in mind. With reference to hours of sale, in paragraph 8 of the Finance Department's Resolution No. 5086-Excise, dated the 15th August 1907, these were fixed generally from sunrise to 9 P.M., earlier and later closing being allowed in special cases. It appears that in the Bombay Presidency a curtailment of these hours has already been effected in some cases on the recommendations of local advisory committees. Further advance in this direction would seem desirable, and I am to enquire what further progress is possible in that Presidency and elsewhere. It will also be observed that the Deputation again urged the desirability of abolishing the auction system. In the Bombay Presidency the system of disposing of licenses for the vend of country liquors has been replaced by one of fixed license fees in some districts as an experimental measure. The Government of India would be glad to receive any observations which <sup>the Government of</sup> \_\_\_\_\_ <sup>you</sup> may have to offer in regard to the working of the system in \_\_\_\_\_.

4. With reference to the complaint made by Lord Kinnaird in the course of his speech at the proceedings of the Deputation, that liquor shops are generally situated in undesirable localities, *e.g.*, between the school, the college and the railway station, I am to invite attention to paragraph 6 of the Resolution quoted above, and to suggest that instructions may again be issued to the local Excise officers, impressing upon them the necessity of selecting shop sites, as far as possible, in accordance with the principles therein approved. It is possible that the difficulty indicated in paragraph 22 of the Government of India's despatch of the 8th October 1908, of acquiring sites in strict conformity with those principles may have led to their being disregarded in some cases; but a close adherence to them is desirable.

5. With reference to the complaint made by Mr. Sarvadhikary in the course of his speech at the same proceedings, that in Calcutta sales of liquor at unauthorised hours are carried on at the shops with the cognizance of "every one, including the police," I am to express the hope that stringent measures will be taken by the Government of Bengal to put a stop to such an irregularity if, on enquiry, it is found to exist.

6. Finally, with reference to paragraph 10 (a) of the Statement presented by the Deputation to the Secretary of State, I am to suggest that statistics showing the wholesale and retail vend and consumption of foreign liquors such as those contained in Provincial Statements A and B of the Excise Administration Reports of the Punjab and the North-West Frontier Province for the year 1910-11, may be furnished in future in the Reports of other provinces also.

I have the honour to be,

SIR,

Your most obedient servant,

R. E. ENTHOVEN,

*Secretary to the Government of India.*



Enclosure No. 2.

No. 221-Exc., dated the 13th March 1913.

From—The HONOURABLE LIEUTENANT-COLONEL SIR GEORGE ROOS-KEPPEL,  
K.C.I.E., Chief Commissioner and Agent to the Governor General in  
the North-West Frontier Province,

To—The Secretary to the Government of India, Department of Commerce and  
Industry.

In compliance with your letter No. 477-490-218-Exc. of the 24th January 1913, I have the honour to forward herewith the required statements duly filled up showing the consumption of and taxation realized on excisable articles in the North-West Frontier Province during the years 1905-06 to 1911-12 and to offer the following observations upon the points raised by the Deputation of July 1912 before the Secretary of State for India.

2. As previously reported, local advisory committees have not been formed in this province, nor does the need for such organizations exist. Conditions are practically the same now as in 1908-09 as far as Excise Administration is concerned here: no truly representative element exists, even in municipal areas, the consuming classes being mainly foreign to the province, and local committees would, I still consider, be entirely superfluous.

3. As regards the further curtailment of the number of licensed shops and the hours of sale it will be seen from Statement C that the number of shops has been reduced from 50 in 1905-06 to 37 in 1911-12, and with effect from April 1st 1913 the number is about to be reduced to 34 or perhaps to 33. The number as it stood in 1911-12 gives one shop only to every 357 square miles and 1.7 shops only per 100,000 head of population: this cannot be called excessive and probably the extreme limit is now being reached in this direction.

As to the hours of sale, in accordance with the recommendations of the Excise Committee they were fixed at between sunrise and 7 P. M. in winter and sunrise and 9 P. M. in summer, extensions being permitted upon payment of further fees at places where Collectors were satisfied that real demands existed. It is perhaps questionable whether shops need be opened for sale at sunrise and the hours might be curtailed, say, to between 12 noon and 7 P. M. and 9 P. M. in winter and summer respectively, but I do not anticipate that such an alteration would have any appreciable effect upon actual total consumption in this province.

4. The abolition of the auction system was fully discussed in the Excise Committee's Report. Country liquor shops are sold by auction in all the districts of the North-West Frontier Province and the system is the most suitable to local conditions. It has not in practice been found to lead to abuses or malpractices, and provision exists in the Excise Rules of this province for determining the highest and lowest annual fees at which shops may reasonably be licensed, the highest fees so determined not being made public. The incidence of total revenue per proof gallon has risen from Rs. 6.7 in 1905-06 to Rs. 8 in 1911-12, the revenue derived from fees under the auction system having risen from 1.17 lakhs to 1.73 lakhs in the same period, but the actual consumption shows no such marked increase. There does not, therefore, appear to be any good reason for altering the present system.

5. The localities of shops have from time to time been examined by Collectors: no complaints in this respect have been made; but, as desired, instructions will again be issued to the local officers to bear in view the principles already approved by the Government of India. The necessity for acquiring sites for liquor shops in this province has not been felt and is unlikely to arise for some time to come.

Enclosure No. 3.

No. 2411-C. & I., dated the 24th March 1913.

From—The HONOURABLE MR. W. M. HAILEY, C.I.E., I.C.S., Chief Commissioner of Delhi,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I have the honour to acknowledge the receipt of your letter No. 477-490-218, dated the 24th of January 1913, relating to certain criticism made on the Excise Administration of India, and in reply thereto to forward a copy of a letter from the Deputy Commissioner, Delhi, No. 93, dated 25th February 1913, giving cover to the statistics asked for in your letter.

2. As remarked by the Deputy Commissioner, there has undoubtedly been a large increase in consumption as judged by a comparison between the figures of 1905-06 and 1910-11. (It is necessary to take the latter year for the reason given by him). I summarise the principal figures below:—

Year.		Gallons of country spirit.		Hemp drugs (thousands of seers).		Opium (thousands of seers).
1905-06	...	12,157	...	4.8	...	1.7
1910-11	...	19,371	...	5.8	...	3.1

I do not think that the increase is excessive in view of the growing wealth of the city and rural population and of the admitted fact that an increase of prosperity always tends to show itself in an increased consumption of luxuries of this description. There is no complaint that the consumption of liquor in Delhi has reached a degree in which it can be said to have led to increased crime or a deterioration of public morals.

3. As regards the Excise Administration, the following figures are instructive:—

Year.		Retail shops for country liquor per 100,000 of the population.		Shops for foreign liquors.		Shops for hemp drugs.		Shops for opium.
1905-06	...	6	...	18	...	14	...	15
1910-11	...	3	...	19	...	8	...	7

It is clear that no effort has been made to stimulate consumption by opening new shops, and I do not think that it would be possible usefully to curtail the number now in existence. The matter will, however, be made the subject of further enquiry.

4. As regards the question of abolishing the auction system, I am doubtful whether in the circumstances of Delhi, the introduction of the fixed fee system would carry the advantages claimed for it. It is urged that the high prices paid in competition give the shopholder an interest in pushing the sale of liquor and also tend to make him adulterate. But it is by no means clear whether with fixed fees the motives of the shopholders would become any more altruistic. On the other hand, the fixed fee system constitutes a monopoly which it is difficult to administer; the number of persons interested in the liquor trade is large, and I know no non-official body in Delhi at present to whom the selection of licenses could safely be entrusted. The creation of such a body must follow the growth of civil and public spirit; at present, I fear that anybody appointed would be

subjected to a degree of social pressure which he would find it impossible to resist. If the day ever existed when Excise officers endeavoured to push up auction results, that day is certainly now past. So long as a careful watch is kept on the actual conduct of the auctions and the number of shops is duly restricted, the auction system, if not ideal, is at all events the alternative that seems to offer fewest objections.

5. The question of extending the powers of the advisory committee will be duly considered by me as opportunity arises. It has not so far been possible to accept their advice regarding the transfer of location of the two shops referred to in the "Statement showing numbers of local Excise committees, etc.", which formed one of the enclosures to your letter under reference. The question of the location of shops in the city is, however, shortly coming under reconsideration and the matter will receive full attention.

6. I do not think that anything is to be gained by attempting to carry out the suggestion of the Deputation that the hours of sale (which are locally fixed at sunrise to 8 P.M.) should be further curtailed. To shorten these hours would be a real inconvenience to the public and would, therefore, invite attempts to frustrate the rules.

No. 93, dated the 25th February 1913.

From—The Deputy Commissioner of Delhi,

To—The Chief Commissioner of Delhi.

In reply to your endorsement No. 1038-C. & I., dated the 5th instant, forwarding Government of India, Department of Commerce and Industry (Excise), letter No. 477-490-218, I have the honour to forward the statistics asked for and to make the following remarks.

2. *Reference Government of India letter, paragraph 2.*—In considering the statistics submitted the figures for 1911-12 should be omitted entirely from consideration, because the exceptional circumstances of the Durbar vitiate their value for comparison. The figures for 1910-11 should be considered, therefore, as the "most recent". It will be seen that the revenue has trebled; consumption has increased some 60 per cent.; the number of retail shops for country liquor has been largely reduced, *i.e.*, by more than 50 per cent.; and, finally, that the revenue from opium and hemp drugs has increased.

I do not think that much comment is needed because the returns are really for Delhi city, and after all the vicissitudes of a growing city cannot be considered emblematic of India as a whole. The increase in consumption is due to various minor causes which may be embodied in the words natural evolution. Just as cigarette-smoking has seized on the British and Indian publics, so has the practice of consuming liquor taken a hold of certain classes—generally the lower class of the Indian public. The increased consumption of these luxuries is one of the many visible signs of an increasing standard of comfort.

3. *Reference paragraph 3 of the Government of India letter.*—The hours of closing as laid down by the Punjab Government have been rigidly enforced and extensions have been allowed only on very special occasions, between specified dates. Further curtailment of the hours of sale would not, judging by the statistics of the past, reduce the consumption; it would probably lead to secret sales during prohibited hours and create hardship by rendering criminal what is now permissible.

I must confess that I do not understand what is to be gained by issuing licenses generally on fixed fees instead of auctioning them. There seems to be some idea prevalent in the minds of the Deputation, received by the Right Honourable the Secretary of State, that the Revenue officer gains personal kudos by obtaining good prices at the auctions or that his influence is used to increase the bids. So far as my experience goes these notions are fallacies. In holding the auctions and issuing licenses the Revenue officer is performing routine duties, the financial results of which are of no moment whatever to him. His superiors know perfectly well that, though a stray Revenue officer may

happen to be an efficient auctioneer, the influence of his position does not induce and is not utilised to induce, the keen business men who bid to offer a rupee more than their instinct urges them to risk. In this connection it might be very pertinently asked "who if not the Revenue officer would the Deputation like to hold the auctions"? Government could scarcely consent to a judicial officer or a non-official being asked to undertake this work.

4. *Reference paragraph 4 of the Government of India letter.*—I may say that in Delhi it would be difficult to find a locality which is not between a school or college and a railway station. The liquor shops are all situate in main public thoroughfares where there is no concealment and in places which were approved by the advisory committee who made a slight reduction in the numbers. There are no shops hidden away in by-streets such as are found in European cities. I cannot believe that Lord Kinnaird would wish that they should be.

5. It has been suggested to me that no licenses for country spirits should be issued and that all such licenses should be off licenses only. It is urged that the poor people who now waste a few pice in the liquor shops could not afford to buy a bottle at a time, and further that the retail contractors would not be able to sell adulterated liquor owing to the bottle having to be sold corked and sealed as issued from the distillery. This might from a Temperance Society's point of view be a good move; but it would be a very unfair one placing an additional hardship on the poor: it would not affect the fairly well-to-do as they would turn to the bars where imported spirits are sold.

I have this year issued as a trial licenses to sell beer on retail in a few shops in the city, and I rather fancy that this measure will check in some degree the retail sale of country spirit, for the simple reason that beer quenches thirst more effectively than spirit. For eight months in the year Delhi is a thirsty spot.

Enclosure No. 4.

No. 1841, dated the 12th July 1913.

From—P. B. WARBURTON, Esq., I.C.S., Secretary to the Chief Commissioner of Coorg,

To—The Secretary to the Government of India, Department of Commerce and Industry.

With reference to the correspondence ending with your letter No. 3743-3754-104, dated the 12th May 1913, I am directed to submit the following report on the Excise administration in Coorg.

2. In recent years there has been a steady increase in the recorded consumption of liquor and the revenue derived therefrom. This is, however, largely due to more careful supervision, and the habits of the people of the country have undergone no change. The large floating coolie population in the province has increased of late years and the colder climate and high wages no doubt induce them to spend more on stimulants than they do in their own villages.

3. The statistics relating to the consumption of and taxation realised on excisable articles of different descriptions in Coorg during each of the years 1905-06 to 1912-13 are furnished herewith.

4. As regards extending the powers and scope of local advisory committees, it does not seem that, so far as Coorg is concerned, any extension is possible. The members of the two municipalities of Mercara and Virajpet form the advisory committees. The member appointed for the ward and the adjacent residents are consulted as regards the number of shops and the suitability of each site within these limits. For the rest of Coorg, which is practically rural, it is not at present possible to establish effective advisory committees.

5. The question of curtailment of the number of shops is invariably kept in view. It will be seen from the statistics now submitted that the local authorities have been gradually decreasing the number of all kinds of shops with a view to arriving at a suitable minimum. It is, however, necessary to guard against illicit practices which would probably spring up when a reasonable local demand could not be met from licit sources. A shop licensee in rural tracts generally acts as a watchman over the people in the neighbourhood of his shop, and the Excise officers mainly depend on him for information as to illicit traffic in liquor.

6. In the Chief Commissioner's opinion the hours of sale may safely be curtailed in Coorg, where people come to market once a week from distant places and go back before 6 or 7 o'clock in the evening. The opening of a shop later than sunrise and its closure earlier than 9 P. M., as at present, will not make much difference in the sales. It is therefore proposed to fix the hours of sale at between 8 A.M. and 6 P.M.

7. With reference to the question of the replacement of the auction system by one of fixed license fees, it is not considered that any change is called for in the case of toddy (*turi*) shops. The existing system, under which the shops are sold to the actual vendor, was introduced only in April 1909, and has worked satisfactorily. It is more elastic and does away with the necessity for maintaining very elaborate accounts.

8. In the case of country liquor shops the Chief Commissioner does not advocate the adoption of the Bombay system of fixed license fees. The object in view is to discourage excessive consumption of liquor; but by allowing the licensee a fixed fee for every gallon of arrack sold by him, the incentive to push the sale is in no way removed or diminished. The position would be more or less the same as it is at present under the auction system. Moreover, physical conditions in Coorg render it impracticable to fix a uniform rate of licensee's expenses for each gallon sold in shops of the same class. The distance of each shop from the wholesale depôt has an important effect on a licensee's expenses. The rent of shop buildings also varies with the importance of the places in which shops are located. In the above circumstances, the Chief Commissioner would prefer to retain the auction system for country liquor shops.

9. The instructions given in paragraph 6 of your letter No. 477-490-218, dated the 24th January 1913, have been noted.

Enclosure No. 5.

No. 6057-M., dated the 27th August 1913.

From—A. W. BOTHAM, Esq., I.C.S., Officiating Second Secretary to the Chief Commissioner of Assam,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to acknowledge the receipt of the Honourable Mr. Enthoven's letter No. 477-490-218, dated the 24th January 1913, with which were forwarded copies of papers relating to certain criticisms made on the Excise Administration in India by two Deputations, which waited on the Secretary of State in 1907 and 1912. The Government of India ask for statistics showing the consumption of and taxation realised on excisable articles of different descriptions in Assam during each of the years 1905-06 to 1912-13, and also invite an expression of opinion on the special aspects of the drink question in this province. In particular they ask that the proposals of the Deputation of July 1912 regarding (1) the extension of the powers and scope of local advisory committees, (2) the further curtailment of the number of shops, (3) the further reduction of the hours of sale, and (4) the abolition of the auction system of settling shops, should be considered. The Government of India urge also the necessity for observing the principles approved by them in the selection of sites of shops, and they ask that statistics showing the vend and consumption of foreign liquor may be furnished in future annual Excise Reports.

2. In reply, I am to forward a copy of letter No. 1033-E., dated the 30th June 1913, from the officiating Commissioner of Excise, dealing with the questions raised, and supplying the statistics required, and to communicate the views of the Chief Commissioner.

3. The views of the Government of India, as held in 1907 with respect to the ascertainment of local public opinion regarding the number and location of excise shops, are clearly indicated in paragraphs 4 and 5 of their Resolution No. 5086-Exc., dated the 15th August 1907. A set of draft rules in accordance with those views was submitted to the Government of India by the Government of Eastern Bengal and Assam with their letter No. 3506-M., dated the 18th May 1909, and the approval of the Government of India thereto was conveyed in Mr. Jukes' letter No. 3248-Exc., dated the 28th June 1909. These rules are now in force in Assam. Special local advisory committees were, in accordance with the views of the Excise Committee and the Government of India, formed only for certain large towns, none of which fell within the present province of Assam. In other urban areas, however, the rules practically constitute the municipal boards as advisory committees, and these advisory committees consider *all* excise shops within municipal areas. The list of shops is published and is considered, together with any objections, by the Municipal Commissioners at a meeting. If the district officer is not able to accept any recommendation made by the Municipal Board, he is bound to refer the case to Government [draft rules (3), (4) and (7), corresponding to rules 76, 77 and 80 of the rules published at pages 85 and 86 of the "Excise Hand Book for Eastern Bengal and Assam"]. The Municipal Commissioners are, of course, representative, and the majority of them are non-officials. The second recommendation, therefore, of the Deputation of 18th July 1912, is actually in force in this province. The Chief Commissioner prefers this system to the creation of *ad hoc* advisory committees on the lines suggested in paragraph 5 of the Government of India's Resolution of the 15th August 1907. The drink question, however, as the Commissioner of Excise points out, is not a very serious one in towns in Assam. Towns are small and semi-urban in character, and the vast majority of the drinking population of the province lives outside them. Shillong is the only town here which has more than two liquor shops, and there are only three towns which can boast of more than one shop.

4. As regards rural areas, I am to quote in the margin paragraph 3 of the

"3. Paragraphs 743 and 744 of the Report.—  
I agree generally, though I reserve my opinion as regards the location of liquor shops. As regards Assam it might be desirable to utilise the Local Boards in respect of that subject".

Chief Commissioner's note on Chapter XIX of the Decentralisation Committee's Report, a copy of which was submitted to the Government of India, Department of Education, with Major Kennedy's letter

No. 2651-M., dated the 22nd August 1912, and to say that, on further consideration the Chief Commissioner adheres to his opinion that the Local Boards in this province, which have already for the most part non-official majorities, and which will, under the contemplated Local Self-Government Act, have in all cases such majorities, might very suitably be consulted as regards excise shops in the rural areas, in the same way as Municipal Boards are now consulted as regards shops in municipal areas. Sir Archdale Earle proposes to consult officials, Tea Associations and the Local Boards themselves as regards this proposal and the result will be communicated to the Government of India in due course. I am to explain that local self-government in this province is much more decentralised than in most of the other provinces, and that the Local Boards, which have jurisdiction over the area of a sub-division, are in a much better position to estimate requirements than the District Boards of other provinces. Sir Archdale Earle considers that it is impracticable to consult village organisations, and in this respect he ventures to disagree with the view expressed in paragraph 743 of the Decentralisation Committee's Report.

5. As to removing the licensing function from the Revenue authorities, as advocated in paragraph 18 of the Deputation's statement, signed by Sir Herbert Roberts, I am to say that the Chief Commissioner considers that the time is not ripe for any such step to be taken in this province. A decided advance will be made if, as proposed, public opinion is consulted as regards all excise shops in the province. It is, in his opinion, advisable to wait and see the result of these measures before proceeding further.

6. With regard to the curtailment of the number of shops, I am to say that the Chief Commissioner concurs in the opinion of the Commissioner of Excise that any substantial reduction is out of the question. The shops in this province are at present exceedingly few for the area and the population served by them.

7. As regards the curtailment of the hours of sale, according to the rules at present in force shops may be kept open from sunrise till 8 p. m. from 16th October to 15th March and till 9 p. m. from 16th March to 15th October. Country spirit shops, however, which are frequented by the garden coolies, are required to close at 4 p. m. on market days and holidays. Sir Archdale Earle would propose earlier closing hours all round and everywhere, and he proposes to consult local officers and those concerned as to the general proposition to close all excise shops at 4 p. m. all the year round. It is during the later hours of the day that evils are likely to occur, and it is during such hours that people return home or should be returning home. It would, in the opinion of the Chief Commissioner, be a good thing if all shops were closed early so that there might be no drinking during the later hours of the day and no chance of night overtaking the occasional drunken man. The Chief Commissioner will, however, await opinions on the proposal and acquaint the Government of India with the result hereafter.

8. The case as regards the abolition of the auction system has been stated by the Commissioner of Excise in his letter of the 30th June 1913 referred to above, and the Chief Commissioner agrees with the conclusion arrived at by that officer. We must improve our staff generally before adopting a system of fixed fees. The effect on consumption of the experiment, mentioned at the end of paragraph 3 of the letter from the Government of India under reply, of substituting the fixed fee system for auction vend in certain districts, does not appear to have been discussed in the Excise Report of the Bombay Presidency for the year 1911-12; and it is presumed that no decided results had so far been obtained.

9. With reference to the complaint made by Lord Kinnaird, referred to in paragraph 4 of the letter from the Government of India, I am to say that his remarks deal primarily with the location of shops in large towns and are scarcely applicable to this province. The recommendations in paragraph 237 of the Excise Committees' Report were accepted by the Government of India in paragraph 6 of their Resolution No. 5086-Exc., dated the 15th August 1907. The selection of a site is almost always difficult and it must generally be the result of a compromise of conflicting considerations. One of the recommendations of the Excise Committee, namely, that in the tea districts shops should never be placed

on a main road, is certainly not universally observed, and the Chief Commissioner thinks that it is very doubtful whether it would not be a mistake to enforce it. There are very great advantages in having shops under the eye of the managers of tea gardens who are closely interested in their good conduct.

10. In conclusion, I am to add that the whole of the liquor system has been re-organised during the years for which statistics are given in the annexed statements called for by the Government of India. The distillery system was introduced for the Sibsagar district only in 1905-06, and was extended to the greater part of the Lakhimpur district in 1907-08, and to the rest of the plains portion of the province, except part of the North Lakhimpur sub-division, where the difficulties of communications are at present insuperable, in 1908-09. A preventive and supervising establishment has been formed and shops are regularly inspected. Spirit is issued at fixed strengths and of irreproachable quality. Early closure has been enforced on market days and holidays in the case of shops frequented by tea garden coolies. The maximum limit of purchase has been reduced from six bottles to three. It is true that the consumption of distillery spirit has very largely increased between 1908-09 and 1912-13; but it would be most unfair to assume from this that drinking has increased proportionately or at all. The distillery liquor when first introduced was strange and not popular; and consumption for the first few years was, therefore, below the normal. The general opinion amongst both officials and tea planters, who are in the best position to judge, is that drunkenness has materially decreased since the introduction of the distillery system. The increase in consumption in 1912-13, as compared with 1911-12, was only 3.5 per cent, which, considering that the tea garden and ex-tea garden cooly population is continually increasing, can scarcely be considered serious.

11. The statistics showing the wholesale and retail vend and consumption of foreign liquor referred to in paragraph 6 of the letter under reply will be included in the Excise Administration Report for 1912-13 and for future years.

No. 1033-E., dated the 30th June 1913.

From—A. R. EDWARDS, Esq., B.A., I.C.S., Officiating Commissioner of Excise, Assam,

To—The Second Secretary to the Chief Commissioner of Assam.

With reference to your letter No. 1109-M., dated the 24th February 1913, under cover of which was forwarded a copy of letter No. 477-490-218, from the Government of India in the Department of Commerce and Industry with enclosures relating to certain criticisms made on Excise Administration in India, I have the honour to reply as follows:—

I enclose statistics for Assam from the year 1905-06 to the year 1912-13 in the form called for by the Government of India. Similar figures have also been forwarded to the Government of Bengal.

With reference to the second paragraph of your letter, I beg to state that statistics showing the wholesale and retail vend and consumption of foreign liquor, referred to in paragraph 6 of the letter of the Government of India, will be included in the Excise Administration Report of this and future years.

2. (a) I turn now to consider the questions raised by the Deputation of 1912. It will be convenient I think to deal *seriatim* with the specific recommendations which are summed up on page 23 of the printed matter; each of these is referred to in the letter of the Government of India. I take them in order.

(1) "That the licenses for the sales of intoxicants should be steadily reduced in number and that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises".

In this province the only shops which are of any considerable importance are those for the retail sale of country liquor (Statement C). It is apparent from the figures that there has been a steady reduction in their number, which has fallen from 207 (this is exclusive of 31 distillery shops open only for six months) in 1905-06.



188 in 1912-13. This means a reduction of 19, or rather over 7 per cent, within about 8 years. This statement further shows that the number of shops as compared with the area and population which they serve is remarkably small. The district officers of the eight plains districts have been consulted on this and other points and replies have been received from all, except the Deputy Commissioners of Kamrup and Goalpara. None of them recommends any further reduction. The Deputy Commissioner of Lakhimpur remarks:—

“There is no room for any reduction; the number of shops is at present hardly adequate to meet the demand”.

It must be remembered that during the years under review, the population from which the drinking classes are chiefly drawn, *i.e.*, that of foreigners, including garden coolies and ex-coolies, has very largely increased and still is increasing. The tea industry has been in a flourishing condition and wages have gone up; consequently, there has been more to spend in liquor. It is hardly necessary for me to point out that the distillery system has, over a large area, displaced the outstill system, for which accurate figures for consumption were not available. Again, the figures for prosecutions for distillation, sale and importation of spirit show that the preventive establishment has been more active, and it is probable that there has been a decrease in consumption of illicit spirit. Moreover, it is not unreasonable to suppose that, with the increase in the consumption of excise spirits, there may have been a decrease in that of laopani or pachwai, which is an uncertain quantity. This, within certain limits, may be brewed free for home consumption. Apart from the danger of giving practical monopolies for the vend of country spirits by the further closure of shops, there is that of vastly increasing the consumption of illicit spirits and laopani. Nor is it impossible that we might thus indirectly encourage the consumption of such drugs as ganja. Taking the whole circumstances into consideration, I am not at present prepared to recommend any further reduction in the number of shops.

I may add that the Excise Commission of 1905 found that the number of shops in Assam needed no change, *vide* paragraph 222, page 92 of the Report, read with paragraph 332 (*f*), page 143. It is clear, therefore, that in this direction, we have gone beyond the recommendations of the Commission.

(*b*) I turn now to the more difficult question of the curtailment of the hours of sale. The rule at present in force is that shops licensed for the sale of excisable articles may be kept open from sunrise till 8 p. m. in the cold season (16th October till 15th March) and till 9 p. m. in the hot season (16th March to 15th October). In the plains districts, however, shops for the retail sale of country spirit, in the vicinity of tea gardens, or to which tea garden coolies resort, shall be closed at 4 p. m. on market days and holidays (rule 206, page 125, Excise Hand Book). The Deputy Commissioners of Sylhet, Cachar and Nowgong are against any further reduction in these hours. The Deputy Commissioner of Lakhimpur thinks that the hours should not be materially curtailed but that shops might be closed at 8 p. m. summer and winter. He remarks that the earlier closing of the shops might prove a hardship to garden coolies. The Deputy Commissioner of Cachar refers to the not uncommon practice of sale after closing hours in coolie lines near established shops. He apprehends that earlier closing hours would encourage this. Major Playfair, Deputy Commissioner of Sibsagar, says that he would like to see liquor shops closed before nightfall, say 7 p. m. in summer and 6 p. m. in winter, “for” he adds “it must be during the hours of darkness that many acts of frauds on the consumers are practised and breaches of license committed with little chance of detection.” He goes on to say:—“But here again we must consider whether earlier closing hours will influence tea garden labour.” The Deputy Commissioner of Darrang also suggests that in rural areas closing hours should be reduced to 6 p. m. in winter and 7 p. m. in summer. In towns, he thinks, that further curtailment would cause hardship to consumers and would make no change. Early closure on market days should be enforced in all liquor shops, except those at district and sub-divisional headquarters. The Excise Commission seems to favour early closing, *vide* paragraph 248, page 106, of its Report, in which the following remarks are made:—“The Committee consider that, as a general rule, the closing hour should be fixed at 9 p. m. .... In some cases earlier closure is desirable. In Assam it has been proposed to

close shops frequented by tea garden coolies at 4 p. m. in the cold weather and 6 p. m. in the hot weather. The gentlemen who conducted the canteen experiment went even further and opened for only two hours in the afternoon on week days and in the mornings on Sundays. It may be desirable to enforce similar regulations where similar circumstances exist or arise."

As regards this province, I do not think that the early hours of opening afford much, if any, ground for criticism. A good deal, however, may be said against the practice of keeping shops open after dark, and I think that, all things considered, we might curtail the evening hours. 5 p. m. in winter and 7 p. m. in summer would, perhaps, not be too early. I doubt whether this would cause any real hardship; but, as garden coolies are chiefly concerned, it might be desirable to consult representatives of the tea industry before definite action is taken. I am, however, inclined to think with the Deputy Commissioner of Darrang that in district and sub-divisional headquarters, where circumstances are different, the present hours might remain. I am also inclined to agree with him in his suggestion as to the enforcement of early closing hours on market days and holidays in all rural shops. The reasons for this, though they may be stronger where tea garden coolies are concerned, apply in other cases and there seems no sufficient ground for making a distinction.

3. The next recommendation of the Deputation is as follows:—

(a) "That the system of excise advisory committees should be extended to all municipalities and that these committees should be made more representative and given power to deal with all licenses for the sale of intoxicants of every kind."

In connection with this may be considered (4) "That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of local committees or other independent authority."

In Eastern Bengal and Assam advisory committees were formed only in three large towns of Dacca, Narayanganj and Chittagong. There are none in Assam. The rules as to the ascertainment of local public opinion are to be found at pages 85 to 87 of the Excise Hand Book. Municipal bodies are consulted as to the sites of shops within municipal limits and objections as to sites generally are invited every year from the public. No new shop is opened or site changed, without notice being given to the manager of any factory likely to be affected by it. Though the Deputation refers specifically to municipal areas, I think that, as regards Assam, where municipalities are small and comparatively unimportant, it will be well to consider the question with reference to rural areas also.

The Deputy Commissioners of Sylhet, Lakhimpur and Nowgong are unreservedly against the appointment of advisory committees either for municipal or rural areas. The Deputy Commissioner of Sibsagar, after a careful consideration of the whole question, comes to the following conclusion:—

"There would be no difficulty in appointing committees in these places, (headquarters of districts and sub-divisions); but as they would deal at most with one shop for each kind of excisable article, it does not seem that they will fill any very useful purpose, when the district and sub-divisional magistrate is at hand to exercise control. My personal opinion is that though the appointment of committees would present no difficulties, they would not prove effective in putting down abuses and bringing offenders to book, either in urban or rural areas."

The Deputy Commissioner of Darrang is of opinion that there is at present no necessity for any special advisory committee in his district either at headquarters stations or in rural areas. He thinks that if it is decided that committees for rural areas are required, the Local Boards would probably be the best bodies; he points out, however, that there are certain strong objections to making use of them.

The Deputy Commissioner of Cachar thinks that committees with a majority of non-official members could be formed with advantage at the district and sub-divisional headquarters of Silchar and Hailakandi, but that such committees in rural areas are out of the question for the present.

As regards district headquarters stations, which would include municipalities, I think that, mainly for the reasons given by the Deputy Commissioner of Sibsagar, committees would be of little, if any use. In Assam the excise question is generally not of any great importance in municipal areas. Our municipalities are small and do not contain individually a large number of excise shops. There is not the same problem as exists in a town in England or a big city like Calcutta.

Then again there is the difficulty of forming a committee containing a majority of non-officials which would, in fact, be representative of local opinion. In this province we have to consider a population heterogeneous, among other things, in race, caste and religion. It would, I think, not be easy to secure members who would at the same time be representative and disinterested. I am inclined to think that, while dealing with such a committee would involve extra work, little would be gained and there would be some risk of intrigue and possible friction.

It seems to me, in fact, that the question, as regards municipalities, is one which in this province scarcely arises. My conclusion is that such committees for municipalities would make little difference one way or the other. Though I would not strongly oppose their formation, I think that no good case has been made out.

As regards rural areas, the difficulty of forming and working such committees would be still greater. The Deputy Commissioners are unanimously against them. We have practically the same difficulties which I have referred to above, coupled with the fact that large areas, parts of which are not easy of access, have to be dealt with. In this connection two bodies might suggest themselves as possibly suitable, firstly, the existing Local Boards, and secondly, the proposed village organisations. A general objection to Local Boards is that they already have enough to do. There are also other objections of a more serious character. The Deputy Commissioner of Cachar remarks:—

“.....but it must be remembered that the members of the Local Boards are not of the classes for whom the excise preparations sold have much attraction, and their decisions would be in my opinion very apt to overlook the claims of the unrepresented classes”.

The Deputy Commissioner of Darrang points out that the members who have definite knowledge of any particular rural area would be small and there is a danger that the decisions of the Board might be governed by the advice of one or two possibly interested members.

I submit that the above objections are entitled to considerable weight. Personally, I think that Local Boards are not suited for the work. I may point out that the Decentralisation Commission was of this opinion (paragraph 743). In summing up my main reasons I would say that Local Boards already have enough to do, that the non-official members, as is to be expected, generally have no local knowledge of the sub-division as a whole, that they do not as a rule represent the classes concerned, and that they may not be free from bias.

As regards village organisations, most of the same objections apply. Several of the Deputy Commissioners have rightly, I think, argued that the members are not likely to be sufficiently educated and experienced for their opinion to be of much value and that their work should at least be tested for some years before the experiment of giving them power in excise matters is tried.

I agree that they, too, as far as we can judge, at present, would be unsuitable. In my opinion Assam is not as yet far enough advanced, and the difficulties are too great for any such experiment to be made in rural areas.

My finding on this point largely answers the question as to the removal of the licensing function from the Revenue Department. No suitable local committee could, in my opinion, be constituted. Nor do I think it practicable or desirable to substitute any other for the present licensing authority. The objections to the present arrangement appear to be theoretical.

4. (3) " That the auction system of licensing shall be superseded by a system of fixed license fees, as recommended by the Government Excise Committee of Enquiry."

This was recommended by the Excise Commission, with certain reservations, in Chapter X of its Report. The Government of India in its Resolution No. 2997-Exc., dated the 16th May 1907, expressed its disagreement with the Excise Commission and laid down the conditions under which the auction system should be carried on. In circular No. 18 of November 1909, the substance of which is reproduced at pages 162-164 of the Excise Hand Book, the Board of Revenue, Eastern Bengal and Assam, gave detailed instructions on the subject.

The Deputy Commissioners of all the districts from which I have received opinions, with the exception of Sibsagar and Darrang, consider that no change is practicable. The Deputy Commissioner of Sibsagar suggests levying vend fees by a surtax on the consumption of the year in question. He says that he would give out at the sales for one year that in the following year excise shops would be settled with those lessees who have the best record and would calculate the surtax as a charge per seer or gallon of excisable article, calculated on the license sales for five previous years and the average quantity of the articles sold.

The Deputy Commissioner of Darrang thinks that as maximum prices for country liquor are fixed, and prices approximate to these, the profit could be accurately calculated. Shops could then be settled practically by selection.

The question is admittedly one on which much can be said on both sides. It would serve no useful purpose for me to recapitulate the various arguments for and against the system, and I am afraid that I can advance no original theories.

Undoubtedly the auction system is liable to various abuses, and our aim should be, I think, eventually to substitute a system of fixed fees. At present, however, I am inclined to think that to do so would be to open the door to still greater abuses. The two great objections are that a system of selection would throw too much power into the hands of the subordinate Excise staff and that, at present, we have not, and cannot collect, sufficient data for arriving at the actual value of excise licenses. The following sentences seem to me to sum up the case very fairly :—" Given a thoroughly efficient and reliable Excise staff in all its grades and materials for estimating the correct value of shops, it is probable that a system of selecting vendors with reference to the circumstances of each shop would give a better class of vendors. This is an end to be aimed at in the Excise system, but at the present time the two necessary conditions required for its success are wanting in this province." (*Vide* Excise Hand Book, paragraph 3, page 163.)

5. With reference to paragraph 4 of the letter of the Government of India, I may say that the principles to be observed in the location of shops, referred to therein, are reproduced at paragraph 65, page 83, of the Excise Hand Book. From enquiries it would appear that they are generally being carried out.

## Enclosure 6.

*Letter from C. G. Leftwich, Esq., I.C.S., Third Secretary to the Chief Commissioner, Central Provinces, to the Secretary to the Government of India, Commerce and Industry Department, No. 230—XV.-1-2, dated Nagpur, the 12th September, 1913.*

I am directed to reply to the Honourable Mr. Enthoven's letter No. 477-490-218, dated the 24th January, 1913, on the subject of certain criticisms made on the Excise administration in India by a Deputation which waited on the Right Honourable the Secretary of State for India in July, 1912. As desired in the second paragraph of that letter, I am directed to submit statistical information for the Central Provinces and Berar in the forms annexed to it.

2. It is evident that the members of the Deputation are not prepared to accept as satisfactory the explanations already given by the Government of India, in their despatch of the 8th October, 1908, of the increasing revenue from liquor, and they again raise certain questions connected with the Excise administration regarding which the Government of India in that despatch had returned a full and distinct answer. The Chief Commissioner does not propose in connection with the present reference, to enter into any great detail in dealing with the arguments that have now been brought forward. They have already been met, and in his opinion completely met, by the Government of India's previous communication to the Secretary of State. A consistent policy has been laid down by the Government of India—that policy has been quoted in paragraph 7 of the despatch of 1908—and in following it out, the Government in this country has to be guided by practical considerations, which, though they may not be altogether overlooked by temperance advocates, do not receive, and perhaps could hardly be expected to receive, from the latter that understanding which must be given them by the authorities who are responsible for the task of administration in India.

3. The Deputation evidently regard the expansion of the Excise revenue as indicative of expansion of consumption. I am, however, to point out that the statistics tabulated under the orders of the Government of India prove that the direct action of the Local Administration in continually raising the rate of duty, which reacts at once on the retail price of liquor, has had a marked effect in reducing consumption during the last seven years. The figures for Berar, where alone an exact comparison is possible, show a very substantial decrease in consumption. In the Central Provinces, owing to the changes that have taken place in the systems in force, the decrease cannot be so definitely stated. But whilst the area under the Distillery System has grown by 100 per cent. and the population served by it in the same proportion, the increase in consumption has amounted to only 70 per cent.

4. Since 1905-06 the area served by outstills in the Central Provinces proper has been reduced from 63 to 25 per cent. of the total area, and the population served by them from 49 to 13 per cent. of the total population. In the area served by Contract distilleries, being 79 per cent. of the total area of the combined Provinces, with 90 per cent. of the total population, the highest rate of duty has been raised in the same period from Rs. 3-6-0 to Rs. 5-15-0 per proof gallon, and the average rate has been raised from Rs. 2 to Rs. 4-2-0 in Berar and from Rs. 1-15-0 to Rs. 3-7-0 in the Central Provinces, and this in spite of the fact that, when backward tracts are newly brought under the Contract Supply System, a low rate of duty has to be imposed in the first instance. Total taxation has risen from Rs. 4 to Rs. 6 per proof gallon in the Central Provinces and from Rs. 5 to Rs. 7 in Berar. The rise in the retail price has risen in an even higher proportion. While in 1905-06 the price of a bottle of 60° U. P. liquor in the distillery area ranged from 3 to 9 annas, it is now from 4 to 16 annas according to locality: in this connection it may be pointed out that no less than 30,000 square miles have been converted from outstill areas in which the price ranged from 1½ to 2 annas a bottle. There were no means of ascertaining with precision the amount of liquor consumed in the areas served by outstills, but it must certainly have been much greater than at present, the price having been so low, and the conversion of such areas in the Central Provinces has, as already remarked, made it impossible to compare the incidence of consumption with exactitude. In Berar, however, where there has been no change in system, the total consumption has fallen from 526,000 to 436,000 gallons and the incidence from 19 to 14 proof gallons per 100 persons. The great advance made in reduction of the number

of licensed liquor shops and in reduction of the proportion of the licence fees to total taxation, will be noticed later when dealing with the subjects of local option and abolition of the auction system.

5. In regard to the future I am to say that it is not to be expected that the reduction in consumption effected in the last seven years can be maintained, nor that the expansion of revenue from Excise will be arrested. The prosperity of these Provinces has been advancing by leaps and bounds : agriculturists have enjoyed a series of good seasons with an ever-increasing value for the outturn of their crops, while the labouring classes throughout the greater part of the Provinces are able to choose their occupation owing to the great expansion of commercial and industrial activity. The expenditure of the Public Works Department of Government (exclusive of establishments) has risen from 49½ lakhs in 1905-06 to 96¾ lakhs in 1912-13 : large railway works of construction have been on hand, new mills and factories have been constructed and have started work, and new mines have been opened. The expansion would have been still greater but for the want of sufficient labour to meet the demand. In such circumstances labourers can command a high wage which enables them to pay more for their liquor. The limit is not yet in view. Enhancement of revenue is an inevitable corollary of such increasing prosperity and is likely to continue. In connection with the remarkable increase of Excise revenue I am to quote from paragraph 11 of the annual report on the Excise revenue of the Central Provinces and Berar for the year 1910-11 :—

“ The advance in the net Excise receipts from 43 lakhs in 1893-94 to 74 lakhs in the year under report may naturally give rise to the question whether our Excise policy is moral or immoral, to what extent the increased revenue is obtained at the cost of the degradation of the people. Now an increase in the revenue from Excise can arise in four ways—(1) from high taxation upon excisable articles, (2) from improved administration tending to a reduction in the profits of purveyors of excisable articles and also in the illicit traffic in such articles, (3) from a larger consumption following on an increase in population or in the purchasing power of persons accustomed to use intoxicants in moderation, and (4) from an obviously undesirable increase in consumption due either to greater prevalence of the excessive use of drink or drugs among any class formerly free from such habits. In a Province in which the conditions are so diversified and in which there has for some years been a series of changes in system calculated to put an end to the lax control over intoxicants, which still obtains of necessity in the more remote and wilder tracts, it is difficult to make comparisons of the consumption year by year in order to discover how far this large expansion in the Excise revenue is a cause for unmixed congratulation. The information which we have goes to show that it is to first three of the above causes and not to the fourth that our rise in Excise income is due.”

6. It has been noticed in paragraph 3 of this letter that the actual consumption of liquor has considerably decreased during the past seven years, in spite of conditions greatly in favour of its increase. This has been achieved by the direct action of Government. But the Deputation quote figures to show that drunkenness has increased, relying on statistics of convictions for drunkenness in public places in Municipal towns. The number of such convictions varies from year to year, being 384 in 1909-10, 490 in 1910-11, 356 in 1911-12, and 425 in 1912-13. Little reliance can be placed on these figures as criteria of the actual prevalence of drunkenness, and the Commissioner of Excise in his report for 1910-11 remarked on the variations from time to time and from place to place in the activity of the police. Thus in 1909-10, there had been 167 convictions in Jubbulpore and 132 in Nagpur : in 1910-11 the figures were 93 and 274 respectively. In the report for 1912-13 the return of convictions for drunkenness is blank for not less than eight districts. As regards rural areas Sir Benjamin Robertson is supported by the opinions of District officers in his view that not only has drunkenness not increased generally, but that in areas in which outstills have been abolished there has been a marked increase of sobriety. To quote one only, Mr. C. A. Clarke, Deputy Commissioner of Nagpur, writes, “ My information is that there is far less drunkenness now than in the old days when there was no control, that the liquor now consumed costs six times the old outstill liquor, and is far less injurious and far less intoxicating.”

7. The Deputation have returned to the charge against Revenue officers of a desire to spread the consumption of alcohol in order to raise the revenue. It is not

a charge which the Civil Servant would expect to have to meet in view of the whole history of British rule in India. Mr. Napier, the Commissioner of Jubbulpore, pertinently remarks that "A District officer of the poorest capacity must see that expenditure on liquor is unproductive and does not make for prosperity. I suppose that it is hopeless to expect a person to realise a District officer's position and feelings in a matter of this kind until he has been one, but those who have held the position know that there is very little interest evinced in the amount of revenue to be collected. Stress is only laid on the full collection of the amount which has been determined by other means." And again, "lately in Jubbulpore it was the District officer who had to intervene to prevent the opening of a new foreign liquor shop, the petition for which had been backed by a large number of respectable people." The charge brought against the British Administration generally, as contrasted with the old Hindu and Muhammadan dynasties, has already been met by the Government of India in their despatch No. 294 of 1908. But the present state of affairs outside British India is also worth considering. Mr. Napier writes, "The practice of Native States in the past in not regulating the liquor traffic and in collecting no revenue from drink seems to be held up by members of the Deputation to praise. I would contrast the state of affairs in Rewah, where numerous outstills are located all along our border, with, in several cases, two or three outstills situated in a single village." Such a result of State aloofness can scarcely be held up for emulation.

8. To come now to the specific recommendations made by Sir Herbert Robert's Deputation, the first is twofold, *viz.* :—

- (a) that licences for the sale of intoxicants should be steadily reduced in number, and
- (b) that the hours of sale be further limited.

As regards (a), it can be claimed that in the Central Provinces and Berar Government has gone very far already and it is probable that a point has been reached beyond which it would be dangerous to proceed further. The number of liquor shops has been reduced from 6,425 in 1905-06 to 3,714 in 1912-13, *i.e.*, by 42 per cent. The number of shops per 100,000 of population has in the same period been reduced from 61 in the Central Provinces and 34 in Berar to 28 and 23 respectively, and the average area served per shop has risen from 15 and 19 to 27 and 26 square miles. Similarly, the number of *tari* (or toddy) shops has been reduced in this period from 1,221 to 493 and the number of Foreign liquor licences from 176 to 140. With reference to this very considerable reduction the Honourable Mr. Walker, Commissioner of the Nerbudda Division, remarks, "It is to be remembered that, at the same time that we have reduced the number of shops, we have enhanced the rate of duty on spirits enormously, and in tracts where the outstill system with its easy methods has just vanished, caution must be observed lest we make licit liquor not only too expensive but too inconvenient to be obtained." Mr. Napier, Commissioner of Jubbulpore, writes, "The difficulty which a large portion of the population experiences in getting alcoholic liquor can well be imagined"; and again he gives "a few statistics which show the real danger that the reduction of facilities for obtaining alcohol drives the people to the use of more deleterious drugs." And Mr. C. A. Clarke, Deputy Commissioner of Nagpur, states, "It might fairly be argued that the recognition of legitimate refreshment has not been much regarded in the reduction of shops."

9. It seems certain that, for the present at any rate, it would be dangerous to proceed further in the reduction of liquor shops. The Commissioner of Excise writes, "I am of opinion that in some of the districts the reduction has been carried too far, and some shops may have to be re-opened as necessity arises. In the backward tracts, principally inhabited by aborigines, a centre of licit supply is a great check on illicit production. Another aspect of the case is that shops far apart, while they may discourage visits from people accustomed to drink in moderation, are apt to induce drunkenness when such deferred visits are paid." Again, "It may also be confidently asserted that any more rigorous measures towards putting down consumption would have brought more serious evils in their train, and would certainly have produced great discontent amongst the most loyal and law-abiding classes in this Province." In the report for 1912-13 the increase in offences of unlicensed sale of duty-paid liquor is noticed as pointing to the need of consideration

whether the shops in the tracts concerned are not too far apart. Apart from the danger of driving moderate drinkers to the use of more deleterious drugs, or the unwarrantable causation of discontent, there is the grave danger of illicit production accruing from too active a campaign for making liquor deterrently expensive. In 1912-13 as many as 290 cases of illicit distillation were detected, and it is certain that a great many must have gone undetected. A significant fact was the detection of such illicit production in open well-developed tracts of country such as the Nagpur, Amraoti and Akola Districts and the Warora Tahsil of Chanda District, in which the retail price of liquor had been forced up to a point making its production over-attractive for the smuggler.

10. The second portion of the Deputation's first recommendation is that the hours of sale be further limited. Opinions differ somewhat in regard to this point. The hours prescribed are from sunrise to 9 p.m. Some of the officers consulted would agree to their reduction to 12 hours, but the Honourable Mr. Walker writes, "Such curtailment seems to me to be dangerous, and I can see no reason for pressing it unless it is admitted (for some unexplained reason) that it is necessary to treat every day in India as if it were a Sunday in England." Mr. Chitnavis, Deputy Commissioner of Chhindwara, himself a Hindu, points out that "the requirements of different classes of people are varied: some require liquor in the morning, others in the evening, others again at noon for social and religious purposes." The Chief Commissioner is, however, inclined to think that the need, if any, for liquor in the morning can be met by its purchase on the previous evening, and it is not desirable that any encouragement be given to persons obtaining liquor on their way to the day's work. Sir Benjamin Robertson is, therefore, prepared to advance the opening hour for sale from sunrise to 8 a.m. He is not prepared to suggest any curtailment of the evening hours. It is the general opinion of doctors that the use of alcohol is best deferred till after sunset, and as the Commissioner of Excise points out, "In towns the labouring classes are not free till late in the evening, and it is desirable not to drive them from the field or factory straight to the liquor shop, which would be the case if shops are closed earlier than now. In rural areas, the shops are now far apart, and the above difficulty would be accentuated. 9 p.m. is by no means a late hour in India, and the drinking population would undoubtedly resent any change."

11. The second and fourth proposals of the Deputation can conveniently be considered together, viz. (ii) that the system of Excise Advisory Committees be extended to all Municipalities, and (iv) that the licensing function be removed from the control of the Revenue Department. Licensing Committees consisting of two members elected by the Municipality and of the Deputy Commissioner and the District Superintendent of Police have been constituted for the towns of Nagpur and Jubbulpore, and have worked satisfactorily. In all other towns with a population of over 20,000 the Municipal Committees are consulted as to the maximum and minimum number and the locality of shops in the towns, and their wishes have been met except in one instance where the Committee proposed the closure of two existing shops without due consideration of the public demand. The Deputy Commissioners' decisions are subject to the approval of their Divisional Commissioners: the Commissioner of Excise has no control in the matter. The Chief Commissioner proposes to extend the rule for consulting Municipal Committees to all such bodies, irrespective of the population of the Municipal town. At present these Provinces are not ripe for any further extension of the system of Special Licensing Committees. The Commissioner of Excise points out that "under present conditions none of the drinking classes could be represented on such Committees, and the non-official element would consist of persons who take either a purely academic or no interest in the matter, or of persons who by religion and training are absolutely hostile to the use of liquor or drugs." Even in Nagpur, when the Municipal Committee was first asked to consider the location and leasing of permanent liquor shops, the Committee refused to have anything to do with the liquor trade on the grounds of morality! Sir Benjamin Robertson believes that such an attitude will rarely be adopted, and is not therefore deterred from extending the practice of consultation to all Municipalities. These bodies, as observed in paragraph 24 of the despatch of 1908, are exponents of at least a certain section of public opinion to which attention should be paid, and their association with Government in this branch of the Administration is of some educative value.



12. The Chief Commissioner regards, however, the Deputation's further proposal to remove the licensing function from the control of Revenue officers as absolutely impracticable. The Honourable Mr. Walker points out that "a few years ago there were indications that a temperance movement might be engineered for political purposes with the object of hampering Government by loss of Excise revenue. The movement did not effect much, but it serves as an example of how impossible it is, in a system of Government like that of India, to entrust the power of final decision in Excise matters to any other authority than Government itself. A system of local veto, if practically applied, not only would result in class tyranny, as pointed out by the Government of India in their despatch of the 8th October, 1908, but also might possibly be used for purposes directly hostile to the British Administration in India." In Sir Benjamin Robertson's opinion the position has in no way altered since the Government of India dealt with this subject in 1908, and the question of a separate licensing authority is absolutely outside the bounds of practical politics.

13. There remains only the third proposal of the Deputation, viz., to abolish the auction system of licensing and substitute for it one of fixed license fees. I am to point out that this question has been thoroughly and exhaustively discussed in the Government of India's Resolution No. 2997-Excise, dated the 16th May, 1907, and the reasons there given for holding that the adoption of a non-competitive system for the disposal of the right of retail vend of country liquor is impracticable remain, Sir Benjamin Robertson thinks, unshaken. At the same time the policy of reducing the proportion of license fees to total taxation has been steadfastly followed by periodically raising the rate of duty. The proportion of license fees to total Excise taxation on country liquor in 1901-02 was 44·7 per cent. in the Central Provinces; it has now fallen to 34 per cent. Thus, without any violent change in policy, a rapid advance has been made towards the substitution of duty for license fees. Large profits from liquor monopolies continue to be realized in Berar where the incidence of vend fees to total taxation on country liquor still remains at about 42 per cent. While there is no proof that the licensees take active steps to enhance the consumption of liquor, it would appear that there is still a large margin of profit left to them in spite of the already high rate of duty, which brings the retail price within a short distance of that for inferior foreign spirits. Mr. Standen, the Commissioner of Berar, who has examined figures supplied by Deputy Commissioners, believes that "it is uncommon to find a very high bid followed by increased consumption. Occasionally, no doubt, a reckless Kalar will try to make good his prospective loss and at the same time perhaps damage a neighbouring rival by selling at a specially low price, but this is rare." He is, however, in favour of keeping in view the ultimate adoption of some system like that outlined by the Indian Excise Committee, 1905-06, in paragraph 202 of their report: but he is doubtful if a stage has yet been reached, even in Berar, at which it is possible to regard the rate of duty as sufficiently fixed to enable the Administration to obtain an accurate knowledge of shop values. As remarked in paragraph 29 of Government of India's Resolution No. 2997, dated the 16th May, 1907, a system similar to that adopted in the Bombay Presidency had been formerly tried in Berar and had to be abandoned. Sir Benjamin Robertson thinks it would be well to await for a few years the results of experience gained in Bombay before attempting the introduction of the system again in Berar.

14. The Chief Commissioner proposes, however, to tighten up the rule of general application concerning the rejection of speculative bids. The existing rule in the Central Provinces runs: "The officer holding the sales may reject bids he deems to be purely speculative, but where he considers it desirable to adopt this course he should at the time record his reasons in writing." This, in Sir Benjamin Robertson's opinion, is not sufficiently impressive, and he proposes to amplify the rule and to enjoin on all officers the necessity of carefully seeing that such bids are not accepted. Instructions will be issued to guide officers in applying the principle of rejection.

15. At the end of paragraph 13 of the statement submitted by Sir Herbert Roberts on behalf of the Deputation, the Chief Commissioner observes a motion brought before the United Provinces Council in April, 1911, to prohibit the grant of special licences for the sale of liquors and intoxicating drugs on the occasion of

religious festivals. I am to say that in accordance with the rules in force in these Provinces such "occasional licences" are not ordinarily granted. In special cases and for special reasons they may be given with the previous sanction of the Commissioner of Excise. This rule appears to the Chief Commissioner adequately to safeguard the issue of such licences.

16. The Chief Commissioner regrets the time that it has taken to reply to this reference. But the case was one in which he wished fully to consult Commissioners and Deputy Commissioners, and many of these officers have taken much time and trouble to examine the questions at issue and record their opinions. The result has been, as is shown in this letter, to give strong support to the views already expressed by the Government of India in their despatch to the Secretary of State of 1908

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## Enclosure 7.

*Letter from the Honourable Sir Elliot Graham Colvin, K.C.S.I., Chief Commissioner, Ajmer-Merwara, to the Secretary to the Government of India in the Department of Commerce and Industry, No. 1382—1079, dated the 24th September, 1913.*

I have the honour to acknowledge the receipt of your letter No. 477-490-218, dated the 24th January, 1913, forwarding a copy of papers relating to certain criticisms made on the Excise Administration in India by two Deputations which waited upon the Right Honourable the Secretary of State for India in August, 1907, and July, 1912, and inviting an expression of my opinion on certain points connected therewith.

2. As desired in paragraph 2 of the letter, statistics are enclosed in Forms A to P showing the consumption of, and taxation realised on, excisable articles of different descriptions in Ajmer-Merwara during each of the years 1905-1906 to 1912-13.

From Statement B it will be seen that the consumption of liquor in this district averages about 50,000 proof gallons and that it fell to 39,062 proof gallons in 1905-06, which was a year of famine, and rose to 65,214 proof gallons in 1910-11, which was an exceptionally good agricultural year. These statistics show that the consumption has not varied otherwise than normally and that the rise and fall noticeable in the figures are in accordance with the character of the seasons. The figures of the excise revenue given in the same statement show a large and steady increase from Rs. 1,04,000 in 1905-06 to Rs. 3,03,000 in 1912-13. This increase might, at first sight, be taken to indicate a corresponding growth in the drink habit, but the actual amount of the liquor consumed has not, as already stated, increased to any large extent.

The real explanation of the increase in revenue is the introduction, with effect from the 1st April, 1908, of the contract distillery system of Madras, the enhancement of still-head duty and the reorganisation of the Excise Department. The following table shows that the increase of revenue is due to enhanced taxation and supervision, inasmuch as the consumption for the year 1912-13 was less than that of the year 1907-08, while the revenue nearly doubled :—

				Consumption Proof gallons.	Revenue Rs.
1907-08	...	...	...	54,712	1,58,000
1912-13	...	...	...	51,779	3,03,000

3. The Government of India enquire, *inter alia*, to what extent this local Administration would be prepared to give effect to the recommendations of the Deputation of 1912 in regard to the enlargement of the powers and functions of the local advisory committees and the modification of their constitution. The local committees in Ajmer-Merwara were formed in 1907-08 and the particulars regarding them and the work which they have done were reported in my letters No. 788 of the 2nd August, 1911, and No. 796 of the 10th June, 1913. The committees are not deeply interested in the subject of temperance reform as yet, nor is there any strong public feeling in the matter. In fact, the committees have not shown any activity or initiative, and there is no doubt that the conditions prevailing in this district are not ripe for the introduction of the measures advocated by the Deputation.

4. The number of liquor shops was reduced from 136 in 1907-08 to 128 in 1908-09, and the present number is 128. The subjoined table shows the number of shops in the urban and rural areas and their ratio to the population :—

Population.			Number of shops.	Ratio to population.
Urban area—1,29,263	...	...	13	1 to 9,943
Rural area—3,72,132	...	...	115	1 to 3,236

Owing to the peculiar situation of Ajmer-Merwara in the midst of Native States, the local officers consider, and I agree with their view, that any further reduction in the number of shops will only result in the smuggling of liquor into the district which it will be very difficult to check. Moreover, the rural population

is scattered over a considerable area and the number of shops is by no means excessive.

5. The hours during which the sale of liquor is permitted are as follows :—
- |                      |     |   |
|----------------------|-----|---|
| In the rural area... | ... | From sunrise to 9 P.M.—throughout the year.             |
| In the urban area... | ... | From sunrise to 9 P.M.—from 1st October to 30th April.  |
|                      |     | From sunrise to 10 P.M.—from 1st May to 30th September. |

In my opinion there will be no objection to the closing of the shops in the urban area at 9 P.M. at all times of the year, and I am issuing instructions accordingly.

6. As regards the abolition of the auction system and its replacement by a fixed fee system, I would explain that the system prevailing in Ajmer-Merwara is not really an out and out auction system. The practice followed is to work out the average sales of each shop for the preceding three years and to then fix an approximate price calculated to leave the shop-keeper a profit of 10 annas per gallon on an average year's sale; and if the late shop-keeper's management has been satisfactory, he is given the licence at that price if he is willing to pay it; otherwise it is put up to auction. In a good year the licensee's margin of profit is a little more, in a bad year less. Auction takes place in a comparatively small number of cases. The question of the continuance of that system is under consideration.

7. The direct taxation on liquor has been steadily raised during the last 5 years. The still-head duty, which was Rs. 2-10-6 per proof gallon before 1908-09, was increased to Rs. 3-12-0 for the urban area and Rs. 3-2-0 for the rural area with effect from the 1st April, 1908, when the contract distillery system was introduced in the district. On the 1st April, 1911, the rates were further increased to Rs. 4-6-0 and Rs. 3-12-0 for the urban and rural areas, respectively. In the circumstances, it was not considered advisable to enhance the duty further when the contract for the supply of liquor was given out on the 1st April, 1913, for a period of 3 years. On the termination of the present contract it may be possible to raise the duty again, but in that case I should be disposed to advise a simultaneous reduction in the amounts asked for the sale of shop leases. The latter measure would involve some loss of revenue to Government, but it would seem to be the proper policy, as it would reduce the incentive to licence-holders to effect large sales in order to cover their licence fees.

8. With reference to paragraph 4 of your letter under acknowledgment, the Collector of Excise Revenue reports that every care is taken in the selection of sites for liquor shops and none of them exists in any undesirable locality nor, so far as he is aware, have any complaints to this effect ever been received.

9. As suggested in paragraph 6 of the letter, statistics showing the wholesale and retail vend and consumption of foreign liquors will be furnished in the annual Administration Report of Ajmer-Merwara for the year 1912-13 and subsequent years.

## Enclosure 8.

*Letter from the Honourable Mr. R. A. Mant, I.C.S., Financial Secretary to Government, Punjab, to the Secretary to the Government of India, Department of Commerce and Industry. No. 2965 S. (C. & I.), dated Simla, 25th September, 1913.*

In your letter No. 477—490—218, dated the 24th January, 1913, an expression of the Lieutenant-Governor's opinion was invited in connection with certain criticisms made on the Excise Administration of India by the two deputations which waited upon the Secretary of State in August, 1907, and July, 1912.

2. In reply I am directed to forward a copy of a letter No. 296 S., dated the 2nd August, 1913, and its enclosures, from the Senior Secretary to the Financial Commissioners, Punjab, and to say that the Lieutenant-Governor is in complete agreement with the explanation given by Mr. Fenton in paragraph 4 thereof of the spread of the drink habit in certain parts of this province. I am to invite particular attention to the remarks made in this connection by Diwan Tek Chand, I.C.S., a Deputy Commissioner of long standing, who has also had considerable experience of administration in the Baroda State. The causes to which he attributes the growth of the evil—increasing prosperity of the people, relaxations of religious restrictions, imitation of Western manners, and the like—while they apply generally to British India, are perhaps more operative in the Punjab than anywhere else. These causes, His Honour considers, will continue to operate and to stimulate consumption in spite of preventive legislation, and it is only by the spread of an independent temperance movement among the people themselves that they can ultimately be checked. For this reason the efforts of the Temperance Societies recently inaugurated in the Sikh districts, which are the heaviest consumers, are receiving and will continue to receive the warmest sympathy and support from Government and its officers.

3. Meanwhile His Honour, who has seen something of the Excise Administration of Southern India, including Hyderabad, of the Native States in Central India and Rajputana, of Bombay and the United Provinces, ventures to affirm that in no part of India has the policy of the administration in recent years been more steadily directed than in the Punjab to the reduction of consumption to the lowest possible limit, beyond which any advance will only tend to stimulate further the illicit production already too common in parts of the province. In support of this assertion I am to quote a few salient statistics. Between 1905-06 and 1912-13 the taxation per proof gallon of country spirit according to the statements appended to the Financial Commissioner's letter has nearly doubled (from Rs. 4·7 to Rs. 9·06). The comparison is to some extent vitiated by the fact that the imports of Rosa spirit, on which duty is paid in the United Provinces and not included in the Punjab receipts, were much larger in 1905-06 than in 1912-13. But after allowing for this difference, it is clear that there has been a very marked increase in the rate of taxation, and it is now perhaps the highest in India. The number of shops has been reduced by more than one-third (from 1,237 to 795), so that there is now only one country liquor shop to every 25,000 of the population and to every 125 square miles of territory. Moreover the Excise Bill recently introduced in the Provincial Legislative Council will, it is hoped, strengthen the hands of the administration in dealing with illicit practices, while the feasibility of a further increase in the still-head duty is also under consideration.

4. This drastic action on the part of the administration would normally tend to discourage consumption. Indeed, His Honour considers that the administrative conditions now prevailing constitute the nearest approach to the ideal desired by temperance reformers, while they are also favoured by the fact that the outstill system has never had much vogue in this province, no less than half the population of which consists of orthodox Muhammadans. Nevertheless the natural causes already referred to have more than counterbalanced the efforts of Government, and the fact remains that during the years in question,—excluding the year 1905-06, when the sales of country spirit were artificially inflated by various causes, the chief of which was the experimental introduction of fixed fee licences for the sale of country liquor—consumption, though it fluctuated largely, rose by nearly 11

per cent. (from 414,692 to 459,528 gallons), while the revenue nearly doubled. The increase of revenue was, no doubt, due in some measure to a decline in illicit distillation owing to a more vigorous preventive policy on the part of Government.

5. It is, however, this increased revenue, rather than the increase in consumption, which appears to His Honour to have occupied more particularly the attention of the deputation, whose suggestions are now being considered. Sir Herbert Roberts remarked: "The outstanding fact is of course the steady, continuous and enormous increase in the drink revenue of India." In answer to this the Lieutenant-Governor would point out that practically every important excise reform in this country involves in the first instance a considerable increase of revenue. His Honour knows of one State in Central India where the abolition of outstills and the introduction of the Madras Central Distillery system caused the revenue to rise by four hundred per cent. in the last ten years: in another State, one of the largest, the rise was two hundred per cent. in five years, while in both cases there was an enormous fall in consumption. In both States the incidence of the total excise revenue is now nearly one rupee per head of the population, or three times the incidence in the Punjab, although in the British Province the duty on country spirit is more than double that of the two Native States in question.

6. There is another point in regard to which there appears to the Lieutenant-Governor to have been a good deal of misapprehension on the part of the deputation of 1912. In the memorial to the Secretary of State dated November 1st of that year the statement occurs that "the deputation brought forward facts to show that whereas the use of intoxicants is forbidden by the religious laws of Hindus and Moslems, and is opposed to Indian public opinion as represented in the expanded Legislative Councils, under the present licensing system there has been an increase of consumption, leading to the demoralization of large classes of the population." The assertion is doubtless based to a large extent on the remark of the Honourable Mr. Gokhale—a member of the deputation—that "the consumption of liquor, moderate or immoderate, is contrary to the sentiment of the great majority of the population of India, and in many classes of Indian society it has never been practised." His Honour concedes this statement to be true as regards the Muhammadan population, and, to some extent only, as regards the Brahman and Vaisya, that is, the priestly, clerical and trading castes of the Hindus. It is certainly not true as regards the Rajputs or the Sudras, who together form the majority of the Hindu population. Nor is it true of what are known as the Pariahs, Panchamas or out-castes, nor of the many millions of the aboriginals. Among these the drink habit is immemorial and universal, facilitated, as it is in all parts of India except the north-west, by Nature's provision of the Mahwa flower and the toddy palm as easy sources of supply. So far from our licensing system being a cause of increased consumption, His Honour firmly believes that the exact reverse is the case, and that if Government were to revert to what Mr. Gokhale describes as the pre-British system, neither regulating the traffic in alcohol nor deriving revenue from it, the drink evil would be infinitely worse than at present, and, in place of a community possibly the most temperate in the world, we should be confronted, throughout the greater part of India, and especially in the centre and south, by a demoralized and drink-sodden population.

7. There is at least one Native State in the Punjab where drinking is almost a religious rite, and the people make their own liquor free from all restrictions or imposition of duty. Moreover Sir Michael O'Dwyer recalls that when restrictions borrowed from the British Excise system were introduced within the last few years into certain States of Central India, he was on more than one occasion almost mobbed by crowds of Bhils, Sirvis, Patiyas and other aboriginal and agricultural tribes, who represented that their religious customs demanded the free use of liquor at festivals such as the Holi and Dasehra, both for personal consumption and for libations to their deities; that their gods were angered by the failure of these observances, refusing to accept such paltry substitutes as sugar, *ghi* and spices; and that scarcity and famine were the result. So strong was the feeling that it was found necessary to ease off the restrictions for some years at least, and to allow local distillation within limits at certain festivals. Recently in this Province Deputy Commissioners have refused to issue licences for the sale of liquor at some of the great religious fairs, and though they had good reasons for their action, in at least one instance it aroused a strong local protest as interfering with old-

established custom. I am to refer to this experience to show that while it is admittedly the duty of Government to discourage as far as possible the drink habit, it must not be forgotten that there is a vast body of public opinion unrepresented on the platform, in the Press, or in the Legislative Councils, which resents regulation and restriction of the traffic, and which cannot be left entirely out of consideration. His Honour has no doubt that something of this nature was present in the mind of Lord Morley when he quoted so aptly to the temperance deputation of 1907 Herbert Spencer's illustration of the fact that reforms cannot be made whenever and wherever the reformer chooses: "Take care you are not producing another evil when you are relieving a mischief: it is as though you have a great plate of metal with a bulge in it, and you come down with a blow from the hammer of State intervention: the bulge disappears, but it has reappeared at the other end of the plate."

8. These general considerations have been put forward not with a view to disproving the case for the reforms suggested by the deputation of 1912, but in order to demonstrate that some of the arguments upon which it rests are unsound, and that it is essential to approach the proposals with caution, and with due regard to the great though unorganized mass of Indian opinion, which is naturally hostile to State regulation, and all the personal restrictions which State regulation implies.

9. Turning now to the specific points raised by the Government of India, I am to say that the Lieutenant-Governor agrees generally with the conclusions formed by Mr. Fenton, namely, that—

- (1) there would be no practical advantage at present in any enlargement of the powers and functions of advisory committees. Irresponsible bodies of this kind invested with licensing powers will probably, if composed of temperance reformers, allow zeal to outrun discretion. If they are not so composed, results the very reverse of what is contemplated may ensue. It is a well-known fact that in many counties in Ireland the grant of the licensing power to the local (unpaid) Justices led in recent years to an appalling increase in the number of licensed premises, especially in rural tracts, with most demoralizing consequences. Owing, His Honour believes, to the representations of the Excise and Police authorities, the power was subsequently withdrawn from the Justices and vested in the stipendiary Resident Magistrates, who are also responsible for the maintenance of law and order in much the same way as the District Magistrates in India;
- (2) there is no further room, in view of the figures given in paragraph 3 of this letter, for any extensive reduction in the number of shops;
- (3) as a tentative measure the hour of closing of rural shops will be altered from 9 p.m. to 8 p.m. in the summer. His Honour is also prepared to advance it from 7 p.m. to 6 p.m. in the winter;
- (4) the question of the location of shops already receives and will continue to receive careful attention; and
- (5) the auction system, though imperfect in some respects, as pointed out in paragraph 18 of the Government of India despatch No. 294, dated the 8th October, 1908, seems to be the best that can be devised, and is at all events the most suitable for present conditions in the Punjab, where the fixed fee system has been tried and found to lead to a great increase in recorded consumption.

10. In conclusion the Lieutenant-Governor desires to refer to the unjustifiable insinuations against the administration, which have been so warmly dealt with by Mr. Fenton. His Honour would assert that there is not a shadow of truth in the suggestion that our officers have any inducement to foster the growth of excise revenue except by checking illicit consumption. The Punjab, by abolishing its Excise Commissioner, has deliberately adopted the policy of associating excise as closely as possible with the general administration. The Deputy Commissioner, who is the pivot of that administration, is thus able to view the drink question in its proper perspective. Its ill-effects are a matter of far greater concern to him than the revenue derived from it. He knows that drunkenness in this province

frequently leads to violent crime, and that this artificial stimulus is commonly resorted to by murderers and robbers to give them the necessary courage for acts of violence. While, as Collector of the district, he controls the issue of licences, his most important duty is the maintenance, as District Magistrate, of law and order, and he is therefore the last person to encourage habits which tend to increase crime. His Honour hopes that the Government of India will associate themselves with this Government in condemning these charges as cruel and unjust to the class of officers who form the backbone of our rule in India.

#### Annexure 1.

*Letter from H. A. Smith, Esquire, Senior Secretary to the Financial Commissioners, Punjab, to the Financial Secretary to Government, Punjab, No. 296 S., dated Simla, 2nd August, 1913.*

I am directed to submit the following remarks of the Financial Commissioner in compliance with your endorsement No. 306 C. & I., dated 4th March, 1913, with which was enclosed a printed copy of the correspondence on the subject of the two deputations which waited on the Secretary of State in 1907 and 1912 with reference to Excise administration in India.

2. In forwarding the papers to Local Governments the Government of India observe that while the general facts are known to them as to the progress which has been made in giving effect to the recommendations of the Excise Committee of 1905-06, as approved by the Government of India, in the matter of the extension of distillery areas, the enhancement of the duties on intoxicants, the reduction and redistribution of excise shops and the evolution of a system of local advisory committees, there are special aspects of the drink question in each province, and it is on these especially, the Government of India intimate, that an expression of opinion is desired. A request is made for statistics in a form indicated, and attention is called particularly to certain points raised by the Deputation of 1912 which the Government of India desire to be considered. In forwarding the Government of India letter and its enclosures the Punjab Government ask for an expression of the Financial Commissioner's opinion on the recommendations of the Deputation of 1912 so far as they concern the Punjab, as well as on the points specially noted in the Government of India letter.

3. One of the recommendations of the Deputation of 1912 is that "the causes at the root of the increase in consumption" of liquor should be investigated. The demand is made that the inquiry should be an independent one,—independent because, as Reverend Herbert Anderson remarked, the drink habit "is fostered by the present administrative methods"; Government and its officers are interested in the revenue; and, as Mr. Gokhale remarks, "that constitutes a serious difficulty in dealing with this question." Mr. Gokhale goes further and pronounces the British Government as disqualified from being an impartial judge, and the reason which he gives for this audacious statement is that "in pre-British times the State did not regulate the traffic." The Secretary of State in his reply to the Deputation dealt with the imputations and insinuations that with the officers of Government the desire to increase the revenue was a paramount motive, but he might also have pointed out that since the publication of Mr. Mitra's book "Indian Problems," to which reference is made in paragraph 6 of the Government of India despatch, No. 294, dated 8th October, 1908, a publicist like Mr. Gokhale had no excuse or justification for putting forward the insinuation, so often advanced by those who for political reasons desire to discredit British administration in India, that drink and its regulation by the State are the creation of the British power. Mr. Mitra's chapter on "Drink" gave a quietus to that libel.

4. As a matter of fact no inquiry into the main causes of the increase in the consumption of liquor is necessary. The causes lie on the surface. No inquiry on this point was made by the Financial Commissioner when circulating the present papers, but the following explanation has been volunteered by Diwan Tek Chand, I.C.S., Deputy Commissioner of Gujranwala, an officer who has also had some years' experience as a high official in the Baroda State:—

"The habit of liquor drinking is no doubt on the increase in the Punjab, but this is due more to the following causes rather than to the facilities which



in the interests of commerce and freedom we have provided for the disposal of spirituous commodities :—

“(a) Relaxation of old religious restrictions due to the spread of purely secular education.

“(b) Imitation by the people of Western modes of living.

“Curiously enough the majority of Indians think that the superiority of British physique and its splendid powers of endurance are due to the use of meat and liquor, and hence the increase in the demand for these articles in the India of to-day.

“(c) Effect of foreign travel. Indians who go abroad give up other forms of intoxicating drugs (*e.g.*, taking opium or *bhang*) and contract the habit of drinking wines and spirits, especially when they go to France and Germany.

“(d) Increasing prosperity of the people, especially in canal, irrigated areas.

“People have now more to spend on luxuries, and drinking is no doubt a ‘luxury.’ It is considered fashionable now among the well-to-do Jats to offer liquor to visitors instead of ‘milk’ and ‘lassi.’”

The returns of customs duty on liquors confirm Diwan Tek Chand's diagnosis. Since 1903-04 they have gone up more than 50 per cent. It is notorious that the European in India is becoming not only more and more abstemious, but financially less and less able to afford expenditure on luxuries, so that it is not he but the Indian who has contributed these enhanced customs receipts. It is impossible to control the channels which the surplus profits of a nation growing in prosperity will seek in the pursuit of luxury. Whether the indulgence takes the form of brandy and champagne or motor cars, of gramophones and cigarettes, or the writings of Burke, Mill, Spencer, and Mazzini, the causes are the same—the enlargement of the horizons, geographical, political, social and economic of a very large population increasing in wealth and prosperity. It is true that the social stratum which contributes to the increase in the customs revenue under the head *liquors* does not as a rule furnish clients to the country liquor retailer, but the force of example is everywhere at work, and the increase in prosperity of the proletariat in the Punjab is perhaps even more marked than among the classes more directly subject to Western influences. The rise in wages in this province has been phenomenal, and though prices have also risen the rise of the latter has been much less by comparison and has not materially curtailed the spending power of the wage-earning classes. In a province where so large a proportion of the enhanced profits of agriculture, which accompany and account for the land boom, go to those who till the soil, and not, as elsewhere, to rent-receiving landlords, it is only natural to find an increased demand for luxuries among the rural communities, especially in the canal tracts. There are other causes no doubt for the increase in the consumption of liquor which, though a feature of the returns of the decade as a whole, has during the past year received a check. It is impossible not to credit the preventive establishment with something in the way of results in the matter of detecting and suppressing the illicit still and the smuggler. But the general proposition seems incontestable that more money is spent on liquor because, after provision for necessaries, there is more money than formerly left over for expenditure on luxuries.

5. If the foregoing be accepted as a correct diagnosis of the situation, there will perhaps be some appreciation of the difficulty of the task of the administrative officers of Government, who are called upon to devise methods for stemming the tide of this wave of indulgence, methods which will deal with the “evil” of drink while making provision for the legitimate requirements of the moderate drinker. To combat the “evil” of drink, that is to say drunkenness and crime, is the chief daily concern of the Collector in his capacity of District Magistrate, and it is not unnatural that an officer like Colonel Powney Thompson, Deputy Commissioner of Kangra, whose letter (No. 390, dated 21st June, 1913), is enclosed, should resent on behalf of himself and his brother officers such imputations as are made by members of the temperance party like the Revd. Herbert Anderson. The prohibition of the sale of drinks at fairs and on roads leading to fairs in the Kangra district which is mentioned by Colonel Thompson is only one illustration of the policy which has everywhere, more especially under the inspiration of our late Lieutenant-Governor, been pursued with a view to diminish the *real* “drink evil,” not the *statistical* drink evil, which consists in nothing more than enhanced Excise revenue figures, but the

real evil of drunkenness and crime wherever it is found to exist. Within the last 12 months orders have, at the instance of district officers, been issued for the discontinuance of liquor licences at important fairs in the Rawalpindi, Attock, Sialkot and Amritsar districts, and in one case recently two ordinary town shop retail licences have been cancelled and re-issued at a loss of over Rs. 6,000 in licence fees, because it was considered desirable to enforce the closure of the shops during the days of the periodical fair in the town (Tarn Taran). These illustrations of the trend of Provincial Excise policy are suggested by the mention of fair licences in the Deputy Commissioner of Kangra's letter, but they do not stand alone as a record of the policy of stringency. The outstill in the Punjab has now finally disappeared. Wastage allowances which put a premium on the removal of large quantities of spirit from the distilleries at one time, and thus wore the appearance of official stimulation of the wholesale trade, have been abolished with effect from the current year, and there has been no set-back in the policy of gradually reducing the number of shops.

6. But no such illustrations, no reports, discussions or explanations have in the past weighed with those who are ready to believe that revenue is the paramount consideration with administrative officers and that by their methods the drink habit is fostered. In giving prominence to Colonel Powney Thompson's protest against this sort of misjudgment the Financial Commissioner ventures to hope that some conviction may thereby be produced as to the *bonâ fides* of the administration; and that there may be a more ready acceptance of the proposition that the conclusions of those who are most in touch with, and best acquainted with, the actualities of the position, who are responsible for meeting and dealing with all the difficulties of the varying situations which arise, and who have most to gain by successfully combating the real drink evil, are entitled to be regarded with consideration and credence rather than in a spirit of suspicion and disbelief.

7. As desired by the Government of India, the statistics of consumption, &c., have been entered in the prescribed forms and are submitted herewith. It will be learnt from them that in the Punjab the consumption of country spirits per 100 of the population is relatively small and is not rising appreciably. In fact the figure for 1912-13 is below that of the year 1905-06. The incidence of the revenue per gallon has been steadily rising, and presumably there has been a corresponding increase in prices. The number of shops was 795 in 1912-13 as against 1,237 in 1905-06, there being now only 3·9 shops per 100,000 of the population and only one shop for every 125 square miles.

8. Coming now to the points noted in paragraph 3 of the Government of India letter No. 477—490-218, dated 24th January, 1913, I am to say that the Financial Commissioner regrets that he is unable to report that the few advisory committees which have been appointed have proved of any great utility. The Commissioner of Rawalpindi reports that the committee at that place consists of the Collector, the Superintendent of Police, the Vice-Chairman of the Municipality and one non-official member. It met once and proposed the closure of one shop. The Commissioner did not agree. The committee did not meet again. The Deputy Commissioner of Lahore says "Advisory committees as at present constituted are of little use. I need only instance the fact that the closure of a shop in Lahore in accordance with the recommendations of the advisory committee has caused general inconvenience, the site selected in its place having been objected to by the neighbouring residents, while the existence of the committee does not in any way form a break-water to the numerous requests for new shops and the numerous objections to existing ones." The Deputy Commissioner of Ludhiana pertinently asks what scope there is for an advisory committee in the town of Ludhiana with its population of 45,000 and only two shops or in Jagraon (population 15,000) with its one shop. The Deputy Commissioner of Gujranwala, Diwan Tek Chand, sounds a note of caution against any delegation of powers other than advisory to excise committees. He says:—

"The powers of this committee should be more advisory than executive. They should advise the Collector in the reduction or redistribution of shops, in the enhancement of licence fees, or in the removal of a bad licence-holder. But they should not on any account be given executive power to grant licences or to close shops on their own authority. Even our advanced municipalities have not yet learnt to exercise their powers of patronage with care and

moderation, and I do not think the Excise Advisory Committee would achieve any better results in this respect."

The Commissioner of Ambala remarks :—

"I cannot say that the local advisory committees have been of much assistance, but on the other hand I do not know of any instance in which they have been a hindrance to the Excise Administration. I do not, however, see how the powers and functions of the committee can be enlarged."

On the whole the Financial Commissioner has failed to obtain any useful suggestions in the matter of advisory committees from the replies of the officers who have been consulted. Mr. Fenton is disposed to hold that in the circumstances of the province the proper method of ascertaining local opinion in excise matters is that adopted by the Deputy Commissioner of Kangra, as described in paragraphs 3 and 5 of his enclosed letter. As between relying on the advice of an artificially created body acting as a "break-water," as Mr. Tollinton puts it, between the Collector and the numerous persons interested in such questions as arise, and the policy of personal investigation of such matters coupled with consultation with a much wider circle of advisors, Mr. Fenton would prefer the latter. After all the District Boards and the Municipal Committees are the most "representative" bodies which can be got together. There is a much too common inclination on the part of Indian politicians to ignore their existence and propose the creation of additional bodies, advisory or otherwise, in the vague hope that they will act as a drag on the Collector. The local temperance association would be the ideal excise advisory committee from the point of view of these publicists. It is true that District Board and Municipal Committees for the most part contain members who know little and care less about Excise Administration, but they are nevertheless generally capable of giving intelligent opinions on specific questions referred to them, and where local knowledge is relevant their advice may often be most useful. If in any particular localities there are temperance movements which are really influential, their representatives ought to be able to secure election to the Boards and Committees, where they can promote their policy. Accordingly if any new departure in the direction of what is called local option is desired by Government, the Financial Commissioner thinks that it should be of the nature of that suggested in paragraph 5 of Colonel Powney Thompson's letter, *i.e.*, the systematised invitation of opinions from local bodies and the record and report of the results of such references. Otherwise the Financial Commissioner would leave matters as they are.

9. The Government of India ask what further reductions of shops will now be possible. The Financial Commissioner, with the permission of the late Lieutenant-Governor, decided to abstain from calling upon district officers to submit a programme of closures. The statistics of what has been done and is being done in the matter of reducing retail vend shops ought to afford a sufficient guarantee that it is the intention of the Excise Department to co-operate in this reform. The local conditions which render it possible from time to time to abolish shops are many and various, and cannot be expected to come under the cognizance of the responsible authorities just at the time that an order has issued that the question is to be considered. Nor is it possible to formulate from above any cut-and-dried rule to govern the decision of the question of retention or abolition of each and every shop. With this explanation I am to pass on to the next point raised in paragraph 3 of the Government of India letter.

10. The existing rules on the subject of the hours of opening and closing of liquor shops are the following :—

- (1) Without a special licence no shop shall remain open for the sale of liquor and no liquor shall be sold at any shop between 7 p.m. in winter and 9 p.m. in summer, and sunrise.
- (2) If the Collector is satisfied that there is a demand for liquor which it is reasonable to meet outside the ordinary hours for business fixed in the preceding clause, he may, with the sanction of the Commissioner, grant a special licence in Form No. XXI appended to these rules for the sale of liquor at any shop during such hours as may be specified in such special licence.

Many of the officers who have been consulted are opposed to any change. There is a concurrence of testimony to the effect that there is very little custom at the shops during the working hours of the day, purchases being made generally in the morning or evening, so that any small curtailment of the few hours during which

clients resort to the premises would undoubtedly tend to cause a considerable reduction in consumption. What the Financial Commissioner is prepared to recommend, though not without some misgivings as to possible inconvenience to the general body of moderate drinkers, is that in the case of shops in rural areas the hour of closure be altered from 9 p.m. to 8 p.m. in summer. This alteration would have effect from 1st April, 1914.

11. Perhaps the most controversial question raised by the deputation is the proposed abolition of the auction system. The Government of India in paragraph 17 of their despatch No. 294, dated 8th October, 1908, have dealt so fully and convincingly with the general aspects of this question that the Financial Commissioner feels confident that at any rate, so far as this province is concerned, little in the way of defence and justification of the present arrangements for disposing of licences by auction will be required by the Government of India, who are already in possession of the facts connected with the failure of the experiment of fixed fees—the alternative system—when tried during the five years 1906-10. In the paragraph cited the Government of India remark:—

“Again, our recent experience in the Punjab does not support the view that the auction system must necessarily stimulate consumption. The experimental abolition of that system and the issue in the rural areas of four selected Sikh districts of licences for the retail vend of country spirit on low fixed fees led immediately to a large increase of consumption; while the sale by auction of the licences of all foreign spirit shops dealing principally with Indian customers has been found in that province to be a powerful check on the consumption of these spirits.”

It is only necessary to add that on account of the alarming increase in the consumption of spirits in the four districts in which the fixed fee shops were licensed, an increase due, it is believed, to the cheap price at which under that system the licensees found themselves able to retail drink, the experiment had to be abandoned with effect from 1st April, 1910. It is true that the Excise Commissioner of the day was of opinion that much of the increase represented consumption which otherwise would have been supplied from the illicit still. But however that may be Government could not afford to be exposed to the reproach that by a change in the licensing system it had reduced taxation and cheapened drink to such a degree that consumption was in consequence being vigorously stimulated.

12. In the Financial Commissioner's opinion the fallacy of those who apprehend that high fees paid at auctions for the monopoly of vend will stimulate consumption consists in the assumption that the demand for alcohol is an artificial one which has to be promoted by the action of the purveyor of spirits, and which would not develop in the absence of stimulus from such a source, Government and local bodies dispose of other monopolies by auction. Tolls on roads and at ferries, for instance, are auctioned. It is never asserted in such cases that it is in the power of the auction lessees to stimulate traffic and enhance their receipts by resorting to devices for promoting it. The auction bids in such cases represent what shrewd contractors with knowledge and experience estimate the tolls will yield and leave a fair profit. No less shrewd and experienced are the persons in the liquor trade who bid for excise contracts, and there is no warrant whatever for the theory that such persons, disregarding common prudence, base their estimate of receipts, not on the ordinary unstimulated custom and consumption of the shop, but on a volume of sales which can only be reached by extraordinary methods of forcing and advertising. In all other trades the usual method of stimulating consumption is reducing price. When, for instance, a Railway Company sees an opening in this direction it issues cheap week-end and excursion tickets. An auction licensee could not afford to resort to such an expedient without running serious risk of a balance on the wrong side at the end of the year, should the estimate of additional sales fail to counterbalance the reduction of profit on each transaction. On the other hand, the licensee on a fixed fee, which in the nature of the case is much lower than an auction fee, is not apprehensive as to the amount of such fee not being forthcoming from his sales, and he can therefore with much greater assurance embark on the speculation of lowering prices in order to stimulate consumption.

13. Further considerations affecting this question are noticed in paragraph 17 of the recently submitted Excise Report for 1912-13. For facility of reference the passage referred to is reproduced here:—

“The incidence figures in the fourth column above indicate a progressive enhancement in the cost of country spirit to the consumer, and this of course

is a tendency conformable to the general principles of Excise policy. To the largeness of the fluctuating element in the incidence figure the objection is sometimes brought that the licensee who pays a high auction price for his vend licence is compelled to push sales and stimulate consumption in order to recoup himself. But the licensee who pays a small price for his licence is affected by a no less powerful stimulus—that of making a profit. In either case profits vary directly with the quantities sold. So long as the profits of some shops greatly exceed the profits of others there will be competition for the former. Experience has demonstrated the impossibility of Government officers gauging the market value of such monopolies. Monopolies will always possess some market value whatever the still-head duty may be, and for determining that value no better method than the auction system can be devised. The only logical alternative—the fixed fee system—has had to be abandoned whenever it has been tried. The auction system also possesses the advantage of enabling the Excise Officer to determine when a shop may be closed in any locality. When there are no bids for the licence it may be fairly concluded that it is not required.”

A word of explanation is necessary in conclusion. In advocating the retention of the auction system for the disposal of country liquor licences Mr. Fenton does not wish to be regarded as expressing any opinion on the question of licence fees *versus* still-head duty. It is auction licence fees *versus* fixed licence fees that he has been discussing. Theoretically it is desirable that as large a proportion as possible of the taxation on liquor should take the form of still-head duty. Only practical difficulties of the nature of illicit distillation, smuggling, and the rates in other provinces prevent the wider adoption of that which is theoretically desirable. But this is a matter which is being separately considered, and it hardly arises out of the present correspondence.

14. Lastly, with reference to the question of the selection of shop sites, which is referred to in paragraph 4 of the Government of India letter, I am to convey the assurance that the principles already laid down by the Government of India to guide discretion and action in such cases are now thoroughly well known to, and, the Financial Commissioner believes, sedulously observed by, district officers and their advisory committees. The existing situation being that new shops are rarely established, and the question of selection and location not arising so definitely in connection with the policy of abolishing existing shops, it is not surprising that little is heard of this matter in the Punjab. The traditional policy in a province where the shop question in connection with the sale of beef and *jhatka* meat can, if precautions are not taken, become very troublesome and even dangerous, is *quieta non movere*; and conservatism in such matters is a policy which commends itself to all but the mischief-makers and notoriety-hunters.

#### Annexure No. 2.

*Letter from Lieutenant-Colonel C. Powney Thompson, Deputy Commissioner, Kangra, to the Commissioner, Jullundur Division. No. 390, dated 21st June, 1913.*

I have the honour to acknowledge receipt of a copy of letter No. 3203, dated the 2nd May, 1913, from the Senior Secretary to the Financial Commissioners, Punjab, to your address received with your circular endorsement No. 198—3389, dated the 26th May, 1913, in which you ask me to express an opinion on the constitution of advisory committees in the municipalities in this district.

I have read with much interest the correspondence attached to the Financial Commissioner, Punjab's, letter above mentioned. I hope I may be excused if this letter deals with questions not actually in the reference.

2. To begin with I claim for my class—the district officers who have spent and are spending the best years of their lives in daily touch with the peoples of all classes in the province—an intimate knowledge of the subject of the present controversy. As you are aware, in this province the Deputy Commissioner is the Excise authority for the whole of his district, and exercises very wide discretionary powers in the matter of licensing, etc., subject only to the control of the Commissioner and the Financial Commissioner. The Deputy Commissioner in this province is also District Magistrate and, as such, has to deal with all sorts of crime. For some years past it has been realised that the increasing “drink evil” is one of the most potential causes of the increase in violent crime, and the matter has been discussed in the annual Criminal Administration Reports. My object in making

the above remarks is to demonstrate that in the Punjab the Excise Administration is in the hands of officials whose most absorbing and important duty is the maintenance of law and order in the country, and who therefore are most unlikely to allow the "drink evil" to be "fostered by present administrative methods," merely to obtain an increase in Excise revenue, as insinuated by the Reverend Herbert Anderson on 18th July, 1912.

3. I venture to assert that the Deputy Commissioners freely discuss excise matters with the people of their districts. It was from conversations with people in various parts of this district that I learnt that the sale of drink at fairs and on the roads leading to fairs was the cause of much intoxication and of the spreading of the evil habit. I consulted the leading men of the district, and finally took the opinion of the members of the District Board on the subject. All were unanimously in favour of prohibiting such sales, and, as you know—*vide* the correspondence ending with your office letter No. 6159, dated the 22nd November last—all licences for the current year have been sold subject to prohibition of all drink booths at fairs and on roads leading to fairs.

4. To my mind the most curious part of the above-mentioned incident is that the licences sold this year (subject to the above-mentioned prohibition) for a considerably larger sum than they did last year. This to me is inexplicable, as I am personally aware that very large quantities of liquor were disposed of at fairs. I can only surmise that owing to the operation of the Land Alienation Act and the general prosperity of the country money held by the classes interested in this trade is "cheap," and that therefore the members of these classes are now willing to invest it in enterprises which are likely to return only small profits.

It is also possible that the recently increased Excise establishment and the grant of liberal rewards to informers have tended to decrease illicit production, and thereby have increased the sales and profits of licensees. I cannot believe that the increase in Excise revenue is mainly due to an increase in the drink habit.

5. As regards the constitution of advisory committees, I welcome any means which will obtain for us the assistance and advice of those unofficial gentlemen—both European and Indian—who are interested in temperance. Personally I much doubt if administrative action will be able to check the evil. To my mind we must look to education for any real improvement. As education spreads, public opinion will crystallize, and it is only "public opinion," guided and fostered by temperance reformers, which will help us to attain the desired result. I would not confine the constitution of advisory committees to municipalities only. In this province we have already in every district a local body representing the whole district, viz., the District Board, of which the Deputy Commissioner is *ex-officio* Chairman. Large and small towns are municipalities and notified areas, respectively. I suggest that Government by an executive order in the Excise Department should instruct the Deputy Commissioners to obtain in November or December every year from these local bodies their view and any suggestions they have to make regarding the Excise Administration of the areas they represent, and that all such suggestions should be noted and commented on in the annual report submitted by the Deputy Commissioners in the following April. The result of this will be that the elected representatives of the people will have opportunity to make known their views on the subject to the officers entrusted with the Excise Administration and their views will come to the knowledge of the head of the province (His Honour the Lieutenant-Governor of the Punjab) who reviews the administration report. The local bodies above mentioned might be instructed to consult, when possible, individuals and associations (religious or social) likely to be specially interested in the subject before forwarding their annual note to the Deputy Commissioner.

6. It will not always be possible to carry out suggestions made, as whatever our own convictions on the subject may be, we shall have to maintain the balance between the views of the temperance party on one side and the legitimate demands of the liquor-drinking public on the other side. The questions on which public opinion will help the executive will be chiefly regarding—

- (1) The methods of licensing and taxation.
  - (2) The number of shops actually required.
  - (3) The location of shops.
  - (4) The decision between "on" and "off" licences.
  - (5) Hours of closing.
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Enclosure No. 9.

No. 572, dated the 30th September 1913.

From—The HONOURABLE MR. A. W. PIM, I.C.S., Secretary to Government,  
United Provinces, Separate Revenue (Excise) Department,

To—The Secretary to the Government of India, Department of Commerce and  
Industry.

I am directed to reply to Mr. Enthoven's letter No. 477-490-218, dated the 24th January 1913, with enclosures, relating to certain criticisms made on the Excise Administration in India. It has not been possible within the limits of time imposed to obtain as complete a statement of local opinion as would have been desirable; and the inevitable delay in the consultation of local authorities left Sir James Meston so little time within which to examine the views which have been elicited, while other urgent claims upon him were so many, that to his regret he had to content himself with a somewhat general expression of opinion on the subject.

2. Sir James Meston considers that the Government of India's Despatch, dated the 8th October 1908, gave a fair and reasonable statement of the Government's attitude towards Excise. He recognises that reform must advance, that the consumption of liquor is growing amongst classes in which its use was previously very limited and discredited, and that we cannot stand still and allow the evil to progress indefinitely. But our contention is that we have not stood still, and that every step we take is in the direction of making liquor dearer, less noxious and less of a temptation. The suggestion that the sale of liquor is pushed by Government for revenue purposes is, in the United Provinces, at least, wholly untrue. The fact must be emphasised that as stated by the Board of Revenue neither district officers, excise officers, nor even the Excise Commissioner himself have any interest personal or official in the growth of excise revenue or the consumption of liquor. The authority, which judges the capacities of such officers, regulates their promotion and controls their careers neither blames them for a decrease in the excise revenue of their charges, nor gives them credit for an increase. In point of fact, the authority in question is not even aware, when dealing with the case of any individual officer, whether the excise revenue of his particular charge has increased or decreased. It may be easy to seize upon occasional unguarded expressions of individual officers, when they are reviewing the results entirely from a revenue aspect. If they indicate gratification at the growth of the receipts, it is a purely technical and statistical gratification, which ought not in justice to be construed as satisfaction with the growth of consumption, or as indicating any effort to stimulate such growth. On the contrary, the whole policy of Government, avowed and accepted by our officers, is to keep consumption down and to secure the highest possible revenue out of the persons whose liberty of action we cannot further circumscribe in this respect.

3. That the use of stimulants does and will increase, seems inevitable in the present circumstances of India. The pace of advance, mental and economic, is now infinitely faster than India has been accustomed to. Its field of interests is being enormously expanded; and its response to all form of excitement, healthy or otherwise, is becoming quicker. It is in fact living more on its nerves than it has ever done. The result, as in all nations passing through a similar experience for the first time is a greater recourse to stimulants. This is facilitated by the unquestionably greater wealth of the country and the rise in the standard of comfort. It is a serious mistake to think that the growth of the liquor habit is restricted to the lower classes or agriculturists: it is no respecter of classes or creeds. So long as India remains in its present state of transition, Sir James Meston sees no hope of really checking the use, and the growing use of stimulants by drastic preventive action. Education and example will do much; and there is still great force in the general reprobation of intoxicants among the Indian public. But repression cannot be employed, as our experience shows, except in the most cautious and tentative manner, lest it lead to a steady degradation in the class of stimulants to which the people resort, and in the manner of their employment.

4. Subject to these general remarks I am directed to add the following observations on the questions to which the special attention of the Local Government has been directed by the Government of India in the letter under reply, and with reference to the main contentions put forward by the members of the Deputation which waited on the Secretary of State. I am also to forward the letters of the Board of Revenue and of the Excise Commissioner together with the statistics required to be furnished and the opinions of certain district officers who have most adequately represented the attitude of the local authorities. A copy of the resolution and report of the Benares Municipal Board on the functions or power of Excise Advisory Committees is also enclosed.

5 The points on which the Local Government have been specially required to report are the following :—

- (a) the powers and scope of advisory committees and the modification of their constitution,
- (b) the further curtailment of the number of shops and of the hours of sale due regard being had to the danger of reducing shops to such an extent as to give practical monopolies to the shopkeepers,
- (c) any observations which the Local Government may have to offer with reference to the working of the auction system for the disposal of licenses.

The attention of the Local Government is also called to the advisability of again issuing instructions to Excise Officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles already laid down by the Government of India. I am to call attention to the remarks made by the Commissioner of Excise on this subject and to state that while instructions will again be issued in the sense desired, the Local Government are satisfied that the principles referred to by the Government of India have been carried out in the practice of recent years and that further instructions are, therefore, in reality not required.

6. The consultation of local opinion with reference to the status and functions of advisory committees has yielded results of little value. Three of the less important municipal boards have passed resolutions in favour of local option, but the Municipal Board of Lucknow object to being burdened with licensing matters, and the other important municipal boards with the exception of Benares appear to have given the subject no attention and to be disinclined towards any practical action in the matter. The Municipal Board of Benares have alone recorded a reasoned opinion, a copy of which is forwarded for information. The character of the work done by advisory committees hitherto, and the great difficulty which has been found in securing the attendance of members—although their proposals have almost invariably been accepted—is not encouraging to a wide extension of their powers. In agreement with the Board of Revenue, Sir James Meston would, however, recommend the constitution of advisory committees in all municipalities. Such committees consist at present of the Collector, the Chairman of the municipality—or where the Collector is the Chairman, of a vice-chairman,—the Superintendent of Police and three members of the municipal board elected by the Board. Their constitution appears to be sufficiently representative, and Sir James Meston does not recommend any changes in it except possibly as suggested by the Municipal Board of Benares by allowing the Board to elect persons other than members of the Board to one or two out of the three places on the committee which have to be filled by them. An increase in the total number of members of the committee is not desirable.

The existing practice, as regards these committees, is that they are consulted annually as to the location of shops and also meet for the purpose of hearing any representations made in connection with Excise by the inhabitants of the town and for the purpose of making representations as to the maximum and minimum



number of shops required by the town. The recommendations of the committee are forwarded by the Collector to the Excise Commissioner, who, after recording his opinion thereon, submits them for the orders of the Board of Revenue. Further than this it is not advisable to go.

For rural tracts district advisory committees are not required as district boards are under the existing rules informed of the proposed location of all new shops and additional advisory committees would add no more intimate knowledge of local conditions or of the conditions of the lower classes chiefly concerned. Licensing committees would be open to the danger of leading to class tyranny but from the experience of municipal committees it is probable that the general tendency would be towards undue susceptibility to personal influences and pressure of all kinds of which an extreme instance is given by the Board of Revenue in the case of an increase in the number of liquor shops sanctioned by a municipal committee with the avowed object of stimulating competition and so making drink cheaper for the poorer people.

7. The total number of shops in this province for the years from 1905 onwards is given in Statement C. It shows that there has been a steady reduction though mainly in the out-still area. The average area and population per shop would now for example give a total number of only 7 public houses to the Isle of Wight, and no further large reduction is possible. Small reductions in special areas are still feasible and arrangements will be made for effecting them. Orders have already been issued for the reduction of the number of special licenses issued for fairs.

In addition to the danger of instituting monopolies by an undue reduction in the number of licenses illicit distillation is, as pointed out by the Excise Commissioner, a by no means negligible factor. The materials are available in every part of the provinces, the necessary plant can be constructed without difficulty from a bamboo and a couple of earthen pots. Public opinion gives little support to preventive action; it is in fact in many districts actively hostile and great difficulty is experienced in establishing such cases.

In urban areas conditions approach more closely to those of Europe which are postulated in many of the arguments put forward by members of the Deputation but the evidence before the Government shows that there is regular consideration of the number and location of city shops and consultation of the licensing committees whose recommendations are almost invariably accepted.

8. Several suggestions have been put forward for the earlier closing or later opening of shops and a considerable body of Indian opinion appears to support the latter course a likely to produce better results in checking habitual drinking. Local officers agree, however, that it would be impossible to enforce any such measure in rural areas, and even in the cities it could not be effectually carried out. Sir James Meston is, therefore, not of opinion that much advantage can be looked for from any changes in this direction.

9. With reference to the question of the working of the auction system in these provinces, I am to call attention to paragraphs 14-16 of the letter of the Excise Commissioner giving his views on this subject. The general arguments for and against this system have been fully set out in the report of the Excise Commission and the Lieutenant-Governor considers that the experience of the working of the system in recent years is strongly in favour of the views expressed by the Government of India in their Despatch No. 294 of 1908 to the Secretary of State. The arguments put forward by the Deputation on this subject are chiefly based on the assertion that increase of duty decreases consumption while the increase of license fees must increase consumption as the licensee can only recoup himself by increasing sales and not by raising his prices. An increase in license fees has no influence on the price of liquor unless all prices are raised in the same proportion. This argument is based on a misapprehension of the local conditions as it assumes a state of competition between shops, which as regards rural areas has practically no existence, being replaced by a partial monopoly over a definite area in accordance with the principle laid down by the Government of India, that if in any area a large body of people find it equally easy to get liquor from two shops, there is a *prima facie* case for thinking that the number of shops

should be reduced. It is, as the Excise Commissioner remarks, a commonplace of excise administration in these provinces that an increase in license fees does usually result in the licensee trying to recoup himself by raising the price of liquor until consumption falls off: he is slow to lower them and the small profit on the year's working results in a fall of the license fees at the next year's auction.

The arguments of the Deputation have more force as regards urban areas, but as stated above a specially close watch is kept over shops in such areas. The possible evil results of the auction system are, moreover, being provided against by the growing approximation of excise auctions to excise settlements. The sales-officer tends less and less to satisfy himself with taking the highest bid and acts with regard to the information which is at his disposal as to the histories of shops and of the principal bidders, estimates of the probable value of the shops and facts referring to the possible formation of rings, to avoid which he varies the placing of shops.

It has been pointed out in paragraph 2 how little reason there is for the sales-officer being influenced by the purely revenue aspect of the auction, and the Lieutenant-Governor agrees with the Board of Revenue that where the system has not worked satisfactorily, it has usually been due to the sales having been conducted by an officer with too little experience to make full use of the information at his disposal. This defect will be avoided in the future.

It is agreed by all officers consulted that licensing committees could not allot licenses satisfactorily and the Lieutenant-Governor fully concurs in this view for the reasons stated in paragraph 6.

To make over the work of licensing to the Sessions Judge would also be utterly impracticable owing to the amount of work which already devolves on that officer and would, moreover, be inadvisable because of his lesser opportunities and facilities for gaining the local knowledge on which a proper distribution of licenses must largely depend.

The present method of working the auction system in these provinces has been outlined above. Sir James Meston is of opinion that with a full recognition of its weak points it is still in its modern form the system best adapted to the conditions of these provinces. If, however, the Government of India so desire he is fully prepared to make an experiment in the introduction of the fixed-fee system in a few selected districts.

10. It has been shown in previous paragraphs how little substance there is in the arguments as to the subserviency of the licensing authorities to considerations of the income to be derived from liquor or drugs. The attitude of the Local Government to considerations of revenue is shown by the steady reduction in the area under the much more lucrative system of out-stills which has fallen from 36.5 per cent. of the total area in 1905-06 to 13.6 per cent. in 1912-13 representing the transfer of 6½ millions of people from an uncontrolled to a much more expensive but controlled system. There has also been a steady extension in the area under the system of central distilleries which results in a considerable reduction of income in the early years of the change. That system has now been adopted for 22 districts. It will be introduced into three more districts next year and into at least 3 and possibly 9 more in the year 1915-16. This extension represents a very considerable increase in the degree of control exercised in these districts as well as the introduction of much more wholesome but less intoxicating liquor.

11. Figures showing the consumption of country spirit in distillery areas are given in Statement B for a period of 8 years. For the year 1892-93, before bad seasons set in the total consumption was 1,115,672 gallons and as the statement shows this figure was not exceeded until 1910-11 while there was a heavy drop to 957,718 gallons in the bad season of 1908-09. A great increase has taken place in the three years from 1910-11, but it is necessary to allow for the area which has been transferred from out-stills during that period, and as the Excise Commissioner shows the comparable figure for 1912-13 would be 1,471,040 gallons representing an increase of 28 per cent over the figure for

1905-06. The increase is large and it has taken place in spite of progressive enhancements of duty for the purpose of checking expansion more especially in large towns. In every district the duty has been enhanced since 1906-07 and in 14 of the largest towns the rate has been successively raised until it now stands at four rupees per proof gallon the same duty as was paid by the foreign spirit in the year 1906-07. The increase in consumption has, however, as the Excise Commissioner and the Board of Revenue point out, followed on the greatly enhanced prosperity of the lower classes resulting from the good harvests of the last three years' and the increase in rates of wages more especially in the western districts of these provinces. The Honourable Mr. Gokhale in his statement, that the increase in wages is more than counter-balanced by the increase in prices, has overlooked the fact that over large tracts wages are still paid in grain so that the labourer has received the full benefit of the rise in prices, while as regards wages paid in cash an analysis of the record of prices and wages does not support his contention. The prevalence of plague and the general belief in its use as a prophylactic has also exerted a considerable influence. The industrial factor is, as pointed out by Mr. Gokhale, not of great importance, although owing to the fluctuating character of Indian factory labour its influence is wider than the figures would indicate and large public works have not been without some effect in the same direction.

While, however, the economic factor has been the primary one as regards the lower castes who are responsible for the bulk of the consumption, other general causes arising from the present stage of transition in India have as explained in paragraph 3 affected all creeds and classes. Religious sanctions and caste restrictions have weakened, and this tendency has by no means spent its force though there are some signs of a reaction more especially among the student classes. Temperance agitation is still in its infancy and with the exception of some work by the Arya Samaj practically no attempt has been made by the higher classes of Indian society to reach the lower castes.

Members of the higher castes have as a rule taken to drinking foreign liquor partly in imitation of western habits, partly owing to the absence of a strong smell diminishing the probability of detection. This tendency has been met by the Government by a reduction in the number of retail shops from 337 to 274, by raising the license fees for "on and off" licenses from Rs. 300 to Rs. 1,200, by trebling the duty on beer and by raising that on foreign spirits from Rs. 4 to Rs. 9-6-0. The result has been a considerable decrease in the receipts from license fees and from duty with many complaints from the poorer Europeans that the present prices are prohibitive. A further increase in the rates of duty is not desirable because reports indicate that the higher castes are tending to take to the more deleterious native liquor owing to the high prices of foreign liquor.

12. Sir James Meston considers that the facts which have been adduced in the preceding paragraphs fully explain the large increase which has taken place in the consumption of native liquor, and show clearly that the Government far from encouraging that increase on account of considerations of revenue, has, on the contrary, steadily followed the accepted principle of deriving the maximum of revenue from the minimum of consumption and has checked the tendency to increase as far as is possible without driving the people to other and more deleterious forms of indulgence. Too severe restrictions on the consumption of liquor have the effect of increasing the consumption of drugs and more especially of charas the most deleterious of these preparations.

In addition to the old standing alternatives of drugs a new and far more menacing evil has arisen in recent years in the spread of the cocaine habit which is having most pernicious effects more especially in the large cities.

In spite of the efforts of the preventive staff complaints are widespread that the use of cocaine is steadily extending and in view of the great difficulty of controlling that traffic, except by action at its source where the Local Government is powerless. Sir James Meston would emphasise most earnestly the great danger of giving a further stimulus to the infinitely more

detrimental trade in cocaine if too severely restrictive measures are adopted with reference to the trade in liquor.

No. 2772-N.-V.-E.-534-B., dated the 8th September 1913.

From—R. W. D. WILLOUGHBY, Esq., I.C.S., Officiating Secretary to the Board of Revenue, United Provinces,

To—The Secretary to Government, United Provinces.

In accordance with the orders conveyed in the correspondence ending with G. O. No. 500-XIII-21, dated the 19th August 1913, I am directed to forward for the information of the Government a letter No. 734-C-II-451, dated the 2nd September 1913, from the Excise Commissioner, together with the statistics required, being his review of the reports called for in connection with certain criticisms on the excise administration of India made by the Deputation which waited upon the Right Honourable the Secretary of State for India in August 1907 and July 1912. Attached to the Excise Commissioner's review are such divisional reports as had reached him by the date fixed for the submission of his review, together with such reports as have subsequently been received. These reports are, owing to the impossibility of arranging, in the time available, for their being copied, forwarded in original.

2. With regard to the views expressed by Mr. Wild in paragraph 2 of his letter, the Senior Member would suggest that in view of the suggestions pervading the representations made by the Deputation (of which no definite repudiation is to be found in the Secretary of State's speech) it may be desirable to emphasise the fact that neither district officer, excise officer or even the Excise Commissioner himself have any interest, personal or official, in the growth of excise revenue or the consumption of liquor. The authority which judges the capacities of such officers, regulates their promotion and controls their careers neither blames them for a decrease in the excise revenue of their charges, nor gives them credit for an increase. In point of fact, the authority in question is not even aware, when dealing with the case of any individual officer, whether the excise revenue of his particular charge has increased or decreased.

3. On the general question of the growth in the consumption of liquor as apart from the growth of the excise revenue two important considerations should be brought into relief. The first is that the figures do not take into account the very large decrease in real consumption which has resulted from the conversion of out-still tracts to the distillery system. In effecting that conversion the Government has sacrificed a large revenue. The negligible value assigned to the loss of revenue as a factor in the decision of Government to prosecute that policy shows how little the Government is in fact affected in its excise policy by considerations of loss of revenue. The second is that the last five years have seen a steady progression from seasons of famine and severe depression to the best and largest harvest within the memory of this province. Had this progression not been accompanied by an equivalent expansion in consumption it would be matter for surprise: it is in fact astonishing that the increase has not been greater. No intelligent critic would attribute credit to the administration for the contraction of consumption which followed in the wake of famine. It is equally irrational to impute blame to the administration for the expansion which has followed the years of growing prosperity. Careful analysis of the consumption figures leads to the conviction that they reflect the seasonal variations of prosperity among the drinking classes and that no interference as to the growth or diminution of the taste for alcohol can be safely based upon them. In considering the effect of these figures it must be remembered that the recent rise in the standard wage of the labouring class has far out-stripped the general upward trend of prices, as is sufficiently established by an examination of the statistics referred to by the Excise Commissioner and the views expressed by Mr. Moreland in his note on the subject.

It is further probable that the extent to which illicit distillation has in the past been practised has not been fully realised.

4. The impressions left on the Senior Member's mind by his recent enquiries in various parts of the province corroborate Mr. Wild's experience as set out in paragraph 3 of his letter. Mr. Tweedy found very little knowledge of, or interest in, excise matters. On one point only did he elicit a definite and unanimous expression of opinion—that for many years, and in particular, during the last ten years, drinking has been on the increase among the higher castes.

5. With regard to paragraph 4 of the Excise Commissioner's review the Senior Member considers it superfluous to lay stress on the importance of the figures here referred to. In eight years  $6\frac{1}{4}$  millions of people inhabiting out-still tracts have been brought under the distillery system, at the cost of a considerable sacrifice of revenue and with the result of an immense and unrecorded reduction in consumption. It is also worthy of emphasis that more than half the increase in revenue under the distillery system is due to causes wholly distinct from consumption—the inclusion of out-still areas and progressive enhancements of duty. The Board doubt if it is adequately realised with what constant care consumption is watched (particularly in large towns) and the invariable enhancement of duty which is applied to check its expansion.

6. With reference to paragraph 5 it has already been stated that the increase of excise revenue accurately reflects the prosperity of the working classes. From this point of view such increase is a subject for congratulation as symptomatic of bumper harvests and high wages. The Board agree that the relaxation of social and religious restrictions on the use of liquor is a factor, though statistically an unimportant factor, in this increase. Hundreds of Indian gentlemen to whom the Senior Member has spoken on the subject admit, with hardly a dissentient voice, that the higher classes are drinking as they did not drink before, and that this increase goes on each year. It is due to the weakening of religious sanctions consequent on the spread of western education to facilities for travel and to other reasons. As one Indian official put it in a report: "Youths independent of home influences and religious leaders are inclined to drink". A highly educated Deputy Collector of Fyzabad says "curious ideas of freedom due partly to western education seem coming over people". It is also significant that Thakurs, Baniahs and Brahmins are to be found among licensed vendors. But these developments are in no way due to undue facilities given by Government, and the increase in revenue from this source is negligible. Figures showing the increase in consumption from foreign liquor are not available but license fees have fallen off and the fees themselves have been greatly raised (in particular the raising of the fee for an "on and off" license from Rs. 300 to 1,200 may be instanced) with the intention of discouraging consumption among the higher classes. The amount of attention which has been devoted to this side of the problem may be gathered from paragraph 7 of the review.

7. The figures exhibited in Statement C are of great importance as a comment on the generalities commonly indulged in by the Deputation concerning the increased facilities for drinking afforded by the Government. On the question of the number of shops the Board agree that generally speaking their number has been reduced as far as it is desirable, but according to custom the question will again be examined during the ensuing cold weather.

As regards the time for closing, it can not be said that 9 P.M. is an unnecessarily late hour when the hours observed in Europe are taken into consideration. The Board do not think any change advisable, but it would no doubt be feasible to close earlier in the winter. If the public convenience is met by a 9 P.M. closing in the hot weather and rains, 8 P.M. might be the hour from October to March.

8. As regards Advisory Committees (paragraph 11 of the review), the Board agree that it is desirable that they should be started in all municipalities and should meet once a year. Where they are already established they are invariably consulted and their recommendations are almost invariably accepted. Further than this it is not possible to go. The licensing of shops is a matter which requires study and an intimate knowledge of local conditions as they exist among the lower classes, a knowledge which municipal members do not as a rule possess. They are gentlemen of position who do not drink themselves and they know little of excise requirements. The Municipal Board of Lucknow (the largest of all the municipalities) have asked not to be burdened with licensing

matters. The members know well that if licensing were left in their hands they would be subject to continual pressure and annoyance from people asking for the use of their influence. The experience of the Collector of Banda would seem to justify the apprehension that the first step of a non-official licensing committee drawn from a municipal Board might be to increase the number of shops and stimulate competition so as to make drink cheaper for the poor people. This is philanthropy of a kind which will hardly commend itself either to the temperance reformer or to the Government.

9. While agreeing with the remarks of the Excise Commissioner in paragraph 14 of his review, the Board would lay special emphasis on the vital difference between conditions in England and in this province. There is practically no competition in India, each shop has its own particular clientele and has virtually a monopoly of the neighbourhood, and this is an essential feature in Indian administration. Whether the system of fixed fees be adopted or the auction system retained the result is exactly the same. The vendor tries to sell as much as he can at a remunerative rate. There is some irony in the desire of the Deputation to replace the auction system by one which involves the creation of their pet political bugbear-vested interests in the liquor trade.

10. The Senior Member is in entire agreement with the Excise Commissioner's remarks in paragraph 15 of his review and is inclined to lay down that whenever a senior Joint Magistrate or Deputy Collector is not available, the settlements should be made by the Collector himself even though it may throw his ordinary work out of gear for a few days.

11. *Paragraph 17 of the review.*—The considerations formulated in rule 82 of the present Excise Manual seem to cover the whole ground on which the Parliamentary Deputation based their criticisms as to the location of shops. The provisions of this rule are strictly followed in these provinces, and, whatever may be the case in Presidency towns, the abuses pointed out do not exist in the United Provinces.

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12. *Paragraph 21 of the review.*—It has been shown that one important reason for the increase of excise revenue is increased taxation. As regards consumption it is not shown that, beyond the trifling increase which is due to the extension of drinking habits among certain of the higher classes (an extension which, however much to be deplored, is unconnected with our excise policy), there is any real permanent increase greater than would naturally follow an increase in population. Some authorities go far as to assert that a decrease has occurred, since, owing to the high price of liquor, it costs more to get drunk. The drinking classes are not becoming drunkards—statistics show India to be the most sober country in the world—they drink a certain amount, as they have always done, in prosperous years, in lean years they appear to find little difficulty in greatly reducing their indulgence. However much the fact that the outward and visible sign of prosperity in the working classes is a rise in the excise revenue may be regretted, it cannot be disputed, and any change in the habits of the people must come from within. The field for temperance work in India is extensive and it is open. The Kayasth Sabha has done good work, and the influence of the Arya Samaj in discouraging the use of intoxicants is spreading. But what is wanted is real 'live' temperance work among the orthodox Hindu community, and among the Muhammadans. At the Budget debate in Council last month an Honourable Member, a Brahmin, called upon the Government to *lead the way* in the matter of temperance reform. Such reforms have always the cordial sympathy of Government, but they must come from within, and the fact that such a proposal was made only illustrates the unpractical attitude of the leaders of the educated community towards excise problems.

No. 734-C-II-451, dated the 2nd September 1913.

From—C. E. WILD, Esq., I.C.S., Commissioner of Excise, United Provinces,

To—The Secretary to the Board of Revenue, United Provinces.

I have the honour to submit the report called for in your endorsement No. 226-N/V.-E., dated the 12th May 1913. In your endorsement

No. 2466—N.-V.-E.-534-B., dated the 23rd August 1913, you ask that the report may be sent in before the end of the month. The divisional reports are submitted in original, there being no time to get them copied. I also forward a report by Pt. Madho Prasad Misra, Assistant Commissioner of Excise. This officer is a Brahmin who served for some years as a Deputy Collector and has now served seven years in the Excise Department. His opinions are thus based on first-hand knowledge of the subject and are particularly interesting.

2. Before considering in detail the various questions propounded I should like to make a few remarks on the general subject. Sir Herbert Roberts' Deputation is unfair to the Government of India and its officers. It fixes its attention on the growth of revenue and makes no mention of the efforts that the Government has made and is continually making to check the increase of consumption. Its position involves a repetition of the often exploded charge that Government by its policy deliberately encourages drinking in order to get revenue. It charges the Government with dishonesty. The Honourable Mr. Gokhale while professing to believe that Government has no wish to spread the habit of drinking goes on to suggest the exact contrary. His words are "They (the Government of India) do not want to spread drinking but they are interested in the revenue that arises from it and that constitutes a serious difficulty in the question." District officers are attacked by the suggestion that in performing their duty as licensing authorities they disregard the principles laid down by Government for their guidance and subordinate them to increasing the revenue. Excise officers are attacked in a similar way. The Government of India is well able to defend itself from such a charge. As to district officers the rise or fall in the excise revenue of their districts is a matter in which they have no personal interest whatever except in so far as it is an index of the well-being or otherwise of their charge. So long as they follow the principles laid down by Government they are in no way held responsible for a decrease of revenue, nor do they gain any credit for an increase. Similarly, with Excise officers. No opportunity is lost to impress on them that considerations of revenue are subordinate to their chief duty, that of controlling the trade in and checking the abuse of intoxicants. These charges made so lightly are strongly resented by the officers concerned, and are sincerely to be deprecated. Officers are perfectly willing to welcome and assist temperance workers but attacks and insinuations such as those above alluded to obviously do not make for greater co-operation.

3. During my tour just completed, I have taken the opportunity of consulting a number of officials and non-officials on the questions raised. What struck me as very noticeable was the want of knowledge of the subject on the part of non-official gentlemen. It is quite clear to me that the questions are not live ones in these provinces. My visitors would express vague opinions betraying complete unfamiliarity with the subject but it was very rare that they could give any fact within their personal experience, e.g., of any youth among their acquaintance who had taken to drinking, or instances of that kind. At one large town, I asked an experienced officer whether any members of the Municipal Board took any active interest in the question. He replied "Sir, there is not one who understands a single word of Excise." The gentlemen who make speeches in Council on the subject are gentlemen who have never touched intoxicants themselves and have no first-hand knowledge of Excise problems. They take up the subject in their role of social reformers. It is easy to make an eloquent and well-sounding speech in favour of temperance, and by ignoring some facts and colouring others much useful political capital can be made out of the subject.

4. I now come to a consideration of the questions referred to in paragraph 2 of the Board's letter of 12th May. The first refers to the special aspects of the drink question in these provinces as revealed by the statistics of the last seven years. It will be convenient to take the various statements in turn.

*Statement A.*—This shows the very progressive policy followed in reducing the areas under the out-still system. During the eight years the percentage of the out-still area to the total area has been reduced from 36.5 to 13.6. The population of the areas under the out-still system was, in 1905-06, 8,452,000. It

is now 1,817,000. That is to say the reforms have affected  $6\frac{1}{2}$  millions of people. This represents a great reduction in the consumption of liquor. Where under the out-still system a bottle of liquor as ordinarily consumed costs from 2 to 4 annas, under the distillery system it costs from 10 to 12 annas. The effect on consumption is obvious. It has to be discounted by some increase in the consumption of toddy in districts where toddy trees exist but the effect of this is relatively small. Moreover, toddy is a comparatively weak beverage. The conversion of out-still areas has involved considerable sacrifice of revenue, especially in the first few years after conversion. In the annual excise administration report for 1911-12, paragraph 10, there is a statement showing the financial results of conversion. To cite a few instances, in two tahsils of the Gorakhpur district in which the out-still was converted to the distillery system in 1906, the revenue from country spirit fell from Rs. 60,192 to Rs. 24,478 and three years later had only reached Rs. 43,135. In another part of the same district the revenue fell in the first year after conversion from Rs. 1,09,400 to Rs. 54,484 and in 1911-12 was only Rs. 81,947. In Ballia, the revenue fell from Rs. 93,752 to Rs. 33,425, and three years afterwards had only reached Rs. 47,787.

This Statement A shows the great rise in revenue during the last three years but it is the consumption which is the important thing in the present enquiry. More than half the increase in revenue under the distillery system is due to the inclusion of former out-still areas and to the progressive enhancements of duty.

5. *Statement B.*—This gives the figures of consumption of country spirit in distillery areas. They shew that from 1905 to 1908 consumption remained fairly constant. In 1909, there was a heavy fall due to the partial failure of the crops. Since then, there has been a continuous rise, the chief cause of which is undoubtedly the prosperous harvest of the last three years. Last year, in particular, was for the greater part of these provinces a bumper year. The Board of Revenue has recorded that the *rabi* of 1912 was one of the finest ever reaped. That of 1913 was little behind it. The statistics however, as they stand, do not represent the consumption of a fixed number of people. During these eight years the distillery area has been constantly extending owing to the conversion of out-still areas. In order to compare like with like it is necessary to analyse the figures. Taking the population of the area transferred from out-stills to distillery and applying the provincial rate of consumption we find this accounts for 219,000 L. P. gallons out of the total consumption of 1912-13. Deducting this we find that the consumption of the distillery area as it stood in 1905 has risen from 1,148,888 to 1,471,040 proof gallons, an increase of 28 per cent. This then is the true increase for the old distillery area over a period of eight years, the three last of which have been years of unbroken and increasing prosperity. The main cause of the increased consumption of the last few years is undoubtedly the prosperity of the agricultural and labouring classes. With good harvests and a strong demand for labour at high wages the consuming classes have been in funds and have had money to spend on the few luxuries within their reach. The years have been auspicious for Hindu marriages which are always the occasion for much feasting and some drinking. The Indian hostile critics of Government refuse to accept this plain and simple explanation of the bulk of the increase of consumption because it goes against their constant theme, that the country is being drained of its wealth by an alien Government and is in the last extreme of poverty. The explanation is nevertheless the true one and other causes are of comparatively small importance. The Honourable Mr. Gokhale in dealing with the subject stated that the rise in wages has been more than counter-balanced by the rise in prices. The truth is really quite the contrary. The rise in wages in most trades and employments has been in the last ten years considerably greater than the rise in prices of the staple food-stuffs in common use. In proof of this, I need only refer to the last volume of statistics of wages and prices and Mr. Moreland's note on the subject.

Other causes that have contributed to the increase in the recorded consumption of liquor that has paid duty are the increased activity in checking illicit distillation, the increased control over distilleries and the trade exercised by the eorganized excise staff, the growth of railways, factories and other forms of



industrial enterprise, and the relaxation of social and religious restrictions on the use of liquor.

The prevalence of plague is another factor. The belief that the use of liquor is a prophylactic against plague is widespread, and the idea is not altogether baseless.

One of the members of the Deputation objected to the suppression of illicit consumption as one of the reasons for a rise in licit consumption on the ground that the administration is now so well-established that illicit distillation ought to be negligible. This however is still far from being the case. Illicit distillation is still prevalent in many tracts of country and is very difficult to cope with. Distillery liquor has been made expensive owing to enhancements of still-head duty with the result that the whole country side sympathises with the smugglers and actively and passively obstructs the preventive men. The materials for distillation are at hand everywhere, molasses in the north and west, mohwa in the south and east; the apparatus required is of the simplest description so the running of a still is no difficult matter. There is still indefinite scope for the preventive staff. In the districts of Allahabad and Fatehpur alone there were in 1911-12 no fewer than 438 cases of illicit distillation brought to Court.

With reference to the question as to whether the habit of drinking is spreading to new classes there is no doubt that this is taking place but the process has been going on slowly for many years and has little to do with the increase in the period under consideration. A good many Mahomedans of the lower classes, especially nau-Muslims, butchers, and mill-hands, now drink openly. Among higher caste Hindus, Thakurs, Kayasthas and some classes of Brahmans have always used liquor, but it is not now uncommon among other classes of Brahmans and some classes of Vaisyas. The use of alcoholic liquors among the educated classes is no doubt spreading but here it is used in moderation and cases of drinking to excess are not common. At some Indian social clubs foreign liquors are to be seen but I have not heard of anyone being the worse for it. After making extensive enquiries, I am able to say with confidence that there has been no visible and alarming spread of the habit of drinking to excess in these provinces. I wish I could say the same of the vice of cocaine-eating. I do not see how Government can do more than it is doing to guard against the danger of excess in the use of alcoholic liquors.

Apart from the conversion of out-stills, a very real reform, consumption is carefully watched and wherever there appears to be a permanent material increase, apart from casual fluctuations duty is enhanced in order to check the increase. The reduction of the number of shops has been steadily carried on and the number is now about as low as is possible. In order to prevent secret drinking all retail shops for the sale of country spirit have to be constructed so that the interior shall be visible from the doorway. In municipalities there must be only one door opening into a public road and windows opening into the road have to be covered with wire netting. This it will be admitted is far beyond what is attempted in European countries.

6. *Statement C.*—This statement shows the progress made in the reduction of the numbers of shops. In some places, the cutting down of shops has been somewhat overdone with the result that some shops have a monopoly over a large area. The figures dispose effectively of the loose talk about "increased facilities for drinking."

7. *Statements D and E.*—Show the number of shops for the retail sale of foreign liquors and the license fees realised for wholesale and retail shops. The number of retail shops has been reduced from 337 to 274, neither of which numbers can be called excessive. With a view to check the consumption of foreign liquors by the well-to-do Indian classes the license fees were greatly raised in 1908. Ordinary "on and off" licenses were raised from Rs. 300 to Rs. 1,200. With the same object the duty on foreign liquors has been greatly enhanced. The duty on beer has been raised from one to three annas a gallon. The duty on foreign spirits was raised in 1906-07 from Rs. 4 to Rs. 7 a proof gallon and in 1908-09 to Rs. 9-6-0 a proof gallon. The imposition of this tremendous duty on foreign spirits has hit hard the European residents who are not very well-to-do.

8. *Statement F.*—Shows the falling off in consumption of foreign spirits since the last rise of duty.

*Statement J.*—Shows the revenue derived from toddy. There has been a considerable rise in the last four years chiefly due to the good seasons but partly due to the conversion of out-still areas and to the increasing cost of country spirit.

9. *Statement K.* concerns hemp drugs. During the period under review considerable progress has been made in the reduction of shops for the sale of these drugs, the net reduction being 302 shops. Consumption has decreased from 347,000 seers to 265,000, while revenue has increased from 19'37 to 23'16 lakhs. This result has been attained by a consistent policy of enhancing duty. The duty on ganja was raised by 40 per cent. in 1906, and on charas by 50 per cent. in 1912. A further enhancement of the duty on ganja has been sanctioned for next year.

10. *Statement L.* concerns opium. This as in the case of hemp drugs shows a substantial reduction in the number of shops, some decrease of consumption and a considerable increase of revenue. The issue price of opium was enhanced in 1910 and a further enhancement has been proposed for next year.

*Statements M. to P* need no comments.

11. I now come to the second of the points referred to in paragraph 2 of the Board's letter. In these provinces, special Excise Advisory Committees are constituted in all towns with a population exceeding 20,000 and in the hill-stations of Naini Tal and Mussooree. The committees consist of the Collector, the Chairman of the Municipality, or where the Collector is Chairman, of a Vice-Chairman, the Superintendent of Police and three members of the Municipal Board elected by the Board. The duties of the committees are to meet for the purpose of hearing any representations that may be made by the inhabitants of the town or by the shop-keepers and to make recommendations as to the maximum and minimum number of shops that will be adequate to the requirements of the town during the following three years. The Collector has annually to consult the committee as to the location of shops in the town, and the committee has the power to make recommendations as to the location of such shops. The recommendations of the committee are forwarded by the Collector to the Excise Commissioner who after recording his opinion thereon submits them for the orders of the Board of Revenue.

The powers of the committee though merely advisory are still considerable. It is only in exceptional cases that the Collector finds it necessary to recommend alterations, as a rule the committee's recommendations are accepted. In municipal towns with a population below 20,000, no new shop can be opened without notice to the Municipal Board which is thus given an opportunity of expressing its opinion on the proposal.

In rural areas notice has to be given to the District Board, and the proposal has to be published in the vicinity of the place. Any objection brought forward is duly considered.

12. Sir Herbert Roberts' Deputation desire to see the power of licensing all excise shops transferred from the Collector to a local committee on which there should be a non-official majority. The only argument put forward is that the Collector cannot be trusted not to sacrifice the principles laid down for his guidance in order to push up the revenue. The Honourable Mr. Gokhale considered it apposite to cite the saying that no person can serve God and mammon together. As I have observed above the Collector has no personal interest whatever in pushing up the revenue and the argument rests on an unfounded and unwarrantable assumption. There is nothing else in the shape of an argument. With reference to the proposal I have nothing to add to what is said in paragraph 23 of the Government of India's Despatch No. 294 of 1908.

I see no objection to extending these committees to all municipalities. That is as far as I would extend them at present. Reports and returns are frequently called for by the Secretary of State in connection with the working of

these committees. An indefinite extension of the committees for no real reason is to be deprecated as adding to correspondence and reports all up and down the chain of offices. The committees are in my opinion sufficiently representative of local opinion and I would deprecate any increase in their size. Any one having any representation to make can always have it placed before the committee. In these provinces, the committees already have power to deal with all licenses for the sale of intoxicants of every kind. As to frequency of meetings, annual meetings are quite enough for the purposes of the committees.

13. (3) The question of reducing unnecessary shops is constantly being considered. The present number of shops in these provinces is in no way excessive and there is no room for further sweeping reductions. Where reductions are feasible they are and will continue to be made.

As to the hours of sale these extend to 9 P. M. In special cases and on payment of an additional fee premises may be permitted to remain open till 11 P. M. Such special permits are rare and the general rule is 9 P. M. This cannot be called late. The bulk of the business is done with the working classes who are not free till 6 or 7 in the evening. Complaints of the early hour of closing are even now common. To close earlier than 9 o'clock would be a genuine hardship to the poorer classes of consumers and would certainly lead to illicit practices, bogus clubs, etc. I would strongly deprecate any alteration of the present closing time.

14. (4) *The working of the auction system.*—The Deputation renews the attempt to get the auction system of licensing abolished but does not attempt to deal with the objections to any alternative system. It quotes certain remarks by the Governor of Bombay and the Punjab Government as in its favour. It appears from the Government of India's letter that experiments are being made with fixed fee licenses in some Bombay districts as an experimental measure. The results of the first few years' working of the experiment will be awaited with interest. Similar experiments in the past have proved failures. My own opinion is strongly in favour of the view of the Government of India expressed in their Despatch No. 294 of 1908. In the statement submitted by Mr. Roberts in 1907 the decision of the Government of India adverse to the suggestion of the Excise Committee regarding the auction system of licensing was attacked. Mr. Roberts said "In practice any increase of license fees has no effect on the price of liquor, unless all fees are raised in the same proportion, which never happens. *If more is paid for the license, the licensee must recoup himself by increase in sales, and not by increase in prices.* There is no other way: the increase of taxation by license fee must mean inducement to sell more and more liquor. This is the basis of our condemnation of the auction system, which we consider encourages the consumption of liquor by giving the greatest inducement to sell as much as possible, and in this sense is inconsistent with the declared policy of the Government of India". The charge is repeated by the Deputation of 1912.

The statement above quoted is completely at variance with facts and is pure theorizing on false premises. It assumes a state of close competition between licensed shops such as exists in many towns in Great Britain where public-houses jostle each other all competing for custom. In this country conditions are quite different. Licensed shops are few and far between and have a practical monopoly of local custom. An increase in license fees *does* commonly mean an increase in prices. This is a common-place of excise administration. When the license fees have been run up too high at the auction the usual course is this. The vendor tries to recoup himself by raising prices till he has raised them so high that business falls off. I may note that in these provinces it has been considered futile to fix maximum retail prices as it would be impossible to enforce such a restriction. He is very slow to lower them again and so the year's working results in a loss. For the next year the license fees fall, probably below the true value. Thus in the system of annual licenses determined by competition there is a self-compensatory principle always at work, and over a series of years the system works out pretty correctly. To say that the system as a system definitely encourages is untrue. Whether the system be one of fixed fees or the auction system the interest of the vendor is the same, that is to make as much

profit as possible by selling as much liquor as he can at a remunerative rate. The auction system is not perfect but the charge brought against it by the Deputation is based on error.

15. The system if worked properly is in my opinion the best that is open to us under existing conditions. To work it properly, however, it is necessary that the settlements should be made by a fairly senior officer with knowledge of the subject and the personnel of the trade. Where unequal and unsatisfactory results have been obtained it has generally been due to the appointment of a junior inexperienced officer to conduct the settlements. This has probably been unavoidable. As district officer I have often had to arrange for the discharge by two officers of duties that would have fully occupied the time of four. In this matter excise has only had to share with other branches of the administration in the want of efficiency due to under-staffing. I understand the question of increasing district staffs is receiving attention, and better still, has some prospect of receiving funds.

16. As an illustration of the working of an attempt to introduce what was practically a fixed fee system I would quote an extract from the annual Excise Report for 1910 of the Province of Eastern Bengal. This was in connection with opium shops. "In Chittagong owing to the necessity for keeping down license fees in order to discourage smuggling from licensed shops maximum prices were fixed for opium shops above which bidding was not allowed to go. Only persons approved by the Collector were allowed to bid. Competitors were divided into two classes, *viz.*, those who were permitted to bid for all shops and smaller men who were permitted only to compete for the less important ones. The result was that every one bid much above the maximum and the shops were eventually distributed by lot."

17. (5) On this point, I have little to add to the remarks in my report for 1910-11 referred to in paragraph 5 of your letter. Further examination of shop sites has revealed very few cases to which exception can be taken. In the larger towns, however, there is increasing difficulty in obtaining suitable sites and it is probable that eventually action will have to be taken, either by Municipal Boards or by Government in the direction of providing sites. The Collector of Gorakhpur has some interesting observations on this subject referring more particularly to his experience in Lucknow. The existing rules as to the criteria to be followed in deciding as to a site are rules 82 and 84 of the Excise Manual. They are in my opinion adequate and I have no additions to suggest.

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21. In view of what has been said above it seems superfluous to comment in detail on the district reports. The main point is that the increase of revenue deplored by the Deputation is partly due to enhanced taxation and partly to a real increase of consumption. By far the most important cause of the increase of consumption is the succession of prosperous seasons and the consequent prosperity of the chief consuming classes. When the next failure of the rains occurs (far may it be) it is certain that consumption and revenue will both drop in a way to satisfy the most implacable critics of Government. Meanwhile, the question of checking the abuse of alcoholic liquors will continue to receive earnest and anxious consideration, and while no hopes can be held out to the total-prohibition men, any movement towards temperance will be welcomed and encouraged.

No. 2191, dated the 2nd July 1913.

From—W. S. MARRIS, Esq., I.C.S., District Officer, Aligarh,  
To—The Commissioner of the Agra Division.

In compliance with your No. 1751-V.—11, dated the 22nd May 1913, forwarding copy of B. O. No. 225, dated 12th May 1913, I have the honour to submit the opinion called for on the five points to which the Local Government has directed attention. As instructed in your supplementary No. 1899-V.—11, dated

the 10th June 1913, figures for 1912-13 have also been given in the statements of statistics.

2. The consumption of country spirit in this district has increased from 14,281 gallons L. P. in 1905-06 to 21,761 gallons L. P. in 1912-13. This is a gross increase of about 50 per cent during the period. The figures of incidence in gallons per 100 head of population also show an increase of 50 per cent. *vis.*, from 1.2 to 1.8.

That consumption to a great extent fluctuates with the increase and decrease of population is shown by the sharp fall in the amount consumed in 1908-09, a year in which malarial diseases caused a very heavy mortality but the population is practically the same now as at the previous census so that the higher consumption cannot be adequately accounted for by an increase in population.

3. But a stationary population has had its indirect effect because it has been a contributory cause of the enormous rise of wages. This economic phenomenon has been general throughout India of recent years, but in this district it has been particularly marked, special local factors being among others :—

(a) The rise of the general standard of living due to increased prosperity in its turn largely due to improved irrigation.

This means not only that labour demands a higher remuneration to satisfy its increased needs, but that the total demand for labour is increased as what were luxuries for the employing classes become necessities. The effect of this improved standard of living on wages is then intensified progressively.

(b) The large building operations connected with the college.

(c) The extraordinary demand for labour caused by the proximity of new Delhi. This has naturally only affected the last year, but that effect has been very marked and is increasing.

The rise of wages, which has been accentuated in this district, has in the main benefited those classes who by tradition and habit have always been allowed and accustomed to drink liquor. The restriction on their consumption hitherto has been mainly their inability to buy. It follows perfectly naturally that an expansion of their purchasing power should have resulted in a largely increased consumption of the easiest and most essential concomitant of improved circumstances. An example of the increase of consumption following on prosperity is provided by the town of Hathras which is the main industrial centre and now shows signs of recovery from its temporary financial debacle. The revised impetus is of course reflected in a numerical increase of the consuming class of mill-hands, who are further in a financial position to purchase more largely than before.

4. There can be little doubt that outside what we may call hereditary wine drinkers, the use of liquor is spreading to other classes. Low class Mohammedans, especially butchers and nau-muslim kalwars, are becoming habitual consumers, especially those who have become rich by trade. This as being directed contrary to their religious tenets is of course to be deplored. But the moderate use of wine among Hindus even Baniyas and Brahmans, whose religious ordinances have been found capable of relaxation on this point, are not open to the same objection. A more liberal interpretation of their precepts has undoubtedly led to the use of stimulants by a considerable number of them, partly from a natural appreciation of liquor, partly from the example of the more educated who have adopted this among other Western and Northern habits. The tendency of the latter class was at first towards imported liquors and Rosa Rum, but the high duties in 1906 and 1910 have driven many of them back on to country liquor.

5. There is a minor contributory cause in the belief in the medical value of stimulants in the treatment or prevention of plague. This belief receives support, perhaps illogically, from the increasing popularity of medicated wines.

6. Lastly, an undoubted increase was caused during a period when the license fees and duty had not reached their full taxable limit. Want of competition, for which the Excise Department must (though only in a slight degree) be held

responsible, resulted in keeping license fees low. The result was that liquor sellers could afford to sell very cheap being secure from loss, and obviously this actively promoted consumption.

7. But apart from these minor causes, the main reasons for the increase in consumption lie in the following facts :—

- (a) Those to whom custom has made liquor a necessity have had their purchasing power vastly increased by the rise of wages.
- (b) The number of consumers is being continually added to by the adhesion of those who from the example of a more recent civilization and a latitudinarian interpretation of traditional precepts are adopting the use of stimulants.

While however consumption is increasing it would be a mistake to support that this implied any deterioration of the moral standard as evidenced by any marked increase of drunkenness.

Drunkenness is extremely rare and almost invariably among persons of a social and intellectual status where an excess of alcohol connotes but a small degree of ethical depravity.

8. To turn to the third point of the five under consideration, leaving the question of the advisory committees for treatment later, I would call attention to the figures for the shops at the beginning and end of the period.

In 1905-06, there were 64, or one shop to every 31 square miles and to every 18,747 persons : in 1912-13, there are only 52 shops or one to every 37.4 square miles and to every 22,417 persons. No further decrease is considered advisable at present ; in fact applications have been made to the Excise officer to increase both country and European liquor shops. These have been rejected, in the latter case on special local grounds (Aligarh having a large Mohammedan student element) but the demand sufficiently proves that the number is not in excess of legitimate requirement. I am, however, in further restricting the hours of sale as follows :—

8 A. M. till 8 P. M. October to March.

8 A. M. to 9 P. M. April to September.

This would not facilitate the supervision of shop-closing, but would put a check on nocturnal drinking in which there is much more opportunity for undesirable excess than at other times.

9. *The 4th point.*—In my opinion, though possibly a further increase in still-head duty may be practicable the auction system in practice is open to very few objections. I have found that a little foresight will usually ensure good competition, and a good revenue being obtained in license fees. This means that those who indulge in the luxury of liquor contribute largely to the revenue which is spent on consumers and non-consumers alike. It also means that the increase in license fees is mostly shifted on to the consumer, and the resultant high prices automatically check consumption. For these two reasons, I am one of those who, as Sir Herbert Roberts says, rejoice over an increase of revenue when derived from license fees. Occasionally, it is necessary to cancel an outrageously high bid for fear that the prospect of obvious loss to the contractor may lead to illicit practices or to the supply of such inferior and diluted liquor as the public may fairly claim to be protected from by the Excise Department as the monopolists of the article. With ordinary care to secure adequate competition on the one hand and to eliminate preposterous bids on the other, the auction system works admirably.

10. *The 5th point.*—The suitability of sites is the subject not of periodic consideration at more or less long intervals, but of perpetual scrutiny. The Excise Officer and Inspector and the Sub-divisional Officers, tahsildars, etc., always consider and report on the suitability of any shop inspected and these inspections are regular and frequent. The public are asked if they have any objection and any objection offered receives the fullest consideration. I do not see what additional severity of examination could be imposed.

11. *The 2nd point.*—The consideration of the other 4 points should have made it sufficiently clear that in no particular except an occasional failure (not always avoidable) to encourage competition, are the Excise authorities responsible for the increase of consumption. In no instance is increase of Revenue from Excise welcomed except as a tax on consumers for the benefit of non-consumers and as being itself a deterrent to consumption. I submit that the Excise authorities distinguish clearly between an increase in revenue from *still-head duty* as indicating a real and possibly undesirable increase in consumption, and an increase in revenue *from license fees* as constituting a testimony to their success in carrying out the cardinal precept of Excise administration that the maximum revenue from the minimum consumption is the goal at which to aim. The Collector is rarely his own Excise Officer, and the fact that he is the chief Revenue official of the district does not drown his faculty or readiness to criticize the administration of his subordinate Excise officer. Nor even if he retains excise directly in his hands is he likely to lose sight as District Magistrate of the resultant increase of crime which may be considered an inevitable accompaniment of any marked increase in drunkenness. Excise is only one of his minor duties and it is ludicrous to suggest that in order to show an inflated figure in a comparatively unimportant annual return he would deliberately undermine the well-being of a district for which he is directly responsible and in which he is personally interested. The supposition then that the Excise authorities attach any particular importance to revenue except for the two salutary reasons given above is readily disposed of. It remains, however, to consider whether the employment of advisory committees would add the local knowledge of the public-spirited member of the good intentions of the district officer. Ideally, this might be so. In point of fact, civil consciousness is in so undeveloped a condition that very few of the persons who could be put on an advisory committee have taken sufficient interest in the subject to obtain any greater knowledge of local excise needs and conditions than the district officer has acquired in the performance of his duties.

The Municipal members already are inclined to regard with some diffidence the growing extent and laboriousness of their duties, and the opinion would not be rare that in saddling them with those of a licensing authority, Government was improperly shirking its own functions.

A licensing authority constituted distinct from the revenue authority, *i.e.*, the Collector, would very often, whether rightly or wrongly, be accused of partiality in its decisions on matters where such large pecuniary interests were concerned. Lobbying and the application of personal influence would be tried, I trust ineffectively. The sole advantage of such a committee, *vis.*, its possibly more intimate knowledge of local conditions can be utilised by due consultation by the Collector with those whose opinion is worth having and it has not been shown that Collectors have been backward in obtaining such assistance.

12. In conclusion, I have to acknowledge my indebtedness to my predecessor Mr. Collett, who was for a long time Excise Officer for the foregoing report.

No. 2921-V-227 (IX), dated the 6th August 1913.

From—C. M. KING, Esq., I.C.S., Collector of Gorakhpur,

To—The Commissioner, Gorakhpur Division.

With reference to Board's Order, No. 225-V.E.—534-B., dated 12th May 1913, forwarded under your endorsement No. 957-V—25, dated 15th May 1913, I have the honour to submit the following report together with the statements A to F.

2. It is assumed by the critics of the Government administration that the consumption of liquor has increased. This assumption may be true of India as a whole, but it does not appear to be true of the Gorakhpur district. The consumption of distillery liquor has increased only because the area served by distillery liquor has increased and the out-still area has been correspondingly reduced. The conversion of out-still into distillery area undoubtedly reduced

consumption of liquor. It also resulted in a serious loss of revenue from liquor for some years. This point might be brought to the notice of those who think that the Excise authorities, in their greed for revenue, tend to encourage the consumption of liquor and could never bring themselves to check it. Taking the consumption of distillery liquor per 100 of the population we find that in 1905-06 the incidence in L. P. gallons was 2.88; in 1912-13 it had fallen to 2.84. In 1907-08 it fell as low as 1.92 due no doubt to bad harvests. The last few years have been times of agricultural prosperity. In spite of this the consumption of liquor per head of the population has fallen during the 8 years' period under report. Moreover, the fall is more marked than the figures would seem to indicate since allowance must be made for the following facts.

Firstly, that illicit distillation has been greatly checked owing to the increased activities of the excise preventive staff, so that the present recorded figures of consumption are practically accurate, whereas in previous years allowance must be made for unrecorded illicit drinking.

Secondly, the figures for the incidence of drink per 100 of population are based on the Census figures for 1901. We have not got the Census figures for 1911 for the distillery area, but we know that the population has risen.

It is, therefore, clear that there has been a distinct decrease in the consumption of liquor per head of population. This being so I feel it would be out of place for me to give reasons for an increase in consumption, for the simple reason that there has not been any increase.

The Excise Inspectors, however, report that certain castes which formerly did not drink have now taken to drink, and instance Mohammedans, Brahmans, Kshattriyas, Baniyas, Ahirs and others. Personally, I am not satisfied that the addiction to drink is at all recent. Probably Islam had its hard drinkers before the days of Omar Khayam. Coming to more recent days in these provinces although before the establishment of British rule, we find abundant contemporary evidence of the drinking habits of the Kings and Nawabs of Oudh. Similarly, I believe the historian would be able to find instance of drinking among the higher Hindu castes long before the day of distillery system and the auction of licenses. In this district I believe there is no good reason to suspect that the drink habit is spreading among Mohammedans and high caste Hindus to any appreciable extent. This, however, is a point on which divergencies of opinion are possible, since it is very difficult to obtain well-informed and unbiassed views from those who are in the best position to know.

The incidence of revenue per proof gallon has risen from Rs. 4-6-2 to Rs. 4-10-2 in the period under report. This must be regarded as satisfactory both from the revenue and from the temperance point of view.

The danger of raising the price of liquor too high is that it may result in driving people to more harmful intoxicants in the form of hemp drugs.

The figures for the consumption of hemp drugs are unreliable owing to the amount of smuggling which has hitherto prevailed from Nepal and Bengal, and to the illicit preparation of hemp drugs from the wild hemp plant. Enough hemp grows wild in this district to supply the wants of the whole province.

The figures for the consumption of hemp drugs show a very large increase. Although the figures must be partly discounted for the reasons above mentioned, still it would seem that there has been a real rise in consumption. Looking at the decrease in the consumption of liquor in the same period it is difficult to avoid the inference that people have to some extent taken to hemp drugs in place of liquor, finding the former a cheaper form of intoxicant. If this is so, it is clear that any proposals for raising the price of liquor and for reducing the number of liquor shops will have to be viewed with the utmost caution.

Hindus seem to have no religious prejudices against hemp drugs. Sadhus are notoriously addicted to the drug habit. A leading Brahman of the district has been actively engaged in smuggling drugs from Bengal.



3. *Para. 3 point 2.*—In this district an excise advisory committee was formed but no one could call it a success. In 1911, a committee was held and the Municipality appointed 3 members to represent un-official Indian opinion. Two of these members pleaded sickness at the last moment and did not attend; the third made a proposal which, if accepted, would have encouraged the consumption of *tari*. That member is a large owner of *tar* trees.

The main difficulty is to get the better class of educated Indians to take any interest in excise matters. The Excise preventive staff always complains of the apathy of zamindars, who not only do not help to bring to light cases of illicit distillation, etc., in their villages, but give every assistance to their tenants when prosecuted for excise offences. Offenders against excise regulations seem to incur no moral odium.

In rural areas, I am convinced that there is no public opinion that requires representation. In municipalities the Board should always be consulted before any new shop is opened or the site of an old shop shifted. Any representation they may make regarding the undesirability of any existing site should always receive prompt attention. As the Board is the acknowledged organ of public opinion in a municipality, it seems useless to constitute a special advisory committee.

If the attitude of Indian opinion towards excise matters is to be ascertained, the excise systems of Native States should form a fruitful ground for enquiry. In Nepal, I know that out-stills are licensed at a very low rate per annum, so that Nepalese liquor vendors are able to sell their liquor at prices far below those prevailing in this district.

4. *Para. 3 point 3.*—The number of liquor shops in the district has undergone a very marked reduction from 335 to 161 during the period under report. The number of shops per 10,000 of population has fallen from 11·40 to 5·49; and the number of square miles per shop has risen from 13·56 to 28·12. In view of these very drastic reductions the excise policy of this district is obviously not open to the charge of encouraging drink. The present number is about as low as it would be safe to go without inflicting undue hardship on the people, stimulating illicit distillation, and driving people to the use of hemp drugs.

There seems no point in curtailing the hour of sale. In the city, 9 P.M. is early enough. In villages, the strict enforcement of early closing is quite impracticable, and in my opinion unnecessary.

5. *Para. 3 point 4.*—The auction system seems to me the best means of raising the maximum of revenue from the minimum of consumption. There is only one point I would like to raise in this connection. In big cities the auction system in its present form is not suitable. The reason is that in cities the shifting of sites is difficult and objectionable. If the site is to remain unchanged the proprietor of that site is able to charge practically any rent he pleases. I know a case in Lucknow where the landlord who had been getting about Rs. 5 per mensem for certain premises was able to demand and obtain Rs. 200 per mensem for the same premises when leased for a liquor shop. The liquor contractors do not lose, since they allow for the rent when making their bids. The whole loss falls on Government which gets proportionately less in license fees. The landlord pockets his unearned increment.

The remedy is for Government, or the Municipality, to acquire, and if necessary to build, suitable premises which will be tenanted each year by the successful auction purchaser on whatever rent may be fixed.

There are many advantages in this system (*a*) the site can be deliberately selected in the least objectionable locality, (*b*) the shop can be built on the most approved plan for checking illicit practices—with only one outer door, opening on to the main street, with windows barred so as to prevent liquor being passed out after closing hours, and so forth, (*c*) sanitary requirements can be attended to, and (*d*) there is no loss of Government revenue.

I am quite aware that this course will be objected to on the ground that the good name of Government will suffer if it becomes the proprietor of liquor shops. Government will more than ever be accused of encouraging drink and deriving

revenue from a tainted source. It is hardly necessary for me to point out the futility of these accusations. People who are unable to see that the Government aims at controlling the consumption of liquor as well as at deriving revenue from such control must be either ill-informed or unable to reason clearly. Most reasonable people would be capable of seeing that the course which I suggest would really be a measure of control and desirable in the public interests.

The Municipal Board of Lucknow have in fact built one such liquor shop at my suggestion and I have never heard that their good name has suffered thereby.

6. *Para. 4. point 5.*—The question of the suitability of shop sites is continually receiving attention. Shops are regularly inspected by the Excise staff and also by the Sub-Divisional Officers and Tahsildars when on tour. This part of their duties is specially impressed upon them in tour instructions. Any complaints about the sites are at once brought to the notice of the Excise Officer. I fail to see what more can be done in this direction.

No. 3579, dated the 2nd September 1913.

From—W. J. E. LUPTON, Esq., I.C.S., Collector of Moradabad,

To—The Commissioner, Rohilkhand Division.

I have the honour to reply to B. O. No. 225-V.—E.—534-B., dated the 12th May 1913, received under your endorsement No. 2638-V.—132, dated the 19th July 1913. The delay is due to my two absences from the district on special duty with the Primary Education Committee, and to the matter having to await my return.

2. The excise statistics for this district for the period 1905-06 to 1912-13 under all heads as asked for in the letter under reply and in its enclosures, and in B. O.'s No. 740 and 2211 of the 20th June 1913 and 13th August 1913, respectively—as also in the Excise Commissioner's letter No. 1448 of the 6th June 1913, are appended to this letter.

3. These statistics shew for this district of Moradabad that :—

- (a) The Excise Revenue from all heads has increased from Rs. 1,83,292 to Rs. 2,82,821, *i.e.*, by roughly 54 per cent. In the period 1905-06 to 1912-13 under country liquor alone the increase is from Rs. 1,09,138 to Rs. 1,89,455 or of about 80 per cent.
- (b) The consumption of country liquor has apparently increased from 28,998 to 33,954 gallons or by 15 per cent.
- (c) The consumption of country liquor in gallons per 100 of the population, however, has decreased from 2.72 to 2.69 gallons.
- (d) The population of the district is now 1,262,933 as against 1,191,993—an increase of 70,940. But the whole district now is under the distillery system while in 1905-06 the population in the area under the distillery system was 1,066,460, so that the effective increase in population for the present purpose is 196,473 or 18 per cent.
- (e) Consumption of bhang has decreased from 4,000 seers to 2,200 seers or by 45 per cent, but on the other hand, charas has increased from 730 seers to 1,455 seers or by 100 per cent.
- (f) Consumption of opium has slightly decreased from 1,884 to 1,777 seers or by 6 per cent.
- (g) As regards foreign liquor, only two years' figures of consumption are available; so nothing can be said as to 1905-06. The figures of sales, however, of foreign liquor for the whole district are so small that their addition to the figures for country liquor would make no appreciable difference to the totals or the incidences of consumption.
- (h) The number of shops for sale of country liquor has been considerably decreased—the actual decrease is of 23 out of a total in 1905-06 of 83. On the other hand, shops for sale of foreign liquor have increased from 16 to 22, so that the total decrease is of 17 shops.

4. The above figures, however, require the following comments and qualifications:—

In the first place, in 1905-06 one-tenth of the district approximately was under the out-still system for country liquor—and the gallons of liquor supplied from these out-stills for consumption are not known and do not find a place in the above recorded figures for 1905-06 which are for the distillery area alone. But assuming that, roughly, they gave a gallonage of consumption at the same rate as for the rest of the district under the distillery system,—(and probably a greater rate should really be allowed),—the corrected figures for 1905-06 should be 31,201 gallons as compared with 33,954 now—that is a total increase of 2,753 gallons only or 8 per cent., which is small only, in view of the increase of population. And the fact remains that the present rate of consumption of 2.69 gallons per 100 of population is less than it was 7 to 8 years ago.

Secondly, the figures as to drugs show that there has been no increase; taste has merely changed from bhang to charas, and the increase of population being taken into account, the incidence of consumption of drugs is, therefore, really less than it was, at any rate there has been no growth here in the habit of using these usual drugs.

Thirdly, while opium shows an actual decrease it has also to be remembered that a fair amount of opium purchased in this district is not consumed within it, but is removed for smuggling into Burma. No doubt some smuggling went on in 1905-06 also, but I think it probable that the amount of smuggling has been greater of recent years owing to the rise of prices.

As regards the rise in the Excise revenue, as consumption has in general, as shown, not increased, this rise is due practically entirely to—

- (1) Recent increases in the still-head duty for country liquor, a rise of 33 per cent. in the city and of about 40 per cent. in the rural areas.
- (2) A steady rise in the amount of license fees of, Rs. 33,000 since 1905-06, these nearly doubling themselves in fact.

But as regards the latter, it is a truism that prices have been rising steadily and rapidly all the time, reducing the purchasing power of the rupee while at the same time the country has not been standing still in point of prosperity. This rise of 54 per cent. in the revenue, therefore, cannot be taken by itself as evidence of anything, if deception and fallacy are to be avoided.

5. In general, therefore, the figures for this district, so far from shewing any increase in drinking in the period in question, really show that on the average less is being drunk.

There is, however, the question of the individual drinker, and of the habits of particular castes. It is possible that while fewer people now drink, yet individual drinkers have taken to drinking more, or that, while the members of some castes have given up drinking or taken to drinking less, the members of other castes have taken to drinking more, or have formed the new habit of drinking.

On these questions, one can only give expression to generalities owing to the fact that no statistics, according to castes, exist here for the year 1905-06. For the last year of the period 1912-13 endeavour has been made to get figures, and after much discussion we have come in this district to the conclusion that the following figures represent fairly approximately what castes now drink, and what proportion each caste or section of the population now-a-days furnish of the persons who drink or use excisable articles, *vis.*:—

1. Brahmans and Baniyas (about half and half)	...	10 per cent.	} 100 per cent.
2. Kayesths	... ..	15 "	
3. Low caste Hindus and depressed classes	...	65 "	
4. Mohammadans	... ..	10 "	

Now it is possible that the figures, if available, for 1905-06 would have shewn a larger percentage in class (3) above and less in the other 3 classes. A number of people who were consulted on the question express the opinion that Brahmans and Banias and Kayesths had been taking more to drinking than they used to do, but when pressed for reasons for their opinion, the reasons they gave were vague and indefinite, or such as to shew that their experience in the matter was too limited to be of any real authoritative value.

6. There are, however, certain pieces of evidence that bear on the subject, that may be quoted here. In the first place, we know that the Arya Samaj has been preaching against drinking by its adherents for some time past, and that the Arya Samajists have in recent years started working among the depressed classes. That their efforts have not been in vain seems to be indicated by what I stated in the last Excise Report from this district, when remarking on the decreased figures of consumption of country liquor in the town of Chandausi; *vis.*, that this decrease was attributed to the chamars of the place having to a large extent given up drinking under the influence of the Arya Samaj. And of the adherents of the Arya Samaj the majority—at any rate a very large number, are Kayesths, so that possibly the number of Kayesths who now drink are less than in 1905-06. As regards the Mohammadans I can hazard no real opinion—but as the number of Mohammadans who have been to England or Europe is increasing yearly, I think it very probable, from what I have observed, that a number of Mohammadans who have learnt European ways have taken to the use of excisable articles. Lastly, I think that there is no doubt that a number of the higher castes, Brahmans, Banias and Kayesths in comfortable circumstances have taken in recent years to drinking foreign liquor—but that at the same time the number of these is so small as not to make any real difference in the total figures of the district.

7. On the whole, so far as this district is concerned, it seems to me that there has been no increase in the drinking habit among the lower caste Hindus and depressed classes in the period; on the contrary, I think it probable that, the increase in population being considered, there has been a proportionate decrease in the number of drinkers of this class—while, on the other hand, the number of drinkers among the Brahmans, and Banias, and Mohammadans are probably somewhat more numerous now than they were in 1905-06. But these are people who if they wish to drink would obtain their supplies no matter what restrictions might be placed on the number of shops, hours of supply, or system of administration; while, so far, the drinking habit does not appear to have spread among them in any wholesale manner.

8. With regard to the question dealt with in paragraph 2 (2) and paragraph 4 of the B. O. No. 225 of 12th May 1913, a copy of the Moradabad Municipal Board's resolution No. 30, dated 30th June 1913, on the subject is attached. I was not myself present at the meeting of the Board on that date, being away on special duty, and the Municipal Board resolution is not very full. But in the form in which it is stated it must be understood that that Board meant definitely to approve of and endorse the suggestions and recommendations made in paragraphs 15 and 21 of Sir Herbert Roberts' statement of the 18th July 1912. I very much doubt, however, whether the Municipal Board gave these suggestions and recommendations as full consideration as their importance would merit, and in sending on the Board's opinion as given in their resolution, I have to express my own dissent with these suggestions and recommendations—with them in general so far as their general tenor goes, and with individual recommendations in particular.

Thus, the giving effect to these suggestions and recommendations in the statement of 18th July 1912 in question as they stand would result in making these so-called local Advisory Committees not merely advisory bodies but Executive bodies with full power over the licensing function. But in conditions as they still are in this district at least, I could not agree to this step. The members of this Advisory Committee would be subjected to all kinds of back-door influence and be squeezed this way and that by interested persons—and in most cases, they would only give licenses either to persons unduly favoured by

them, or to persons whose importunities or whose friends had bothered or tired the members of this committee into giving them the licenses, with, in many cases, the result that the licenses would be given to unreliable and unsatisfactory persons, and administrative difficulties would arise. To take the work of the licensing function from the present Revenue officials, however, much theoretical reason there may be in the proposition—would, in my opinion, at present at any rate, be a great practical mistake. The present excise auctions that go on are not really *auctions* in the full usual sense of the word; but the Revenue officer conducting the sale determines his choice of the persons to whom the license shall be given by several other considerations than the mere one of the amount of bid. He looks to the previous history of the bidder and his reputation for reliability and the like, to the history of the shop and to whether the amount bid for it, is likely to be excessive or is inadequate, he has information as to the formation of persons who are in the trade into “rings” or “groups” and he accepts the bids and places the licenses so as, as far as possible, to obviate monopolies. He is also not subjectable to back-door influences and can maintain much more easily impartiality. In my opinion, the leaving of this work as at present to the Local Revenue officials will mean much less likelihood of combinations, with the consequent lowering of retail prices, and increased consumption, than if the work is made over as suggested in paragraph 21 (4) of the statement of 18th July 1912.

9. With regard to the hours of sale, the Moradabad Municipal Board recommend hours from sunrise to sunset. But here again, I cannot agree even with the present closing hours of 9 p.m. the rule is more evaded than observed, and if the hour is to be 6 p.m. or 7 p.m. it will become practically a dead-letter, unless Government will consent to very largely increase the preventive staff—practically every shop will have to be watched to ensure the working of the rule, evasions will still be numerous, as also, therefore, prosecutions, and general increase of work and trouble.

The fact is that very little is drunk usually until the evening, and the drinking goes on rather from sunset to midnight. If any change is to be made, I would advocate that the hours for sale be fixed from 10 a.m. or 12 p.m. to 10 p.m.—except for fairs, where shops are allowed, for which the hours for closing should be sunset.

10. As regards Advisory Committees, these already exist in the 4 towns of this district; so I have not to recommend that they be constituted for this district. They appear to have been consulted in the past as regards the number of shops within the areas under their care. But as regards their constitution, for much the same reasons as are stated by me in paragraph 8 above, I hold that of these committees the Excise Officer or a local Revenue Officer should still continue to be the Chairman: though I have no objection to the majority of the Committee being non-officials. (*Vide* paragraph 15 of the statement of 18th July 1912 of Sir Herbert Roberts.)

11. With regard to the point raised in paragraph 2 (3) of the B. O. No. 225 of 12th May 1913,—with which I consider also their paragraph 2 (5),—as already noticed above in paragraph 3 (*h*) the number of shops for sale of country liquor has already been steadily reduced from 83 in 1905-06 to 60 now. And the number of shops of all kinds as at present was fixed 3 years ago upon the advice of the Local Committee appointed in this district for considering the questions of the number and location of shops. And since I have been here, I have, with the Excise Commissioner's sanction, closed one shop on the ground of unsuitable locality and because it did not seem required, (though one other shop has also been opened in another portion of the district, in order to cope with smuggling from Rampur which otherwise would go on).

Further, as a consequence of the present reference, the list of existing shops has been again submitted to scrutiny, with the result that, if the Excise Commissioner, or the Board of Revenue or Government pressed the matter, we would be prepared to recommend the further reduction of the numbers by 2—by abolishing one shop in the Moradabad City and one shop in the Amroha City—although otherwise I am personally of opinion that their abolition is not really

very necessary. Otherwise, the numbers for the district as at present appear to me to have about reached its minimum, unless there is a very decided change in policy.

12. I have already stated above my views as regards the hours of sale and I have also referred to the questions of the auction system. I would reiterate on this point that after all the Excise officer conducting the sales, or auctions, is not bound to accept the highest bid, irrespective of all other considerations; without this safeguard, the auction system is certainly vicious, but with it, and with an Excise officer gifted with ordinary common sense, and supplementing his own personal knowledge of the district and of the bidders, with that acquired by the Excise preventive staff and the other Revenue officials of the district, the evils of the system can be, and usually are, safely minimised. Possibly, the Deputation to the Secretary of State were not aware of these facts, or had not thoroughly appreciated them.

13. Lastly, I would add the remark that I am informed by persons in this district that Banias and Kayesths do not regard the use of intoxicants, more especially the drinking of liquor or spirits, as forbidden by their religion—on the contrary, I am informed that a Bania will drink freely and fearlessly if he has once taken to the taste. And from the not infrequent references to the "*soma juice*" (the then intoxicant) in the *Vedas* it is to be presumed that even the Brahmans could find a sanction in the foundations of their religion for the drinking of intoxicants. These higher castes, of course, drink, when they drink at their own homes usually and not at the places of sale.

No. 4533, dated the 5th September 1913.

From—H. G. S. TYLER, Esq., I.C.S., Collector of Cawnpore,  
To—The Commissioner, Allahabad Division.

In compliance with your office endorsement No. 4322, dated 9th of May 1913, I have the honour to submit the statistics required together with an expression of my opinion on the points raised. I regret the delay which has taken place in doing this; but it took some time originally to get the necessary information together, since that was done my time has been so fully occupied that I have found it difficult to get an opportunity of going into this subject as fully as I desired to. I have discussed most of the points raised from time to time with many of the people who came to see me, and I am surprised to find how little interest generally is taken in the subject.

(1) The figures which have been called for reveal the state of affairs very fully. It is noticeable that of the 8 years, for which figures have been given, the revenue declined steadily during the first five years and increased during the last three, reaching its highest point last year. The figures for consumption of country spirit follow much on the same lines, except that in 1906-07 there was a rise followed by three years' steady decline and then by three years' steady increase. In this connection, it is worth noting that paragraph 9 of Sir Herbert Roberts' statement contrasts the figures for 1909-10 and 1910-11 with a view to showing the large increase which is taking place. Had he contrasted the figures for 1908-09 and those of 1909-10 the result would apparently have been very different at least in Cawnpore. It is also worth noting that the figures for 1911-12 closely approximate to the average of the five years, 1902 to 1907. The average consumption for those years was 86,900 proof gallons. The consumption in 1912-13 was 2 per cent. in excess of that average. On the other hand, the receipts from still-head duty and license fees averaged 467,733 in the five years 1902-07, and amounted to 536,780 in 1912-13, an increase of 14 per cent. Meanwhile, the number of shops has been reduced from 184 to 138, averaging latterly only 1 to 17 square miles. These figures are interesting, and I think put the matter in a clear light. On the same lines it is interesting to note that the average consumption of hemp drugs for the same period of 5 years, 1902-07, was bhang, 14,123 seers; ganja, 167 seers; charas, 3,730 seers, and the total duty on consumption Rs. 22,718; while in 1912-13, the figures were bhang 11,231; ganja 204; charas, 2,344, and total duty Rs. 31,505.

It will be seen from the above that if anything is to be explained it is the fluctuations rather than the increase of consumption. The figures indicate to my mind clearly that the main causes of such fluctuations are to be found in the condition of the lower or drinking classes. Agricultural and commercial depression are found to synchronize with a fall in consumption, while high labour prices and good crops are marked by a rise. It is noticeable also that the contract system was introduced in this district from April 1909. The liquor at first produced under the new system was, as you are aware, objected to on various grounds by the consumer, and was consequently at first unpopular. Improvements were introduced and a custom also had some part in overcoming the original objections with the result that the liquor is now probably as popular or nearly so as the old liquor used to be, and the growing popularity of the liquor had no doubt some effect along with the increasing prosperity of the consumers in extending the consumption.

In the city of Cawnpore the rates of wages have of course ruled high for a long time, and in the district it is getting more and more impossible to obtain agricultural labour on any terms which are considered reasonable by the landed gentry. In the neighbourhood of the new line under construction from Cawnpore to Banda these conditions have been perhaps most marked, but I have met with similar complaints all over the district.

I have consulted a number of people on the question whether drinking is spreading among classes other than those who are usually addicted to the habit. The general conclusion seems to be that though it is going on to some extent among Brahmans, Banias, Khatris, Thakurs and Muhammadans, yet the increase is probably very slight indeed; against this is to be set the fact that the drinking is markedly decreasing among Kayasthas. It is of course true to a certain extent that old social and religious barriers are weakening; but on the whole, I am of opinion that the habit of drinking is not spreading to any marked extent among fresh classes. One gentleman with considerable experience in educational matters informed me that some years ago a good deal of drinking used to go on in school and college boarding houses among boys who thought that it was rather a 'swagger' thing to do; but that this has lately considerably decreased. I mention this as it may have some element of truth in it, though I may say that I have found little confirmation of this opinion.

(2) Regarding the extension of the powers and functions of the Excise Advisory Committees and the modification of their constitution, I have in accordance with instructions obtained the opinion of the Municipal Board and I submit herewith a copy of the Chairman's letter No. 688, dated 28th July 1913, with its enclosures. It will be seen that the Chairman is of opinion that little interest is taken in the matter by the majority of the members, an opinion which I fully share. My experience of the Excise Advisory Committee is that the members composing it regard its proceedings as a little more than a formality. Sir Herbert Roberts' Deputation appears to aim at a system of local option throughout the length and breadth of India not only in urban but also in rural areas. It seems to me that the time for this has certainly not yet arrived. The argument against the control by the Revenue authority of licensing appears to be based largely on ignorance of local conditions and I think that an extended knowledge would show these gentlemen that there is no real justification for the implied theory that Collectors and Excise Officers are engaged in pushing sales regardless of the interests of the consumers. Moreover, it is difficult to conceive of the selection of any other fair licensing authority. The arguments advanced disregard the great objection that the so-called representatives of the people are in no way whatever representatives of the drinking classes. The so-called representatives are generally more or less bound by hereditary prejudices to regard drinking at least outwardly with marked aversion and are thus incapable at least in their public actions of holding the balance. Committees of the kind indicated, were they given full powers to deal with the licensing question, would probably either be apathetic or set themselves to stamp out drinking altogether. I would give every opportunity to people who take an interest in the question to make enquiries and lay their views before the Collector, and I have no doubt that he would in all cases consider their views carefully and act upon them wherever

reasonable but were they given absolute power there will be a danger of that power passing into the hands of faddists.

(3) I do not consider that the number of shops in the city is excessive. Enquiries have been made by the Excise Officer as to the number of shops which could be closed in the district on the principle laid down in paragraph 20 in Government of India's Despatch No. 294 of 1908, and he reports that a certain number of shops can be closed in four out of the six tahsils on these principles. In all 16 shops could be closed out of a total of 138 in the district.

With regard to the curtailment of hours of sale it seems to me that there is no special reason for opening the shops early in the morning. 9 o'clock is quite early enough for the purpose. Closing hours should be so arranged as to give people an opportunity of purchasing a little liquor if they require it after their work is over. This hour generally depends on the time of the year, and differs to some extent in the city and in the mofussil. I do not think it would be fair to close shops in the city before 8-30 as a great many of the labourers do not get back to their homes till 7-30. In the district I am inclined to think that an hour after sunset would be a reasonable time for closing. I am further inclined to think, however, that liquor shops in the city might reasonably be closed entirely on Sundays. Sunday is generally an idle day for the mill-hands and with their week's wages in their pocket they are exposed to special temptations to waste their money on drink almost as soon as they have got it. I am told by gentlemen who have had some experience of conditions in some of the workmen's dwellings that there is a good deal of intoxication in these places on Sunday; and on the whole, I think it would be a reasonable provision to give the liquor sellers an enforced rest on that day.

(4) On the working of the auction system I have little to say. The proposal to substitute fixed fees seems to me on a par with the proposals made from time to time for the permanent settlement of the Government revenue. I see no reason to believe that the fixing of fees would discourage the natural tendency for all license-holders to make the best profit they could out of their bargain. On the other hand, Government would no doubt lose a considerable amount of revenue. It is difficult also to see how the licenses should be distributed under a system of fixed fees. Sealed tenders would not answer the purpose, because the intending licensees would certainly put in for more shops than they required and probably find themselves with either fewer or more than they desired. There would be a tendency for a class of middlemen to spring up and appropriate a great deal of the revenue which should go to Government.

(5) The last point raised deals with the selection of sites for shops. The question is a delicate one. On the one hand, it is undoubtedly undesirable to locate shops in positions which have the effect of dangling temptations before the eyes of people who would not otherwise be attracted. On the other hand, it is in my opinion most undesirable to place shops in dark and unfrequented lanes. Such shops offer subtle temptations to youths of respectable families, who would not dare to risk observation by entering shops where they were likely to be observed either going in or coming out. Moreover, such shops are not easy for the authorities to supervise. The solution of the matter seems to be to find suitable sites where the publicity is sufficient to deter members of respectable families; but at the same time, the situation should not be such as to attract the casual wayfarer or act as an advertisement for the shop.

*Proceedings of the Sub-committee appointed by the Benares Municipal Board's Resolution No. 205 of 5th July 1913, held on the 1st August 1913.*

Present :—

Rai A. C. Sanyal Bahadur.

Pandit Ram Narayan Misra.

Babu Shiva Prasad Gupta.

The Secretary, Municipal Board.



Read papers relating to the formation and functions of Excise Advisory Committees.

The following Resolutions were passed :—

1. The Sub-committee is of opinion that the system of Excise Advisory Committee be extended to all Municipalities.  
Application.
  2. In reference to Sir Herbert Roberts' suggestion that the Excise Advisory Committee might be made more representative, the Sub-committee is of opinion that while the numerical strength of the committee might remain as at present its constitution may be so changed that the representation of the Municipal Board might be restricted to a Vice-Chairman and one other member to be elected by the Board, and the remaining two places which under the present constitution are also required to be filled by members of the Municipal Board might be thrown open to the general public with a view to securing the appointment of representatives of local temperance organisations and other bodies. The Sub-committee recommends that these latter appointments should also be made by the Municipal Board.  
Representation.
  3. As regards the powers of the Excise Advisory Committee the Sub-committee is of opinion that it should deal with the sale of intoxicants of every kind.  
Powers.
  4. The Sub-committee is for want of data not in a position to recommend what further reductions in the number of shops is required. This function should belong to the Excise Advisory Committee.  
Reduction of shops.
  5. The Sub-committee recommends that the hours of sale of all intoxicants should be from 9 A.M. to 9 P.M. As regards the closing at 9 P.M., the Sub-committee has reasons to believe that the rule is more violated than observed. It would, therefore, recommend that a stricter supervision be enforced.
  6. The Sub-committee recommends that the auction system be adhered to, and further recommends that liquor be not sold except in sealed bottles. As regards other intoxicating drugs the Sub-committee recommends that, as in the case of liquors sold in sealed bottles, a retail sale rate be fixed by the Advisory Committee and they be sold in sealed packets only.  
Sale by auction.
- Babu Shiva Prasad Gupta dissented from the opinion of the majority of the Sub-committee on the question of sale by auction. In his opinion the rate of contract for each shop should be fixed by Advisory Committee. To counteract compensation he would stop the system of sale to the highest bidder.
7. The Sub-committee is of opinion that the licensing function be not removed for the present from the control of the Revenue Department. It would, however, recommend that no licenses should be granted and no new shops should be opened without the sanction of the Advisory Committee. Should there be a difference of opinion between the Collector or the Excise Officer and Advisory Committee the final decision of the matter should rest with the Board of Revenue.  
Licensing function.
  8. Though not constituting a special point of reference the Sub-committee is strongly of opinion that no intoxicating liquors or drugs be sold to any person under 18 years of age.
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Enclosure No. 10.

No. 3614-R., dated the 2nd October 1913.

From—The HONOURABLE LIEUTENANT-COLONEL J. RAMSAY, C.S.I., C.I.E.,  
Agent to the Governor-General and Chief Commissioner in Baluchistan,

To—The Secretary to the Government of India, Department of Commerce and  
Industry.

I have the honour to invite a reference to correspondence ending with Mr. Gruning's letter No. 6583-6593-104, dated the 14th August 1913, on the subject of suggestions in relation to the Excise system of India made by the Deputation which waited on His Majesty's Secretary of State for India in July 1912.

2. In reply I have the honour to submit statements in the forms prescribed showing the consumption of and taxation realised on excisable articles in Baluchistan during each of the years 1905-06 to 1912-13 and to report as follows regarding the suggestions made by the Deputation.

3. These suggestions were :—

- " (1) That the licenses for the sale of intoxicants should be steadily reduced in number, and that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises.
- " (2) That the system of Excise advisory committees be extended to all municipalities and that these committees should be made more representative and given power to deal with all licenses for the sale of intoxicants of every kind.
- " (3) That the auction system of licensing shall be superseded by a system of fixed license fees as recommended by the Government Excise Committee of Enquiry.
- " (4) That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committees or some other independent authority."

4. (1) The figures in Statements C, K and L show that the numbers of retail shops licensed for the sale of intoxicants in Baluchistan in 1905-06 and 1912-13, respectively, compare as below :—

			1905-06.		1912-13.
Country liquor	...	...	146	...	62
Intoxicating drugs	...	...	124	...	68
Opium	...	...	124	...	60

During the current year two more country liquor shops and one shop for the sale of intoxicating drugs and opium have been brought under reduction, and it is proposed to abolish six country liquor shops, twelve shops for the sale of drugs and twelve opium shops with effect from the 1st April 1914. These reductions are being effected mainly in the Zhob and Loralai districts, where the class which consumes intoxicants is small and where there is little danger of illicit manufacture or smuggling. It is not desirable to make further reductions at present in the Quetta-Pishin or Sibi districts, which contain relatively large numbers of consumers and where there is considerable risk of smuggling from Kalat and Afghanistan.

The hour for opening is at present 6 a.m. and the closing hour 10 p.m. in summer and 9-30 p.m. in winter. I am of opinion that the hours of sale might be further limited without much inconvenience, and it is proposed, therefore, with effect from the 1st April next, to fix them in the summer months from 7 a.m. to 9-30 p.m. and in the winter from 8 a.m. to 9 p.m.

(2) As previously explained, Quetta is the only municipality in Baluchistan and the only other place which may be described as a town is Sibi. A local advisory committee for Sibi consisting of three non-official and two official members was appointed in 1910.

A similar committee, comprising 4 non-official and 3 official members, has been appointed during the current year for Quetta. The question of the number and distribution of the shops in Quetta, the only town where there is any considerable number of shops, will be carefully considered in consultation with this committee. Elsewhere in Baluchistan the shops (usually single shops) are situated in small bazars, chiefly for the use of the alien Indian population. The inhabitants of such bazars are seldom persons of independent views, and take no particular interest in such questions as that of the drink traffic. There is thus no possibility at present of a further extension of the system of committees.

I do not consider that the time is yet ripe for giving the existing committees functions other than advisory.

(3) The system of auctioning licenses which has hitherto been in force is undoubtedly open to the objections that it encourages extravagant bids and gives the licensed vendors an inducement to push the sales of intoxicants. On the other hand, if still-head duties were increased and licenses issued for small fixed fees, the licensees would be less interested than they are at present in preventing the consumption of smuggled liquor and drugs, and a valuable safeguard against smuggling would be removed. The change would no doubt also tend to the establishment of vested interests. It has been suggested that in each district a list might be kept up of approved and respectable persons willing to take licensed premises in the various places where they are at present situated, and that such premises might be leased to them in alphabetical rotation for one year at a time, the fees being fixed at, or slightly below, the average of the three years preceding the introduction of the system. The system of alphabetical rotation would prevent the growth of vested interests, while the fees would remain high enough to form an inducement to the vendors to be on the watch against smuggling. The introduction of such a system would probably entail some sacrifice of growing revenue; but, if the Government of India approve, I shall be prepared to try it as an experiment, though I do not recommend it.

(4) It would not be practicable in Baluchistan to remove the licensing function from the control of the Revenue Department. As stated above, only two local committees exist and they are as yet in their infancy; while there is no authority independent of the Revenue Department which could be entrusted with the function of licensing.

5. The importance of preventing the location of liquor shops in undesirable localities referred to in paragraph 4 of Mr. Enthoven's letter of the 24th January 1913, has been and will be carefully kept in view. The Quetta town is the only place where the number of shops is sufficient to make their suitable location a question of any difficulty, and in dealing with this question the advice of the local committee should be of much value.

6. The suggestion contained in paragraph 6 of Mr. Enthoven's letter has been noted for compliance.

Enclosure No. 11.

No. 8992, dated the 2nd October 1913.

From—The HONOURABLE MR. G. CARMICHAEL, C.S.I., I.C.S., Chief Secretary  
to the Government of Bombay,

To—The Secretary to the Government of India, Department of Commerce and  
Industry.

I am directed to reply to Mr. Enthoven's letter No. 477-400-218, dated 24th January 1913, and to enclose the tabular statements therein asked for.

PRESIDENCY PROPER.

*Country spirit.*

2. In the period under review, *viz.*, from 1st April 1905 to 31st March 1913, an advance has been made in the following directions. The separate shop system has been extended till only a small area in the Konkan now remains under the monopoly system, and there the arrangement of exacting a minimum guarantee from the monopoly farmer has been abandoned. The auction system has been given up and the shops are disposed of by the selection of licensees. The rates of still-head duty have been raised all round, either in order to meet increases of consumption or having regard to more effective control over illicit distillation which the Excise staff have been able to enforce, or to the improvement in the Excise administration of neighbouring Native States. A substantial reduction has been effected in the number of shops and a curtailment of the hours during which they are allowed to be open. Lastly, advisory committees have been constituted in the larger municipal areas and in all rural areas where the proportion of shops to population is high.

3. The facts disclosed by the figures in the statements attached may be summarised as follows. Though the population has increased by 5·2 per cent., the total consumption of country spirit in the closing year of the period is greater by only 2·3 per cent. than in the opening year 1905-06, while the revenue has risen from 91 lakhs to 141, an increase of 55 per cent. The average consumption of country spirit in the seven years subsequent to 1905-06 is not more than 3·8 per cent. above the consumption in that year. The highest point was reached in 1910-11, since when there has been a fall sufficient to reduce the consumption per head of population below the figure for 1905-06, the decrease being from 16 gallons to 15 gallons per 100 of population. During the period under review the incidence of the total revenue per proof gallon has been gradually raised from Rs. 3-12-10 to Rs. 5-11-10, the average number of shops per 100,000 of population has been brought down from 16 to 13 and the average area served by each shop has increased from 30 to 36 square miles.

4. These results show that a steady rate of progress has been maintained in the control of traffic in liquor. The figures, however, cannot be properly appreciated without bearing in mind the points discussed in paragraphs 6 and 19 of Mr. Lucas's letter No. 1077, dated 1st February 1912. These were that in comparing the recorded consumption of one province with that of another, or in

arriving at an opinion whether the Excise policy of any province is proceeding on sufficiently progressive lines, regard must be had—

- (1) to the proportion of the total area under the distillery system ;
- (2) to the amount of illicit consumption of liquor as compared with the recorded licit consumption ;
- (3) to the varying force of the influences which affect the consumption of liquor in different areas ;
- (4) to the need of examining the circumstances of each tract in detail, before forming any conclusions from statistics based on averages obtained by lumping together totally different areas.

Without going into too much detail it is desirable to recapitulate the facts given in Mr. Lucas's letter under the above heads.

5. With regard to the first point the policy adopted in Bombay has been to make the distillery system almost universal and not to be deterred by the great difficulties presented by the more inaccessible tracts. The area under the out-still system has thus been reduced to 1 per cent. of the total area, and of the total population only one-tenth of 1 per cent. is under that system.

6. The second point can be dealt with only in general terms, but it is believed that the amount of illicit manufacture has in the greater part of the Bombay Presidency been brought down to a very low figure.

7. In discussing the third point a reference was made to paragraphs 66 to 71 of the Excise Committee's Report, and it was pointed out that the influences which affect consumption operate with varying force in different localities and that even the steady pressure of taxation does not always avail to counteract those influences in one locality to anything like the same extent as they do in another. A comparison in this respect was made between the cities of Madras and Bombay, the one with a consumption of 40·9 proof gallons per 1,000 of population and the other with 510 $\frac{1}{2}$  gallons. Since the letter was written the total taxation in Bombay city has been advanced from Rs. 6-10-10 to Rs. 8-10-10 per proof gallon and the consumption has fallen to 443 gallons per 1,000 of population. It would appear that the highest limit of taxation has almost been reached having regard to the tariff rate on cheap foreign liquor. These subsequent changes do not, however, affect the main argument.

8. In connection with the last point, *vis.*, the misleading nature of statistics when dissimilar areas are lumped together for the extraction of averages, the conditions affecting the various tracts in this Presidency were discussed and it was shown—

- (1) that climate and race are factors of the greatest importance in determining the consumption of liquor ;
- (2) that the industrial conditions in large towns and cantonments in this Presidency are such that taxation carried to a very high point may still be accompanied by consumption of liquor that is for India comparatively high ;
- (3) that facilities for the illicit manufacture and for obtaining cheap liquor from neighbouring States, whose Excise arrangements are imperfect, must be taken into account in deciding how far the limit of taxation may safely be raised and restrictions imposed on the traffic in liquor. The result of the examination of the various tracts in this Presidency was summarised in paragraph 16, which

for ready reference I am to reproduce with figures for the latest year available, i.e., for 1912-13 :—

Group.	Incidence of taxation per proof gallon.			Consumption in proof gallons per 1,000 of population.
	Rs.	A.	P.	
I.—Deccan and Karnatak—Rural	6	10	5	44.2
II.—North Gujarat—Rural	3	1	1	64.8
III.—Ratnagiri and Kanara coast	1	14	10	80.7
IV.—Nasik—Khandesh—Rural	4	15	8	182.8
V.—North Gujarat City	5	7	7	211
VI.—South Gujarat and North Konkan—Rural	4	8	2	290.6
VII.—Deccan and Karnatak—Urban	7	2	8	479.9
VIII.—Bombay	8	10	10	443.9
IX.—Nasik—Khandesh—Urban	5	14	0	425
X.—South Gujarat and North Konkan—Urban	5	10	1	649.5

I.—High taxation and low consumption. A naturally abstemious people and no great difficulties from illicit manufacture and import.

II.—Low taxation and moderate consumption. The recorded consumption is much below the real, and difficulties from illicit manufacture and import are very great.

III.—Very low taxation and fair consumption. Difficulties from illicit manufacture and import extreme; real consumption much above the recorded; a people naturally addicted to liquor.

IV.—Fairly high taxation, high consumption. People much given to drinking; many facilities for illicit manufacture and some for illicit import; total consumption greater than recorded, but illicit consumption much diminished.

V.—Fairly high taxation, high consumption. A manufacturing city, with conditions as under II.

VI.—Moderate taxation and very high consumption. Total consumption is still higher, much illicit; conditions as under IV, only more pronounced.

VII, VIII, IX and X.—Consumption excessive. Probably none unrecorded. Taxation, though carried high, does not avail to counteract drinking habit due to race, climate and occupation.

Group I—(high taxation and low consumption)					
comprises ...	...	...	40	per cent.	of the population.
Groups II and III—(low taxation and low consumption) comprise	...	...	20	"	"
Groups IV and VI—(high taxation and high consumption) comprise	...	...	28	"	"
Groups V, VII, VIII, IX and X—(urban areas) comprise	...	...	12	"	"

#### *Toddy.*

9. The number of shops has increased from 1,641 to 2,872 and the revenue from 17 to 20 lakhs. The increase has been permitted in accordance with the policy of encouraging the consumption of this less intoxicating drink at the expense of country spirit.

#### *Hemp drugs and opium.*

10. The consumption of hemp drugs has risen from 339 to 398 seers per 100,000 of population and the taxation thereon has increased by 45 per cent. The consumption of opium is now 275 seers per 100,000 of population as against 230 in 1905-06 and the revenue has risen by 104 per cent. On both these drugs further increases of taxation have been ordered in the current year. The use of these intoxicants and also of illicit supplies of cocaine is a factor that cannot be ignored in considering the restrictions to be placed on the consumption of liquor.

#### SIND.

#### *Country spirit.*

11. The statistics for the province of Sind disclose the following facts. Against an increase of 9·4 per cent. on the population, the total consumption of country spirit was higher by 15 per cent. in 1912-13 than in 1905-06, while the revenue increased by no less than 46·4 per cent. As the consumption per 100 of population increased by only 3 gallons, that is from 5·7 gallons to 6, the greater part of the increase in revenue is due to the rise in the total taxation from Rs. 5-4 to Rs. 6-10 per proof gallon. The number of shops has fallen from 9 to 7 per 100,000 of population and the average area served by one shop has increased from 161 to 191 square miles.

#### *Toddy.*

12. The consumption of toddy is insignificant and the statistics under this head call for no remark.

#### *Hemp drugs.*

13. In Sind, the consumption of hemp drugs is an item of more importance than in the Presidency proper. The figures show a large consumption, but, on the other hand, do not discriminate between ganja, the more deleterious drug, and bhang which is largely used in Sind for the concoction of a mildly stimulating drink. The number of shops has been reduced by 21 per cent.; the incidence of taxation per seer has doubled; the total revenue has increased by 63 per cent., while the consumption per head has fallen by about 22 per cent.

*Opium.*

14. The consumption per head of opium in 1912-13 was practically the same as in 1905-06, but the revenue has risen by 50 per cent.

15. In Sind, the same policy has been followed as in the Presidency proper and, though the province embraces very backward tracts like Kohistan and the Desert, which present great difficulties in the matter of Excise administration, the whole area has been brought under the distillery system. Illicit distillation is rare, but there are certain factors which set limits to the increase of taxation and to the imposition of restrictions on the traffic in country spirit. The province along almost the whole of its landward frontier borders upon Native States from which in the past liquor used to be smuggled in large quantities. This smuggling has been reduced but has not ceased, and excessive taxation and restrictions in British territory would lead to its immediate recrudescence. The Hindu population which, if small, is well-to-do and is less restricted by caste rules as to food and drink than elsewhere, show a tendency to resort to the consumption of cheap foreign liquor, and this tendency would no doubt be fostered by further enhancements of the tax on country liquor. Lastly, Sind is very much exposed to the smuggling of hemp drugs which would probably increase if country spirit were made too dear and difficult to obtain.

16. The province as a whole is singularly homogeneous as regards its natural features and the constitution of its population, so that in the matter of incidence of Excise taxation and of the relation of such taxation to the consumption of liquor, the consideration of it as a whole is perhaps not unfair, though the figures for the large towns of Karachi and Hyderabad are much above the general average. As compared with six gallons per 100 of population for the province as a whole, the consumption in Karachi and in Hyderabad is 50 gallons per 100. These high figures are doubtless due to the fact that it is in these towns that the Hindu population, many of whom take liquor freely, chiefly congregate. In Karachi too there is a large mixed population and wages are exceptionally high.

17. With regard to the proposal that the system of local advisory committees should be extended and that the powers and functions of these bodies should be extended, I am to submit the following remarks. In 1908, advisory committees were constituted for the larger municipal towns, that is, for those with a population of 20,000 and over. Having regard to the experience gained of the working of these

\* Copy enclosed.

committees, Government decided in their Resolution No. 584\*, dated 21st January 1913, that the system should be extended to the municipal town of Ratnagiri and to those rural areas which have a high incidence of consumption and an average of more than one country spirit shop per 6,000 of population. These new committees have been so constituted as to give representation upon them to the smaller municipalities that are included which have no separate committees of their own. The question having come under close examination so recently, the Governor in Council does not consider that any further extension of the system can be undertaken with advantage at present.

18. There is not the least objection to the hemp drug and opium shops being brought within the purview of these committees.

19. The proposal that the licensing function should be removed from the control of the Revenue Department and placed in the hands of the committees or of some other independent authority is not one to which the Governor in Council can give any countenance. It seems to be based on a misapprehension of the term Revenue Department and of the duties of a Revenue officer. It is perhaps hardly necessary to allude to the fact that the term Revenue Department is used merely as a convenient phrase and that the officers of the Revenue Department who grant licenses are the officers who are responsible for the good administration of the country. It is unfortunate that their functions should have been compared with those of Inland Revenue Collectors and land valuers in England. In Bombay, the officer who is primarily responsible for the regulation of the liquor traffic is the Collector and the District Magistrate of the district.



20. The case against Government divesting itself of the control of the licensing functions, and the dangers of entrusting that function to local committees, have been clearly stated in paragraphs 23 and 24 of the Government of India's despatch No. 294, dated 8th October 1908. The position has not materially changed since that despatch was written and the Governor in Council does not think it necessary to set forth the arguments anew. Substantial progress is being made under the present arrangements and there is more hope of success from the policy now being pursued than from the adoption of sudden and drastic measures that are certain to lead to disorganisation, hardship and discontent. The Governor in Council, therefore, considers that the committees should remain, as at present, advisory bodies and is not in favour of giving a non-official majority upon them, as that would result at times in the Collector being placed in a very invidious position.

21. As has been noted, a substantial reduction has been effected in the number of country spirit shops in the Presidency proper. The feasibility of still further reductions is being considered, and it is expected that it will be possible to close a certain number of shops before the licenses are granted for the ensuing year. In this connection the local committees newly constituted for rural areas are likely to give valuable advice.

22. The number of country spirit shops in Sind has been reduced from 292 in 1905-06 to 249 in 1912-13. Considering the area and population to be served there is no great scope for further reduction, but the matter continues to receive careful attention.

23. On the question of the curtailment of hours of sale, I am to say that the local committees were consulted on the matter and their proposals varied from 7 A.M. to 10-30 A.M. as the opening hour and from 7 P.M. to 9-30 P.M. as the closing hour. After carefully considering their views, Government fixed 9 A.M. (standard time) as the opening hour and 9 P.M. for closing for country spirit shops, but directed that where a committee had proposed an earlier closing hour that hour should be adopted provided that it was not earlier than 8 P.M. The question is being further examined; but in the circumstances there is not much scope for any further curtailment of hours in the Presidency proper. For toddy shops the closing hour is the same as for country spirit shops; but in order to encourage the consumption of toddy when it is least intoxicating, that is, when it is freshly drawn, the opening hour has been fixed at 6-30 A.M.

24. The hours during which liquor shops are permitted to be open in Sind are—

Country spirit shops,	{ sunrise to 10 P.M. in winter.
	{ „ to 11 P.M. in summer.
Foreign liquor shops,	8 A.M. to 10 P.M.

A suggestion made by the Government of India in their letter No. 3207-Exc., dated 24th June 1909, that these hours should be curtailed, was not accepted. It must be remembered that the situation of Sind makes standard time appear much later than it really is, 10 P.M., standard time being practically the same as 9 P.M. local time. Moreover, the heat of Sind makes the people take their meals and generally end the day later than in other parts of India. The Commissioner in Sind sees no grave objection now to 10 P.M. (standard time) being adopted as the closing hour for every description of shop. He will be requested to consider the question of fixing a later hour for the opening of shops.

25. The disposal of licenses on the fixed fee system was introduced generally from 1st April 1912. It is perhaps too early to generalize as to the success of the system and there has not been time enough to discover whether it has any inherent defects; but so far there is an almost unanimous consensus of opinion among district officers that the change from unrestricted auction has resulted in a noticeable improvement in the management of the liquor traffic. A better class of licensee is being obtained and the malpractices among them are diminishing.

*Excise.*

Extension to rural areas of the system of local advisory committees to deal with questions regarding the number and location of liquor shops in the Presidency proper.

No. 584.

## REVENUE DEPARTMENT.

Bombay Castle, 21st January 1913.

Government memorandum\* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 2874, dated 22nd March 1911.

Letter\* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 6477, dated 16th September 1911.

Government memorandum\* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 10947, dated 20th November 1911.

Memorandum\* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 2075, dated 23rd March 1912.

Government memorandum\* to the Commissioner of Customs, Salt, Opium and A'bkári, No. 3952, dated 24th April 1912.

Memorandum\* from the Commissioner of Customs, Salt, Opium and A'bkári, No. 5869, dated 7th August 1912.

RESOLUTION.—Of the towns specified in Statement No. 1\* accompanying the Commissioner's memorandum No. 5869,\* dated 7th August 1912, the only one that in the opinion of Government should have a separate committee is Ratnágiri.

2. As regards rural areas, the Governor in Council considers that the experiment of appointing advisory committees should be taken up only in those talukas which have a high incidence of consumption and give an average of more than one country spirit shop per 6,000 of population. These conditions are fulfilled in the districts of Surat and Thána and in certain talukas of the districts of Broach, Panch Maháls, West Khándesh and Kolába, but the Panch Maháls must be excluded from consideration as the conditions there do not admit of the establishment of advisory committees. Local committees should accordingly be appointed in the town of Ratnágiri and in each of the following talukas :—

District.	Talukas.
Broach ...	{ 1. Ankleshwar. 2. Hánsot.
Surat ...	{ 1. { Chorási. Ránder. 2. Olpád. 3. Bárdoli, including Válod. 4. Jalálpur. 5. Chikhli. 6. Bulsár. 7. Párdi. 8. Mándvi.
Thána ...	{ 1. Sáissette. 2. Bassein. 3. Máhim. 4. Dáhánu and Umbergaon Petha. 5. Kalyán. 6. Bhiwandi. 7. Murbád. 8. Sháhápur. 9. Váda, excluding Mokháda Petha.
West Khándesh ...	{ 1. Nandurbár. 2. Sákri. 3. Taloda. 4. Sháháda. 5. Shirpur. 6. Navápur Petha.
Kolába ...	{ 1. Alibág. 2. Pen. 3. Panvel. 4. Karjat. 5. Roha.

3. As regards the constitution of the committees, the principles enunciated in paragraph 4 of Government Resolution No. 10429, dated 13th October 1908, should be borne in mind. The committees should be constituted as follows :—

Ratnágiri	...	...	{	The Collector. The Assistant Collector or District Deputy Collector in charge of the táluka. The District Superintendent of Police. Two* non-official members.
Táluka committees	...	...	{	The Collector. The Assistant Collector or District Deputy Collector in charge of the táluka. The District Superintendent of Police. The Mámlatdár. Three members representing the táluka Local Board and each Municipality within the táluka which has not an advisory committee of its own.

\* The two non-official members should ordinarily be non-official members of the Ratnágiri Municipality elected from amongst themselves by such members.

The Commissioner should notify the appointment of the committees in accordance with the orders stated above.

4. The attention of the Collectors concerned should be invited to paragraph 7 of Government Resolution No. 10429, dated 13th October 1908, paragraph 1 of Government Resolution No. 1834, dated 20th February 1909, and to the orders contained in Government Resolution No. 5940, dated 1st July 1910, and they should be requested to instruct the committees now appointed to adjust the number of liquor shops in their respective areas so as to secure gradually a scale not exceeding one shop to every 6,000 people, due regard being had to geographical distribution, which in some cases may require a larger proportion.

5. The attention of the Commissioner of Customs, Salt, Opium and A'bkári, should be invited to Government Resolution No. 568, dated 19th January 1909, and paragraph 2 of Government Resolution No. 1834, dated 20th February 1909, and he should be requested to carry out the instructions contained therein in respect of the committees appointed under these orders.

C. W. A. TURNER,

Under Secretary to Government.

To

The Commissioner in Sind,  
The Commissioner of Customs, Salt, Opium and A'bkári,  
The Commissioner, N. D.,  
The Commissioner, C. D.,  
The Commissioner, S. D.,  
The Collector of Bombay,  
The Collector of Salt Revenue, Bombay,  
All Collectors in the Presidency proper,  
The Inspector General of Police,  
The Deputy Inspector General of Police, Northern Range,  
The Deputy Inspector General of Police, Southern Range,  
All District Superintendents of Police in the Presidency proper,  
The General Officer Commanding, 5th (Mhow) Division,  
The General Officer Commanding, 6th (Poona) Division,  
The Assistant Commissioner of Salt, Excise and Opium in Sind,  
The Judicial Department of the Secretariat,  
The General Department of the Secretariat.

Accompaniments to Government Resolution, Revenue Department, No. 584, dated 21st January 1913.

REVENUE DEPARTMENT.

No. 2874, dated 22nd March 1911.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and is directed to invite his attention to paragraph 3 of Government Resolution No. 10429, dated 13th October 1908, regarding the constitution of local committees, in which it was observed that the working of the system in larger towns should first be watched and that from the experience gained materials might be expected to be available on which to form an opinion whether a committee for each táluka or a separate committee for each small town would be of real service. Government consider that the experience gained of the working of the committees in larger towns justifies the extension of the system to rural areas. The Commissioner is accordingly requested to submit proposals to that effect.

R. D. BELL,

Under Secretary to Government.

No. 6477, dated 16th September 1911.

To—The Chief Secretary to Government, Revenue Department.

Sir,

With reference to Mr. Bell's memorandum No. 2874, dated the 22nd March 1911, I have the honour to submit the following remarks and proposals regarding the extension to rural areas of the system of local advisory committees to deal with questions regarding the number and location of liquor shops.

2. At the outset, I desire to point out that the expression "rural areas" has not been explained in the orders above cited, and it is not quite clear whether it is or is not intended to exclude small towns from the local areas for which committees are to be proposed. For the purpose of my reference to the Collectors I defined the term "rural areas" as including tálukas or portions of tálukas, as well as small towns with populations less than 20,000.

3. I have the honour further to remark that I do not understand from the orders under reference whether Government have finally decided that the committee system shall be forthwith extended to all rural areas in the Presidency regardless of varying local conditions or whether they desire that I should use my discretion to discriminate in respect of those conditions and to submit proposals for those areas only in which, in my opinion, the establishment of such committees will serve a useful purpose. I would myself deprecate the immediate and universal introduction of these committees throughout the whole of the Presidency, and I venture to think that the intention of the order of Government is to procure the submission of proposals framed in a spirit of reasonable discrimination, due regard being had to the circumstances of the local areas concerned.

4. These remarks are necessary because of the replies which I have received from the Collectors. The first reference I made to them was treated by the majority of them as implying that the question whether or not these committees should be appointed was no longer an open one. The result was that while the Collectors of six districts\* reported that for various reasons, to which I will allude below, they were not in favour of any addition to the numbers of committees which have already been appointed, the Collectors of the remaining thirteen districts submitted proposals, some for a committee in every táluka, some for committees in selected tálukas: others recommended committees in

\* Ahmedabad,  
Kaira,  
Panch Maháls,

Poona,  
Ahmednagar,  
Belgaum.

small towns only, and a few were in favour of introducing them in both towns and talukas. As it seemed to me that some of the proposals were on too extensive a scale and had perhaps been submitted under the impression that Government had already decided on the introduction of the committee system in all the rural areas of the Presidency, I addressed a further reference to the Collectors of the thirteen districts, in which I asked them whether they were satisfied that each of the committees proposed by them would serve a useful purpose or whether their proposals had been made on the understanding that the question of appointing such committees was no longer an open one. I pointed out that in some of the cases in which taluka advisory committees had been proposed there would be practically nothing for the committees to do owing to the smallness of the number of shops within the area. I added that there were also instances in which, as it seemed to me, it would be found that lack of interest and want of acquaintance with parts of the taluka distant from their homes would render almost valueless the opinion of the unofficial members. Lastly, as regards the smaller towns in respect of which proposals were made, I brought to the notice of the Collectors that in some of them the number of shops is only one or two, and I asked them to state their reasons for holding it to be desirable that in such places committees should be appointed. The result of this second reference was that eight out of

\* Broach,  
Surat,  
Kolaba,

West Khándesh,  
Ratnágiri.

the thirteen Collectors addressed withdrew all their recommendations for the appointment of committees, leaving five districts\* only in which the Collectors are

of opinion that these committees will serve a useful purpose.

5. I should like now, before proceeding to submit my own proposals for the various districts of the Presidency, to state briefly, and on the assumption that the orders of Government are not intended to lay down a hard and fast rule for the universal introduction of the committee system in all rural areas, my own views in regard to the extension of that system beyond the larger towns. To me it appears that the principle underlying the system as worked in urban areas is altogether different from that on which the extension to rural areas would be based. I take it that by establishing in towns advisory committees of which some of the members are non-officials, we are applying what is known as "local option", which, as I understand it, means the right of the inhabitants of the local area concerned, through representatives on the committee, to have their say in respect of the number and location of liquor shops, the traffic in connection with which affects them personally in consequence of the intemperance or disorderliness which results from the existence of these shops. The persons who exercise the right of local option must then be persons who are residents of the local area in which the shops are situated, and the area must not be so large that the residents of any portion of it are so far distant from the shops concerned that the liquor traffic at those shops is a matter which in no wise affects them personally. Applying this to the case now under reference, it seems to me that while there are good reasons for extending the committee system to towns smaller than those in which such committees have already been appointed, it is not easy to see why committees should be established in rural areas so large as talukas. The non-official members who would be selected—leaving out of sight the fact that they would in no appreciable measure be representatives of the whole body of inhabitants of the taluka—could certainly not, in my opinion, claim any right to interfere in the affairs of villages situated often at very great distances from those in which they themselves reside. To my mind there would be nothing of "local option" in this. It may be said that there is no reason why the Collector should not have the advice of two or three non-official residents of the taluka when he is considering questions relating to liquor shops situated therein, and this is of course true. It is, however, open to the Collector to consult any one he chooses, and, as a matter of fact, the advice of local non-officials is, I believe, frequently obtained by Collectors. The ordinary villageman who becomes member of a Taluka Local Board is not conspicuous for the interest he takes in affairs which have but little concern with him personally, nor is he possessed of much public spirit. I doubt whether his advice in the matter of liquor shops would be of any use to the Collector, and, as I have said before, I cannot see that he has any claim whatever to interfere in the affairs of villages other than his own under the plea of "local option." For these reasons, I am not in favour of the constitution of advisory

committees for talukas, or, as suggested by the Collector of West Khandesh, for sub-divisions of a district.

6. As regards small towns, I am of opinion that committees would be useful only where the number of liquor shops is so large or the drink habit is so much on the increase that there is room for the supposition that a reduction in the number or a refusal to add to them is, or may in the near future be, desirable. I can see no utility in appointing committees in towns or villages the number of shops in which is obviously not in excess of the legitimate requirements of the local population. The question of grouping villages for the purpose of these committees has not been alluded to by any of the Collectors. Such an arrangement, if the area were kept small enough, would be in accordance with the principle of local option, but the number of committees would be very large and there would be practical difficulties in working them. So for the present, I am not prepared to make any recommendation in favour of committees for groups of villages.

7. In view of the above considerations then, but looking also to the fact that it is the desire of Government to extend the system wherever its introduction may be found useful, I propose to confine myself to recommending the appointment of advisory committees only in (a) towns in which there are three or more liquor shops and (b) talukas in districts in which the Collectors have proposed them and in other districts in which it may be thought desirable to try the experiment.

8. I will now deal with each district separately.

#### *Northern Division.*

*Ahmedabad.*—Outside Ahmedabad City there is no town with more than two shops and Viramgam is the only town which has two. As regards rural areas, the Collector is strongly of opinion that committees would be useless as the non-officials would know nothing about any localities except their own and would not trouble to visit other villages to make enquiries. There are only 47 shops in the whole district, or one to every 17,000 of the population. Mr. Painter deprecates any extension of the system in the Ahmedabad District, and I would venture to support him.

*Kaira.*—In this district the committee system has not yet been introduced at all, and the Collector (Mr. Chuckerbutty) considers that there is no necessity for appointing committees now. There are only four towns in which there are more liquor shops than one. Nadiad alone has three. I would propose the appointment of a committee in Nadiad.

*Panch Mahals.*—In this backward district it would appear from the Collector's report that no interest is taken in the liquor-shop question. The advisory committee which has been appointed for the head-quarter town has not been a success. It was found difficult to persuade the members to attend a meeting, and when they attended they had no opinions to offer. Any extension of the system in this district seems uncalled for.

*Broach.*—The Collector (Mr. Rothfeld) expresses himself favourably as to the utility of these advisory committees and proposes one for each taluka town and one for each taluka. This is a proposal which, for reasons already stated, I am unable to endorse. I would recommend the appointment of a committee in each town in which there are three or more shops, and experimentally in one taluka in each sub-division.

*Surat.*—Mr. Henderson proposed the extension of the system to all the talukas of the district. Mr. Anderson, who dealt with my second reference, considers the committees useless but harmless, and supports Mr. Henderson's proposal, but would exclude all officials from the committees. Here again, I would recommend that the system be extended to all towns with more than two shops and to one taluka in each sub-division to be selected by the Collector. Surat is a heavy drinking district, and if the formation of committees rouses an interest in temperance some good may result.

*Thana.*—The Collector, Mr. Moysey, reported that town committees would have no work to do as there is no large number of shops in any town. He proposed the appointment of taluka committees in Salsette, Bassein and Mahim.

On receipt of my second reference, Mr. Henderson expressed his opinion that none of the committees would be useful. I now have the honour to recommend their appointment in the towns of Bassein, Kalyán, Kurla, Agáshi, Máhim and Bhiwndi, in each of which there are three or more shops, and, as an experiment, in the three tálukas of Sálsette, Bassein and Máhim. In this district also there is a large consumption of liquor.

*Central Division.*

*Ahmednagar.*—Outside the head-quarters of the district (including the cantonment) there are only 15 shops in this large district. The Collector reports that the joint excise committee appointed for the City, Cantonment and Bhingár Municipality have not met since 1909. He considers that there is no need for any more committees and I agree with him.

*East Khándesh.*—In reply to my first reference the Collector submitted a proposal for appointing committees in 10 tálukas and 3 pethas. He made no recommendation in respect of small towns, and his proposals were not accompanied by any remarks. My second reference drew from him an opinion to the effect that the committees would be absolutely useless and that the non-official members would probably refuse to work for fear of offending the drinking public. He added that the recommendations, if made by the committee, would probably not be sound as "there are few men here who really take an intelligent interest in public affairs". In the circumstances, I can only recommend that the experiment of appointing these committees be tried in the small towns which have three or more shops, and in three selected tálukas. The number of shops in the district is very large, as is also the consumption of liquor.

*West Khándesh.*—Mr. Bomanji first proposed a committee for each táluka, but he is evidently not much impressed with the utility of the system. In reply to my second reference he advocates sub-divisional instead of táluka committees. He remarks that there is a tendency to resent the non-acceptance of the committee's advice even though it is thoroughly gone into and found unsuitable, and that the same matters are brought up time after time. For reasons which I have stated above, I disapprove entirely of committees for areas so large as a sub-division of a district. I would recommend here the adoption of the general rule I have suggested, *viz.*, a committee for each town with three or more shops and two selected tálukas.

*Nasik.*—Mr. Garrett proposed committees for three municipal towns and each táluka. He is of opinion, however, that non-official members in rural areas would not have much weight as they take little interest in villages at a distance from their own. Mr. Maconochie is entirely opposed to the appointment of these committees. Here again, I would follow the general rule which I have proposed.

*Poona.*—Mr. Swifte, following the opinion of Mr. Carmichael, who considered this question some time ago, is of opinion that no more committees are required. Outside Poona City and Cantonment there is no town with more than one shop and there are, on the average, only four shops to each táluka. I do not recommend the appointment of any more committees in this district.

*Sátára.*—The Collector proposes one committee for each municipal town and none for rural areas. He does not think any extension of the system is necessary, but the committees are harmless. In this district there is only one country liquor shop to every 21,000 people, and in the Tásgaon Táluka, for instance, there is only one shop to 90,000 people. No rural area committees can be recommended, but town committees might be appointed where there are more than two shops in one place.

*Sholápur.*—On the assumption that Government had decided on the appointment of a committee for every small town and area, the Collector proposed one for each municipality and each táluka. Subsequently, Mr. Hatch reported his opinion that the practical utility of the committees will be *nil*. There are only three towns in the district with more than two shops (including odd shops), and there are only 22 shops in the whole district, or an average of about 3 to each táluka. I would recommend committees for Bársi and Pandharpur towns only.

*Southern Division.*

*Belgaum.*—The Collector reports that the shops in this district are scattered and that there is no need for any extension of the system. There are, however, 100 shops in the district, or one to about every 10,000 of the population. I would recommend an advisory committee being appointed in all towns with three or more shops, and in one *táluka* in each sub-division, to be selected by the Collector.

*Bijápur.*—The Collector at first proposed committees in the three municipal towns and in three of the *tálukas*. He subsequently expressed the opinion that no committee is required beyond that for the head-quarter town and that committees elsewhere would be useless except possibly for their educational effect. There are 66 shops altogether in the district. I would recommend committees for the towns with three or more shops and for one *táluka* in each sub-division.

*Dhárwár* has 119 shops. The Collector reports that no interest is taken in local option and that no advice has as yet been received from the Gadag committee, already established. Unless Government have decided on the appointment of committees in all rural areas, he does not recommend that any should be set up in the Dhárwár District. I think the general rule I have suggested may be followed in this case.

*Kánara.*—The Collector says that for general reasons similar to those I have already stated committees for *tálukas* would be useless, and he at first submits proposals for all towns only. In reply to my second reference he withdraws all his recommendations except that in respect of Kárwár. Here again, I would apply my general rule.

*Kolába* has a fairly large number of shops. The Collector makes no proposals for towns, but asks for committees in two *tálukas*. I would make the same recommendations as for Kánara.

*Ratnágiri.*—Here, again, the number of shops is very considerable. The Collector sees no need for committees, but recommends that they may be given a trial in each *táluka*. I would recommend the adoption of my general rule in this district also.

The proposals which I have the honour to make may be summed up as follows:—

A committee for each town in which there are three or more shops, and for one *táluka* in each sub-division:—

Broach.	Belgaum.
Surat.	Bijápur.
Thána.	Dhárwár.
East Khándesh.	Kánara.
West Khándesh.	Kolába.
Násik.	Ratnágiri.
Sholápur.	

In the Kaira District, a committee for the town of Nadiád: in Sátára District a committee for each town with three or more shops: and in the following districts no addition to the present committees:—

Ahmedabad,	Ahmednagar, and
Panch Maháls.	Poona.

9. As regards the constitution of these advisory committees, I have the honour to recommend that the matter may be left to the Collectors, with an intimation that, ordinarily, each committee should have five members, of whom two should always be non-officials.

I have, etc.,

H. O. QUIN,

Acting Commissioner of Customs, Salt, Opium and A'bkári.



## REVENUE DEPARTMENT.

No. 10947, dated 20th November 1911.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and, with reference to his letter No. 6477, dated 16th September 1911, regarding the extension to rural areas of the system of local advisory committees to deal with questions relating to the number and location of liquor shops, is directed to state that Government are prepared to regard favourably the institution of an advisory committee in each municipal town of 10,000 population or over, in which the population per country spirit shop is less than 4,000. The Commissioner is accordingly requested to submit a list of municipal towns in which the population, according to the Census of 1911, is not less than 10,000, and the number of country spirit shops is not less than 3, together with their population and number of country spirit shops, and to report whether in any case there are special or local circumstances which render inadvisable the institution of an advisory committee in that town. He is also authorized to include in the list any municipal town of not less than 10,000 population in which the number of country spirit shops is less than 3, if in that town there are shops for the retail vend of other liquor at the rate of 1 per 3,000 or less of population.

2. The Commissioner is further requested to submit a list of tálukas in which the number of liquor shops of all kinds is more than 1 per 6,000 of population, giving the population and the number of shops of each kind. From the figures should be excluded those for the towns which already have advisory committees, or are included in the list of towns to be submitted under the preceding paragraph.

R. D. BELL,

Under Secretary to Government.

No. 2075, dated 23rd March 1912.

The Commissioner of Customs, Salt, Opium and A'bkári, returns compliments to the Under Secretary to Government in the Revenue Department, and, with reference to Mr. Bell's memorandum No. 10947, dated the 20th November 1911, has the honour to enquire whether he is correct in assuming—

- (1) that the expression "liquor shops" as used in paragraph 2 of the memorandum does not include shops for the sale of toddy only, and
- (2) that such shops are not to be reckoned among those for the retail vend of liquor other than country spirits, for purpose of carrying out the instructions contained in the last sentence of paragraph 1 of the memorandum.

H. O. QUIN,

Commissioner of Customs, Salt, Opium and A'bkári.

REVENUE DEPARTMENT.

No. 3952, dated 24th April 1912.

The undersigned presents compliments to the Commissioner of Customs, Salt, Opium and A'bkári, and, with reference to his memorandum No. 2075, dated 23rd March 1912, is directed to state that in the information called for in the last sentence of paragraph 1 and paragraph 2 of Government memorandum No. 10947, dated 20th November 1911, toddy shops should not be excluded from consideration.

R. D. BELL,

Under Secretary to Government.

No. 5869, dated 7th August 1912.

The Commissioner of Customs, Salt, Opium and A'bkári, returns compliments to the Under Secretary to Government, Revenue Department, and, with reference to Mr. Bell's memoranda No. 10947, dated the 20th November 1911, and No. 3952, dated 24th April 1912, has the honour to enclose two lists giving the information required by Government in connection with the extension to rural areas of the system of local advisory committees to deal with questions relating to the number and location of liquor shops.

2. In the districts noted in the margin none of the *tálukas* or municipal towns satisfies the conditions mentioned in Government memorandum No. 10947, referred to above.

Ahmedabad.  
Kaira.  
Ahmednagar.  
Násik.

Poona.  
Dátára.  
Sholápur.  
Bijápur.

3. As regards the municipal town of Ankleshwar (Broach District) the Collector reports that there are no special circumstances which render the appointment of an advisory committee inexpedient. For the municipal towns of Bulsár (Surat District) and Nandurbár (West Khándesh District) the Collectors concerned consider the institution of such committees unnecessary, but there would seem to be no special reason why their establishment would be inexpedient.

4. As regards the *tálukas* in which the number of liquor shops of all kinds is more than one per 6,000 of population, the Collector of the Panch Maháls is of opinion that his district is not sufficiently advanced to take any interest in the matter of committees and that it is, therefore, premature to establish them for rural areas in the district. The Collector of Surat also strongly deprecates for the present the institution of advisory committees for any of the *tálukas* in his district.

H. O. QUIN,

Commissioner of Customs, Salt, Opium and A'bkári.

I.

*List of Municipal towns with population of 10,000 or over in which Advisory Committees are to be instituted.*

Serial No.	Name of Town.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy including tree-foot booths.	
<i>Broach District.</i>						
1	Ankleshwar ... ..	11,344	2	1	2	
<i>Surat District.</i>						
1	Bulsár ... ..	13,082	3	1	6	
<i>Thána District.</i>						
1	Kurla ... ..	15,081	3	1	4	
2	Kalyán ... ..	11,386	4	1	5	
3	Bhiwndi ... ..	13,292	3	1	...	
<i>East Khándesh District.</i>						
1	Bhusával ... ..	15,272	2	4*	1	*Includes two refreshment rooms.
<i>Kanara District.</i>						
1	Kárwár ... ..	18,164	3	1	10	
<i>Ratnágiri District.</i>						
1	Ratnágiri ... ..	15,858	6	2	23	
2	Chiplun ... ..	10,504	3	1	...	

## II.

*List of talukas in which the number of liquor shops of all kinds is more than one per 6,000 of population.*

Serial No.	Name of Taluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy including tree-foot booths.	
<i>Broach District.</i>						
1	Ankleshwar ...	33,739	10	...	41	
2	Hánsot ...	23,848	5	...	13	
<i>Panch Maháls District.</i>						
1	Kálol ...	43,865	8	...	...	
2	Hálol ...	46,947	12	...	...	
3	Jhálod ...	40,893	9	...	...	
<i>Surat District.</i>						
1	Chorási ...	42,772	8	...	105	
	Ránder ...	10,352	2	...	6	
		53,124	10	...	111	
2	Olpád ...	53,403	13	...	56	
3	Bárdoli, including Válod	86,163	25	...	39	
4	Jalálpur ...	75,196	16	...	84	
5	Chikhli ...	62,772	24	...	25	
6	Bulsár ...	75,631	7	...	38	Excluding Bulsár town.
7	Párdi ...	63,373	21	...	51	
8	Mándvi ...	53,027	33	...	16	
<i>Thána District.</i>						
1	Sálsette ...	98,895	35	2	171	
2	Bassein ...	79,978	47	1	98	
3	Máhim ...	92,958	43	...	132	
4	Dáhánu ...	84,673	31	...	75	No. 5 may be grouped with No. 4.
5	Umbergaon Petha ...	80,142	25	...	204	
6	Jawhár State ...	53,489	14	...	15	
7	Kalyán ...	71,157	25	...	55	
8	Bhiwndi ...	65,362	20	...	64	
9	Murbád ...	64,397	13	...	...	
10	Sháhápur ...	86,196	17	...	5	
11	Váda ...	44,372	10	...	12	No. 12 may be grouped with No. 11.
12	Mokháda Petha ...	34,543	3	...	4	
<i>East Khándesh District.</i>						
1	Chá lisaon ...	99,235	16	3	...	
<i>West Khándesh District.</i>						
1	Nandurbár ...	71,762	18	...	...	
2	Sákri ...	73,053	17	...	...	
3	Taloda ...	47,835	14	...	...	
4	Sháháda ...	68,409	12	...	...	
5	Shirpur ...	57,642	10	...	...	
6	Navápur Petha ...	32,211	18	...	7	No. 6* may be grouped with No. 1.

Serial No.	Name of Táluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy, including tree-foot booths.	
<i>Belgaum District.</i>						
1	Belgaum ... ..	95,960	14	...	9	Excluding Belgaum town and Cantonment.
2	Hukeri ... ..	109,990	10	...	11	
3	Gokák ... ..	123,225	8	...	23	
4	Parasgad ... ..	102,101	8	...	20	
5	Sampgaon ... ..	117,950	13	...	16	
6	Khánápur ... ..	71,726	12	1	21	
<i>Dhárwár District.</i>						
1	Dhárwár (excluding the town).	75,865	10	...	12	
2	Kundgol Táluka (in Jamkhandi State attached to Hubli Táluka).	22,124	8	...	2	
3	Navalgund ... ..	88,816	10	...	5	
4	(i) Gadag (excluding the town).	101,838	14	...	22	
	(ii) Shiratti Táluka in Sánгли State attached to Gadag Táluka.	46,216	10	...	10	
5	(i) Bankápur ... ..	77,111	9	...	10	
	(ii) Sávanur State (attached to Bankápur Táluka).	17,909	5	...	6	
6	Ránebenur ... ..	96,441	12	...	12	
7	Hángal ... ..	70,882	10	...	33	
8	(i) Karajgi ... ..	95,898	12	...	18	
	(ii) Laxmeshwar Táluka in Miraj State attached to Karajgi Táluka.	16,023	2	...	2	
	(iii) Gudgeri Táluka in Miraj Mala State.	13,764	2	...	2	
9	Kalghatgi ... ..	46,454	8	...	3	
10	Kod ... ..	96,345	10	...	23	
11	Ron ... ..	93,067	10	...	13	
<i>Kánara District.</i>						
1	Kárwár ... ..	40,814	8	...	37	
2	Ankola ... ..	39,310	3	...	20	
3	Kumpta ... ..	64,052	14	1	28	
4	Honávar (including Bhatkal Petha).	100,285	17	1	61	
5	Siddápur ... ..	37,477	18	...	11	
6	Sirsi ... ..	47,848	17	1	6	
7	Yellápur (including Mundgod Petha).	34,713	16	...	6	
8	Haliyál (including Supa Petha).	46,965	23	3	4	
<i>Kolába District.</i>						
1	Alibág ... ..	80,862	33	2	35	

Serial No.	Name of Táluka.	Population according to census of 1911.	Number of shops of each kind.			Remarks.
			Country spirit.	Foreign liquor.	Toddy, including tree-foot booths.	
	<i>Kolába District--concl'd.</i>					
2	Pen ... ..	70,016	20	1	5	The figures of the Pen Táluka do not include the shops in Sudhágad where there are 17 shops. The figures of the population of Sudhágad are not available.
3	Panvel ... ..	108,015	42	2	11	
4	Karjat ... ..	86,224	19	9	9	
5	Roha ... ..	46,327	11	1	11	
	<i>Ratnágiri District.</i>					
1	Vengurla ... ..	45,443	10	...	5	
2	Málvan ... ..	111,257	22	1	13	
3	Rájapur ... ..	155,227	11	1	54	
4	Chiplun (including Guhágar Petha).	197,135	31	1	108	
5	Dápoli (including Mandan-gad Petha).	159,746	37	1	151	
6	Ratnágiri ... ..	149,867	22	2	196	

## Enclosure 12.

*Letter from the Honourable Mr. E. L. L. Hammond, I.C.S., Officiating Secretary to the Government of Bihar and Orissa, to the Secretary to the Government of India, Department of Commerce and Industry, No. 11385F., dated Ranchi, the 8th October, 1913.*

I am directed to invite a reference to the Honourable Mr. Enthoven's letter No. 477—490-218, dated the 24th January, 1913, dealing with certain criticisms made on the Excise Administration in India by a deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912.

2. The Commissioner of Excise and Salt, the Honourable Mr. Ahsan-ud-din Ahmad, himself a strict and orthodox Muhammadan, and the Board of Revenue were consulted on the subject, and copies of their letters cited\* are enclosed for the information of the Government of India. These two letters together deal fully with all the points at issue, and the Lieutenant-Governor in Council proposes, therefore, to confine his remarks to the most salient points only, treating, as far as possible, the various subjects in the order in which they are set forth in the letter of the Government of India under reference.

3. It has been urged by the Deputation that the consumption of liquor, moderate or immoderate, is contrary to the sentiment of the great majority of the population of India, and that in many classes of Indian society it has never been practised. This statement cannot be accepted without reservation so far as the province of Bihar and Orissa is concerned. The population of this province includes a large number of aboriginal tribes, who are naturally addicted to the use of alcohol and who are yearly becoming richer. Money comes to them from the Tea gardens, the Coal mines, and elsewhere. Their numbers are also increasing more rapidly than those of the Hindus and Muhammadans. On a rough calculation of the population of the drinking castes in Bihar and Orissa, made from the Census Tables of 1911, it may be safely asserted that not more than one-third of the people of this province are total abstainers. The Commissioner of Excise is right when he says in paragraph 20 of his report that with the majority of the population in this province (except Orissa), the use of alcohol was not an innovation introduced with western ideas and western education. The Bengal Excise Commission of 1883-84 in paragraph 97 of their Report stated that "in Bihar the mass of the people have always drunk largely," and in support of this statement they added:—"Any notices which are to be found of the abuse of liquor previous to 1790 refer to Bihar, where the cheapness of liquor and the facility with which it could be obtained were a subject of apparently frequent complaint. For instance, in the paper written by Lieutenant Hamilton in 1785, he stated that the spirit made from the *mowha* flower was so strong and cheap that any man could get completely drunk with the amount to be bought for one halfpenny. Mr. Kier writes of the cruel abuse of spirits that had been long so loudly and so justly complained of among the soldiers, lower Europeans, and servants in this country."

Besides country spirit, *tari* is consumed in considerable quantities in Bihar, and *pachwai* in Chota Nagpur and the districts of the Sonthal Parganas and Sambalpur, where it is regarded as a favourite drink by the aboriginal and semi-aboriginal tribes. In Orissa, as the Commissioner of Excise remarks, the conditions have been somewhat different. The spread of western education and the rapid growth of towns are probably responsible for the moderate drinking habit that has been acquired by the Oriyas. The total amount of drinking is, however, very small.

It is thus clear that, excluding Orissa, the general mass of the population of this province is naturally disposed to resort to intoxicants, and that it would not be possible, even if it were considered desirable, to enforce absolute prohibition of drinking among the people. As the Board of Revenue observes in paragraph 4 of its letter, the abolition of shops for the sale of liquor and the removal of all facilities for drinking are sure to lead not only to systematic illicit distillation, which can be practised with the greatest ease in spite of all possible preventive measures, but

\* (1) Letter No. 95E., dated the 9th August, 1913, from the Commissioner of Excise and Salt, Bihar and Orissa, with the statements therein enclosed.

(2) Letter No. 23-59—18, dated the 4th September, 1913, from the Board of Revenue, Bihar and Orissa.

also to a development of the far more pernicious use of *ganja*, opium, and cocaine, the control of which is attended by greater difficulties.

4. Reference has been made in the Excise Commissioner's and the Board's letters to the experimental abolition of outstills in the Khondmals subdivision of Angul, but the circumstances of the case are so exceptional that the experiment cannot be quoted as a precedent in favour of wholesale prohibition. The population of the Khondmals is 74,218 of whom approximately two-thirds are Khonds, while the remainder include a large proportion of Páns who have taken no vow and who as a class are habitually addicted to drink. The desire to free themselves from the clutches of the Sundis, who were gradually depriving them of their lands, was the motive underlying the vow of the Khonds to abstain from liquor and their request for the closing of all liquor shops. It is a regrettable feature of the experiment that in the two years since its introduction the number of cases of illicit distillation reported has more than doubled, convictions for these offences having risen from 34 in 1910-11 to 77 in 1912-13. It is possible that the increase may be partly accounted for by the greater assistance rendered by the Khond headmen in the detection of these offences, and the local officers will be asked to note in future reports how far this is the case. The movement is one with which Government are in the fullest sympathy, but if illicit distillation continues to increase and no other means of checking it can be devised, the advisability of re-introducing a modified excise system into the subdivision may have to be considered.

5. The statistics furnished by the Commissioner of Excise in connection with the special aspects of the drink question are highly instructive, though the recent changes in the system of manufacture and sale of country spirit introduce necessarily an element of uncertainty. The figures of consumption of country spirit in distillery areas show at first sight a very large increase from 308,350 L. P. gallons in 1905-06 to 1,157,636 L. P. gallons in 1912-13, but this increase is only apparent and is due to the conversion of a large portion of the outstill area into distillery area. The distillery area has increased from 16,731 square miles in 1905-06 to 52,142 square miles in 1912-13, and the population served by the distillery system has also increased during this period from 7,899,000 to 27,487,000. The real increase in consumption, if any, in the distillery area, cannot therefore be considerable.

6. The figures of incidence of consumption of country spirit in distillery areas per 100 of population, shown in the Excise Commissioner's statement B, exhibit considerable variations, but Mr. Ahmad, in paragraphs 7-13 of his letter, has clearly shewn that these variations are not really the safe criterion of the increase in consumption, which they appear to be at first sight. Large extensions of distillery areas have been made ever since the year 1907-08, and as the proportions of spirit consumers to the total population are very different in different parts of these extended areas, the figures of average incidence of consumption must necessarily show fluctuations.

7. The Deputation laid great stress on the fact that since the time of the Excise Committee of 1905-06 the Excise revenue from drink has largely increased, and have drawn from it the inference that a steady increase in drinking has taken place which has not been sufficiently accounted for by the official explanation that a great part of the increase is due to the transfer of consumption from illicit to licit. The Excise Commissioner, in paragraph 25 of his letter, has shewn that the total revenue from country spirit in distillery and outstill areas has actually decreased since 1907-08 by 2·7 per cent. No reliable figures of consumption in outstill areas are available, but, taking approximate figures as his data, Mr. Ahmad has shewn that not only has there been no increase, but the total consumption of distillery and outstill liquor in the province as a whole has actually decreased between the years 1907-08 and 1912-13. He has also proved that since the extension of the distillery system began in 1907-08 there has been either a decrease in the amount of spirit consumed, or that the demand for liquor has not developed *pari passu* with the increase of revenue. It is natural that with the steady improvement in the material condition of the people there should for some time to come be an increase in the revenue derived from Excise, but the theory that an increase of revenue necessarily implies a corresponding increase in drinking is, so far at least as this province is concerned, sufficiently disproved by the facts of the past five years.

8. The abolition of outstills in favour of the distillery system gives effect to the recognised policy of Government of transferring a portion of the receipts from licence fees to duty. The direct effect of the introduction of the system is to raise the price of country spirit, and partly for this reason and partly owing to the prejudice of the people against distillery liquor, receipts in the first instance suffer. Experience, however, has shown that the Excise revenue recovers after a time as the people become accustomed to the use of the new article. It is also generally the case that the contraction of the consumption of country spirit consequent on the increase of price is accompanied by an increase in the consumption of either *tari* or *pachwai*. The Excise Commissioner thinks that such has been the case in this province, although he is satisfied that the total consumption of alcohol has not increased. No means of estimating the actual consumption of these fermented drinks exists, and it is, therefore, not safe to assert to what extent it has increased, if at all, or what future statistics may show. As the Board observes, these forms of drinking cannot be prohibited or to any great extent restricted, having regard to the extreme facility of their production, and as alcohol in the shape of *tari* or *pachwai* is comparatively harmless, a replacement of country spirit by these products is not a result to be very much regretted. Moreover, the contract distillery system has the advantage that, while effecting a salutary check on the consumption of country spirit and ensuring a stricter control over the liquor trade, it aims at the progressive improvement of the quality of the spirit supplied. The Lieutenant-Governor in Council agrees therefore with the Board that the policy of the Excise Department should be a steady extension of the system. It has already been extended to the greater portion of the province, and the outstill system is now confined only to the Rohtas plateau in Shahabad, the Sadr subdivision of Angul, the districts of Palamau and Singhbhum, and portions of the districts of Sambalpur, Hazaribagh, and Ranchi. These are, in the main, backward and inaccessible areas where the absence of facilities for communication is a great impediment to the introduction of the contract distillery system. The Local Government are doing all that is possible to develop communications in these tracts, but for some time to come it will be necessary to retain the outstill system, the evils of which are fully recognised.

9. Much has been done towards enhancing the rate of duty on country spirit. Before the year 1907-08, the general rate of duty was as low as Rs. 2 per gallon L. P., but in accordance with the recommendations made by the Indian Excise Committee in paragraph 94 of their Report, the rate has since been increased to Rs. 2-8 or more per L. P. gallon in most of the districts in which the distillery system is in force. It is not at present considered wise to raise the duty further, not only on account of the encouragement that it would give to illicit distillation but also because any further increase in the duty might lead to the use of more deleterious drugs, especially cocaine. This latter drug, which is daily growing in popularity in this province, is more baneful in its effect than any liquid intoxicant. The following extracts from the Excise Administration Reports will give some idea of the extent of the evil :—

*Excise Administration Report for 1910-11.*

“The use of this insidious drug as an intoxicant does not show any tendency to decline, in spite of the numerous prosecutions and the punishments inflicted. On the contrary, there is grave reason for fearing that the evil is more prevalent than ever and is on the increase.”

*Excise Administration Report for 1911-12.*

“The habit of using cocaine as an intoxicant seems to be on the increase, and although heavy punishments are generally inflicted in detected cases, they very often fail to have a deterrent effect, as the trade is very lucrative and temptation is consequently very considerable. In Patna the vice is reported to be on the increase, especially among Muhammadans. In Monghyr it is spreading to places where it was unknown before, and the Collector is of opinion that there is little chance of stamping out the pernicious habit unless more stringent measures are adopted to cut off the supply in Calcutta. In Bhagalpur the detection and successful prose-



cution of cocaine cases are becoming increasingly difficult; the offenders have grown clever by experience and often succeed in outwitting the detective officers."

10. The figures given in paragraph 33 of the Excise Commissioner's letter show that the total number of licences for the retail sale of intoxicants has been reduced since 1907-08 by 25·3 per cent., the reduction being most marked in the case of the *tari*, opium, and country spirit shops. The cases of the Patna, Gaya, and Muzaffarpur districts, where between 1905-06 and 1912-13 the total number of shops has been reduced by 37·5 per cent., 51 per cent., and 42 per cent., respectively, are cases in point. In Shahabad the number of *tari* shops has, in the past seven years, been reduced from 670 to 371 and in Saran from 1,154 to 640. While His Honour in Council hopes that further reductions may be possible, he agrees with the Board that any extensive further reduction is impracticable and might defeat its own object by encouraging resort to illicit practices and to the use of other and more noxious kinds of stimulants.

11. Exception was taken by the Deputation that waited on the Right Honourable the Secretary of State in August, 1907, to the sites of the shops for the sale of liquor in the Chota Nagpur Division, a very large proportion of which were said to be in positions prohibited by the rules of the Province. In regard to this question, the Excise Commissioner has stated in paragraph 67 of his letter that careful attention has been paid to the selection of sites for the location of these shops, but no detailed information has been furnished as to how far the complaints of the Deputation were justified and what action has been taken to remove them. A further report has been called for from the Excise Commissioner, and instructions have been issued that the District Boards of the Division should also be consulted in regard to the sites of shops in rural areas.

12. The Lieutenant-Governor in Council accepts the suggestion of the Commissioner of Excise and the Board that the system of Advisory Committees should be extended to all Municipalities. Paragraph 44 of the Excise Commissioner's letter shows the action that has been taken in the matter of the abolition of liquor shops or their removal from objectionable sites, on the recommendation of these Committees, since their first formation in 1908-09. Detailed information as to the action taken in the case of individual districts on the recommendation of the Committees formed in 1911-12 and 1912-13 will be found in the answer given to a question recently put at a meeting of the Bihar and Orissa Legislative Council, of which a copy is enclosed.

13. The suggestion made by Mr. Ahmad that the District Boards, Local Boards, and Local Associations should be consulted regarding the number, situation, and licensing of shops, does not commend itself to the Board, on the ground that the members lack the needful local knowledge and are for the most part drawn from a class which cannot really be said to be representative. There is much force in this criticism, and there is no doubt a risk that party friction might be an element in arriving at a decision. On the other hand, the criticism is one which applies to all attempts at Local Self-Government, and to consult the District Boards or Local Boards is a very different matter from allowing any local body the right to veto a licence. The Lieutenant-Governor in Council has therefore decided in the first instance to try the experiment of consulting the District Boards in the Chota Nagpur Division, more especially with reference to the sites of liquor shops. If the experiment proves successful, it will be extended to other parts of the Province. In connection with the mining area, His Honour in Council also proposes to instruct the Deputy Commissioner of Manbhum to consult the Mining Board of Health on the number and location of liquor shops in the area under its control.

14. As regards any possible enlargement of the powers of the Advisory Committees, which are at present purely consultative bodies, the local officers, the Commissioner of Excise and the Board are unanimous in considering that at present such a proposal is impracticable. With this opinion the Lieutenant-Governor in Council agrees.

15. In this connection the District Officers repudiate, with some warmth, the suggestion that they cannot, as Revenue authorities, divest themselves of a narrow regard for revenue irrespective of any possible increase in human misery consequent on an increase in the consumption of liquor. The proposal put forward by the Deputation that the licensing function should be entrusted to a Local Authority or a Judicial Officer is dealt with in paragraph 10 of the Board's letter, and a useful

deduction is made by the Board from the Honourable Babu D. P. Sarvadhikari's remarks as to the way in which such powers might be abused. The Lieutenant-Governor in Council endorses the views expressed by the Board. For many years to come, the Collector must, as the officer or person most cognisant of the needs of the district as a whole, remain the licensing authority. A transfer of these powers would probably lead, as pointed out by the Board, to evils far greater than those of which the Deputation complained. The control of the Excise Administration of a district by the Collector is essential, and the policy of Government is to render that control more effective by supplying him with a more adequate and better trained staff, so that he may have reliable information on which to act. In the opinion of the Lieutenant-Governor in Council, too much has in the past been left to the subordinate establishment of the Excise Department. The Collector had not, when the outstill system was in vogue, sufficient facts to justify interference with either sales or the management of liquor shops. With the expansion of the distillery system a change has taken place. Facts are now available which, with a reliable staff, should enable a Collector to reconcile the conflicting interests of revenue and temperance in a manner previously impossible. He at least, and he only, can attempt this difficult task.

16. The Lieutenant-Governor in Council endorses the views contained in paragraph 9 of the Board's letter regarding the proposal of the Deputation to substitute a system of fixed licence fees for that of disposing of shop licences by auction. The auction system, as at present conducted in this province, possesses many of the characteristics of the fixed fee system, for while on the one hand competition and reserve prices guard against the shops being settled at inadequate fees, they are on the other prevented from being sold at bids which are purely speculative. The contract distillery system should, with the increased establishment applied for in my letter No. 4257F., dated the 28th April, 1913, enable the Collector to form a fairly accurate estimate of what any shop properly managed can afford to pay. The competition of shops enables him to get rid of any undesirable vendor, and affords a means of effective control. The comparative merits of the two systems have been the subject of much discussion in the past, and His Honour in Council does not think that anything is to be gained from making an experiment of the fixed fee system in particular localities, as suggested by the Excise Commissioner. He is in entire accord with the views of the Government of India, expressed in their Resolution No. 2997Exc., dated the 16th May, 1907.

17. The proposal of the Excise Commissioner, endorsed by the Board, that country spirit shops should not be opened till 10 A.M. is approved by the Lieutenant-Governor in Council as an experimental measure, subject to revision if the restriction is found to cause inconvenience in the mining areas. No change in the closing hour is recommended either by the Excise Commissioner or by the Board, and the Local Government do not see any necessity for introducing a change.

18. To summarise the views of the Lieutenant-Governor in Council, the great majority of the population in this province is naturally addicted to drink in some form or other, and it is therefore not possible to enforce absolute prohibition of drinking without engendering far greater evils than those which it is sought to remove. As has been shown, even the case of the Khonds in the Khondmals subdivision of Angul cannot be cited as a precedent in favour of wholesale prohibition.

The real increase, if any, in the consumption of liquor is inconsiderable, and increase in revenue does not necessarily imply an increase in the habit of drinking. With the steady improvement in the material condition of the people, an increase in revenue is, for some time to come, inevitable. The duty of Government is to endeavour to restrict consumption by improved methods of Excise administration, while providing for the legitimate demand for liquor. The abolition of outstills and the introduction of the contract distillery system, which serves to reduce consumption and to provide the consumers with a wholesome liquor under stricter control, should be the goal of the Excise Department, and its extension should be steadily pursued as opportunities occur.

An appreciable advance has been made already in the matter of raising the duty on country spirit. Considerable reductions have been effected in the number of licences for the vend of intoxicants, and further extensive reductions are not possible without encouraging resort to illicit practices and the use of other and more noxious stimulants.

The system of Advisory Committees should be extended to all Municipalities. The system will be experimentally extended to District Boards in the Chota Nagpur Division, and thereafter to other parts of the province if the experiment proves a success. No enlargement of the powers of Advisory Committees is practicable; they should remain, as hitherto, purely consultative bodies.

The present system of modified auction should continue, and should not be replaced by a system of fixed fees.

The opening hour of country spirit shops will be fixed at 10 A.M., subject to revision, if necessary, in the case of mining areas.

While the direct control of the Collector must, for many years to come, be indispensable, the Lieutenant-Governor in Council is confident that the interests of temperance reform will not be, as they never have been, regarded as secondary to those of revenue. Restrictions on bidding at auctions will become more frequent, and local advice will be freely sought. A marked improvement in the administration of the Department is expected from the increase in the subordinate staff for which application has been made. As in England, so in India, the decrease of consumption can only really be effected by the spread of education amongst those who drink, and injudicious restrictions will only serve to aggravate the evil which they are intended to obviate.

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#### Annexure No. 1.

*Letter from the Secretary to the Board of Revenue, Bihar and Orissa, to the Secretary to the Government of Bihar and Orissa, Financial Department, No. 23—59/18, dated Bankipore, the 4th September, 1913.*

I am directed to acknowledge the receipt of Government Order No. 1713, dated the 18th February, 1913, with which was forwarded copies of the Government of India's Circular No. 477-490-218, dated the 24th January, 1913, and connected papers relating to certain criticisms made on the Excise Administration in India by two deputations which waited on the Right Honourable the Secretary of State for India in August, 1907, and July, 1912, and in reply I am to forward a copy of a letter No. 95E., dated the 9th August, 1913, from the Commissioner of Excise and Salt, Bihar and Orissa, together with the enclosures in original.

2. As the report is urgently required by Government and as the points in issue have been fully and carefully dealt with by the Excise Commissioner the Board does not propose to add to any considerable extent to the already bulky correspondence.

3. The report of Mr. Ahmad is divided into two distinct parts, the first of which, comprising paragraphs 1 to 30, deals with the consideration of the drink question generally in the province of Bihar and Orissa and with the special aspects which prevail in that province, a discussion which was invited in paragraph 2 of the letter of the Government of India, dated 24th January, 1913, referred to above. The second portion of the Excise Commissioner's report deals with certain specific suggestions thrown out by the two Deputations which appeared before the Secretary of State.

Reduced to its shortest possible form the main contention of the Deputations as regards the general question of drinking in India was that since the time of the Excise Committee of 1905-1906 the Excise Revenue derived from drink had enormously increased, that the transfer of consumption from illicit to licit failed to account for the greater portion of this increase, and that it was therefore apparent that there has been a steady increase in drinking. The majority of the members of the Deputations contented themselves with assuming an increase of consumption from an increase of revenue, but the Right Honourable Lord Kinnaird, in the second deputation, went a step further and asserted categorically that there had been without doubt a great increase in consumption. With a view to the examination of this contention the Government of India called for certain statistics which have now been furnished by the Excise Commissioner in the enclosures to his letter. The statistics cover the period of eight years since 1905-06 when the Excise Committee sat, and in view of the contention of the members of the deputations the figures of consumption of country spirit (the form of drinking which evidently bulked most largely in the minds of the Deputations), as given in Table B are of special interest. The general figure of consumption of country spirit in distillery areas shows an enormous increase

from 3,08,350 L.P. gallons in 1905-1906 to 11,57,636 L.P. gallons in 1912-13, but this merely indicates a persevering extension of the Distillery system, with a corresponding decrease in the outstill area. The figures of consumption per 100 of the population would at first sight, as the Excise Commissioner points out, appear to be a safe criterion. They show an increase between 1905-6 and 1907-8, thereafter a decrease from 1907-8 to 1910-11, and thereafter again an increase in the past two years. The first portion of the Excise Commissioner's letter is devoted to showing that in consequence of the changing conditions of the Distillery area as it is gradually increased even the consumption per 100 of the population is no safe criterion of an increase in drinking. This, in the opinion of the Board, he has succeeded in doing, and he has further succeeded in showing that so far as the consumption of country spirit is concerned there has been a marked decrease since 1907-08 wherever the Distillery area has been enlarged, an enlargement which has been accepted as a definite policy, has been pushed on with steady perseverance and fair rapidity, and has now approached its limits until the more backward parts of the country are opened up and become accessible. The Excise Commissioner has also shown not only that there has been a decrease in consumption and that increase of consumption does not necessarily go hand in hand with increase of revenue; but he has also shown that since 1907-8 when the extension of the Distillery system began to be seriously pushed forward there has actually been a decrease in the revenue derived from country spirit.

It is evident that a contraction in the consumption of country spirit is accompanied by an increase of consumption in *tari* and *pachwai*. Owing to the extreme facility of production of these forms of drink and even of country spirit it is impossible in this country to put a prohibition on drinking or even to restrict to any very great extent the facilities of supply. The Board therefore agrees with the Excise Commissioner that a conversion from country spirit to the more harmless forms of drink found in the fermented liquors is not to be regretted, and that the policy of the Department should continue to be the yet further expansion of the contract Distillery system which, while effecting a salutary check on the consumption of country spirit, aims also at a constant improvement in the quality of the spirit supplied. As has been already pointed out, the ultimate limit of that expansion must come in time, but there is still a good distance to go. Progress must, however, be expected to be slower as the limit is more nearly approached.

4. The abolition in the year 1910 in the Khondmals Subdivision of Angul of all the outstills by which country spirit was supplied in that Subdivision has been specially mentioned by the Excise Commissioner. The question as to whether the experiment should be continued came before the Board during the present year. The Excise authorities were not in favour of continuing it, as illicit distillation had increased. In view of the singular origin of the move and with a desire to help to the last possible moment any possible genuine effort of the people themselves to do without drink, the Board held that the increase in illicit distillation was not so marked or so clearly proved as to warrant the discontinuance of the experiment, and its continuance for another year was accordingly directed. The Honourable Member is, nevertheless, by no means sanguine of the permanence of the reform. The self-denying ordinance of the Khonds appears to have been conceived in a spirit of pique somewhat akin to the spirit which led to the boycott of European goods in some parts of Bengal. The reports of the local officers, who like all officers serving in aboriginal areas have the strongest sympathy with and affection for the people, have so far been rose-coloured, but it is more than doubtful whether the renunciation will last and if it does not, the physical features of the country are such that prohibition will be impossible and a regulated facility of supply again become inevitable. Be this as it may, the Board considers that the Excise Commissioner is correct in representing in paragraph 28 of his report that the case of the Khondmals cannot be regarded as an argument for prohibition in other areas where no desire for it has been expressed by the drinking population. It seems obvious that the practical abolition of drinking shops, which appears to be the aim and object of the members of the Deputations, would in this country lead not only to systematic illicit distillation in spite of all possible preventive measures, but also to a development of the far more pernicious use of *Ganja*, opium, and cocaine, the control of which is more difficult. The materials for illicit distillation lie within the reach of the poorest classes in this province, and the spirit so distilled is deleterious in the highest degree. Our

policy must therefore continue to be not wholesale reduction of facilities, but better control and the provision of an increasingly superior class of liquor.

5. Turning now to the specific recommendations of the Deputations, the first is a reduction in the number of licences. The Excise Commissioner has shown that between the years 1907-8 (when the recommendations of the Excise Committee were taken in hand), and the present time a reduction in total Excise shops in this province has been made from 16,609 to 12,396 out of which the reduction in country spirit shops has been from 2,235 to 2,088. There is an unanimity of opinion among District officers that any extensive further reduction is impracticable, but such special cases of reduction as can be safely made will be carried out in future settlements. As pointed out in the preceding paragraph, the production of a noxious low class liquor in this province is easy and cheap, and the time when every effort is being made to introduce improved distillery liquor and to go on improving it is not the time at which it is expedient to violently shut down facility of supply.

6. With regard to the curtailment of the hours of sale the Board has no objection to the Excise Commissioner's proposal in his paragraph 41 to raise the opening hour for country spirit shops from sunrise to 10 A.M. with the reservation that if such a restriction in hours is found to work any inconvenience to consumers in the mining area the question can be reconsidered for that area. It is just possible that workers may take a legitimate supply of liquor with them when they go to work and may lay it in at sunrise. The Deputy Commissioner does not apparently imagine this practice to exist, as he has recommended that the opening hour should be 8 A.M. instead of sunrise, but the Board has no specific information on the point.

The Board does not consider the present closing hours of 8 P.M. from October to March and 9 P.M. from April to September to be in any way unreasonable, and agrees with the Excise Commissioner that it would be inexpedient to change those hours for the reasons given in paragraph 39 of his letter.

7. The next question relates to the extension of the Advisory Committees to all Municipalities. There is a consensus of opinion among all officers in favour of this extension and the suggestion may be adopted.

8. The Excise Commissioner would also like to see Advisory Committees established for rural areas in connection apparently with the District Board. The Board of Revenue doubts if any effective help would be rendered in respect of such areas. The object of the Advisory Committees is to bring to the notice of the Collector undesirable conditions in respect of particular shops by the light of the personal knowledge of the members of the Committee. This presupposes particular and individual local knowledge. It would not be possible to bring together a Committee possessed of local knowledge covering the rural areas. If the Advisory Committees are confined as now to Town areas they would appear to be sufficiently representative under their present constitution, which includes an un-official Municipal Commissioner for each ward.

The Board agrees with the Excise Commissioner that the extension to the Advisory Committees of the power to advise on drug shops as well as liquor shops would be ineffective in practice and is unnecessary.

The work done by the Advisory Committees in this province is detailed in paragraph 44 of the Excise Commissioner's report. They have effected a by no means inconsiderable amount of changes and have justified their existence.

9. The next recommendation of the Deputations was that the auction system of licensing should be superseded by a fixed fee system. This, as the Excise Commissioner points out, is an old controversy, and it has been thoroughly threshed out in the Government of India's Resolution No. 2997-Excise, dated the 16th May, 1907. With the views expressed in that Resolution the Board is entirely in accord, and there is nothing to add to the pros and cons as therein stated except that, perhaps, insufficient weight has been given to the fact that the auction system furnishes a working automatic method by which the Collector is enabled to select his licensees. If the licences are given out on a fixed fee system it becomes incumbent on the Collector to decide to whom they shall be given. In so deciding he must depend on the advice of his Excise Subordinate officers and an undesirable door is at once opened for the entry of objectionable practices. The auction system has the great advantage of being at least open and above board. To obviate the difficulty of a too frequent

scramble for licences among the many candidates a fixed fee system must be accompanied by some degree of fixity of tenure and the accompanying growth of vested interests. This growth is not imaginary. At the last settlement of the Distillery Contracts there was distinct evidence before the Board of a desire on the part of certain distillers to claim the establishment of a vested interest, and if efforts are made by contract distillers to establish such interests they will certainly be made no less by the shop licensees.

In his remarks recorded on page 6 of the report of the Deputation of July, 1912, Mr. Gokhale has made light of the idea that the Collectors will be at a disadvantage in making their settlements under a fixed fee system and has said that it is inconsistent to imagine that Government officers will be impartial as to revenue but partial in selecting abkars. The remark misses the point. There is no question of partiality so far as the Collector is concerned, and Mr. Gokhale has jumbled together in one basket all kinds of Excise officers from the Collector to the peon. The Collector will be as impartial in choosing his abkars as in considering the Revenue, but in the former task under a fixed fee system he will be dependent on the subordinate Excise officials. How far the lower grades of those officials will be able to turn the Collector's position to account is probably better known to Mr. Gokhale's experience than to the Board of Revenue. It is understood that the fixed fee system has been tried already in the Bombay Presidency and in the Central Provinces and the results in those areas should be sufficient to enable the Government of India to pronounce further on this debateable question, meanwhile the Honourable Member is not prepared to agree with the Commissioners of Bhagalpur and Tirhut and several of the District officers that the experiment should be introduced in this province.

It will be understood that unrestricted auction has never been the practice and is not advocated. The Collector must retain the fullest control over his auctions in order to avoid the occurrence of awkward and troublesome situations. If the recognised policy of subordinating licence fees to duty is kept steadily in view and the importance of the fees thus relatively reduced, there seems to be no reason why the auction system should be liable to serious abuse.

10. The fourth proposal of the Deputations was that the licensing function should be taken away from the Excise Revenue Department, and made over to the Advisory Committees. In the written statement submitted by the Deputation of July, 1912, the words " Or some other independent authority " were added, but no suggestion was made as to what that other authority might be. The opinion of all officers consulted is unanimous against such a course. In fact to place the licensing power in the hands of committees who would be drawn entirely from among total abstainers would be to create an unwholesome class tyranny which would be deeply resented by all moderate drinkers. Moreover, the result is not difficult to foresee. In his speech as a member of the Deputation, Mr. D. P. Sarbhadikari said plainly, " if we had our way, most of the drink shops would disappear to-morrow " (page 7 of the report of the Deputation, of the 18th July, 1912). That is just what would happen, but the remark evidences a blind disregard of the facilities for illicit supply in India and most of all in those parts of this province where drinking is most habitual. Drinking would continue as before though, perhaps, less in evidence. The worst possible type of liquor would again take the place of a constantly improving type. The revenue which at present goes to give a much-needed help to the administration of the province and of India would go instead to enrich the illicit suppliers.

The only alternative to the Advisory Committees that suggests itself for the establishment of an independent licensing authority would be to follow the English practice and hand over the licensing to the subordinate magisterial judiciary. It is sufficient to say that unless and until the separation of Executive and Judicial functions becomes an accomplished fact, the position would be clearly impossible, nor until then would any improvement in the situation be admitted inasmuch as it is a constant cause of complaint (justifiable or otherwise), that the subordinate magistrates are mere creatures of the District officer. The Board is unable, even apart from the question of cost, to see any advantages in the suggestion of the Excise Commissioner that the Collector should be given a special Deputy Collector to assist him in licensing work. The Collector would still remain the revenue officer, and would still be accused, however unjustly, of sacrificing public interests to revenue, while his Deputy would still be accused of subservience to the Collector's will.

11. With reference to paragraph 4 of the Government of India's Circular No. 477-490-218, dated 24th January, 1913, the Excise Commissioner reports in paragraph 67 of his letter that instructions are again being issued with regard to the locations of shops. The principles enunciated in the Government of India's Resolution No. 5086 Excise, dated the 15th August, 1907, have been embodied in the rules given on pages 66 to 68 of the Excise Manual, Volume 11, and under rule 24 on page 189 of the same volume, Sub-Inspectors are required, when inspecting, to report to Subdivisional officers any case in which the rules as to location of shops appear to have been disregarded.

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#### Annexure No. 2.

*Letter from the Honourable Mr. A. Ahmed, C.S., I.S.C., Commissioner of Excise and Salt, Bihar and Orissa, to the Secretary to the Board of Revenue, Bihar and Orissa, No. 95E., dated Ranchi, the 9th August, 1913.*

I have the honour to invite a reference to the Board's Memo. No. 23-59-2, dated the 4th March, 1913, forwarding copies of the Government of Bihar and Orissa Memo. No. 1713-F., dated the 18th February, 1913, and asking for the reports called for in its enclosure (the Government of India letter No. 477-490-218 Commerce and Industry Department) dated the 24th January, 1913, which deals with certain points raised by a Deputation that waited upon the Right Honourable the Secretary of State for India in July, 1912.

2. The Government of India have asked in para. 2 of their letter for a report on the special aspects of the drink question in Bihar and Orissa, and for statistics showing the consumption of, and taxation realised on, excisable articles of different descriptions during each of the years 1905-06 to 1911-1912.

3. In para. 3 it is enquired to what extent the Government of Bihar and Orissa would be prepared, having due regard to the special circumstances of this province, to give effect to the recommendations of the Deputation relating to the extension of the powers and scope of local advisory Committees modification of their constitution and the further curtailment of the number of shops and the hours of sale; the Local Government is also invited to offer observations on the recommendation that the auction system of disposing of licences for the retail sale of excisable articles be replaced by a system of fixed fees. It has been incidentally remarked that it would seem to be desirable to take action in the direction of curtailing the hours of sale, and it has been added that the danger of reducing shops to such an extent as to give practical monopolies to the shopkeepers should be borne in mind in framing any proposals on the subject.

4. It has been suggested in para. 4 of the Government of India's letter that instructions may again be issued to local Excise officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles approved in para. 6 of their Resolution No. 5086-Excise, dated the 15th August, 1907. Para. 5 of the same letter has reference to circumstances peculiar to Calcutta and has, therefore, no concern for this province and para. 6 prescribes that statistics showing the wholesale and retail vend and consumption of foreign liquors, similar to those contained in Provincial statements A and B of the Excise Administration Reports of the Punjab and the N.-W. Frontier Province for the year 1910-11 may be furnished in future Administration Reports of other Provinces also.

#### SPECIAL ASPECT OF THE DRINK QUESTION IN BIHAR AND ORISSA.

5. The Right Honourable the Secretary of State has in his despatch No. 85 Rev., dated the 6th September, 1912, which has been forwarded with the India Government letter, requested that the various points raised by the Members of the Deputation that waited upon him be examined in the light of any new facts that have come into being or into notice since the date of the India Government Report No. 294, dated the 8th October, 1908, and I propose, therefore, to confine myself as far as possible to the condition of things between the year 1907-08 and the present date. I may note here that extensive changes in the administration of the Excise

Department have been effected during these years chiefly in furtherance of the recommendations of the Indian Excise Committee of 1905-06, on which the Deputation dwelt at some length, and as these changes were mostly introduced between the years 1908-09 and 1912-13 a comparison of the statistics for 1912-13 with those for 1907-08 cannot fail to be interesting.

6. The statistics prescribed in para. 2 of the Indian Government letter are appended to this report. Tables A, B and C are concerned with country spirit and show for each of the 8 years 1905-06 to 1912-13 the areas under the outstill and distillery systems, populations served by and revenue derived from these systems, the consumption of country spirit in distillery areas only in gallons L.P. and the number of shops for retail sale of country spirit under the two systems. The figures for area and population under the distillery system for 1906-07 are practically the same as in the preceding year, and during the preceding 15 years also there had been very little extension of the distillery system. A full programme of extension was, however, begun in 1907-08 in which year the whole of Manbhum was brought under the distillery system. In 1908-09 it was extended to certain portions of Monghyr, Bhagalpur, Muzaffarpur and Ranchi, which had formerly been under the outstill system. In 1909-10 it was extended to the whole of Monghyr, Bhagalpur and Purnea, and in the next year outstills were replaced by distillery liquor shops throughout the whole of the Patna Division (with the exception of the Rhotas plateau in Shahabad, a small area), the Districts of Saran and Darbhanga and the Sadr and Hajipur subdivisions of Muzaffarpur. The only addition to the distillery area during the course of the next two years was a small area in the district of Ranchi. In 1905-06 the number of persons residing within the distillery area represented only 23 per cent. of the total population of the province (British territory only, census figures of 1901); in 1907-08 the percentage was 28 but by 1912-13 it had increased to 80 (calculated on census figures of 1911, British territory only).

7. A cursory examination of columns 10 to 17 of the Table B would create an impression that the immediate effect of extension of the distillery system was a considerable increase in consumption of country spirit (from 3.9 gallons per hundred of the population in 1905-06 to 5.3 gallons in 1907-08); and that this was followed by a steady decline during the next 3 years (4.7 gallons in 1908-09 and 3.5 gallons in 1909-10 and 3.4 gallons in 1910-11) which has again been partially recouped during 1911-12 and 1912-13, also that the net result between 1905-06 and 1912-13 has been an increase in drinking. This, however, is not correct, and to understand the real import of the figures it is necessary to bear in mind that the proportion of spirit-consumers to the total population is very different in different parts of the province and that the figures for average incidence of consumption must in consequence fluctuate not only with actual increase or decrease in consumption in the same areas, but also with the varying relative proportions of areas of heavy drinking and areas of low drinking under the distillery system during the several years.

8. The province of Bihar and Orissa may roughly be divided into 4 natural groups with broad physical and ethnological affinities; and the drink question also has got somewhat different aspects in each of these 4 natural divisions. It would, therefore, be desirable to discuss separately for each of these groups the general aspect of the question as well as the effect of the extension of distillery system and other changes introduced on the recommendation of the India Excise Committee of 1905-06 before discussing the subject for the province as a whole. These divisions are—

(1) The area north of the Ganges consisting of the Tirhut Division, portions of Monghyr and Bhagalpur districts and the district of Purnea. As statistics are collected for districts as a whole, and as the conditions in this group are not very different from those in the next group which includes the portions of Monghyr and Bhagalpur south of the Ganges, so far as the drink question is concerned, it would be convenient to treat the whole of Bhagalpur district with North Bihar, as I propose to call this group, and the whole of Monghyr with the south Bihar districts. Monghyr has a large area south of the Ganges while the reverse is the case with Bhagalpur.

The group of six districts (Saran, Champaran, Muzaffarpur, Darbhanga, Bhagalpur and Purnea) comprises an area of 21,822 square miles and has a population of 14,102,000. The distillery system was in force in 1912-13, with the exception of the Sitamarhi subdivision of Muzaffarpur and the major portion of Champaran; the



respective figures for area and population for the distillery and outstill areas were 17,375 square miles with 11,384,000 people and 4,447 square miles with 2,718,000 people. The total quantity of distillery liquor consumed amounted to 3,26,855 gallons L. P. and the estimated figure for consumption in the outstill area was 1,35,803 gallons, so that the incidence of total consumption of country spirit per hundred of population was 3·3 gallons L. P. (2·9 gallons L.P. within distillery area and 5·0 gallons L. P. within outstill area). The other intoxicants favoured by the people are *tari* and to a smaller extent *ganja* in the 4 western districts and *ganja* and opium in Bhagalpur and Purnea. *Tari* brought in a revenue in the Tirhut districts, amounting to 4,47,011 or Rs. 4·5 per 100 persons, while the figures for incidence of consumption of drugs in Bhagalpur and Purnea were 7·9 chattaks of *ganja* and 1·7 chattak of opium.

(2) Patna Division and the portions of Monghyr and Bhagalpur south of the Ganges. As explained above, the whole of Monghyr will be treated as part of this group, while the whole of Bhagalpur will be excluded. South Bihar as the group of 4 districts Patna, Gaya, Shahabad and Monghyr may conveniently be described, comprises an area of 15,076 square miles and has a population 7,767,682. The distillery system was in force throughout this area with the exception of a very small portion of Shahabad and the total amount of country spirit consumed in 1912-13 was 5,61,798 gallons L. P., (5,58,628 gallons distillery liquor and 3,170 gallons outstill liquor) so that the incidence per hundred of population was 7·2 gallons L.P. *Tari* is very largely consumed in this area and the total revenue under this head amounted in 1912-13 to Rs. 6,56,232 or Rs. 8·4 per hundred of population. The total *ganja* consumed amounted to 773 maunds which works out at 6·4 chataks for every hundred persons; the consumption of opium also is heavy in Patna and Monghyr and amounted in 1912-13 to 119 maunds or 2·0 chataks per 100 souls.

(3) The whole of the Chota Nagpur Division and the districts of Santal Parganas, Angul and Sambalpur. This group, which may conveniently be described as the Chota Nagpur plateau, comprises an area 38,045 square miles and has a population of 8,431,979 of which aboriginals form a very large proportion. On account of the difficulties of communication the distillery system has not yet been extended to a very large portion of this area, the only portions under that system being the entire districts of Santal Parganas and Manbhum and small tracts in Sambalpur, Hazaribagh and Ranchi. The respective figures for area and population served by the distillery and outstill systems were in 1912-13 12,419 square miles with 4,139,199 people and 25,626 square miles with 4,292,780 people. The total amount of distillery liquor consumed was 2,53,326 gallons L.P. and the estimated quantity of outstill liquor consumed amounted to 8,90,527 gallons. Taking distillery and outstill liquor together, the incidence of consumption on the total population was 13·5 gallons per hundred souls, the figures for distillery and outstill areas separately being 6·1 gallons and 20·7 gallons L.P. respectively. There is very little demand for intoxicating drugs or *tari*, but *pachwai* is a very favourite drink. The revenue derived from *pachwai* shops is comparatively small, Rs. 1,29,070 or Re. 1·5 per hundred of population and gives no indication of the actual demand for this beverage, for extensive concessions regarding the brewing of this article at home are enjoyed by aboriginals throughout the Chota Nagpur Division and Sambalpur and by all classes in the Santal Parganas.

(4) The littoral districts of Orissa, *viz.*, Cuttack, Balasore and Puri. This group has an area of 8,238 square miles, wholly under the distillery system, and a population of 4,188,109. The demand for country spirit is small, only 18,827 gallons in 1912-13 or an average of 0·4 gallons per hundred of the population. There is some demand for *tari* in Cuttack and Puri which brought in a revenue of Rs. 48,444 or Rs. 1·5 per hundred of population, and *pachwai* is consumed to some extent by aboriginals in Balasore, but the intoxicants most favoured are opium and *ganja* of which 355 maunds and 307 maunds respectively were consumed during the year, the incidence per hundred of population being 5·4 chataks and 4·7 chataks respectively.

9. *North Bihar.*—The principal administrative changes in North Bihar during the period of 1907-08 to 1912-13 have been (a) the extension of the distillery system throughout the whole of Bhagalpur and Purnea and in parts of Muzaffarpur with effect from 1908-09 and in Saran, Darbhanga and the Sadr and Hajipur subdivisions

of Muzaffarpur with effect from 1909-10 and (b) a steady reduction in the number of *tari* shops. An examination of the effect of the distillery system must be confined to the statistics for Saran, Muzaffarpur, Darbhanga, Bhagalpur and Purnea, as there has been no change in the distillery area in Champaran for a very long time. The aggregate recorded consumption of country spirits in these districts in 1907-08 was 4,17,981 gallons L.P. (60,196 gallons distillery liquor and 357,785 gallons outstill liquor) which worked out at an incidence of 3·5 gallons per hundred of population (7·4 gallons within distillery area only and 3·1 gallons within outstill areas only); the aggregate in 1912-13 was 3,35,479 gallons L.P. (3,20,388 gallons distillery liquor and 15,091 gallons outstill liquor) or 2·8 gallons per every hundred persons. There has, therefore, been a reduction in recorded consumption of country spirit by 82,502 gallons L.P., or 19·7 per cent. This has been attended by increase in consumption of *ganja* from 798 maunds to 898 maunds or by 12·5 per cent. and also probably by some increase in consumption of *tari* indicated by the increase in revenue from Rs. 3,58,146 to Rs. 4,72,839 or by 32 per cent. in spite of a reduction in number of shops from 4,157 to 2,856. There has also been a marked increase in consumption of opium, but the discontinuance of opium cultivation and consequent removal of facilities for the use of non-duty-paid opium have probably had more to do with such increase than the extension of distillery area.

10. The introduction of the distillery system meant a substantial increase in the price of country spirit, especially in rural areas and accounts for the decrease in consumption. *Tari* is the chief competitor with country spirit in North Bihar and *ganja* is a good second, and the increase in *tari* revenue and in consumption of *ganja* indicate a tendency to substitute *tari* or *ganja* for spirituous drinks. There has been no extension of distillery area in Champaran during this period. The *tari* revenue has increased, it is true in spite of a reduction in number of shops but to smaller extent (*viz.*, 21 per cent.) than in the five districts mentioned above, and the consumption of *ganja* has actually undergone a decrease of 7·4 per cent. In the years immediately preceding 1907-08, the consumption of *ganja* had been steadily decreasing throughout North Bihar (thus 1,393 maunds in 1904-05, 1,097 maunds in 1905-06, 982 maunds in 1906-07, 958 maunds in 1907-08) and the revenue from *tari* was progressing very slowly, but consumption of country spirit had been steadily increasing. It would appear, therefore, that up till that year outstill liquor had been slowly but steadily replacing *ganja* and that *tari* could barely hold its own; in Champaran the outstill system continued till 1912-13 and the reduction in *ganja* consumption continued, but in the other districts there was a reaction and *ganja* has again been coming into favour. The increase in *tari* revenue in Champaran but to a smaller extent than in the districts in which there has been extension of the distillery system would indicate that reduction in number of shops is one factor in increasing *tari* revenue, and has been in operation throughout North Bihar, but that extension of distillery area is an additional factor which was absent in Champaran, but which has made itself felt in the other districts.

11. *South Bihar.*—The distillery area in South Bihar up to 1907-08 consisted of small tracts round the district headquarters stations. In 1909-10 the distillery system was extended to the whole of Monghyr and in 1910-11 it was further extended to the whole of the Patna Division, except a small area in Shahabad, where outstills still continue. The recorded consumption of country spirit in 1907-08 was 1,019,174 gallons L.P. (1,96,813 gallons distillery liquor and 8,22,361 gallons outstill liquor) which worked out at 13·1 gallons L. P. for every hundred persons (22·6 gallons in distillery areas only and 11·9 gallons in outstill areas only); the aggregate in 1912-13 was 5,61,798 gallons (5,58,628 distillery liquor and 3,170 outstill liquor) or only 7·2 gallons per hundred population. The distillery system has, therefore, brought about a decrease in consumption of country spirit by 4,57,376 gallons or 44·9 per cent. This has, however, been attended by an increase in consumption of *ganja* from 618 maunds in 1907-08 to 773 maunds in 1912-13 or by 25 per cent. and the increase in *tari* revenue (from Rs. 3,67,039 in 1907-08 to Rs. 6,56,232 in 1912-13 or by 78·8 per cent.) also indicates a large increase in consumption of that beverage. In the years immediately preceding 1907-08, exactly as in North Bihar, the consumption of *ganja* had been decreasing while the *tari* revenue had been making very slow progress. And the effect of the extension of the distillery area has been in exactly the same direction as in North Bihar, *viz.*, country spirit which had been replacing the use of *ganja* and against which *tari* could make little head has now been replaced to a very great extent by *tari* and *ganja*.

12. *Chota Nagpur Plateau*.—As already stated, a comparatively small proportion of the Chota Nagpur plateau has till now been brought under the distillery system. This system had been in force in the whole of Santal Parganas in portions of Sambalpur and the Giridih subdivision of Hazaribagh as well as in a very small tract in Manbhum from a very long time ago, and the principal additions to the distillery area during the period under review have been the whole of Manbhum district and about a fifth of the district of Ranchi. Statistics are not available separately for the portion of Ranchi brought under the distillery system and, to gauge the effect of the extension of that system, attention must, therefore, be confined only to the district of Manbhum. A comparison with the figures for 1907-08 would not suit the case of this district, as distillery system was already in force in that year, and I propose, therefore, to deal with the figures for 1906-07, the last year of the outstill system. In that year the recorded consumption of country spirit in Manbhum was no less than 2,00,797 L. P. gallons (2,00,000 gallons of outstill liquor and 797 gallons of distillery liquor), or 13 gallons per hundred of population (15·4 gallons in outstill area only and 9·9 gallons in distillery area only); in 1912-13 it was only 98,963 gallons L. P. or somewhat less than half what it was in 1906-07. Pachwai is the principal competitor with country spirit in Manbhum and in the other districts included in this group, and notwithstanding the extensive concessions enjoyed by aboriginal tribes, the pachwai revenue in Manbhum has expanded from Rs. 13,397 in 1906-07 to Rs. 34,184 in 1912-13 or by 155 per cent. In Santal Parganas during the same period, pachwai revenue has increased by only 32 per cent. and consumption of country spirit in 1912-13 (81,752 gallons L. P. which works out at an incidence of 4·3 gallons L. P. per hundred of population) was somewhat less than what it had been in 1907-08 (84,860 gallons L. P.); it is not clear, however, if these figures indicate a gradual replacement of country spirit by pachwai, or merely an appropriation of a larger share of the profits in the pachwai trade for the public coffers and a falling off in country spirit consumption owing to the lower prices now commanded by lac, one of the important products of the district. In Hazaribagh, Palamau, Singhbhum, and Sambalpur the figures for consumption of outstill liquor have been steadily rising from 4,12,624 gallons in 1907-08 to 5,76,977 gallons in 1912-13 while pachwai revenue has made practically no progress (Rs. 13,955 in 1912-13 against Rs. 13,438 in 1907-08). As shop-made pachwai represents only an infinitesimal percentage of the total amount of pachwai that is consumed, and as figures for consumption in outstills are always unreliable, it is unsafe to draw any inference from the slow progress that pachwai revenue has made and the large increase in recorded consumption of country spirit, but judging from outward appearances, country spirit has been steadily ousting pachwai in such portions of the Chota Nagpur Division to which the distillery system has not yet been extended. The recorded figure for consumption of outstill liquor in these districts shows an incidence of 18·8 gallons L. P. per hundred of population in 1912-13 as against 13·5 gallons in 1907-08; population increases very rapidly in this area—the increase during the decade in 1901-11 has been no less than 11·9 per cent.—and, as the figures for incidence for both 1907-08 and 1912-13 has been calculated on the same figure for population (the 1911 census figure), part of the increase in *per capita* consumption is only apparent, but clearly there has also been an actual increase in spirit-drinking.

13. In the area which we have described as the Chota Nagpur plateau, with the exception of Angul (the case of which will be considered separately later) we find, therefore, a general tendency on the part of the consumers to replace pachwai by country spirit, but wherever the distillery system has been introduced and the price of country spirit increased thereby, there has been a very marked reaction, and pachwai regains its position as the everyday drink.

14. The case of Angul has been deferred for separate examination, because in the Khondmals subdivision of this district an experiment is being undertaken which is of the very greatest interest in relation to the drink question to the whole country generally, and to areas peopled by aboriginal tribes in particular. The population of this subdivision is 74,218 almost all aboriginals, Khonds, Pans and others and spirit consumption used to be very heavy; (in 1909-10, the total consumption of outstill liquor amounted to 30,000 gallons L. P. or 40 gallons per hundred people). The outstill licensees were all Sundis from Ganjam in Madras, and had been gradually ousting the Khonds from their best lands. This was naturally very much resented by the Khonds, and in 1905 a number of them had assembled to take an

oath not to drink outstill liquor. Some Sundis, however, who had got scent of the affair managed to disperse them before they had made the contemplated vow. Matters grew from bad to worse, and in 1908 the Khonds again met, and this time they took a solemn vow never to take distilled liquor again. These facts reached the attention of Government in 1910 and a very careful enquiry was instituted. The local officers expressed their conviction that the Khonds were sincere in their desire to abandon the use of alcohol and that they would co-operate with Government officials in preventing illicit distillation. It was accordingly directed that all outstills in the Khondmals be abolished with effect from the 1st September, 1910, as an experimental measure and the result watched.

15. The Deputy Commissioner reported in May, 1911, that "the money which the Khonds were spending before in buying liquor is now utilized in improving their lands and paying up their debts. Socially there has been an improvement too. Drunken brawls and drunkenness generally appear to have disappeared. The abolition of shops has not resulted in any real increase in the offences against the Excise laws, on the other hand there has been a reduction in the number of cases of illicit distillation." A year later the report was "Crime has decreased to a considerable extent and the people were able to pay up arrears of Takavi advances for several years to the extent of Rs. 18,000. The material condition of the people has considerably improved which may be attributed in part to a good harvest. Cultivation has increased and new clearances of forest lands are visible in all directions." The latest report (dated May, 1913) says "The material condition of the people has improved. They asked for no takavi advances from Government and contracted fewer loans from money lenders. New jungle tracts and hillsides have been cleared all over the subdivision for raising turmeric and oilseeds which represent the growing industry of the people. They now spend their money on clothing, utensils, ornaments and confectionery and had sufficiency of food throughout the year."

16. So far, therefore, the results of the experiment which has now been continued for close upon three years have been hopeful. It is a distressing feature, however, that the number of illicit distillation cases has steadily increased throughout this period. In 1910-11 43 persons were sent up for illicit distillation in Khondmals and 34 were convicted; in 1911-12 61 were sent up, of whom 46 were convicted; in 1912-13 the number rose to 92 and 77, respectively, or more than double the figures for 1910-11 or the year previous (44 arrests, 38 convictions). It has still to be seen if this increase in reported cases is due to an increase in illicit distillation or only to better assistance rendered by the headmen in the detection of such cases.

17. *Tari* is consumed very largely in the Khondmals, most of the Khonds owing *tari* trees which they tap themselves for home consumption, their vow does not extend to abjuration of this beverage. There is no means of ascertaining what the consumption of alcohol in this form amounts to, and whether there has been any increase in *tari* drinking since the outstills have been closed.

18. *Littoral districts of Orissa*.—In Cuttack, Puri and Balasore the distillery system has been in force from a very long time, with the exception of a small tract adjoining the Garjhat States to which also it was extended in the year 1905-6. Country spirit is in very little demand in these districts, the incidence of consumption per hundred of population being only 0·4 gallons L. P. It is reported, however, from Puri that the unsettlement of popular ideas and beliefs due to the imbibing of western ideas and tendency in the younger generation to keep abreast of the times have resulted in increased drunkenness amongst the town people. The consumption of *tari* is not very large, and the decreasing revenue from licence fees would indicate that it is steadily on the decline.

19. Turning now to the question of the province as a whole we find the following broad facts:—

- (1) Alcoholic drinks are consumed in considerable quantities in Chota Nagpur and Bihar, but the demand for them is very small in Orissa.
- (2) The consumption of country spirit is heaviest in the Chota Nagpur plateau and decreases gradually towards the north and north-east, the consumption in South Bihar being very much heavier than in the trans-Gangetic area.
- (3) The forms other than country spirit in which alcohol is taken are *tari* in Bihar and Orissa and pachwai in Chota Nagpur. No figures are available for the aggregate consumption of *tari* or pachwai and it

is not even possible to make a guess, but it is safe to assert that consumption of alcohol in the shape of pachwai is very much larger in the Chota Nagpur plateau than that of *tari* either in South or in North Bihar. The consumption of *tari* appears to be larger in South Bihar than in North Bihar and much larger in either than in Orissa.

- (4) In all cases in which country spirit and *tari* or country spirit and pachwai are consumed in the same area, there is a keen competition between the more potent distilled spirit and the less nocuous fermented beverage. So long as country spirit was selling cheap, it was slowly but steadily making headway against pachwai; in the *tari* consuming area of Bihar also the consumption of spirit had been steadily increasing, but in the absence of any reliable data it is not possible to come to a conclusion if this was because country spirit was ousting *tari*.
- (5) With the increase in price of, and stricter control over the traffic in, country spirit incidental to the distillery system, there has been a reaction, and country spirit has to some extent been replaced by *tari* and pachwai. The reaction has been very marked in the pachwai area, but not quite so much in the *tari* area, which is but natural when it is remembered that practically all *tari* (unless it is illicitly consumed) has to pay a tax, while the major portion of the pachwai that is consumed pays none. Within the *tari* consuming area (North Bihar and South Bihar) again, the proportion of displacement of country spirit by *tari* has been very much more marked in the area of heavier drinking (South Bihar) than in the area of low consumption (North Bihar).
- (6) *Ganja* is in Bihar another competitor with country spirit, but to a much smaller extent than *tari*. The use of this drug had been steadily decreasing, probably because it was being replaced to some extent by country spirit, but since the introduction of the distillery system, *ganja* has again been rising in popular favour.

20. As stated before, it is not possible even to make a guess as to the quantity of pachwai or *tari* that passes into consumption and it is not possible, therefore, to say whether the total consumption of alcohol in different shapes has been increasing or decreasing during the period of our review, or even whether the consumption of alcohol at the present day is larger or smaller than what it was 10, 20, 30 or 40 years ago. Alcohol in some form or other has been indulged in always in Chota Nagpur and Bihar by a very large section of the population. About the aboriginal races, it may safely be asserted that the whole population is, and has always been, accustomed to drink. The Hindus also of Chota Nagpur and Bihar may be roughly divided into two classes, the castes to whom drinking is a sin, and the castes for whom drinking is not only not forbidden but who would consider any ceremony or function incomplete unless drink is provided for the people assembled. The latter class form a substantial majority, not less than 70 to 75 per cent. of the total population, and includes not only the lower classes whom the effects of English education have not reached, but also some of the higher castes, notably the Kayasths, who count among their number 17,066 persons literate in English out of a total of 81,888 for the whole province. Mahomedans are required to be total abstainers, but they represent only just over 10 per cent. of the population, and it can safely be said of such of them as belong to Chota Nagpur that they mostly drink. These conditions are very unlike those prevailing in Bengal, where although nobody would lose caste for indulging in alcohol, there is hardly any class (barring Bunas and others that originally came from Chota Nagpur and other spirit-consuming tracts) who are habitual drinkers or to whom drink is a social necessity. The spirit of western education which, it was found by the Bengal Excise Commission of 1883-84, had been tending to spread drinking by shaking the authority of orthodox opinion could not, therefore, have a similar effect in Bihar and Chota Nagpur, at least not to the same extent as in Bengal, for with majority of the population the use of alcohol was not an innovation introduced with western ideas. Moreover, western education has made comparatively little progress in Bihar, and the process of social disintegration which in the opinion of the Bengal Excise Commission was tending to spread drinking among classes that never drank before has been very much less noticeable in Bihar than in Bengal. Caste restriction and caste discipline are still living things in this province. Even now, except probably in the large towns, a Brahman, a Rajput, a

Bhuhar, or Saiyad who dares to defy society by indulging in spirituous drinks must pay the penalty for it and will be outcasted. And the effect of outcasting is much more real in Bihar than in Bengal, for the general body of the society is more orthodox.

21. The growth of towns is another factor—and probably a stronger one than the spread of western education—that has contributed to disintegration of society and has been responsible for increase in drinking in many parts of India. In Bihar this factor has not been very much at work, for although towns are pretty numerous the urban population is not growing. The total population in Bihar towns (Patna, Tirhut and Bhagalpur Divisions only) in 1911 was actually less than that in 1881 by 4 per cent., although the rural population has increased during the same period by 6 per cent.

22. In Orissa on the other hand towns have grown faster than rural tracts, and this has been particularly the case with Cuttack and Puri which in 1911 had 52,528 and 39,686 inhabitants respectively as against 42,656 and 22,095 in 1881. To the upper classes in Orissa alcohol was a forbidden article, but the spread of western education has taken away the strength of the orthodox antipathy to its use, and it is reported from Puri that “sons of Pandas and Pariharis who, by their caste, social standing and religion are prohibited from drinking have now taken to wine and the tendency to drink is on the increase.”

23. The total amount of drinking in Orissa is still, however, very small and the small increase that has taken place is almost negligible in comparison with the very large reduction in spirit consumption that has been effected in Bihar and parts of Chota Nagpur by the extension of the distillery system.

24. The grounds on which the deputation sought to establish their contention that there has been “a most substantial growth in the consumption of liquor” were mainly twofold, viz., that the revenue from country spirit has been steadily increasing and so also the figure for consumption of country spirit in distillery areas. I have stated in paragraph 6 above, how in the course of the last 8 years the distillery area in this province has expanded, and while in 1907-8, only 28 per cent. of the aggregate population of the province were living within the distillery area, it comprised in the year 1912-13 all but 20 per cent. of the total. Any inference that may therefore be drawn from columns 2 to 9 of Table B of the statistics (consumption of country spirit in distillery areas only for each of the 8 years from 1905-6 to 1912-13) is apt to be wholly misleading. Nor, as I have clearly explained in paragraphs 9 to 13 above, are the figures in columns 10 to 17 of the same table, representing incidence of consumption per hundred of the population any more reliable evidence to show that consumption is increasing. I have shown clearly in these paragraphs that the consumption of country spirit has very substantially fallen off during the last few years in all parts of Chota Nagpur and Bihar to which the distillery system has been extended, and that this falling off has ranged between 20 per cent. in North Bihar to over 50 per cent. in Manbhum.

25. There has been some decrease in country spirit revenue during this period; from Rs. 55,52,000 in 1907-8 to Rs. 54,06,000 in 1912-13. This, however, furnishes no justification for the assumption that underlies the whole of the argument based on revenue figures that the Deputation put forward, viz., that the rise or fall in revenue indicates increase or decrease of consumption. (The Deputation profess, it is true, to give due weight to the contention of the Government of India that revenue figures do not furnish a reliable guide in arriving at the facts as to the increased intemperance, but all the same one member after another quoted the increase in revenue as evidence of increase in drinking.) While consumption has fallen off between 1907-8 and 1912-13 by no less than 11·5 per cent. (10,29,500 gallons outstill and 11,57,636 gallons distillery liquor = 21,87,136 gallons in 1912-13 against 19,73,410 gallons outstill and 4,97,328 gallons distillery liquor = 24,70,738 gallons in 1907-08), the decrease in revenue has amounted only to 2·7 per cent. The figures for a few selected districts will show in a very striking manner how very misleading an argument from the revenue figures can be. Thus in Manbhum consumption has fallen off by over 50 per cent. since 1906-07 but revenue has increased by 19 per cent. and in the Santal Parganas fall in consumption by 3·7 per cent. (since 1907-8) has been attended with increase in revenue by 6·5 per cent., while on the other hand increase in consumption by 37 per cent. in Ranchi (also since 1907-08) has, instead of bringing any increased revenue, been attended with a smaller income by 1·1 per cent.

26. The very satisfactory decrease in spirit consumption that has resulted from the extension of the distillery system so far, indicates clearly that the goal for the Excise Department of this province should be steadily to push forward the distillery area still further. It is true that the consumption of fermented drinks (*pachwai* and *tari*) has increased with the falling off in that of country spirit, but there is no indication that the total consumption of alcohol has increased, and as alcohol taken in the shape of *tari* or *pachwai* is much less injurious to the system than distilled spirit, a replacement of country spirit by *tari* or *pachwai* is not a result to be very much sorry for.

27. The distillery system has already been extended this year to the whole of Champaran and Muzaffarpur and the only outstill areas now consist of the Rhotas Plateau in Shahabad, the districts of Palamau and Singhbhum, the Sadr subdivision of Angul and portions of Sambalpur, Hazaribagh and Ranchi. The whole of this country is comparatively inaccessible or is interlaced with Native States with very primitive systems of excise administration, circumstances that have till now stood in the way of extending the distillery system to these tracts. A large portion of Hazaribagh has now, however, been opened up by the E. I. Railway and in Ranchi the extension of the Railway line to Lohardagga is expected in a few months' time. Daltonganj also is now accessible by rail, and proposals for introduction of distillery system in a portion of Palamau and for extension in Hazaribagh and Ranchi are already under consideration. For the area not yet opened up by railways the extension of the distillery system must be a problem for the future.

28. The case of the Khondmals subdivision in Angul may be cited by some as an argument in favour of a policy of wholesale prohibition. This would overlook, however, some very salient points connected with the state of things in the Khondmals. For one thing, the movement for reform in the case of the Khonds came from the body of the consumers themselves and not from outside. Compulsory prohibition is a very different thing from voluntary abjuration, and serves but too often as a motive for breaking the law. The comparative failure of all measures that have been taken so far for suppressing the spread of the cocaine habit shows how very futile repressive measures very often are, when the people feel a craving for a prohibited article. It cannot be said that alcohol taken in moderation is an evil of a nature which the State should consider itself called upon to prevent and the policy of the India Government in this direction has been clearly set forth in paragraph 2 of their Resolution No. 5001 Exc., dated the 7th September, 1905, which begins as follows:—

“ The Government of India have no desire to interfere with the habits of those who use alcohol in moderation; this is regarded by them as outside the duty of the Government and it is necessary in their opinion to make due provision for the needs of such persons.”

Any attempt to force upon a people accustomed to drink and who do not—or at least very considerable sections of whom do not—appear to have any inclination for giving up their habit, the extreme measure that has been found suitable to the peculiar circumstances of the Khonds will be interference of a nature that no reasonable Government should contemplate.

29. In the Khondmals the very bitter antipathy that the people of the country had to the small body of alien Sundis who were ousting them from their lands has been a very strong motive of action which has helped them in keeping their resolution; similar circumstances are very seldom met with in other areas. In the absence of such a strong motive, the craving for alcohol is almost sure to return (and the failure that *Kanthidhari* and similar movements generally met bears evidence of this) and it is almost equally certain that the craving will be met by illicit means. This will create a spirit of lawlessness and a contempt of authority among the people, and it is a matter of doubt if advantages consequent on a reduction in the amount of alcohol consumed compensate for these evils.

30. Education of the people and the preaching of temperance among them coming from within is a much surer and much more desirable way of attaining the object that the Deputation have in view, *viz.*, the practice of sobriety, than any measures that the Government can possibly take. Whenever it appears that the people of any particular locality have so far been convinced of the benefits of temperance as to abstain or even to make an honest attempt of abstaining from alcohol, Government will only be too willing to close the shops as they have already done in the Khondmals. Till, however, the people have reached this stage, the best

that Government can do is "to minimize temptation to those who do not drink and to discourage excess among those who do" while at the same time it must make provision for persons who drink in moderation.

### SPECIFIC RECOMMENDATIONS MADE BY THE DEPUTATION.

31. Copies of the India Government letter with its enclosures were forwarded to all District Officers and Divisional Commissioners for expression of their opinion on the specific recommendations made in paragraph 21 of the statement submitted by Sir Herbert Roberts, Bart., M.P., on behalf of the Deputation to the Right Honourable the Secretary of State. Replies have been received from all these officers and necessary extracts are appended to this report.

32. The first recommendation made in the statement can be divided into two parts, *viz.*, (a) that licences for the retail sale of intoxicants should be reduced in number, and (b) that the hours of sale be further limited by later opening and earlier closing hours being fixed for all licensed premises. It will be convenient to discuss the two parts separately.

33.—(a) The statement below will show what action has already been taken in the matter of reducing the number of licences during the course of the last 7 years.

Name of excisable article.	Number of licences for retail vend.	
	In 1907-8.	In 1912-13.
Country spirit ... ..	2,235	2,088
Foreign liquor ... ..	89	116
Tari ... ..	11,752	7,657
Pachwai ... ..	307	355
Ganja ... ..	1,312	1,334
Bhang and Majum ... ..	261	278
Charas ... ..	9	5
Opium ... ..	642	563
	16,609	12,396

(Licences for the home-brewing of pachwai for the sale of medicated wines by druggists and other druggists' permits, licences, for denatured spirits and temporary licences of all kinds have been excluded from the statement.)

It will be seen that the total number of vend licences has been reduced during the 7 years by no less than 25·3 per cent. and that the reduction has been most marked in the case of *tari* (35 per cent.), opium (12 per cent.) and country spirit (7 per cent.). The increase in the number of imported liquor licences is more apparent than real, for the 1912-13 figure includes 25 licences for the *off* sale of liquor in Railway Refreshment Rooms, while such sales in 1907-08 used to be covered by the Railway Refreshment Room licences. In paragraph 221 of their report the Indian Excise Committee of 1905-06 observed that there was in Bihar room for considerable reduction in the number of *tari* shops, and a steady programme of reduction has been followed since then. In 1910-11, in pursuance of the recommendation of the International Opium Conference at Shanghai a very careful examination was made of the number and situation of opium shops in all districts, and all shops that appeared to be superfluous were closed from 1st April, 1912. A similar survey has also been made of country spirit shops, and maximum and minimum numbers of shops fixed for all districts as suggested in paragraph 234 of the Indian Excise Committee's Report; attempt is made to keep the actual as near the minimum as justified by circumstances, and considerable reductions in the number of country spirit shops have been effected in recent years in the Tirhut, Orissa and Chota Nagpur Divisions.

34. Many of the District Officers are of opinion that the limit up to which reduction is possible has already been effected in their districts. The only officers who think otherwise are:—

Mr. Weston of Patna who is of opinion that it is possible to close two or three of the spirit shops in Patna City and about 50 *tari* shops in the whole district.



Mr. Foley of Saran who thinks it will be possible to close one of the country spirit shops in Chupra town.

Mr. Rainy of Champaran who considers further reduction in country spirit shops possible; he would, however, defer his recommendation till he has had opportunity to watch for seven or eight months the result of the contract distillery system, which has just been introduced (from 1st April, 1913).

Mr. Kilby of Purnea who believes that some reduction is possible, especially in the number of *ganja* shops. A considerable reduction (14 per cent.) has already been effected since 1st April and a further reduction is in contemplation.

Mr. Rowland of Santal Parganas who believes that there are too many country spirit shops in certain portions of his district and that the number of pachwai shops can be reduced. The question of pachwai shops has already been the subject of considerable correspondence, and under Board's order contained in its letter No. 23-45-8, dated the 29th April, 1913, 10 shops have been closed as an experimental measure this year. If the experiment proves successful, and the closure of pachwai shops does not result in increased consumption of country spirit, further reductions will be made in the future.

Mr. Surendra Nath Ghosh, officiating Collector of Cuttack, who thinks that further reduction in the number of shops is possible, but does not mention what particular kind of shops is meant.

Pandit Ramaballabh Misra, Collector of Puri, who believes that there is one spirit shop and some six *ganja* shops in his district, which should be closed.

Rai Manomohan Ray Bahadur, Deputy Commissioner of Sambalpur, who thinks that it might be possible to abolish a few outstills in his district.

Mr. A. E. Scroope, officiating Deputy Commissioner of Ranchi, who believes that a further reduction in the number of spirit shops is feasible.

35. I agree generally with the District Officers. The few shops that appear to be superfluous will be closed from next year, but any considerable programme of reduction except of *tari* shops is not possible in this province without violating the very sound principle laid down by the Government of India in paragraph 2 of their Resolution No. 5086 Exc., dated the 15th August, 1907, *viz.*, "that if shops are allowed to be so sparse that each has a practical monopoly over a considerable area, prices will be inevitably raised and illicit practices encouraged." Every country spirit shop in this province serves on an average 40 square miles of country and population of 16,518 persons; Madras on the other hand has one shop for 4,386 persons, the United Provinces one for 9,897 persons, Bombay one for 7,501 persons and the Central Provinces one for every 3,482 persons. Of shops for the sale of country fermented liquors Bihar and Orissa has one for 4,298 persons, as against one for every 2,565 persons in Madras. The population served by each opium shop is 61,261 and that by each shop for the sale of hemp drugs 20,110, while the corresponding figures for Bengal are 44,347 and 20,896 and of the United Provinces 41,717 and 13,415 respectively.

36. The Honourable Mr. Oldham and the Honourable Mr. Kershaw, Commissioners of the Patna and Tirhut Divisions, are not in favour of any change in the direction of curtailing the hours of sale, and the Honourable Mr. Fischer, Commissioner of Orissa, has no faith in the efficiency of curtailment of hours of sale as a temperance measure. The Honourable Mr. Walsh, Commissioner of Chota Nagpur, would restrict sales to the hours 10 A.M. to 8 P.M. and the Honourable Mr. McIntosh, Commissioner of Bhagalpur also favours later opening and earlier closing hours than at present. Among District Officers Messrs. Whitty (Gaya), Foley (Saran), Lyall (Muzaffarpur), Vernede (Darbhanga), Kilby (Purnea), Berthoud (Balasore), and Taylor (Angul), are opposed to any curtailment of the present hours. On the other hand Mr. Dixon (Bhagalpur) and Mr. Ghosh (Cuttack) recommend that the opening hours be fixed at 8 A.M. instead of at sunrise, Pandit R. B. Misra (Puri), Rai Manomohan Roy Bahadur (Sambalpur) and Mr. Sen (Singhbhum) would have it at 10 A.M. and Mr. Rowland (Santal Parganas) proposes 7 A.M. in towns and 9 A.M. in rural areas. Mr. Rainy would close shops at 7 P.M., Pandit R. B. Misra at 7 P.M. in summer or 8 P.M. in winter, *i.e.*, one hour earlier in all seasons than at present, Rai Manomohan Roy Bahadur at 8 P.M. in all seasons, while Mr. H. W. F. Scroope (Hazaribagh) and Mr. A. E. Scroope (Ranchi) would watch the result of restricting sales to hours of daylight as an experimental measure. Mr. Coupland (Palamau) has no objection to an experiment being made with hours of vend restricted to the hours of 10 A.M. to 7 or 8 P.M. (according to the seasons) but is doubtful if any real

advantage would be gained by such prohibition. "It has been urged," he says, "that many people who do not venture to visit excise shops in daylight go there under cover of the night and that many respectable members of Indian society go to these shops in the early hours of the morning because they cannot drink at home in the presence of their friends and relatives. These remarks have no application here and are presumably based entirely on experience gathered in Calcutta or other large towns. The vast majority of drinkers in this district belong to the lower classes who are not ashamed to visit an outstill in broad daylight . . . . Cases of respectable members of the community seeking cover of darkness for obtaining their drink are rare, so far as this district is concerned."

37. Mr. Weston (Patna), Mr. Gruning (Shahabad) and Mr. Hignell (Manbhum) who have no objection to later hours for opening than at present protest strongly against earlier hours of closing. Mr. Hignell writes "Labourers employed in coal mines and lac factories form the bulk of consumers in this district. They begin work at sunrise and leave it almost at nightfall, when they go in for a wash and for some refreshment before they resort to the liquor shops. It is a matter of common knowledge that people do not as a rule seek relaxation before nightfall and before they have some rest after the day's work. In these circumstances it will prove a distinct hardship to the consumers if the shops are closed earlier than at present." Mr. Gruning points out that many consumers (in the rural areas presumably) have to go two to five miles to obtain their supply of liquor and "if earlier closing hours are fixed many of them will have considerable difficulty in reaching the nearest shop between sunset and the closing hour."

38. I believe with Mr. Coupland that cases of people who would not venture to visit Excise shops in daylight for fear of detection going there in the early hours of the morning must be extremely rare in this province. At the same time, cases do occur of persons frequenting spirit shops in the morning hours and very often with an empty stomach. The effect of alcohol must be disastrous in such cases and I consider it desirable to prohibit all sale of country spirit before the hour of 10 A.M. The prohibition is not likely to cause much inconvenience to people who drink in moderation, and will prevent people who cannot control themselves, from indulging in alcohol in the early hours of the day when they should be better employed.

39. As regards the hour of closing, I fear any restriction is likely to bring about evils much more serious than the one which it is proposed to remedy, and to cause considerable inconvenience to moderate drinkers. Consumers in the towns, colliery areas, and other industrial centres, are in many cases not free to obtain their supplies until after dark, as they are very often at work until 7 or even 8 P.M. and those in rural areas have very often to walk considerable distances to get their supply of liquor. It is in the evening hours, after he has finished his day's work that the artisan or labourer feels the need of stimulant, and a restriction which would make it impossible for him to get in a legitimate manner his daily dose at the very time that he needs it most is sure to be resented as most annoying. The almost inevitable result would be that the demand would be satisfied in an illicit manner; the sales would be transferred from the licensed premises to places very much more undesirable, to common houses and gambling dens where it would be almost impossible to check the illicit traffic.

40. The ground on which Pandit R. B. Misra bases his recommendation for earlier closing hours, *viz.*, that "it is a well-known fact that in India people who are beginning to drink generally resort to the shops under cover of night to sneak their drinks unseen and unnoticed by friends and people" deserves more than a passing notice. It is exactly the point that was urged by the Honourable Babu Deva Prasad Sarvadhikari before the Right Honourable the Secretary of State. The proposition, however, is not correct for this province, except probably for towns in Orissa, for, as I have explained above in Bihar and Chota Nagpur, the majority of the population belong to classes accustomed to drink. There are, of course, backsliders both in Bihar and Chota Nagpur and in Orissa among classes for whom drink is forbidden, and such of them as would sneak into grogshops after dusk when they could best avoid the public gaze are the very persons who would be first attracted to places, if any, other than licensed premises where liquor could be procured. A curtailment of the evening hours of sale would therefore do more harm than good to such men—it would lead them to greater temptation and deeper vice than drinking alone; while to the moderate consumer accustomed to his daily dose in the evening, earlier closing hours would mean a very annoying interference with his habits.

41. I would, therefore, leave unchanged the present hours for closing of spirit shops, *viz.*, 8 P.M. in the winter months and 9 P.M. in summer, but would fix the opening hour for all seasons at 10 A.M. The consumption of *tari* or pachwai in the morning hours is not as deleterious to the system as the consumption of country spirit, except when taken in large quantities, as *tari* and pachwai are not only alcohol but contain food as well, but as it is mostly never-do-well people who take these intoxicants in the morning hours and as later opening hours than at present are not likely to cause much inconvenience to moderate consumers, I see no objection to prohibit sale of pachwai and *tari* also before 10 A.M. in the morning.

42. Orders were issued last year prohibiting the sale of opium after sunset. No serious inconvenience appears to have been caused by the prohibition, but it has neither had any effect in reducing consumption, which is clearly the goal with which the recommendation for closing excise shops at an early hour has been made by the Deputation. This is natural as opium is not consumed on the premises, and can always be procured in sufficient quantity at a time to last for several days. Hemp drugs also are not consumed on the premises, can be easily carried and can be procured in sufficiently large quantities at a time. It is not likely, therefore, that restriction in hours of sale would result in any appreciable decrease of consumption; but some inconvenience is likely to be caused to the poorer class of consumers who cannot afford to make their purchases in large quantities at a time. The possibility of the cocaine habit replacing *ganja* smoking has also to be considered in contemplating any restriction on the facilities for obtaining *ganja*, and I am not, therefore, very much in favour of closing *ganja* and bhang shops at sunset. Any restriction in the opening hours also is not very desirable as it is generally at market-time that the purchase of *ganja* is effected; later opening hours would necessitate a double journey in most cases.

43. The second recommendation of the Deputation is (a) that the system of Excise Advisory Committees be extended to all Municipalities (b) that these committees should be made more representative and (c) that they should be given power to deal with all licences for the sale of intoxicants of every kind.

44. Advisory Committees are formed under Rule 70 of the Government Rules under Section 85 of the Excise Act (Bengal Government Notification No. 716 S. R., dated the 25th November, 1909) in towns with a population of 20,000 or more (of which there are 19 in this province) to consider and advise the Collector upon the proposals for licensing shops for the retail sale of liquor in such towns. These Committees were first formed in 1908-09, in which year four country spirit shops were closed and several had their sites changed on their recommendations. In 1909-10, on the advice of such committees one country spirit shop and 20 *tari* shops were abolished, and the sites of several country spirit and *tari* shops were changed. In 1910-11, 17 *tari* shops were closed on their recommendation and sites were changed of 56 spirit shops, 17 *tari* shops and two pachwai shops. In 1911, 12 country spirit and seven *tari* shops were abolished and the sites of 11 country spirit and nine *tari* shops changed. Last year the recommendations of such committees resulted in the closing of three country spirit and eight *tari* shops, and the removal of two country spirit and 16 *tari* shops from objectionable sites.

45. All the Divisional Commissioners are in favour of extending the system of Advisory Committees to all municipal towns, and district officers are generally of the same opinion. Mr. Foley, however, is afraid of "one abkar taking advantage of the existence of the committee to put obstacles in the way of another abkar and further his own ends." Mr. Rowland considers the smaller municipalities in his district are not yet ripe for the system. Mr. Vernede observes that none of the towns with a population of less than 20,000 in his district have got more than one spirit shop and a few *tari* shops and adds that "the existing arrangement whereby the chairmen are consulted as to the location of shops and objections against any are quite adequate." Mr. Coupland also considers the consulting of Chairmen of municipalities sufficient but has nevertheless no objection to Advisory Committees for the smaller municipalities "if suitable members are available." Rai Manomohan Ray Bahadur is not in favour of having Advisory Committees for municipalities with population less than 10,000 unless they are at the district headquarters station.

46. I would like to see the system of Advisory Committees extended to all municipalities as well as to other areas where representative opinion is available. It gives the Collector an excellent opportunity of making himself acquainted with

different points of view from which the questions of number and location of shops may be examined. The power given to municipalities may be liable to abuse in rare instances, as apprehended by Mr. Foley, but unless the final decision in the matter of licensing rests with them, the consequences are not likely to be very serious. Moreover, the possibility of abuse in rare cases should not be allowed to stand in the way of real reform. The Advisory Committees have offered very valuable assistance in the past few years in the matter of licensing shops in the bigger towns, and it would be desirable to have similar assistance for the smaller towns as well as for rural areas. Mr. Coupland and Mr. Sen consider it impracticable to have any system of Advisory Committees for rural areas, but on the other hand Mr. Kilby believes it would be useful to know what the District Board thought of the Excise settlement proposals. Mr. A. E. Scroope is "inclined to think that the District Board should be given some powers to make recommendations regarding mufassil shops." Pandit R. B. Misra recommends "that as in cases of municipal towns the Municipal Commissioners select members for the Advisory Committees, so in the case of the interior of the district the District Board should be given the same function, and representative members from all parts of the district should be appointed to form an Advisory Committee for the determination of number and sites of shops in the rural area." The Honourable Mr. McIntosh believes "it would be a wise policy which would undoubtedly yield most beneficial results if the District Boards were brought into association with the Revenue authorities in all matters relating to the Excise Administration of their districts." My own experience of the District Boards, Local Boards, village unions and similar representative bodies make me hopeful that Advisory Committees can be formed for advising the Collector regarding shops in rural areas and that they would be in a position to make very valuable recommendations.

47. Local Advisory Committees formed last year were composed of—

The Collector, or in his absence the Sub-divisional Officer.

The Superintendent of Police, or in his absence a responsible Police officer not below the rank of Inspector.

The Chairman of the Municipality or in towns where the Collector or Sub-divisional Officer is the Chairman, the Vice-Chairman of the Municipality.

One Municipal Commissioner for each ward containing a liquor shop, such Commissioners to be elected by the general body of Commissioners.

48. The majority of Divisional Commissioners and District officers think that bodies so constituted were sufficiently representative, but the Commissioner of Orissa, the Collectors of Cuttack and Puri and the Deputy Commissioners of Manbhum and Singhbhum hold that Advisory Committees should be made more representative than at present. The Honourable Mr. Fischer, Pandit R. B. Misra and Mr. B. C. Sen do not explain how they propose to make the bodies more representative. Mr. Hignell's proposal is that persons interested in the various industries of the district should sit on the committee as well as the Municipal Commissioners. Mr. Ghosh says "The Advisory Committees may consist of the Chairman, Vice-Chairman, Ward Commissioner or Commissioners, and a limited number of persons nominated by the local people's associations, where there are any, besides the Collector, the Excise Deputy Collector and the Police Superintendent."

49. I think it would be a good thing to include in the committee a few persons nominated by local people's associations, if there be any as suggested by Mr. Ghosh, and also large employers of labour within the town areas. The idea should, however, be the ascertainment of all shades of opinion and not the creation of any non-official majority. The functions of these committees should, in my opinion, continue to be *purely advisory*, and as such the question of an official or non-official majority has no meaning, although as I may point out even now the committees have a non-official majority, and the addition of other persons as suggested above would further increase the proportion of non-officials.

50. On the point whether Advisory Committees should advise on shops for the sale of excisable articles other than liquor, *i.e.*, *ganja*, bhang, Charas and opium, many of the officers have offered no opinion. Among officers who have offered opinion, the Honourable Mr. Kershaw, and Messrs. Whitty, Rainy, Lyall, Dixon, Rowland and Hignell have no objection; Mr. Rainy adds, however, that it is to be remembered that licences for the sale of opium and *ganja* since the excisable article is not usually consumed on the premises, are in a different position from the spirit shops. The public generally are much less interested in questions affecting these

shops, *e.g.*, the selection of sites, for the obvious reason "that they are not so liable to cause a nuisance if badly conducted." Messrs. Gruning, Foley and Deb are opposed to consulting the Advisory Committees in the matter of licensing shops other than those for the sale of liquor to be drunk on the premises. Mr. Foley says: "The use of these committees is to point out to the licensing authorities every kind of nuisance that arises from the shops, and every way in which they consider drunkenness might be suppressed. Shops for the sale of hemp drugs cannot very well constitute a public nuisance." Mr. Deb urges the very same thing and is also "not quite sure whether in view of the present constitution of the elective elements in municipalities the added power which the Deputation propose to vest the Advisory Committees with, would always be exercised in the interest of the public good."

51. While I do not see with Mr. Deb why Committees whom he would not suspect of underhand dealing in the matter of liquor shops should abuse their privilege when consulted with regard to drug shops, I believe there is very good reason in the argument which he as well as Messrs. Rainy and Foley have put forward, *viz.*, that as drug shops are not likely to be public nuisances, the general public are likely to take very little interest in their number or location, and that the main functions of the Advisory Committees should be to point out to the licensing authorities every kind of nuisance that may, or do, arise from the shops and to make suggestions for the prevention of drunkenness. The advice of the Committees in matters other than such as constitute or likely to constitute public nuisances is apt to be purely theoretical and speculative, and I do not see the propriety of asking for such advice which it would very often be not possible to act upon.

52. The third recommendation of the Deputation that the auction system of licensing should be superseded by a system of fixed licence fees as recommended by the Government Excise Committee of Enquiry touches a very old controversy on which there has been considerable discussion on various occasions in the past.

53. The majority of officers now consulted are in favour of continuing the present system of auction with the safeguards imposed by the existing rules. The Honourable Mr. McIntosh, Mr. Dixon, Mr. Berthoud and Mr. H. W. F. Scroope would on the other hand introduce a system of fixed fees; and Mr. Deb would have fixed fees only in the case of shops for the sale of duty-paying articles. The Honourable Mr. Kershaw, Mr. Weston and Mr. Rainy would like to give the system of fixed fees a trial in districts where the conditions are settled and there are sufficient data for the determination of fair fees. Mr. Ghosh of Cuttack would dispense with licence fees altogether, and proposes that the entire Government demand should be taken in the shape of duty alone; which, instead of being at a fixed rate would be calculated on a sliding scale, "varying with the quantity consumed or issued, a higher rate being fixed for larger consumption and a lower rate for smaller consumption. For instance, there may be one rate of duty for issues below 25 or 50 gallons and another rate when the issues to the same shop exceed that limit up to say 100 gallons; when the total issues exceed 100 gallons the rate of duty may again be increased up to a limit say of 150 or 200 gallons." A scale like this will not, in his opinion, operate harshly on small shops with small annual consumption as compared with big shops commanding large sales, and will be more equitable. There will be contentment among vendors, sure as they would always be of some profit and it will "minimise their temptation to seek for increased consumption and to resort to all sorts of illicit practices to make up for losses consequent on enhanced licence fees, over which these men very often have no control." This proposal has clearly been made without due regard to the considerations that the distance of the shop from the place of supply and facilities or otherwise for transport are very important factors in determining whether the shop could work at a profit or not, and that a sharp distinction between a shop selling 51 gallons from one selling 49 gallons, while the latter pays no higher rate of duty than a shop selling 26 gallons cannot really be said to be a very equitable arrangement. The arrangements for checking duty must needs be very elaborate, and any mistakes made would be difficult to detect; these are other objections sufficient in themselves to condemn the proposals as unworkable in practice.

54. In the absence of actual experience, discussion of the merits or otherwise of the fixed fee system can be made only on *a priori* grounds. The arguments adduced by Messrs. Dixon, Berthoud and H. W. F. Scroope are by no means convincing and the Honourable Mr. McIntosh says no more beyond that he agrees with the Collector of Bhagalpur that all licences should be settled at fees calculated

according to issues, leaving a fair margin of profit to the vendor. Mr. Dixon meets only some of the objections ordinarily levelled against the fixed fee system, but does not put forward any positive argument why he would prefer it to a system of auction tempered by discretion. And his anticipation "that an increase in fee which is generally obtained by the auction system will be compensated by an increase in consumption which has been seen to follow settlements made on the principle enunciated above" would, if realized, be the best condemnation of the fixed fee system rather than otherwise, unless by "increase in consumption" he contemplates only a replacement of illicit supply by duty-paid articles. Messrs. Berthoud and Scroope's arguments assume that there are only two alternatives possible—either fixed fees or unrestricted auction—and lose sight of the third alternative, viz., the present sanctioned practice which is that of auction with very considerable limitations.

55. The question was discussed at great length by the Indian Excise Committee of 1905-06 in Chapter X of their Report, and they put forward a number of arguments in support of their recommendation of the fixed fee system. These arguments did not appear convincing to the Government of India, who in their Resolution No. 2997 Exc., dated the 16th May, 1907, pointed out some of the objections which the Indian Excise Committee had not met and declared in favour of a policy of auction which, however, was to be protected by very efficient safeguards.

56. The chief objections levelled against settlement by auction are—

- (1) that fees very often reach a point at which honest profit is not possible, and the licensee is therefore compelled to resort to illicit practices to save himself from loss; and
- (2) that by rendering fixity of tenure impossible, it removes all encouragement to respectable management.

57. The principal arguments against the fixed fee system are on the other hand that—

- (1) it creates vested interests—an evil which has proved in England the most serious obstacle to real temperance reform;
- (2) it fails to increase revenue in the same way as settlement by auction, while it gives no more guarantee of honest dealing or respectable management than the auction system, for the lust for profit may prove as great an inducement for resort to illicit practices as the necessity of saving one-self from loss.

58. A system of auction tempered by discretion on the lines indicated by the Government of India bears at least as much resemblance to a fixed fee system as to a system of unrestricted auction, for it is a system of auction within fixed minimum and maximum fees; while on the one hand competition among rival abkars and fixation of reserve prices guard against the shops being settled at inadequate fees, they are not on the other hand to be knocked down at bids which are purely speculative—fees at which the shops cannot be worked at a profit. This system, therefore, always ensures settlement of shops at fees at which honest profit is possible with respectable management, and while it tends steadily to increase revenue, without necessarily involving an increase in consumption, it makes the creation of vested interests impossible. It meets, therefore, some of the most important objections against either a system of unrestricted auction or an inelastic system of fixed fees. It must be admitted, however, that there is no more guarantee under this system than in any other that the management will be respectable or that the licensees' dealings would be above suspicion. Both the fixed fee system and the auction system tempered by discretion make respectable management and honest profits possible, but under either system, and very probably also under any other system imaginable, the problem of ensuring honest and respectable management is mainly a question of close and effective supervision.

59. It is possible, however, that one system may attract a better class of men than another, but this experience alone can show. While, therefore, I cannot give preference to the fixed fee system, on *a priori* grounds, to our system of auction tempered with discretion, I would nevertheless like to give effect to the suggestion of giving the fixed fee system a trial in particular localities most suited to it. If results show that, with the same amount of supervision, the fixed fee system gives a better class of abkars than what the auction system with its safeguards has done, it would be worth while sacrificing the increase in revenue that auction settlements

might have brought about and risking the possible danger from the creation of vested interests and to vote for the fixed fee system.

60. It is well, however, to make it clear at the outset that the system of fixed fees can never be applied to the settlement of outstills or to any similar cases where there are absolutely no reliable data for ascertaining consumption. In such cases the system of auction must continue, and such auction must be, in the absence of any reliable test by which the licensing authority can determine where the bidding begins to be speculative, as near an approach to unrestricted bidding as possible. This was recognized by the Indian Excise Committee who wrote in paragraph 192 of their Report : " This procedure is inevitable where there is no fixed duty levied, as in the case of outstills, licences for the manufacture and sale of country beers, and licences for the tapping and sale of *tari* where it is not subject to tree-tax." The evils incidental to unrestricted auction will continue, but they are necessary evils which it would not be possible to avoid and attempts to restrict auction are only calculated to give birth to abuses of far graver nature. The remedy in such cases lies not in the search for any improved system of fixing outstill licence fees, but in replacing outstill by distillery liquor shops. As stated above, this is mainly a question of improved communications, and the experience of the past few years should be sufficient guarantee that consideration of revenue will never stand in the way of the department pushing on the steady programme of extension of distillery area to keep pace with improved facilities of communication.

61. The fourth recommendation of the Deputation is that the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committee or some other independent authority. This is clearly in their eyes the most important change necessary in any programme of temperance reform, and the Deputation explain that it is with this end in view that they desire to see the non-official element strengthened in the Advisory committees.

62. All the officers protest with one voice against the radical change which this suggestion demands, and several of them observe that the recommendation could only have been made under very mistaken impressions regarding present-day conditions in this country. The Honourable Mr. McIntosh who would himself " welcome the transfer of the licensing function from the control of the Revenue Department if it were possible to do so " expresses his conviction that " we have not reached such a stage of development as would make it possible to place the licensing function in the hands of the Local Committees." Mr. Coupland says :—

" I have personally paid a considerable amount of attention to local excise matters while on tour during the last six years. I have constantly passed orders for the removal of outstills to less prominent and objectionable sites and have on several occasions recommended and secured the abolition of outstills which I considered unnecessary. On no single occasion, however, have I ever been asked by any private individual to move or close an outstill. On the contrary, I have frequently been asked by local people, zamindars, traders and the drinking classes to open new outstills, and not to interfere with existing ones. In this district applications from zamindars (otherwise enlightened) for the removal of a shop to, or the opening of a new shop in, some village in which they are running a weekly market, are frequent, and verbal representations from villagers that they have to go long distances to get their liquor are constant. The only result, therefore, of local committees in a district like this is likely to be an increase and not a decrease in the number of outstills, and their location in more prominent positions. The proposal is to my mind, therefore, thoroughly unpractical, so far as rural areas are concerned. If the idea is that the committee should consist of persons resident at or near the headquarters of the district, it is equally unpractical, as such persons neither know nor would take the trouble to learn, even if they had the time, by personal visits of enquiry, local conditions in places 50 and 60 or even only 10 miles from headquarters.

" The transfer of powers from the Revenue Department is presumably recommended on the ground that the Revenue Department has interests other than those of temperance and morality to consider, and is likely to set increase of revenue first. But who are the unbiassed persons or classes of persons who are likely to form an independent authority? Landholders are not unprejudiced as I have shown above; nor are the merchants whose trade depends on the local markets and the success of the latter more often than not on the local outstill. The others available in most headquarters stations are pleaders and mukhtears who cannot afford, as a rule, to

quarrel with either landholders, merchants or wealthy excise vendors, to whom they have to look for the bulk of their income. The ardent abolitionist is obviously out of place on such a committee unless the object is to abolish all facilities for consumption of licit liquor at any cost.

"So far as my knowledge of the subject goes, local option has not been an unqualified success even in countries where a much higher all-round standard of civilisation and education has been attained than is at present the case in rural India, and to experiment with it at present in this country would be to court disaster."

63. It is true that Mr. Coupland speaks from experience in comparatively backward districts (Palamau and Manbhum) and it is probable that no zamindar with any claim to being considered enlightened in a more advanced district will apply for opening a new shop in some village in which he has started a new market. At the same time, his complaint that persons resident at or near the headquarters of the district—and experience has shown that it is mostly persons of this class who would under present conditions find place in any assembly which is constituted by election or any other method ordinarily employed for securing "representative bodies"—neither know nor would take the trouble to learn, even if they had the time, by personal visits of enquiry, local condition in places 50 and 60 or even only 10 miles from headquarters, is unfortunately too real to be overlooked in a matter of such vital importance as the licensing of excise shops. Moreover, as pointed out by Mr. H. W. F. Scroope, such assemblies are likely to be composed mainly of gentlemen who are themselves total abstainers and who would not be in a position to represent the views or pronounce upon the wants of the very large majority addicted to the use of intoxicants, and could not be relied upon to deal with the question in a practical manner. They would be mostly theorists, looking upon the question from a purely prohibitionist standpoint, and the inevitable result of making over the licensing function to them would be class tyranny of a very annoying kind which is sure to be retaliated by illicit practices on a scale never known before. There is also the very great danger pointed out by Mr. Lyall of the number or location of Excise shops being made a party question by rival factions in any non-official committee to whom the licensing power might be transferred.

64. The District Officer is better in a position than anybody else in the district to be informed of all the facts and circumstances that must determine the number and location of shops for the vend of different excisable articles. This the Deputation presumably do not contend, but it is urged that "so long as the present arrangement continues the officials of the Government are under a constant temptation to obtain as much revenue as possible from the sale of liquor" and the Honourable Mr. Gokhale says in very expressive language "There is after all a good deal in the saying that no person can serve God and Mammon together, and no authority can take care of the Government revenue and at the same time take great interest in temperance." This is a very serious charge levelled against a whole body of officials, and I, as one of the condemned, find myself in a delicate position in answering that charge, for whatever I may have to say might be looked upon with suspicion as interested self-defence. Fortunately, however, the answer has been given, and in no unmistakeable terms, by the Right Honourable the Secretary of State who expresses his conviction that there are a great many officers of the Government of India "whose desire for the well-being of the people entrusted to their charge is such that they would scorn for the sake of adding something to the public revenue to encourage habits or practices obviously deleterious in character," and any observations of mine on this point would be wholly superfluous.

65. The Collector is, as I have said above, the person best informed of the conditions that should determine the question of licensing. There is no just reason to suspect that he would be actuated by any motive other than the well-being of the people placed under his charge, and it naturally follows that he is the person with whom the last word in the matter of licensing excise shops must rest. As I have said before, the local Advisory committees have rendered very valuable assistance in the last few years in the matter of licensing shops in the larger towns, and I have expressed my desire to see similar committees formed for the smaller towns also, and also for rural areas, wherever possible. The functions of the committees should, however, continue to be purely advisory as at present; the result of vesting them with larger powers which they are not in a position to exercise properly would be very different from what the members of the Deputation would like to see.



66. The Right Honourable the Secretary of State expressed, however, before the Deputation, his desire to see the apparent anomaly of the double function exercised by the same officer as a licensing as well as a revenue authority gradually disappearing and I believe I am expected to submit what I consider the best way of attaining that end. A complete separation of the two functions is not, I believe, possible, for somewhere in the hierarchy of office, the double function must be combined, so that there may be a final authority who would adjust the rival claims, where there are any, of revenue and temperance. The question for determination is, at exactly what rung of the ladder this should be. The decision should depend upon ascertaining up to what stage in the scale officers employed in the collection of revenue and processes incidental to it, are likely to be engrossed so much with the details as to lose sight to some extent of the broader question of the benefit of the subject, and to acquire a bias to place revenue before other considerations. There can be no question that the District officer is above this stage and the general interest of the public cannot, therefore, suffer if the line were drawn just below him between him and the Excise Deputy Collector. At present the Excise Deputy Collector is what one Collector has described the "expert adviser" to the District Officer in all matters relating to Excise in questions relating to revenue as well as to licensing and one step in the way of separating the dual function would be to confine the Excise Deputy Collector to purely revenue and preventive functions and to give the Collector a second "expert adviser" for questions of licensing and other similar functions. This second "expert adviser" must also be a touring officer and should be of at least the same status as the Excise Deputy Collector. His duties will be much too heavy to be tacked on to the work of another officer, for he will not only take over such portion of the Excise Deputy Collector's work as the latter is divested of but will also have to go over much of the ground that the Excise Deputy Collector will continue to cover as part of his reduced function, *e.g.*, inspection of shops and collection of information regarding illicit practices which are as essential for the purposes of the purely licensing as of the purely revenue officer and it will generally be necessary to post an additional Magistrate or Deputy Collector to each district for this purpose. This arrangement will add considerably to the cost of the administration, and it is a matter for consideration of the higher authorities whether such additional cost would be justified by the benefits to be derived from the separation of revenue and licensing control. My own impression is that the advantages to be obtained, while real, would not be very considerable for even under present conditions, although the Excise Deputy Collector may to some extent acquire a bias for considerations of revenue and offer advice regarding licensing from a purely revenue point of view, it is generally possible for the Collector to correct him, and to decide upon the course of action which the interests of the general public demand.

67. Very considerable attention to the selection of sites for the location of liquor shops has been paid during the last few years especially in the districts of the Chota Nagpur Division where such attention is particularly necessary on account of the large proportion of the aboriginal population. As desired, however, in paragraph 4 of the Government of India letter, I am issuing instructions again to District Officers as to the necessity of selecting shop sites as far as possible in accordance with the instructions contained in paragraph 6 of the Finance Department (Government of India) Resolution No. 5086, dated the 15th August, 1907.

68. Statements regarding the vend and consumption of foreign liquor referred to in paragraph 6 of the India Government letter have been furnished in the Excise Administration Report for 1912-13 and similar statements will be furnished in future reports. As explained, however, in the Administration Report, the figures shown in these statements give no idea whatever of the total consumption of foreign liquor in the province, for many consumers obtain their supplies by direct indent from Calcutta shopkeepers, and there is no means at present at our disposal for ascertaining the quantity so imported. The foreign liquor question, however, is not very important for this Province as its consumption is chiefly by Europeans and Anglo-Indians, and a very small section of the Indian community; for the large masses country spirit is the form in which distilled liquor is consumed.

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## Annexure No. 3.

*Question asked by the Honourable Babu Bishun Prasad at the Meeting of the Bihar and Orissa Legislative Council held on the 29th August, 1913.*

Will the Government be pleased to lay on the table a statement showing the number of shops reduced, or their sites changed, in each district of the Province separately, as a result of the representation of the Excise Advisory Committees since their formation?

*Answer.*

A statement showing the number of Excise shops reduced, or sites changed, in each district of the Province on the representation of the Excise Advisory Committees formed in 1911-12 and 1912-13 is laid on the table. The statement deals only with the changes effected since the creation of this Province. Information regarding the changes made on the representation of previous committees is not readily available.

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## Annexure No. 4.

*Statement showing the number of Excise shops reduced, or their sites changed, in each district of Bihar and Orissa on the representation of the Excise Advisory Committees formed in 1911-12 and 1912-13.*

District.	Action taken in 1912-13 on the recommendation of the Committees formed in 1911-12.		Action taken in 1913-14 on the recommendation of the Committees formed in 1912-13.		Remarks.
	Number and nature of shops closed.	Number and nature of shops of which sites were changed.	Number and nature of shops closed.	Number and nature of shops of which sites were changed.	
1.	2.	3.	4.	5.	6.
Patna ... ..	—	—	—	1 Tari.	
Gaya ... ..	2 Tari ... ..	2 Tari ... ..	2 Tari ... ..	2 Country spirit.	
Shahabad ... ..	—	—	2 Tari ... ..	3 Tari.	
Saran ... ..	2 Country spirit	—	1 Country spirit	1 Tari.	
Muzaffarpur ... ..	1 Tari ... ..	2 Tari ... ..	—	4 Tari.	
Darbhanga ... ..	—	2 Tari ... ..	—	6 Tari.	
Monghyr ... ..	2 Tari ... ..	—	1 Tari ... ..	1 Tari.	
Bhagalpur ... ..	—	2 Tari ... ..	—	3 Tari.	
Puri ... ..	—	—	1 Country spirit	—	
Ranchi ... ..	—	—	1 Country spirit	—	

## Enclosure 13.

*Letter from the Honourable Mr. H. L. Stephenson, C.I.E., I.C.S., Secretary to the Government of Bengal, to the Secretary to the Government of India, Department of Commerce and Industry, Excise No. 506 T.—S.R., dated Darjeeling, the 27th October, 1913.*

I am directed to reply to the Honourable Mr. Enthoven's letter No. 477-490—218, dated the 24th January, 1913, with which were forwarded papers relating to certain criticisms made on the excise administration in India by two deputations which waited on the Secretary of State for India in August, 1907, and July, 1912. The Government of India desire to have an expression of opinion on the special aspects of the drink question in the Presidency of Bengal, and to be furnished with statistics showing the consumption of, and taxation realized on, excisable articles of different descriptions in the old Provinces of Bengal and Eastern Bengal and Assam and in the existing Province of Bengal during each of the years 1905-06 to 1912-13. The Government of India enquire to what extent this Government would be prepared to give effect to the recommendations of the deputation in regard to the extension of the powers and functions of local advisory committees and the modification of their constitution. They enquire what further reduction, if any, is now possible in the number of shops; and they also desire to be informed as to what further curtailment is possible with regard to the hours of sale. They also intimate that they will be glad to receive any suggestions which this Government may offer in regard to the working of a system of fixed licence fees.

2. The Excise Commissioner, who was consulted in the matter, has submitted a very exhaustive report dealing with all aspects of the drink question throughout the Presidency; and he has made a detailed examination of the excise statistics of the Presidency covering a period of more than 30 years. I am now to submit for the information of the Government of India a copy of this report together with the statistics called for. Statistics have been prepared not only for the Presidency of Bengal as now constituted, but also for the Provinces of old Bengal, Bihar and Orissa, Assam as at present constituted, and those portions of Bengal which formerly formed part of the respective Provinces of Bengal and Eastern Bengal and Assam.

3. I am in the first place to invite attention to the progress that has been made during the past seven years in improving the system for the supply of country liquor in this Presidency. In 1905-06, 26,570 square miles of present Bengal were under the outstill system, and 43,312 square miles under the distillery system. In that year the Dacca Division was under a system known as the central distillery system; while the outstill system prevailed in the Rajshahi and Chittagong Divisions and part of the Burdwan Division. The outstill system entirely disappeared from the Burdwan Division and the district of Darjeeling in 1907-08, from the Rajshahi Division in 1909-10, and with effect from the 1st April, 1913, has disappeared from the Chittagong Division. The Presidency is now entirely under the contract supply system. This system possesses an advantage over outstills in regard to the quality of liquor supplied for consumption; but apart from this its adoption renders it possible to ascertain with great accuracy the actual licit consumption of country liquor and thereby to exercise more effective control. During the period that the outstill system prevailed it was not possible to ascertain with any degree of accuracy the consumption in the areas obtaining their supply from outstills; and the figures of total consumption, based as they were on estimates or on inaccurate registers maintained at the outstills, did not really represent the actual state of affairs. And their existence in conjunction with a contract supply system prevailing in other parts of the Province tended also to vitiate the statistics of consumption in these latter areas owing to the smuggling that took place from outstills to contract areas. These uncertainties and complications have now disappeared. With the introduction of the contract system the exact account of the quantity of liquor sold from each shop is now possible; the smuggling of liquor from one district to another has been lessened; and it will be possible in the future to determine with great accuracy and certainty the variations in consumption in different districts, and to determine in consequence a line of action to check the growth of consumption.

4. The Excise Commissioner has dealt very fully with all the aspects of the drink problem in Bengal, and I am to invite the attention of the Government of India to his remarks on this question. The statistics now submitted contain certain salient features of importance. The various statements give figures for the distillery areas, where the consumption was known with fair accuracy; and I am to point out that although there has been an increase in the total consumption between the years 1905-06 and 1912-13, the consumption per hundred of the population of present

Bengal shows no great variation throughout the period. There was an increase in 1907-08, to which reference will be made later; but this increase was not maintained and has not again been worked up to. A comparison too of the average consumption in Bengal with that of Bihar and Orissa and Assam is greatly to the advantage of this Presidency. This is not surprising when it is remembered that a very considerable proportion of the total population of the Presidency consists of Muhammadans, who are not addicted to country liquor. The incidence of the total revenue from country liquor also compares very favourably with Bihar and Orissa and with Assam; and generally it must be admitted that, in so far as the districts of this Presidency are concerned, the Local Government has not been remiss in taking measures to check consumption. There has been a reduction in the number of country spirit shops and in the number of retail shops per 1 lakh of population, and the number of square miles per shop has in consequence largely increased: generally the facilities for the supply of country liquor are on the whole moderate.

5. While, however, the statistics for the Province generally indicate that the average consumption and the average number of shops in the Province as a whole are moderate and compare very favourably with the adjoining Provinces of Bihar and Orissa and Assam, the excise question in Bengal is really somewhat more complicated. The statistics of consumption show that nearly half the country spirit which is consumed in this Presidency is retailed in an area of less than 400 square miles, comprising Calcutta with its suburbs, the towns of Howrah and Bally, thana Serampore in the Hooghly district, the Barrackpore subdivision, and certain thanas in the 24-Parganas. In this area no less than 402,501 L. P. gallons were consumed in 1912-13 out of a total provincial consumption in the distillery areas of 851,534 L. P. gallons. This area contains a large industrial population employed in the mills, docks, and factories in the neighbourhood of Calcutta. Outside this area there are other tracts which contain a considerable industrial population—the rural areas of the Howrah district occupied by factories and mills, the Asansol subdivision of Burdwan with its coal fields, and the Jalpaiguri district with its tea gardens: all areas containing a large proportion of immigrants from spirit-consuming tracts. It will thus be realized that the drink question in the mufassal of Bengal generally is far from being a serious matter, and that the drink problem in Bengal is mainly confined to the industrial tracts in the neighbourhood of Calcutta. This is undoubtedly accounted for in a great measure by the constitution of the population. The Eastern Bengal districts are inhabited mainly by a Muhammadan population not addicted to liquor; and any comparatively high rate of consumption in these districts may generally be attributed to the existence of a few large towns which contain an industrial population. The situation is revealed to some extent in the separate statistics which have been furnished for the Burdwan and Presidency Divisions and the Darjeeling district, and that part of the Presidency which formerly formed part of the Province of Eastern Bengal and Assam. A comparison of the statistics for these two parts of the Presidency shows that the number of retail shops per thousand of population is considerably in excess in the Western divisions as compared with the Eastern Bengal districts, while the consumption of country spirit per thousand of population is also largely in excess in the former. While the special aspect of the drink problem in Bengal thus largely centres round the industrial area in the neighbourhood of Calcutta, it must be admitted that the policy followed in the past has not been without effect in increasing the consumption both in and outside this particular area. There has been a large increase in the consumption of country spirit during recent years, an increase which has not been confined to the industrial area. The increase first took effect in the year 1907-08, and was the result of the introduction of the contract supply system to the Presidency and Burdwan Divisions and to the district of Darjeeling. The situation is clearly explained in paragraphs 13-14 of the Excise Commissioner's report. With the introduction of the contract supply system there was an almost general reduction in prices. This was due in part to the introduction of the contract supply system itself, but it was intensified by the issue of orders which laid down maximum prices at which country spirit could be retailed. The main object in the fixation of a maximum price was to reduce the temptation to illicit distillation in what were formerly outstill areas. The spirit supplied under the contract system is of a somewhat different character from that manufactured in outstills and was not at first palatable to the consumer of country spirit. Illicit spirit too can be manufactured and sold at much lower prices than licit liquor, and since in many districts considerable facilities exist for illicit distillation it was considered essential to keep prices at such a level as to reduce the temptation to illicit distillation. The increase in consumption was to some extent a

proof of the success of this policy; and the fact that it occurred immediately, was not maintained, and has not gone above the level of the increase in that year tends to support this view. These maximum prices were based on a system which in itself was sound, namely, that country spirit should not be dearer in the rural districts than in Calcutta, where wages are higher and where a large proportion of the population consists of men living in circumstances which are likely to tempt them to indulge their taste for intoxicants. It would appear, however, that sufficient consideration was not given to the prices prevailing in Calcutta, and it seems to have been overlooked that the rate of duty on country spirit in Calcutta had not been raised for many years, and that the retail price of country spirit had not risen in proportion to the increase in wages and the cost of living. It would not, however, have been expedient to enhance the rate on country spirit unless the tariff rate on foreign liquor had been increased at the same time, as with an increase in the duty on country spirit this liquor would have been subjected to competition with cheap foreign liquor, whose price was determined by the tariff rate and could not have been increased except by a rise in that rate. The fact that the increase in consumption following the introduction of the contract supply system, was not maintained, and that there was a fall in the succeeding years up to the year 1912-13 is, as the Excise Commissioner has shown, proof that there has not been on the whole any general spread of the drink habit.

6. The large industrial area within which the bulk of the liquor is consumed in this Presidency consists of Calcutta and the numerous towns surrounding it along the banks of the Hooghly, all inhabited by men belonging to spirit-drinking classes and immigrants from areas where spirit is consumed: all working under conditions which tend to the consumption of intoxicants. The considerations which have been referred to relative to the fixation of maximum prices outside Calcutta and the level of prices in that city were, it must be admitted, responsible to some extent for the increase in consumption within this industrial area. But other causes have been at work. The Excise Commissioner has shown in his notes dealing with Calcutta and its suburbs that there has been a great influx of adult male immigrants from the great spirit-drinking tracts of Bihar, Chota Nagpur, and the United Provinces, a large proportion of whom belong to the classes which drink spirit in their own country. The immigrants have migrated from their own homes to the industrial centres in Bengal in search of employment at the docks, factories, and mills, where they earn high wages. The wages of these classes have increased considerably during recent years; and the prosperity that has prevailed in the various trades has been the means of attracting numerous immigrants to this locality. These immigrants too are working under conditions which tend to the consumption of intoxicants. It has been asserted that the existence of country spirit shops leads to temptation to drink and has been the means of inculcating the habit of spirit-drinking among classes who are not accustomed to take liquor. It is difficult to deal with this allegation without a very detailed investigation, but there can be no doubt that the changes in the conditions of life generally, apart from the existence of shops, have had an effect in towns of increasing the number of those who indulge in spirituous liquor. The Hindu population too of Western Bengal have in large numbers shaken off the frammels of religion in the matter of food and drink, and in doing so have increased the number of those who consume liquor. Even under these circumstances which tend to the consumption of intoxicants, the actual consumption does not, as the Excise Commissioner has shown in paragraph 22 of his report, prove that any great proportion of this population can be even regular moderate drinkers. This Government has however realized the necessity for increasing the rate of taxation, and with effect from the 1st April, 1913, the duty on country spirit has been raised by annas 10 per L. P. gallon in most districts of the Presidency. This increase in duty, which is one step in a definite policy of realising as much as possible of the total taxation by way of duty and as little as possible in licence fees, has not however been accompanied by any diminution in the fees paid for licensed shops, and it seems not unlikely that the whole incidence of taxation will closely approximate to that on foreign liquor. It is hoped that this increase in the duty will tend to check the growth of consumption, but it will be necessary to watch carefully the consumption of foreign liquor; and if any effective check on the consumption of country spirit, unaccompanied by competition with foreign liquor, is to be obtained, it will very soon be necessary to raise the tariff against foreign liquor, as otherwise it will not be possible to force up the price of country spirit to any point which will involve a substantial reduction in consumption.

7. With regard to ganja I am to observe that there has been a slight reduction in the number of shops, but despite this the consumption has increased con-

siderably. No change in the tariff duty took place during the period, and it remained at the uniform rate of Rs. 11 per seer. This Government did not fail, however, to notice the gradual growth in consumption, and with a view to checking the increase has raised the duty with effect from the 1st April, 1913, from Rs. 11 to Rs. 15. The result is shown in a diminished consumption during the present year. As regards opium the number of shops has largely been reduced, but the consumption and revenue have increased. The incidence of taxation has increased, as in ganja, entirely out of licence fees. On the whole, however, the consumption of both ganja and opium per 1 lakh of population shows very little increase.

8. The Governor in Council has given much consideration to the recommendations of the deputation in regard to the functions and powers of Advisory Committees. He is constrained to admit that, at any rate in the industrial area, the stage has not been reached at which it can be said with certainty that the number of shops is not excessive and that all existing shops are suitably located; and he is therefore prepared to welcome freely whatever local advice can be obtained. His Excellency in Council agrees, for the reasons which have been very clearly set forth in the reply of the Secretary of State to the deputation of July, 1912, that it is not possible to admit any form of local prohibition. It is impossible to ignore the fact that local gentlemen of position, whether Hindu or Muhammadan, would be bound by religious principles or caste rules, which have practically equal binding force, to adopt an attitude of total prohibition, regardless of the customs or desires of the low caste drinking population, or of the higher castes who have not the same rules as themselves or have broken through them. The Governor in Council is not therefore prepared to put local Committees formed on a popular basis in a position of complete control. He adheres to the view that the Collector should be the final authority in all questions relating to the location and number of excise shops. There is no one in the district who is so able to take a broad view of all the circumstances, and he is not in fact in such a position of subordination to the Excise Commissioner that considerations of revenue should have any undue weight with him; it is not the case that District Officers are influenced by considerations of revenue in determining the number and location of shops. His Excellency in Council is however ready to consent to a more extended application of the principle of Advisory Committees. The rules now in force in this Presidency restrict the appointment of such Committees to towns with a population of 20,000 or more in the Western Bengal divisions; while in the Eastern Bengal districts they are appointed for only a few towns of major importance. His Excellency in Council now proposes to extend the system to all municipalities throughout the Province. The powers of these Committees will also be amplified, and they will be entrusted with the duty of advising on all questions relating to the number and location of shops for the sale of intoxicants of every kind. Two questions have also been raised in connection with these Committees, viz., whether it is desirable to make the Committees more representative of public opinion, and if so how this can best be effected, and whether the Committees should contain a majority of non-official members. Hitherto representation of public opinion on these Committees has been confined to one or two members of the municipal body, who have assisted the principal Government officers in dealing with the licensing questions. The Governor in Council has, however, no objection to enlarging the representation of the non-official community, and he would not be averse to Committees with a non-official majority. There is, of course, the difficulty that if Committees be formed on a popular basis with a non-official majority, there will unquestionably be continuous pressure to give them more real control, but His Excellency in Council considers that it would be better to constitute Advisory Committees with a strong non-official element, leaving the final decision with the Collector, than to transfer the responsibility for licensing to a mixed committee with an official majority. It is of course really immaterial whether in the case of a purely advisory committee there shall be a non-official majority or not; the correct standard that should be followed is the representation of the parties most interested. The Governor in Council proposes therefore to lay down no hard and fast rules relating to the composition of these Committees; and he will modify the existing rules so as to vest in Commissioners of Divisions the power of appointment. The Commissioner of the Division is not so intimately connected with the administration of the Excise Department, and he is not influenced by considerations of revenue in dealing with excise matters. This officer has an intimate acquaintance with the leading representatives of public opinion, and the Governor in Council would therefore entrust him with the duty of appointing for each municipality a Committee of as many members as he may think fit to advise the Collector in regard to the number of licences and location of shops. The only conditions affecting his

discretion in this matter are that he shall make due provision for the representation of both the non-official community and the Excise Department.

Outside the towns no provision exists for the formation of Committees to advise the local authorities in the matter of licensed shops in rural areas. The Governor in Council is not unwilling to extend the principle of Advisory Committees to mufassal areas, and he proposes therefore to constitute the Local Boards that exist in each district and subdivision as Advisory Committees for the areas under their charge. As these Boards are in most cases composed in part of members elected from different parts of the local areas, they will be able to put before the Collector the local views in regard to the existence and location of licensed shops, and they will in this manner constitute a valuable source of information to the Collector.

While the Governor in Council is prepared to extend the principle of Advisory Committees to municipalities generally and to rural areas, he is of opinion that the time has come to make a further advance in licensing matters in the area which falls within the jurisdiction of the Superintendent of Excise Revenue, including Calcutta and its suburbs and the towns of Howrah and Bally in the Howrah district. The Advisory Committee which deals with this area is usually presided over by the Superintendent of Excise Revenue. The Governor in Council considers that this arrangement should no longer continue. The Superintendent of Excise Revenue, Calcutta, is, in excise matters, in complete subordination to the Excise Commissioner, his public interests relate mainly to the revenue, and it is on these grounds undesirable that he should have the main responsibility of deciding questions as to the number and location of shops. In considering an alternative arrangement His Excellency in Council has come to the conclusion that a licensing authority with the full and final power of determining the number of licensed shops and their location should be appointed for Calcutta and each of its suburban municipalities and for each of the towns of Howrah and Bally. The constitution of these Licensing Boards will provide for an official majority. For Calcutta the Board will consist of the Commissioner of the Presidency Division, who will be President, the Commissioner of Police, the Chief Presidency Magistrate, the Superintendent of Excise Revenue, two representatives of the Calcutta Corporation, and one representative of the leading Temperance Association. In the other towns the Board will consist of the Commissioner of the Division, who will be President, the Magistrate of the District, the Superintendent of Excise Revenue, the Superintendent of Police, two representatives of the respective municipalities, and one representative of the leading Temperance Association. With the exception of the Superintendent of Excise Revenue, none of the official members of these Licensing Boards have any special connection with questions affecting the revenue, and their interests in dealing with questions affecting the number and location of shops would have regard to the demands for facilities for the supply of intoxicants as well as to measures for the discouragement of intemperance. Committees constituted in the manner described should command great respect, and their appointment will go far to satisfy the wishes of the Temperance party.

9. With the institution of Advisory Committees and Licensing Boards on these lines, the Governor in Council is unable to agree to any further measures for the separation of the licensing and revenue functions; and he would not favour the suggestion of the Excise Commissioner that an experiment should be made by dividing the functions between Collectors and Additional Magistrates in districts where these additional officers are employed. Apart from the fact that Additional Magistrates are as a rule junior officers with limited experience of district work and with duties mainly of a judicial nature, the Governor in Council is unable to agree to any measure which will have the effect of divesting the Collector of the district of any portion whatever of his responsibility for the entire excise administration of his district.

10. The Excise Commissioner has shown in paragraph 32 of his report the measures that have been taken in recent years to deal with the question of the number of shops. A large reduction has been effected in the number of shops in the majority of districts in the Presidency, but the Governor in Council is constrained to admit that in the industrial area the opportunities for obtaining liquor seem somewhat excessive. In Calcutta and the towns of Howrah and Bally the question not only of the number but also of the location of shops will be left to the discretion of the Licensing Boards to which reference has already been made. In other places within the industrial area as well as in the more rural districts the Excise Commissioner will be directed to make further enquiries with a view to reduction where possible. I am however to observe that it may be found necessary not to reduce but



to increase the number of shops in certain districts. While this Government is prepared to take every measure possible to discourage and restrict consumption, it is impossible to deal effectively with this question without taking into consideration the facilities for illicit distillation. This Government is faced with a very serious problem in the matter of illicit distillation; but while it has always paid due regard to the risk and to the actual prevalence of illicit practices, it has not been deterred by them from measures to increase duty and diminish consumption. The greater part of the country west of the Damodar river, where the mahua tree is common, teems with illicit distillers who are with difficulty kept in check, and the Bakarganj and 24-Parganas districts, with their large jungly and inaccessible tracts, also afford facilities for illicit distillation on a considerable scale. In the former of these two districts it would appear that the spirit of reduction has been pushed too far, and it may be necessary to increase the number of shops in order to cope with illicit practices.

11. A question of some difficulty and of considerable importance, particularly in Calcutta, to which reference is made in paragraph 35 of the Excise Commissioner's report, arises in this connection—that relative to the sites of shops. Changes in the sites of shops or even in the settlements with licence-holders must necessarily be regulated by the ability to secure a suitable shop at the approved site or to obtain a transfer of an existing lease. A decision that the demand of a certain locality shall be met from a shop situated in a certain street cannot be given effect to unless a suitable shop can be secured in that street, and under the system by which settlements are made by auction, a successful bidder may find it impossible to secure the lease of a shop which has been approved as suitable and necessary in its particular location. The principles which underlie the auction system are to some extent defeated by the fact that an existing licensee has the great advantage of possession and can retain the lease of the shop site against a new-comer. The Governor in Council cannot but think that if effective measures are to be taken to deal with the question of the reduction of the number of shops in Calcutta and the removal of existing shops from undesirable to suitable sites, Government should have power to lease, and if necessary in the last resort to acquire, sites, otherwise decisions that a particular shop should be removed may remain inoperative. The Governor in Council does not propose, however, to press this question at the present time; the situation is not at present acute. But the Licensing Boards in Calcutta and the neighbouring municipalities will no doubt be faced with difficulties in dealing with licensed shops within their areas, and if they should find it impossible to carry out effective measures of reform without the power of acquisition, they will doubtless bring the matter to the notice of Government and action will then be taken.

12. The deputation to the Secretary of State suggested that the hours of sale might be limited by later opening and earlier closing hours being fixed for all licensed premises. The rules at present in force in this Presidency allow shops to be opened at sunrise; and fix as closing hours sunset in the Darjeeling district, 9 p.m. in Calcutta and in rural areas in hot weather, and 8 p.m. in rural areas in the cold weather. Various opinions have been expressed in regard to a suggestion that the sale of intoxicants should be limited to the hours between 8 a.m. and 8 p.m.; but there is a general consensus of opinion that no harm would result from the issue of orders directing that no shops should open before 8 a.m. Outside the industrial areas the consumption of intoxicants in the early morning can amount to very little; within the industrial area it has been urged that the shops should be opened in order to supply the wants of those who having indulged in liquor overnight require a stimulant to render them fit for work, or of those who have either been on a journey or have been at work during the night. The Governor in Council cannot accept the recommendations urged in favour of opening shops at an early hour to meet such demands. They are entirely out of accord with the principles and policy of Government, which aim at discouraging habits of intemperance. His Excellency in Council sees no reason why shops should be open at all in the early morning, and he proposes therefore to issue orders directing that no shop for the sale of intoxicants shall be opened before 8 a.m. in the hot weather and 10 a.m. in the cold weather.

The question of earlier closing hours presents more difficulty. It is, of course, essential that the moderate consumer should have opportunities for supplying his wants, for unless he can obtain stimulants in a legitimate manner, he would certainly satisfy his demand by illegitimate means. In rural areas outside towns the consumer is ordinarily able to visit the licensed shop before sunset and would suffer no inconvenience from a rule which directed the closure of all rural shops at that

hour. The case is different in towns, where the industrial population are at work till after sunset; and illegitimate practices, which it would be difficult to check, would certainly occur if such labourers were unable to satisfy their demands, as it is often the case that these labourers work until 7 or 8 p.m. and in some places later. The Governor in Council would not, therefore, in the case of towns, depart from the existing rule by which country spirit shops are closed in Calcutta at 9 p.m. throughout the year and in other towns at 8 p.m. in the cold and 9 p.m. in the hot weather. In rural areas and throughout the Darjeeling district the rules will be modified to provide for the closure of all country spirit shops at sunset.

Opium shops are at present closed at sunset in the Burdwan and Presidency Divisions and the Darjeeling district. The Governor in Council proposes to extend this rule to the Presidency generally, and to apply it to the case of all shops licensed for the sale of drugs.

I am, however, to observe that in deciding to modify the existing rules as to the hours of sale the Governor in Council does not anticipate that any great reduction in consumption will take place. But the strict limitation of the hours of sale should tend to the disappearance of the more vicious and deleterious forms of drinking, *e.g.*, surreptitious indulgence, and to some extent remove the evils to which the deputation have referred.

13. On the question of closing licensed shops on the occasion of religious festivals or during the passage of processions, the Governor in Council is in entire agreement with the views expressed in paragraph 42 of the Excise Commissioner's report, that action in this direction is generally impracticable and undesirable. There may be occasions on which action of this kind is desirable; but the Governor in Council would leave it to the discretion of the Collector to close licensed shops on such occasions, should he deem it necessary or advisable.

14. The Excise Commissioner has set forth in paragraphs 43-49 of his report his views on the working of the auction system in the disposal of licences. With the views therein expressed the Governor in Council is in entire agreement, and he is not prepared to agree to a departure from the existing system. No other method exists which will enable Government to extract the maximum of revenue from the quantity of drink actually sold. Much has been written on the advantages of different systems for the settlement of licensed shops, and numerous discussions have taken place as to whether particular systems of licence fees did or did not stimulate vendors to sell more liquor. These discussions have been largely academic and infructuous. As long as a vendor has any pecuniary interest in the sale of intoxicants, he will make every endeavour to obtain the maximum profit regardless of the particular system on which his licence fee has been calculated, and nothing but considerations of profit will determine whether his policy will be to sell the largest possible quantity of watered and probably adulterated drink cheap, or a smaller quantity of strong drink very dear. The most effective check on this is the imposition of a still-head duty at as high a rate as possible, so that the margin remaining between that and the retail price is as small as possible. Over and above this such fees should be imposed as to make the profits to the vendor as low as possible: to allow a considerable margin of profit is only to encourage the trade.

15. With reference to paragraphs 4 and 5 of Mr. Enthoven's letter under reply, I am to invite a reference to paragraphs 50-53 of the Excise Commissioner's report, which indicate the measures that have been taken to give effect to the wishes of the Government of India and to put a stop to the abuses and irregularities that have taken place in the past. I am also to invite attention to the remarks contained in paragraph 54 on the subject of the statistics of vend and consumption of foreign liquors. These statistics have been furnished for 1912-13 in the Excise Commissioner's report for that year which was submitted to the Government of India with Mr. Donald's letter No. 421T.—S.R., dated the 30th September, 1913.

#### Annexure No. 1.

*Letter from the Honourable Mr. A. N. Moberly, I.C.S., Officiating Commissioner of Excise and Salt, Bengal, to the Secretary to the Government of Bengal, Financial Department, No. 1743E., dated Calcutta, the 30th July, 1913.*

I have the honour to invite a reference to your memorandum No. 288 S.R., with which you forwarded a copy of letter No. 477-490-218, dated the 24th January, 1913, from the Government of India, Department of Commerce and Industry, dealing with certain points raised by a deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912.

I have been asked to report on the special aspects of the drink question in the Presidency of Bengal, and to furnish statistics showing the consumption of, and taxation realized on, excisable articles of different descriptions in the old provinces of Bengal and Eastern Bengal and Assam during each of the years 1905-06 to 1912-13. I have also been asked to express my opinion on questions relating to local advisory committees, further reductions in the number of shops, the curtailment of hours of sale, the working of the auction system and sales of liquor at unauthorized hours in Calcutta.

### SPECIAL ASPECTS OF THE DRINK QUESTION IN BENGAL.

2. The statistics called for by the Government of India are annexed. In addition to those for the old provinces of Bengal and Eastern Bengal and Assam, the figures for (1) Bihar and Orissa, (2) Assam, (3) Eastern Bengal, (4) the Presidency and Burdwan Divisions together with the district of Darjeeling, and (5) the existing Presidency of Bengal, which comprises the two areas last mentioned, have been shown separately, since it is only with facts which relate to the existing Presidency of Bengal that this report will deal.

In explanation of the statistics relating to country spirit, it must be mentioned that in 1905-06 the outstill system was in force in part of the Bankura district and throughout the Chittagong and Rajshahi Divisions, including the district of Darjeeling. The system of contract supply was substituted for the outstill system in the Darjeeling district in 1906-07; and was introduced throughout the Bankura district in 1907-08, and the Rajshahi Division in 1909-10. The difference between the figures for the revenue from outstill liquor in Eastern Bengal in 1909-10 and in 1910-11 is mainly due to the fact that the outstill system was in force in the districts of Rajshahi, Jalpaiguri, Bogra and Pabna for two months of the former year. The differences in the population of equal areas in the two years are due to the fact that the figures ascertained at the census of 1901 have been taken up to 1909-10 and those of the census of 1911 from 1910-11. It may be added that the outstill system has been abolished in the Chittagong Division with effect from the 1st April, 1913, and that the system of contract supply is now in force throughout the Presidency of Bengal.

The following figures show the divisional consumption of country spirit under a fixed duty system in terms of London proof gallons in the years 1905-06 and 1912-13 :—

	1905-06.	1912-13.
Burdwan ... ..	77,297	160,339
Presidency ... ..	340,861	434,667
Dacca ... ..	34,084	54,608
Chittagong ... ..	—	—
Rajshahi ... ..	—	199,924
Total ... ..	<u>452,242</u>	<u>849,538</u>

It will be seen that the increase in consumption as shown in the statement called for by the Government of India amounts to 397,296 L. P. gallons. 210,190 L. P. gallons of this increase are, however, accounted for by the Rajshahi Division, and part of the Bankura district in which the outstill system was in force in the earlier year. The actual increase therefore in the areas for which the licit consumption at both periods is known was 187,106 L. P. gallons, or 41 per cent.

3. In order to arrive at as definite conclusions as possible on the subject of the drink question in Bengal, I have made a detailed examination of the excise statistics of this Presidency covering a period of more than 30 years. The results will be dealt with generally in this report, but, as conditions vary widely in different places, I enclose notes which embody further details relating to smaller areas.

4. In Bengal alcohol is consumed in the form of country spirit, *tari*, *pachwai* and foreign liquor (which, under the present definition, includes not only imported liquors, but also country rum and certain other potable liquors which, though manufactured in India, are taxed at the tariff rate). Country spirit and foreign liquor are drunk in every district. *Tari* is consumed in considerable quantities in the districts of Hooghly, Howrah, 24-Parganas, Calcutta and Malda, and to a less extent in Burdwan, Midnapore and Murshidabad. *Pachwai* is extensively used in the districts of Burdwan, Birbhum and Bankura, in all of which it yields a larger revenue than country spirit. Much is also drunk in Jalpaiguri and Darjeeling. In these two districts as well as in all the other districts of the Rajshahi Division

and in Dacca and Mymensingh home-brewing is permitted, and, except in Darjeeling, there are no shops. *Pachwai* is also of considerable importance in Murshidabad, and is consumed, though to a smaller extent, in Midnapore, Hooghly, Nadia and Chittagong. Of all these articles country spirit is the only one of which the consumption in each district has ever been recorded in terms of a definite standard—the London proof gallon. And, even in the case of country spirit, statistics are only available for areas for the time being under the central distillery system or the system of contract supply. Statistics of consumption under an outstill system, however carefully they may have been framed, are at best approximate estimates and cannot be implicitly relied upon. And, of course, even the most reliable statistics refer only to country spirit which has paid duty and can take no account of the produce of illicit distillation. It is known that in several districts and notably in Burdwan, Bankura, Midnapore, Hooghly, 24-Parganas and Bakarganj the amount of liquor which is manufactured illicitly is considerable. As compared with the total consumption of the Presidency the amount is probably small, but the effect of a poor *mahua* crop on licit consumption in Midnapore and Bankura appears to indicate that, in some cases at any rate, it is sufficient to affect the figures of the districts concerned to a marked extent. At the same time any attempt to estimate the actual quantity of illicit liquor consumed would give even less reliable results than an estimate of consumption under an outstill system.

5. The consumers of *tari*, *pachwai* and foreign liquor are largely persons who do not drink country spirit. *Tari* is regarded by many as a comparatively harmless summer beverage; *pachwai* is chiefly consumed by aborigines who use no other intoxicant; whilst foreign liquor is the stimulant used by Europeans and by such Indians of the upper and middle classes as have taken to the use of alcohol. At the same time immigrants from the spirit-consuming areas of Bihar and the United Provinces drink *tari* in the hot weather; a certain number of aborigines and low caste persons of aboriginal extraction, especially in Western Bengal, prefer country spirit to *pachwai*, and mill hands in the neighbourhood of Calcutta and immigrants from Nepal have been known to consume the cheaper kinds of foreign liquor in considerable quantities. It will be shown below that a marked increase in the price of one form of alcohol tends to cause its partial displacement by other forms which may be rendered comparatively more attractive either by their cheapness or by other reasons; and, if its price remains high or increases, what may be regarded as the natural increase in its consumption tends to be diverted wholly or in part to other forms and to cause an abnormal expansion in their consumption, whilst the consumption of the form of alcohol, of which the price has been raised, increases less rapidly than might have been expected, remains stationary or actually declines according to the extent to which the increase in its price has placed it beyond the reach of those who might ordinarily be expected to use it.

6. The deputation did not lay very great stress upon the forms of alcohol other than country spirit, and this is perhaps natural, partly because country spirit is the form of alcohol which is most widely used by the people of India, partly because spirituous liquors are generally regarded as more deleterious than fermented liquor since a given quantity contains more alcohol, and partly because the published statistics afford a more direct indication of the consumption of country spirit, in specified areas than of *tari*, *pachwai* or foreign liquor. It is, however, necessary to take the consumption of the latter forms of alcohol into consideration in attempting to deal with the drink question in this Presidency, not only because the amount of alcohol consumed in these forms is considerable, but also because they cannot be regarded as entirely independent of one another. The demand for alcohol may show a preference for satisfying itself by the consumption at one time of one form of alcohol and at another time of another form. This preference may sometimes be dictated by fashion, but price is more often the determining factor.

7. Before dealing with the main question of the taxation and consumption of country spirit, therefore, it is desirable briefly to examine the methods of taxation of the other forms of alcohol and to consider how far such statistics as are available can be regarded as an indication of the extent to which they are consumed. It may be mentioned here that the relative prices of liquors and drugs have also, in all probability, interacted upon their consumption at different times—it has certainly been reported that *ganja* has at some times and in some districts competed with country spirit. But there is little evidence that the competition between drugs and liquors has ever been so great as to affect the total consumption of either to any marked extent. The statistics of the consumption of opium have, moreover, been largely affected by smuggling; and those of *ganja* by changes in the form in which

the drug is manufactured, by alterations in the rate of duty, and by improvements in the measures taken to ensure that it does not reach the consumer without paying duty. The use of cocaine as an intoxicant is of comparatively recent growth, and is believed to be confined to Calcutta, and to certain towns in the districts of Burdwan, Hooghly, Howrah, 24-Parganas and Dacca. It is absolutely prohibited, and the amount consumed cannot even be estimated. These facts render this part of the subject so obscure that it seems best to abandon any attempt to estimate the effect of drugs on the consumption of alcohol.

8. In some districts *pachwai* may be manufactured for home consumption either without payment or on payment of a small annual fee. In these districts there are no means whatever of estimating the amount consumed. There is nothing to show how much *pachwai* each licensee manufactures, and the revenue is not an exact indication of the number of consumers. But except the districts of Dacca and Mymensingh, in which the effect of *pachwai* upon the consumption of country spirit has been of little importance in comparison with the effect of foreign liquor, all the districts in which the home-brewing system is in force are districts in which the outstill system has only recently been abolished, and in which, with the possible exception of Malda, there is little reason to believe that the consumption of country spirit has been appreciably affected by *pachwai*.

Elsewhere the taxation of *tari* and *pachwai* takes the form of a monthly licence-fee, which gives the right of manufacture and sale. Increasing licence-fees may indicate larger consumption or higher prices or both, but in what proportion cannot be ascertained with any great such degree of accuracy. Both *tari* and *pachwai* are considerably cheaper than distillery or contract liquor, though they are consumed at lower strengths. *Pachwai* is directly affected by the price of rice, which is the the material from which it is manufactured, and this may be regarded as some evidence that in the case of *pachwai* higher licence-fees indicate increased consumption and not larger profits due to enhanced prices. For the price of rice has risen considerably during the last 20 years, and it would have been difficult for *pachwai* to retain its popularity, which is largely due to its comparative cheapness, if its price had risen more than in proportion to the general increase in the price of food grains. *Tari*, on the other hand, is only affected by high prices in the same indirect manner as all excisable articles, that is, by the smaller margin left to the consumer for expenditure upon luxuries. Both *tari* and *pachwai* are affected by illicit practices. The illicit manufacture of *pachwai* is prevalent wherever it is largely consumed, as its production is an extremely simple matter and the materials are always at hand. The illicit sale of *tari* is chiefly carried on by persons who tap the trees either on behalf of or with the connivance of licensed vendors or primarily for the manufacture of *gur* or molasses.

There is no certain method of enhancing the retail price of an article which is taxed solely by means of licence-fees and over the manufacture of which there is no regular supervision. An increase in the price of the materials from which it is manufactured may have this effect, and so may an increase in the amount of licence-fees. But, in the absence of accurate data as to the cost of materials, the extent of consumption and the actual selling price in each shop, it is impossible to regulate licence-fees with any degree of nicety; and whilst, in the absence of any obvious reason to anticipate a decrease in consumption or to regard the licence-fees of a particular year as excessive, the fees for each shop are not ordinarily allowed to fall much below the average of the last three years, the price which is ultimately paid is very much what the vendors settle between themselves at the auction, subject of course to the refusal of bids which are obviously speculative or malicious. And, when it is remembered that as consumption increases there is room for a more than proportionate increase of licence-fees and that this increase can be larger when an article is taxed by licence-fees alone than when part of the taxation takes the form of a duty on the amount of alcohol consumed, it will be seen that with a steady increase in consumption *tari* and *pachwai* can bear a very large increase in licence-fees before the vendors are forced to increase their prices. It may be taken as practically certain that the price of neither of these articles has ever been high enough in comparison with the price of foreign liquor or of distillery spirit to offer any inducement to a person who prefers them to abandon them for the latter articles, though a reduction in the price of country spirit may result in persons who prefer it, but who consume *tari* or *pachwai* because of their cheapness, taking to country spirit instead. On the other hand, a considerable increase in the price of country spirit may cause persons who normally drink it to give it up in favour of *tari* or *pachwai*. There are indications that both these results have taken place. They

will be referred to in greater detail below. I have been unable to discover any evidence that *tari*, *pachwai* and foreign liquor have ever competed with one another.

9. Foreign liquor is taxed by means of a fixed duty in addition to licence-fees. The fees for such classes of licences as those for sales on steamers or in hotels, restaurants and railway refreshment rooms are fixed. Fixed fees have always been charged for the privilege of selling foreign liquor in country spirit shops in Calcutta. Outside Calcutta all licences for the retail sale of foreign liquor in shops were formerly settled by auction, and they made no distinction between sales for consumption on and off the premises. In recent years the number of licences for the consumption of foreign liquor on the premises has been considerably reduced, and the right to sell by the bottle for consumption off the premises is now in most cases settled on fixed fees. This change of system, which was introduced gradually and which is still in progress, renders it impossible to base any estimate of recent fluctuations in consumption in the different districts upon a comparison of the licence-fees for different years. For the earlier years, when all foreign liquor shops outside Calcutta were settled by auction, the licence-fees are of more value as a guide, but, even so, they give no indication of the amount of liquor transported by private persons for their own use or of the amount consumed under licences for steamers, railway refreshment rooms, etc. It should also be borne in mind that it has always been the policy of Government to restrict the number of foreign liquor shops, as of shops for the sale of other excisable articles, to places in which there was a population habituated to its use, and that, although at one time the number showed a tendency to increase in certain districts owing to an increasing demand, it has never been admitted that the people of any locality consumed foreign liquor to the exclusion of country spirit. Foreign liquor shops have usually been confined to towns. In some districts they are found in important bazaars, but they have never been established in the smaller villages. The neighbouring rural population visits the places where these shops exist and has there had opportunities of obtaining foreign liquor. There is no restriction on the amount which may be possessed for private use. Whilst therefore the purely rural population has never had facilities for the habitual consumption of foreign liquor in the shops, its members have had some opportunity of obtaining it from them, and it is impossible to say how far the shops have influenced consumption beyond their immediate neighbourhood. With these reservations fluctuations in the licence-fees for the retail vend of foreign liquor outside Calcutta may be regarded as some indication of fluctuations in the consumption of that article, and especially of its consumption by the classes of which the members would not transport foreign liquor for their own use, that is to say, of the lower and less well-to-do classes, at any rate up to the year 1904-05. A large increase in such licence-fees in any district may be taken as an indication of increased consumption. This increase may have taken place among persons who had formerly drunk country spirit. In some places weak kinds of foreign liquor have at times been obtainable at a lower price and certainly in a more attractive form than a stronger form of country spirit, and in such places some persons probably abandoned country spirit for foreign liquor, and others, who would normally have taken to the use of country spirit, may on growing up have taken to foreign liquor instead. Part of the increase may also have been caused by the fact that persons who already consumed foreign liquor were enabled by increasing prosperity to drink more of it, and part by the accession of members of the upper and middle classes who had not previously taken alcohol in any form. The converse is true to some extent. A reduction in the price of country spirit or an increase in the price of foreign liquor, especially if combined with restrictions upon the form in which it may be sold, will cause those to whom cheapness is the primary consideration to turn from the latter to the former. Influences of this kind, have, however, only been at work in later years, and, as has been explained above, recent reductions in the amount of licence-fees cannot be regarded even as an approximate indication of their effect.

It is necessary to point out why it should be impossible to obtain accurate statistics of the consumption of an article which is primarily taxed by means of a fixed rate of duty per London proof gallon. Whilst the duty on country spirit is levied on the amount of alcohol issued to each retail shop, foreign liquor is chiefly imported into Calcutta by wholesale dealers, and the duty is levied at the time of import or of removal from bond. Accurate statistics of the amount of duty so levied are available, but they throw no light whatever on the subsequent history of

the liquor, and give no indication of the place in which the liquor is consumed or even of the year in which it is consumed. There was at one time a system under which imported liquor in transit from a wholesale dealer to a mufassal retail vendor was covered by a pass. This system has been discontinued, and, even whilst in force, it did not furnish statistics of sufficient accuracy for purposes of comparison. For the passes gave no indication of the strength of the liquor transported, and liquor transported by private persons for their own use was not covered by passes at all. Since the abolition of the pass system the only means of ascertaining consumption is an examination of the accounts kept by vendors. It is obviously to the interest of these persons to show as small consumption as possible. Cases have occurred in which vendors have willingly paid fees which, according to their accounts, must have involved them in heavy loss. Little reliance can therefore be placed on figures obtained from this source.

Theoretically it is easy to increase the price of foreign liquor to any extent that may be desired by merely increasing the tariff rate of duty. But there is the practical difficulty that it is the form of stimulant naturally used by certain classes which are accustomed to the use of alcohol, and not all the members of which are well-to-do. The tariff rate has been increased by more than 50 per cent. since January, 1906, and is now Rs. 9-6-0 per L. P. gallon. Although increases in the rate of duty on country spirit may require a further enhancement of the tariff rate, there must clearly be a limit to such enhancements.

10. The way has now been cleared for an examination of the subject of the consumption of country spirit, which is the form of alcohol to which the members of the deputation almost exclusively confined their speeches. In the course of this examination the effect on the consumption of other liquors of action taken primarily with the object of regulating the use of country spirit will be considered as occasion arises.

During the earlier years of management by the British Government there were repeated changes in the system of excise of country spirit, the outstill system and the central distillery system being the forms most frequently adopted. The last general change from the central distillery system to the outstill system was effected between the years 1870 and 1880. In 1883-84 a Commission was appointed to ascertain the causes of the serious increase in drinking and to make suggestions for their removal. The Commission made exhaustive enquiries. They attempted to estimate the number of consumers in each district, but, notwithstanding the care which they devoted to this subject, they were forced to admit that the result was unsatisfactory. From a series of elaborate calculations they arrived at the conclusion that the amount of country spirit produced in outstills and central distilleries in 1883-84 was more than double of that so produced in 1875-76, but the figures necessarily take no account of illicit distillation and smuggling which the Commission held to have been very common in the latter year, but to have largely disappeared with the extension of the outstill system. They found that there had been a general increase in the consumption of excisable articles, but that the increase had undoubtedly been greatest in the case of country spirit. They attributed this increase primarily to the effect of social, moral and religious changes in relaxing the restrictions, which at a former period had kept large classes from indulging in spirituous liquors, and in preparing those classes to take advantage of all opportunities for increased drinking afforded to them either by their own improved circumstances or by changes in the excise system. They arrived at the conclusion that the extent of the evil throughout the greater part of Bengal proper had been greatly exaggerated, and that the actual number of consumers was small except in the districts of the 24-Parganas, Hooghly, Howrah and Burdwan, in such cities as Calcutta, Dacca and Murshidabad, and in exceptional tracts like Serajganj in Pabna. At the same time they found that, whilst there was nothing to show that drinking had ever prevailed among many large sections of the population or that it had begun of late to spread among them, yet there were symptoms of its appearance among classes, which had hitherto been precluded from drinking by religious scruples or by social sanctions, and there was a marked and grave increase in the number of drinkers among the classes which had always been in the habit of drinking, especially in the towns.

11. With a view to an improvement of the system of the excise of country spirits, the central distillery system, which had been in force all along in Calcutta and its immediate neighbourhood, was extended to the towns of Burdwan, Murshi-

dabad and Dacca in 1885-86, to the whole of the districts of Howrah and the 24-Parganas in 1889-90, and throughout the Burdwan, Presidency and Dacca Divisions in 1890-01. A large reduction was also made in the number of shops. The effect of this measure was, except in the immediate neighbourhood of Calcutta, to cause a rise in the price of country spirit and a decrease in the licit consumption. It is unfortunately impossible to obtain accurate statistics under either head, though the reports of the period express no doubts as to the facts. It is always difficult to ascertain retail prices, and, when unrestricted, they vary from shop to shop and even in the same shop. It is clear, however, that the imposition of rates of duty, which were by no means low, must alone have necessitated an increase in prices whilst licence and distillery fees added to this result. The concentration of manufacture in one place did not reduce the cost of production, as the same primitive methods continued, whilst transit expenses added to the cost price in the outlying shops. There was not always sufficient accommodation for all the vendors in the central distillery, and those who could not manufacture their own liquor had to buy it from those who could do so at prices fixed by the latter, a fact which told against the small independent vendor and tended to throw the trade into the hands of a ring of monopolist distillers. The reduction in the number of shops tended to eliminate competition which might have operated to keep prices down. At the same time the anxiety of the vendors to secure a sufficient interest in the limited number of shops to enable them to live by their hereditary business tended to force licence-fees up and thus steadily to increase the incidence of taxation and the retail price.

The tendency for prices to increase was greatest in rural areas where the shops were few and small and at a distance from the source of supply. In urban areas and in larger shops it was less marked, whilst in the congested area in the neighbourhood of Calcutta, where shops were large and necessarily less distant from one another, the element of competition played its part and prices remained practically stationary. This result was exactly opposite to what would have been desirable. In all the agricultural districts, where, if anywhere, the influences of village life and of the caste system might have been expected to persist and public opinion to have some force, the incidence of taxation increased steadily and every factor combined to raise prices. In the congested industrial area, where restraints were less and the means to indulge in intoxicants greater, taxation and prices were little affected.

The immediate result of the rise in the price of country spirit was necessarily to cause a decrease in its licit consumption in the areas in which the outstill system had previously been in force. A considerable rise in the price of an article which is consumed by the poorest classes must inevitably have that effect. It is, however, impossible to say how great the decrease was. The figures estimated by the Excise Commission have been referred to in detail in the separate notes; but although considerable care was devoted to their preparation, and although the estimate was probably as near the mark as any estimate of consumption in an outstill area can be, they bear so little relation to the recorded consumption of 1890-91 that I think that they must be discarded. The fact that the revenue from country spirit decreased in every district in which the change of system was effected and that it did not immediately recover confirms the view that prices had increased and licit consumption declined. For there are three factors—taxation or revenue, prices and consumption. If prices and consumption had remained unchanged whilst the revenue fell, it must have meant that taxation was lower and profits higher. The result would have been competition to share in the increased profits and an immediate recovery of the revenue. If prices had increased the profits on an undiminished consumption would have been greater still and prices would only have been reduced if there had been prospects of larger profits from increased sales. But in the absence of any accurate data as to either prices or consumption before 1890-91 the fact of a diminished revenue is no guide to the extent of the decrease in consumption.

12. The 23 years which have elapsed since the general introduction of the central distillery system into the Burdwan, Presidency and Dacca Divisions may be divided into two periods. In the first, which covers the 15 years ending in 1904-05, conditions were fairly uniform. The tendency for prices to increase persisted, and, generally speaking, the increase, which was sudden and considerable in 1890-91, was gradual and continuous throughout the period except in areas in which the rate of duty was reduced. Similarly consumption did not reach its lowest point in the first year, though it nowhere decreased throughout the period. In most of the industrial areas there was a recovery and in some a large increase in consumption which, notwithstanding the increase in taxation, kept the incidence comparatively



low and prevented any marked increase in prices after 1890-91. In the other districts there were seasonal fluctuations, but, generally speaking, no increase in consumption, which remained fairly stationary, somewhat above its lowest level.

13. The second period, which comprises the last eight years, has been remarkable for a general increase in the recorded consumption of country spirit, which has not been confined to the industrial areas, and it is now necessary to consider the new influences, not present during the first period, which have contributed to this result. The most important of these, in the districts of the Presidency and Burdwan Divisions outside Calcutta, was beyond doubt the almost general reduction of prices which accompanied or followed the introduction of the system of contract supply. This system was introduced into the district of Midnapore in 1905-06, into Murshidabad, Jessore, Khulna and Darjeeling in 1906-07, into the remaining districts of the Presidency and Burdwan Divisions in 1907-08, and into the rest of the present Rajshahi Division in 1909-10. Where it replaced the central distillery system it would probably have operated in any case to reduce prices and thus to increase consumption, at any rate for a time, as it enabled the retail vendors to obtain their supplies at a low fixed price and removed the disadvantage under which those who were not also distillers had previously laboured. But the effect was intensified by the issue of orders fixing the maximum prices at which country spirit might be retailed in each area into which the system was introduced, with the exception of Calcutta and those districts of the Rajshahi Division into which the system was introduced in 1909-10. These prices were in most cases lower and in some districts much lower than the rates which had previously prevailed. Standard strengths, at which alone the liquor might be sold, were also fixed in all these districts except Calcutta, and vendors were no longer allowed to dilute their liquor as they chose. This measure was also probably not without its effect on the consumption, as consumers in many cases got more alcohol and less water in a bottle than before. The principle on which the maximum prices were ultimately fixed was that in areas in which the rate of duty was the same as in Calcutta the prices should be slightly lower than those in Calcutta, whilst in areas in which the rate of duty was lower prices should be nearly proportionate to the rate of duty. The weaker liquor was made slightly cheaper than the stronger in proportion to the amount of alcohol which it contained. These principles were departed from in two cases—in the areas of Midnapore, Bankura, and Darjeeling, in which the outstill system had previously been in force, a weak liquor of 70° U. P. was issued at a preferential rate of duty and a specially low price, and in Birbhum and the Asansol subdivision of Burdwan the maximum prices were fixed somewhat higher than in other areas in which the same rate of duty was in force, as there was some fear that country spirit might compete with *pachwai*.

The country spirit consumed in Calcutta was issued at strength of 18° U. P. and was believed to be sold at prices varying from Rs. 9 to Rs. 10 per gallon of that strength. As, however, the vendors were allowed to dilute the liquor before sale and as the bottles used varied considerably in size, it was impossible to ascertain the rate which actually prevailed with much certainty.

The standard strengths at which country spirit might be sold were fixed in 1907-08 at 20° U. P. and 50° U. P. The maximum prices per gallon were as follows :—

	Duty, Rs. 5-0-0.			Duty, Rs. 3-12-0.			Duty, Rs. 2-8-0.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
20° U. P. ... ..	8	12	0	7	0	0	5	4	0
50° U. P. ... ..	5	4	0	3	15	0	2	10	0

In Birbhum and the Asansol subdivision of Burdwan, where the rate of duty was Rs. 2-8-0, the maximum prices were fixed at Rs. 6-2-0 and Rs. 3-8-0 for the two strengths.

The principle on which maximum prices were fixed seems to have been generally correct. Country spirit should not be dearer in the rural districts than in Calcutta where wages are higher and where a large proportion of the population consists of men living in circumstances which are likely to tempt them to indulge their taste for intoxicants. But the fact that the rate of duty in Calcutta had not been raised for 20 years and that the price of country spirit had not risen in proportion to the

increase in wages and the cost of living seems to have been overlooked. The increase in the consumption of country spirit throughout the area in which the central distillery system had previously been in force might have been less marked if steps had been taken to increase the price of intoxicants in Calcutta and if the maximum prices in the other areas had been pitched correspondingly higher. It would, however, have been a doubtful expedient to enhance the rate of duty on country spirit in Calcutta unless the tariff rate had been increased at the same time. When the rate of duty was enhanced in 1908-09 foreign liquor appears again to have replaced country spirit to some extent, and the balance was only redressed when the tariff rate was enhanced in 1910.

14. Two points call for special notice in connection with the increase in the recorded consumption of country spirit which followed the fixation of maximum prices at a figure which was generally lower than the prevailing rate. The first is the question as to how far this increase was due to the fact that the reduction of prices checked illicit distillation by enabling those, who had been driven by high prices to satisfy their demand from illicit sources, to purchase what they required from the shops. It is certain that whilst the Bengal Excise Commission had recorded a finding that illicit distillation had largely disappeared under the outstill system, it was reported after the introduction of the central distillery system, that it was being very largely resorted to in several districts, especially in those in which the *mahua* tree is common. To such an extent did illicit liquor take the place of country spirit, which had paid duty, in the more hilly tracts of Bankura and Midnapore, in which *mahua* is abundant, that it was found necessary to reintroduce the outstill system into parts of these districts after the central distillery system had been in force for a year. But the prices which were fixed when the system of contract supply was introduced were in no case low enough to enable the contract liquor to enter into competition with the illicit article at an approximately equal price; and the fact that outstill liquor had apparently been able to do so is additional evidence of how large an increase in prices must have followed the introduction of the central distillery system. The increase in the recorded consumption of country spirit was not markedly larger in districts in which illicit distillation is known to be common than in districts in which it is believed to be rare. The number of cases detected in the former areas shows no tendency towards a permanent decrease. In the old outstill tracts of Bankura and Midnapore a bad *mahua* crop has more influence upon licit consumption than a number of successful prosecutions. Whilst it is possible that a reduction in the price of licit liquor may have caused some of the more law-abiding members of the public to use it instead of illicit spirit, there is nothing to show that this can be held to account for any large part of the increased consumption. Not only was its price too high for effective competition, but in some places consumers prefer the stronger flavour of spirit produced in the country still. At the same time it would not be safe to assume that the price of country spirit can be raised indefinitely without fear of adding to the amount of spirit which is distilled illicitly, especially in districts in which materials are abundant and cheap or in which the natural features of the country render detection difficult. But it would appear that the extent of the danger may easily be overestimated. The greater part of the illicit consumption, which followed the abolition of the outstills, remains and will continue until it is forcibly suppressed, as there is no possibility of enabling licit spirit to compete on equal terms with illicit liquor unless the price of the former article is reduced to a level which would stimulate consumption to a dangerous extent. Any increase in price will tend to drive a certain proportion of the consumers in such districts as have been specially referred to above to illicit practices just as a reduction in price will tend to check such practices. But, unless the change in prices is considerable, the effect in either case will probably be small in comparison with the total amount of liquor, which will be produced illicitly until the excise establishments have been strengthened sufficiently to put a stop to the practice.

In some places, and notably in the district of Bakarganj, illicit distillation appears to be due in part to the difficulty of obtaining duty-paid liquor owing to the small number of shops. Here, again, an alteration in prices will have little effect: the remedies must be sought elsewhere.

15. The second point which calls for notice is the fact that outside the industrial areas, in which the fixation of maximum prices has had comparatively little to do with the increase of consumption, since vendors are often able to sell below them, the increase in the consumption of country spirit took place in the first

year in which the reduced prices were in force and consumption has since been almost stationary. This appears to indicate that the reduced prices have caused no general spread of the drink habit. Had this happened, there would have been a continuous increase. The sudden increase in one year points to three causes, first, that consumers were enabled to obtain more alcohol for the same price and therefore drank more (though not necessarily more at a time or to excess), second, that some consumers gave up illicit distillation and drank licit spirit instead, and, third, that some consumers who had previously taken their allowance of alcohol in other forms now consumed it in the form of country spirit. The greater part of the increase must, I think, be attributed to the first of these causes.

16. But the contract supply system was not introduced into the Dacca Division, and no action was taken to reduce the price of country spirit in that area. Other reasons for an increased consumption of country spirit must therefore be looked for, and they are to be found in two factors which acted directly upon the consumption of foreign liquor. The first was the rise of the *swadeshi* movement in the latter part of 1905-06, one result of which was that it became fashionable to drink country spirit instead of foreign liquor; the second was the enhancement in the tariff rate from Rs. 6 to Rs. 7 per L. P. gallon in January, 1906, which was followed four years later by a further enhancement to Rs. 9-6-0 per L. P. gallon. The effect of the latter enhancement was intensified by the restrictions placed upon the strengths at which foreign liquor might be sold which excluded the weaker and cheaper forms from the market, by the control established over compounding and bottling, and, in the Dacca Division, by the withdrawal of the right of selling country rum in country spirit shops. The effect of the *swadeshi* movement was chiefly felt in the Dacca Division, but the enhancements of the tariff rate and the general restrictions which were placed upon the trade in cheap foreign liquor affected all the districts in which foreign liquor was consumed.

17. An attempt may now be made to ascertain the effects of the changes in the system of excise of country spirit and of the enhancements of the tariff rate upon the consumption of the different forms of alcohol. The following statements show, first, the recorded consumption of country spirit in each of the districts in which the central distillery system was in force for the years 1890-91, 1904-05 and 1912-13 together with the percentage of variation in each case, second, similar statistics for *tari* and *pachwai* (with the exception that the figures for revenue have been shown instead of those for consumption) for the years 1889-90, 1904-05 and 1912-13, for the districts in which these sources of revenue are of importance, and, third, statistics for foreign liquor for the years 1889-90 and 1904-05. The year 1889-90 has been taken instead of the year 1890-91 in the case of *tari*, *pachwai* and foreign liquor, as the revenue in 1890-91 appears to have been affected in several districts by the anticipated effect of the change of system in the taxation of country spirit:—

*Country spirit.*

District.	Consumption in 1890-91.	Consumption in 1904-05.	Percentage of variation between 1890-91 and 1904-05.	Consumption in 1912-13.	Percentage of variation between 1904-05 and 1912-13.	Percentage of variation between 1890-91 and 1912-13.
Burdwan ...	15,164	22,389	+ 47	46,675	+ 108	+ 207
Birbhum ...	3,922	3,859	— 1	7,149	+ 85	+ 82
Bankura ...	3,174	3,231	+ 1	17,551	+ 443	+ 452
Midnapore ...	11,592	11,200	— 3	36,261	+ 223	+ 212
Hooghly ...	20,139	19,731	— 2	35,363	+ 79	+ 75
Howrah ...	3,488	7,058	+ 102	17,340	+ 145	+ 397
24-Parganas ...	19,263	31,427	+ 63	55,943	+ 78	+ 190
Calcutta ...	168,670	264,187	+ 56	345,777	+ 30	+ 105
Nadia ...	5,938	4,380	— 26	10,709	+ 144	+ 80
Murshidabad ...	4,739	5,440	+ 14	9,964	+ 83	+ 110
Jessore ...	3,089	2,246	— 27	5,981	+ 166	+ 93
Khulna ...	3,332	2,383	— 28	6,292	+ 164	+ 88
Dacca ...	13,259	12,673	— 4	27,802	+ 119	+ 109
Mymensingh ...	12,927	7,764	— 39	15,300	+ 97	+ 18
Faridpur ...	4,183	4,681	+ 11	6,622	+ 41	+ 58
Bakarganj ...	5,133	3,060	— 40	4,881	+ 59	— 4

*Tari.*

District.	Revenue, 1889-90.	Revenue, 1904-05.	Percentage of variation, 1889-90 and 1904-05.	Revenue, 1912-13.	Percentage of variation, 1904-05 and 1912-13.	Percentage of variation, 1889-90 and 1912-13.
	Rs.	Rs.		Rs.		
Burdwan ...	5,791	11,166	+ 92	13,539	+ 21	+ 133
Midnapore ...	1,751	8,961	+ 411	15,851	+ 76	+ 805
Hooghly ...	28,198	36,162	+ 28	39,486	+ 9	+ 40
Howrah ...	23,904	32,978	+ 37	43,915	+ 33	+ 83
24-Parganas ...	74,652	99,975	+ 33	1,51,815	+ 51	+ 103
Calcutta ...	75,047	74,866	- 2	1,07,243	+ 43	+ 42
Murshidabad ...	8,302	10,944	+ 31	16,466	+ 50	+ 98
Malda ...	8,057	10,369	+ 28	26,498	+ 155	+ 228

*Pachwai (shop licence-fees).*

Burdwan ...	65,437	2,37,755	+ 263	4,27,392	+ 79	+ 553
Birbhum ...	66,875	1,29,293	+ 93	1,87,692	+ 45	+ 180
Bankura ...	10,973	22,280	+ 103	50,438	+ 126	+ 359
Midnapore ...	3,433	9,164	+ 166	26,293	+ 186	+ 666
Hooghly ...	1,673	6,014	+ 259	11,339	+ 88	+ 577
Nadia ...	2,022	3,572	+ 76	6,825	+ 91	+ 237
Murshidabad ...	14,811	24,460	+ 65	37,108	+ 51	+ 150
Darjeeling ...	18,071	25,802	+ 42	37,901	+ 46	+ 109

*Foreign Liquor.*

Hooghly ...	3,859	10,952	+ 183	—	—	—
Howrah ...	2,090	4,024	+ 92	—	—	—
24-Parganas ...	9,127	17,316	+ 89	—	—	—
Nadia ...	1,238	9,181	+ 641	—	—	—
Jessore ...	480	2,583	+ 438	—	—	—
Khulna ...	768	3,730	+ 385	—	—	—
Dacca ...	15,888	24,893	+ 56	—	—	—
Mymensingh ...	8,806	41,247	+ 368	—	—	—
Faridpur ...	5,409	8,950	+ 65	—	—	—
Bakarganj ...	4,569	19,247	+ 321	—	—	—
Darjeeling ...	10,172	19,082	+ 87	—	—	—

It will be seen that the consumption of country spirit increased considerably between 1890-1891 and 1904-1905 in Burdwan, Howrah, 24-Parganas and Calcutta, all of which contain industrial areas. Hooghly also contains an industrial area, but the rate of duty had been increased and the decrease in consumption was mainly due to that cause. There was an increase of 14 per cent. in Murshidabad, but the rate of duty in that district had been reduced by Re. 1-6-0 per L. P. gallon in 1900-1901, and prices had fallen and had not had time to reach their former level. I am unable to account for the small increase of 11 per cent. in Faridpur. The figures for Midnapore and Bankura are vitiated by the fact that different areas are represented in the two years. The eight remaining districts show a decrease, which is large in the case of Nadia, Jessore, Khulna, Mymensingh and Bakarganj. These were the five districts in which the revenue from foreign liquor increased most largely, the increase amounting to more than 300 per cent. in each. The percentage of increase in the *tari* revenue was large in Burdwan and very large in Midnapore, where it is consumed in that part of the district in which the central distillery system was in force. In the case of *pachwai* the increase was over 250 per cent. in Burdwan and Hooghly, and over 90 per cent. in Birbhum, Bankura and Midnapore. The increase was least marked in Murshidabad, where the consumption of country spirit showed some increase.

There has been a very large general increase in the consumption of country spirits since 1904-05. There has also been an increase in the revenue from *tari* and *pachwai*. But, as a rule, the rate of increase in the case of these articles has been much less than before, except in certain areas, in which a contrary result can be accounted for. The exceptions in the case of *tari* are Howrah, 24-Parganas and Calcutta, where the number of *tari*-drinking up-countrymen has increased considerably, and Murshidabad, where the previous increase had been comparatively small and where the consumption of country spirit had not decreased. In the case of *pachwai* the percentage increased largely in Bankura and Midnapore, where the

outstill system had been abolished in areas largely inhabited by aborigines. This result merely corresponds with that which had been produced by the abolition of outstills at an earlier date in the other districts. The rate of increase was also more rapid in Murshidabad for the same reason as affected *tari* in that district.

Similar tendencies may be observed in Malda and Darjeeling, for which figures have been given. The outstill system was in force in both districts during the whole of the earlier period but was abolished during the later period. In Darjeeling weak liquor was supplied at a preferential rate of duty under the contract system, and maximum prices were fixed. The rate of increase in the revenue from *pachwai* shops was greater during the later period, but not to a very marked extent. In Malda no maximum prices were fixed, and the price of country spirit rose. The *tari* revenue, which had only increased by 28 per cent. during 16 years up to 1904-05, has increased by 155 per cent. since that year.

As regards foreign liquor, it had been mentioned in the Annual Report for 1889-90 that in Nadia and elsewhere cheap imported liquor was even able to compete successfully with outstills which paid high licence-fees. The tariff rate was then Rs. 5 per gallon L. P. With the large increase in the price of country spirit under the central distillery system and with the tariff rate constant at Rs. 6 per L. P. gallon from March, 1890, till January, 1906, the competition of imported liquor with country spirit became increasingly effective. Country rum also competed successfully with country spirit at one time. A great stimulus was given to its consumption by the fact that from September, 1888, until April, 1892, the rate of duty was lower than that on country spirit in Calcutta and the neighbouring districts. Its popularity began to decline when the rates of duty were equalized, though for some years a large quantity was consumed, and, since its taxation at the tariff rate in 1898, it has ceased to influence the sale of country spirit to any great extent except, for a time, in the Dacca Division. The enhancement of the rate of duty on foreign liquor in 1906 was too small to cause any increase in the consumption of country spirit in districts, such as Nadia, in which the incidence of taxation was considerably higher than the tariff rate, though part of the increased consumption, which took place when the price of the latter article was reduced in districts in which foreign liquor was largely consumed, must be attributed to the fact that some persons who had preferred to drink foreign liquor because of its cheapness took to the use of country spirit for the same reason. Although there was no reduction in the price of country spirit in the Dacca Division, the *Swadeshi* movement and the enhancement of the tariff rate combined to increase the consumption of country spirit by 16,882 L. P. gallons, or by nearly 60 per cent., in two years. But the decline of the *Swadeshi* movement caused a steady decrease in the consumption of country spirit until 1909-10, except in Dacca, where the lower incidence of taxation caused the decrease to be much less marked than elsewhere, and where an influx of labourers brought about a recovery in that year. The consumption of country spirit in the other three districts of the Division in 1909-10 was still 14 per cent. less than it had been in 1890-91, although it was more than 20 per cent. more than in 1904-05. The last enhancement of the tariff rate in 1910 and the restrictions which accompanied it, however, completely rehabilitated country spirit in the districts in which foreign liquor still competed with it, and, speaking generally, it may be said that at the present moment country spirit and foreign liquor are consumed by different and well defined classes and that serious competition between them is exceptional.

18. In the districts of Mymensingh and Bakarganj, in which the competition of foreign liquor had been most severe, the consumption of country spirit per thousand of the male population was less in 1912-13 than it had been in 1890-91. In Mymensingh the actual quantity of country spirit consumed had increased by 18 per cent. in the 23 years. In Bakarganj it had decreased by 4 per cent. But the consumption in 1912-13 represents an increase of 97 and 57 per cent. in the two districts as compared with the consumption in 1904-05. The figures are interesting, because in these districts foreign liquor and illicit distillation are the only serious competitors which country spirit has ever had to meet. The system has been the same throughout the period,—no action has been taken to regulate the price of country spirit, no extraordinary measures have been taken to check illicit distillation, and the only alteration in the rate of duty has been a nominal increase of 4 annas per L. P. gallon. It may fairly be inferred that the gradually increasing price of country spirit and a gradual reduction in the price of foreign liquor coupled with the fact that it was offered for sale in a more attractive form resulted

in the demand for alcohol, which would normally have been met by country spirit, being partly met by foreign liquor. Action taken against the latter article has practically restored matters to a normal condition. A comparison of the figures of 1912-13 with those of 1904-05 indicate an enormous increase in the consumption of country spirit, for which it would be impossible to account except by vague theories of increased prosperity. But a comparison with the figures of 1890-91 show that there has been no such increase at all; and a further consideration of the history of the taxation of country spirit and foreign liquor points clearly to the conclusion that, in these districts at any rate, the fluctuations in the consumption of country spirit have been solely due to foreign liquor.

19. It is unfortunately impossible to make deductions from the statistics relating to districts in which the contract distillery system has been in force with the same degree of certainty. In Calcutta conditions are peculiar. In the other industrial areas the price of country spirit was not forced up to the same extent as in rural districts. And the attempts which have been made to regulate the price of country spirit outside Calcutta have resulted in most places in a reduction of price which must by itself have operated to increase consumption. But it is, I think, only fair to draw two conclusions. The first is that in districts in which the consumption of country spirit remained stationary or declined under the central distillery system, whilst the revenue from other liquors showed an increase, which can only be regarded as abnormal (though, as has been mentioned above, an increase of 200 per cent. in licence-fees cannot be regarded as evidence that consumption had increased in anything approaching that proportion), the central distillery system tended rather to divert the demand for alcohol from country spirit to other liquors than to reduce the amount of alcohol consumed. The consumption of *tari*, *pachwai* and foreign liquor might undoubtedly have been expected to increase in the ordinary course of events, but not at the rate at which it appears to have increased in these districts. The excise authorities of the period were certainly of opinion that in the western districts the consumption of alcohol took the form of *tari* and *pachwai* instead of that of country spirit, and in the annual reports which cover the earlier years of the central distillery system they show the revenue from *tari*, *pachwai* and country spirit together as indicative of the fact that what had been lost in one direction had been more than made up in another. The second conclusion is the converse of the above, viz., that in districts in which, since the fixation of the maximum prices at which country spirit may be sold, the consumption of that article has increased largely, whilst the rate of increase in the revenue derived from other liquors has become less rapid, part, at any rate, of the normal demand for alcohol in the form of country spirit, which had during the earlier period been met from other sources, has, during the later period, again been met by country spirit.

20. It follows that, in considering the consumption of country spirit, it will be fairer to take the years 1890-91 and 1912-13 for purposes of comparison than the years 1904-05 and 1912-13. Even when the years 1890-91 and 1912-13 are compared, however, it will be seen that the increase in the consumption of country spirit has been large except in a few districts and very large in many. But it must be remembered that, with the possible exception of Calcutta and the Dacca Division, the recorded consumption in 1890-91 was probably considerably less than the normal consumption, whilst even in Calcutta it was affected by the competition of country rum under conditions which favoured the latter article. There appears, moreover, to be some reason to believe that the increase in the consumption of *pachwai*, and in certain districts that of *tari* has been at least as great as that in the consumption of country spirit, and it is open to question whether this result has not been partly due to the stimulus given to their consumption by the increase in the price of country spirit during the central distillery period.

21. In some cases the increase in consumption has been due in part to an increase of population, and it will next be desirable to examine the consumption of country spirit from this point of view and also to ascertain its distribution. An examination of the statistics of consumption show that nearly half the country spirit which is consumed in this Presidency is retailed in an area of less than 400 square miles, which comprises Calcutta with the suburbs and the towns of Howrah and Bally, thana Serampore in the Hooghly district, the Barrackpore subdivision and thanas Behala, Tollyganj and Budge-Budge in the 24-Parganas. In 1912-13 out of a total provincial consumption (outside the Chittagong Division for which figures are not available) of 851,534 L. P. gallons no less than 402,501 L. P. gallons were consumed in this area. In the year 1910-11 the consumption in this area

averaged 312 L. P. gallons per thousand of the male population, whilst in the rest of the Presidency it averaged 20 L. P. gallons. And when it is remembered that the rest of the Presidency contains industrial areas, such as the excise district of Howrah and the Asansol subdivision of Burdwan, districts which contain a large proportion of immigrants from spirit-consuming tracts, such as Jalpaiguri and Darjeeling and a city of the size of Dacca, it will be seen that the consumption of country spirit is in most places far from being a serious matter. The following figures will show the distribution of consumption. The figures are in all cases given in L. P. gallons per thousand of the male population. Some females consume country spirit. They chiefly belong to the prostitute class, and, if they could be included, the consumption per head of the male population in urban areas would be slightly decreased. As a rule, however, only males drink, and I have accordingly excluded females altogether. The year 1910-11 has been taken as the census was taken in that year. The statistics for areas within districts are only approximate, as they are based on settlement proposals, but there is no reason to believe that they are very far from the mark. I have also shown figures based on the recorded consumption of the years 1890-91 and 1900-1901 per thousand of the male population in 1891 and 1901 :—

District.	1910-11.	1900-01.	1890-91.
<i>Burdwan</i> ... ..	61	24	22
Asansol subdivision (618 square miles) ... ..	134	—	—
Thanas Burdwan, Katwa and Kalna (342 square miles) ... ..	86	—	—
Rest of the Burdwan district (1,731 square miles) ... ..	20	—	—
<i>Birbhum</i> ... ..	14	10	10
<i>Bankura</i> ... ..	26	5	6
		(part only).	
<i>Midnapore</i> .. ..	25	—	—
Thanas Midnapore and Kharagpur (394 square miles)... ..	137	9	8
		(part only).	
Rest of the Midnapore district (4,792 square miles) ... ..	15	—	—
<i>Hooghly</i> ... ..	56	38	39
Thana Serampore (22 square miles) ... ..	221	—	—
Rest of the Serampore and the Sadar sub-division (760 square miles). ... ..	35	—	—
Arambagh sub-division (406 square miles) ... ..	29	—	—
<i>Howrah</i> (exclusive of the towns of Howrah and Bally) ... ..	37	17	11
<i>Calcutta</i> (including the suburbs, Howrah and Bally) ... ..	389	321	299
<i>24-Parganas</i> ... ..	42	25	20
Barrackpore sub-division and thanas Behala, Tollyganj and Budge-Budge (303 square miles). ... ..	120	—	—
Rest of the 24-Parganas (4,499 square miles) ... ..	17	—	—
<i>Nadia</i> ... ..	12	6	7
Thanas Krishnagar, Ranaghat and Santipur (401 square miles) ... ..	43	—	—
Rest of the Nadia district (2,389 square miles) ... ..	7	—	—
<i>Murshidabad</i> ... ..	12	8	7
Thanas Sujaganj, Berhampore, Asanpur, Manullabazar and Sahanagar (126 square miles). ... ..	67	—	—
Rest of the Murshidabad district (2,017 square miles)... ..	7	—	—
<i>Jessore</i> ... ..	5	3	3
<i>Khulna</i> ... ..	7	3	5
<i>Dacca</i> ... ..	17	9	11
Dacca city ... ..	181	—	—
Narayanganj town ... ..	178	—	—
Rest of the Dacca district ... ..	6	—	—
<i>Mymensingh</i> ... ..	6	3	7
<i>Faridpur</i> ... ..	5	5	4
<i>Bakargani</i> ... ..	3	3	4
<i>Rajshahi</i> ... ..	20	—	—
<i>Dinajpur</i> ... ..	24	—	—
<i>Jalpaiguri</i> ... ..	52	—	—
<i>Rangpur</i> ... ..	19	—	—
<i>Bogra</i> ... ..	25	—	—
<i>Pabna</i> ... ..	17	—	—
<i>Malda</i> ... ..	31	—	—
<i>Darjeeling</i> ... ..	315	—	—

The areas which have been shown separately are either industrial areas or contain towns, though not always large towns. The consumption in these areas is sometimes swelled by consumers who come from outside to obtain their supplies. Separate statistics have only been worked out for a few of these areas, but it is

sufficiently clear that as a rule the drink question in Bengal is not one of pressing urgency in the rural tracts which go to make up by far the larger part of the Presidency. It is, however, equally clear that any tendency for consumption to increase in urban and industrial areas will need checking, and that the consumption in the industrial area round Calcutta, in Dacca and Narayanganj and in the district of Darjeeling is so large as to give cause for some anxiety. This anxiety will not be lessened when it is remembered that the amount of foreign liquor which is consumed in these areas is considerable. At the same time the large consumption in the Calcutta industrial area and Darjeeling can be in great measure accounted for by the number of male immigrants from spirit-consuming areas—Bihar and the United Provinces in the one case and Nepal in the other—and that in Dacca and Narayanganj by the great activity which prevails during the jute season; whilst the conditions of life in all large towns undoubtedly tend to the increased consumption of intoxicants.

22. It is too early as yet to attempt to deal with consumption in the districts of the Rajshahi Division which were until recently under the outstill system. It need only be mentioned that the system of contract supply was deliberately introduced into those districts with the object of enhancing the cost of country spirit and so reducing the excessive drunkenness caused by low prices. It was responsible for a great increase in illicit distillation, but it was reported to have diminished drunkenness and what evidence there is points to a decrease in consumption as compared with the period during which the outstill system was in force. The recent increase in the *tari* revenue in Malda, which has been noticed above, indicates that the decrease in the consumption of country spirit in that district has been considerable.

The outstill system has been abolished longer in Bankura, Midnapore and Darjeeling. In Bankura the consumption is higher than the provincial average, but the proportion of aboriginal consumers is larger in that district than in the other districts of Western Bengal. In Midnapore the bulk of the consumption is concentrated in thanas Midnapore and Kharagpore, which contain two considerable towns, in one of which the population is mainly industrial as connected with the Bengal-Nagpur Railway. In Darjeeling there has been a tendency for consumption to increase, though there is no reason to believe that it is as great as it was under the outstill system. Special action has, however, been taken to check it by an enhancement both of the rate of duty and of the maximum prices with effect from 1st April, 1913. Of the other districts the consumption in Jessore, Khulna, Mymensingh, Faridpur and Bakarganj is small and shows little variation as compared with 1890-91—in fact Mymensingh and Bakarganj show a decrease. The consumption in Birbhum, Nadia and Murshidabad is slightly larger, and in the two latter districts shows some increase. The number of aboriginal consumers is considerable in Birbhum, and in Nadia and Murshidabad the consumption outside the urban areas is very small. The consumption in the rural areas of the Burdwan district is practically the same as in the adjoining district of Birbhum; that in the Arambagh subdivision as in Bankura, that in the rural area of the 24-Parganas as in the rural area of Midnapore, and that in the rural area of the Dacca district as in Mymensingh. How small this consumption really is may be gauged by the consideration that if a bottle of whisky or brandy be taken to contain 12 pegs, and if the strength be taken as 25° under-proof (the lowest at which these liquors may legally be sold), a man who drinks one peg a day will consume 3·8 L. P. gallons of alcohol in a year. This is more than the average annual allowance of 1,000 males in Bakarganj, of 500 males in Jessore, Khulna, Mymensingh, Faridpur and the rural areas of Nadia, Murshidabad and Dacca, of 250 males in Birbhum, in Nadia and Murshidabad as a whole and in the rural area of Midnapore; whilst the districts of Burdwan, Hooghly, Calcutta, 24-Parganas, Jalpaiguri and Darjeeling are the only districts in which every 100 males drink more than the equivalent of one peg a day between them. In Calcutta, where the maximum is reached, the total consumption would be accounted for if one male in every 10 consumed a little more alcohol daily than is contained in one peg of the weakest kind of whisky on the market.

Of course it cannot be argued from this that a considerable number of persons do not drink alcohol to excess, though it follows that every person who does so must reduce the amount of alcohol available for other consumers on the present basis of consumption. But I think that a consideration of the statistics in this form makes it clear that, as far as country spirit is concerned, the drink evil has not attacked the vast majority of the people of this Presidency to any alarming extent even in some of the districts, such as Jessore and Khulna, which, as compared with 1904-05, show an increase in consumption of more than 150 per cent. It is well known that,



when a man has been seized with a craving for intoxicants, he will satisfy it at any cost, and it is doubtful whether any practicable increase in the price of country spirit would effect his reclamation. If there were any reason to believe that the majority or even a considerable number of consumers in these rural areas habitually drank country spirit to excess, there might be a case for an effort in this direction; but the amount of alcohol consumed in this form is only sufficient for a very small number of habitual moderate drinkers, and, in the absence of any evidence to the contrary, I think it must be assumed that the drunkards form a small minority. The first persons to be deprived of their stimulant would be the poorest of the moderate consumers, whilst the habitual drunkards would probably be among the last. Nevertheless, it is a matter for consideration whether an attempt should not be made, even in rural areas, to force consumption down to the level at which it was before the fixation of maximum prices caused it to increase, after making some allowance for an increase in population and the removal of the influence of foreign liquor, on the ground that the bulk of the increase must be due to the fact that those who drank before now drink more. The question really seems to turn upon the point as to whether more persons drink to excess or whether the increased consumption is mainly due to the fact that the poorest consumers, who may formerly have often had to go without a stimulant, can now obtain a reasonable but not excessive quantity for their money. It is to be feared that this question cannot be answered; no enquiries will throw much light upon it. It may be argued on the one hand that no reports have been received which would lead to a belief that drunkenness in rural areas is on the increase, and on the other that the number of drunkards in such areas must in any case be so small in comparison with the total population that a considerable increase in drunkenness would attract no notice. When the total consumption in such areas is as small as it is at present, I am inclined to think that no action is called for; all that is necessary is to take steps to see that it does not increase out of proportion to the increase in population and, in some districts, to the extent to which illicit practices can be checked. This is the principle on which action has been taken hitherto; and whilst no general attempt has been made to force consumption back to its old level, steps have been taken to check it by increasing the rate of duty whenever the rate of increase has appeared to be unduly rapid.

23. It is inevitable that consumption should be larger in urban than in rural areas and largest of all in industrial tracts; but it cannot be asserted, without detailed enquiries which will take a considerable time, that it is inevitable that the difference should in all cases be as large as appears from the statistics to be the case at present, or that the tendency for consumption to be so much higher in urban areas is not in some places an indication of a growth of the drink habit which needs to be checked. The recent increase of duty in the Burdwan and Presidency Divisions should do something to check the large consumption in urban and industrial areas in so far as it is due to the fact that the vendors have been selling below the maximum prices. The comparatively low incidence of licence fees has certainly enabled vendors to reduce their prices during the last two years in the districts of Hooghly and Howrah, and the same thing has probably happened in some other urban areas. In Calcutta maximum prices have not been fixed and are unnecessary. The increase in duty should reduce consumption, as it has always done in this city in the past, but consumption will need to be watched carefully in order that, if necessary, the duty may be further increased.

24. The whole question calls for further detailed investigation. It will first be necessary to ascertain the consumption in the different parts of each district for a series of years and to discover whether the fluctuations were due to temporary causes, such, for example, as the influx of labour employed on the construction of a railway. After the elimination of such causes, it will be necessary to ascertain how far permanent causes, such as the presence of immigrants from a spirit-consuming area, can be held to account for a specially high incidence of consumption in a particular tract. If, after this has been considered, it appears that consumption has shown a tendency towards steady increase in any area and that the increase is not merely due to the substitution of country spirit for foreign liquor or of licit for illicit spirit, there would be a case for an enhancement of taxation.

Of course there is no doubt that illicit practices of all kinds, both by vendors and by consumers, are far more frequent and more easily practised in rural than in urban areas, and that, until the preventive staff is strengthened sufficiently to cope more effectively with them than at present, the differences in the incidence of consumption will be accentuated. It is also true that in some districts the urban population is more accustomed to use spirituous than fermented liquors, whilst the reverse obtains

in rural tracts. These are, however, points which will have to be taken into consideration when enquiries are made and cannot be accepted as an adequate explanation of the differences in the incidence of consumption until they have been substantiated in each case.

25. When it is found to be desirable to check consumption in any given area, this object can be attained at any time by an increase of the maximum prices, if such prices have been fixed, together with such enhancement of taxation as shall force the vendors to sell at those prices. The most certain method of doing this, would be to impose a special rate of duty in such areas. The objection, except in the case of considerable areas, would be that unless the liquor which had been taxed at the lower rate were chemically treated so that the admixture of even small quantities could be detected by a simple test, or unless it were issued at very different strengths, it would be practically certain to find its way undetected into the urban shops. This would not merely be a fraud on the revenue; it would also go far to defeat the object in view, and it would to some extent vitiate the statistics of consumption in both rural and urban areas. The alternative method would be to force up the licence-fees of the urban shops, so that the vendors could not make a profit by selling much below the maximum price. There would be little difficulty in doing this, but it is opposed to the principle that the major portion of the revenue should be derived from duty. If, however, an attempt is to be made to check consumption in small areas, I think it would be best to begin in this way. The experience of a very few years would show how far it could be made effective; my own opinion is that it could be; and if it were effective in reducing consumption, no one could cavil at it.

26. In the Dacca and Chittagong Divisions and in the Rajshahi Division outside the Jalpaiguri and Darjeeling districts there is at present no system of maximum prices. In the former Division the rate of duty has been fixed tentatively on the introduction of the contract system at a higher rate than that previously in force, as the cost price of liquor has been reduced, and it will be necessary to watch the results and to take action accordingly. In the Chittagong Division there was no guide whatever to the proper rate of duty, as the outstill system had previously been in force. In the Rajshahi Division the rate of duty has been increased, but the licence-fees as fixed at the recent settlements have brought the incidence of taxation to a much higher level in the districts of Rangpur, Bogra and Pabna than elsewhere. It may be advisable to effect a further enhancement of duty in these three districts, but before this is done it will be necessary to ascertain whether there has been an undue enhancement of prices in the smaller rural shops in which a larger profit must be made on each gallon of liquor sold than in the larger shops. One of the chief difficulties of the fixed duty system has all along been that it tends to enhance prices disproportionately in rural areas in which, if anywhere, they should be kept at a reasonable figure. The system of maximum prices has done something to remedy matters, but even under this system the existence of a practical monopoly and the difficulty of supervision on the one hand, and competition and a failure to enhance licence-fees in proportion to the larger profits made from larger sales on the other tend to perpetuate the inequality. It may become necessary to introduce a system of maximum prices into Eastern Bengal if a recurrence of some of the less desirable features of the central distillery system is to be avoided.

27. One measure which might tend to cause a decrease in the amount of alcohol consumed would be to issue liquor at a strength of 25° U. P. in districts where it is now issued at a higher strength, without making any reduction in the maximum price. This will raise the price of the stronger liquor slightly and will favour the consumption of the weaker spirit. At the same time it will not increase the temptation to illicit manufacture as the price of the weaker liquor will not be raised.

28. The whole question of the enhancement of the price of country spirit appears to be one which needs very careful handling. The principle laid down by the Government of India is that they have no desire to interfere with the habits of those who use alcohol in moderation, and that they regard it as necessary to make due provision for the needs of such persons. At the same time, their settled policy is to minimize temptation to those who do not drink and to discourage excess among those who do. As will be noticed below, it seems doubtful whether, in an attempt to reduce the number of shops to a minimum, the necessity of making due provision for the needs of moderate consumers has not in some cases been lost sight of. It is only right that the price of country spirit should be raised in proportion

to the increase in the price of other articles of food and drink, and this has not always been done in the past especially in such areas as Calcutta. At the same time it must be noted that no increase in the price of country spirit will check the spread of the drink habit among the upper and middle classes, the members of which generally consume foreign liquor in so far as they use alcohol at all. Moral improvement amongst these classes can only be brought about by the force of Indian public opinion. Again, the immigrant labouring classes in the large towns, who are among the largest consumers of country spirit, are, by no means the poorest of the poor, but earn good wages and have money to spend on small luxuries. To place country spirits beyond their reach, it would be necessary to place it beyond the reach of large numbers of moderate consumers who belong to classes which have used it for generations. Action of this kind would not be justifiable, and it would be likely to have undesirable results.

It cannot be too strongly insisted on that any action taken with a view to reduce the consumption of country spirit by increasing the price to the consumer will be ineffective if it merely leads to the substitution of one form of intoxicant for another. It has hitherto proved impossible to devise any method of increasing the price of *pachwai* by artificial means, and, even if it were possible, it would merely lead to an increase in illicit manufacture, which it is already extremely difficult to hold in check. The price of *tari* can be increased by means of the tree-tax system, and there are indications that steps in this direction, which were strongly recommended by the Indian Excise Committee, are desirable on other grounds. But it is impossible to take any action of this kind until the preventive establishments have been strengthened. Again, foreign liquor can still be sold at a very low price, and, if there is much further enhancement of taxation on country spirit in Calcutta and its immediate neighbourhood, foreign liquor will take its place. This can be remedied by a further considerable enhancement of the tariff rate, but a measure of this kind would be likely to provoke opposition, and it may be difficult to obtain the necessary orders, which would have to be applied to the whole of India.

Above all, it is necessary that the greatest care should be taken not to drive consumers from liquor to drugs, and especially to such deleterious drugs as morphia and cocaine. The spread of the cocaine habit in Calcutta is a far more serious evil than the spread of the drink habit has ever been, and the enormous number of prosecutions shows how ineffectual prohibition has been.

It is undoubtedly necessary to check any tendency towards an undue increase in the consumption of country spirit, and there are other directions in which action can be taken to minimize temptation. But it is equally necessary to guard against largely enhancing the price of country spirit merely in the hope that persons who might acquire the drink habit will not do so. Not only may they acquire the drink habit after all, notwithstanding the enhancement in price, but, if they are saved from that, they may acquire an even more pernicious drug habit which can be more easily concealed, whilst an undue enhancement of prices may lead many others to follow the same evil course.

Finally, it is necessary to point out to those who view the increasing excise revenue with anxiety that any measure which aims at checking consumption by enhancing prices must inevitably be followed by an increase in the excise revenue unless it is carried to an extent which will amount to an attempt at absolute prohibition, which has never been the policy of Government. The difficulty of enforcing any such measure has recently been illustrated by the case of cocaine; its absolute futility in the case of an article, such as country spirit, which can easily be manufactured, is too obvious to need demonstration.

#### ENLARGEMENT OF THE POWERS AND FUNCTIONS OF ADVISORY COMMITTEES.

29. The deputation made several proposals regarding the extension of the powers and functions of local advisory committees and the modification of their constitution. I have consulted Commissioners and district officers on the following points:—

- (i) Whether it is desirable that the system of local advisory committees should be extended to all municipalities;
- (ii) whether the committees should be given power to deal with all kinds of intoxicants;
- (iii) whether it is desirable to make the committees more representative of local opinion, and, if so, how this can best be effected;
- (iv) whether the committees should contain a majority of non-officials?

I will deal with these points in turn—

(i) Most of the officers consulted are either in favour of the extension of the system of advisory committees to all municipalities or see no objection to such a course. The officers who oppose it do so on the grounds that the Municipal Commissioners are already consulted, and that it would be superfluous to constitute separate committees in small towns in which there is often only one shop of each kind; that the adoption of the proposal would, in some districts, in which there are a large number of municipalities, give more trouble than any probable results would justify; that the existing committees take little interest in the matter; and that it is desirable to have more experience of their working before the system is extended.

I can myself see no valid objection to the proposal, provided that the committees are, as they are now, purely advisory, though at the same time it must be admitted that for all practical purposes it would represent a very nominal improvement upon the system which is already in force. It is likely to give a good deal of trouble in districts in which the number of municipalities is considerable and particularly in the 24 Parganas, but the Collector, the Subdivisional Officer and the Excise Deputy Collector visit all of them in the ordinary course of their duties and could arrange that their visits should take place at the time that the meetings were due. It would only be necessary for the Collector to deal personally with the matter when the other members were not unanimous.

(ii) No officer has raised any objection to the extension of the powers of the committees so as to enable them to deal with all licences for the sale of intoxicants, except the Superintendent of Excise, Calcutta (Mr. Baboneau), who sees no necessity for the change, and considers that any such extension of powers should be very cautiously introduced, as it tends to a duality of control by irresponsible persons. The existing committees deal with all licences for the retail sale of spirit, *tari* and *pachwai* for consumption on the vendors' premises. I can see no reason why they should not be empowered to deal with licences for the retail sale of hemp drugs and opium. I do not think that they should have any power to interfere as regards the grant of wholesale licences, compounding and bottling licences, druggists' permits, or licences for the sale of denatured or rectified spirit or medicated wines; nor do I think it desirable that they should deal with licences for the retail sale of foreign liquor by the bottle in Calcutta, as such licences are largely held by firms which deal with mufassal constituents. If this power is withheld in Calcutta it should not be extended to mufassal municipalities, though there would otherwise be no objection.

(iii) The majority of the officers consulted consider that the existing rules make sufficient provision for the representation of local opinion on the committees. The Collector of Birbhum (Rai Amrita Lal Mukherji Bahadur) suggests that they may best be constituted in consultation with the leading public bodies of the district. The Collector of Midnapore (Mr. Bradley-Birt) would publish a list of all proposed licences in municipal areas by beat of drum and call upon anyone who had any objection to submit it to the Collector or to the Chairman of the Municipality by a fixed date. The Collector of Nadia (Mr. S. C. Mukerjee) would appoint the head master of the local high or middle English school, some of the leading medical practitioners and others, to be selected by the district officer, as well as representatives of the Municipality and of the Police and Excise Departments. The Collectors of the Eastern Bengal districts have not, for the most part, had any experience of the working of an advisory committee, but several of them make suggestions as to how such a committee might be constituted.

It is difficult to see how the present arrangements can be improved on unless the Collector is empowered to nominate as additional members any persons whom he thinks would be interested in the matter. This would probably be regarded as official and departmental interference. The Municipal Commissioners should be able to voice local opinion, though it is to be feared that they sometimes fail to do so. It would clearly be useless to include any non-official who was not a resident of the municipality. Whatever is done, the large majority both of consumers and of the people generally will have no non-official representative. On the whole, I think it would be best to leave the constitution of the committees as it is now in the districts of Western Bengal. There would be no objection to making them more representative of local opinion—they should obviously be as representative as possible—but I do not think that this could be done unless the Collector were given a power of nomination, and this would probably be regarded as a retrograde measure. The suggestion of the Collector of Midnapore that objections should be invited by beat of drum might be adopted.

(iv) Opinion is divided as regards the appointment of a non-official majority, and several officers have not dealt with this particular point. The Collector of Bankura (Mr. Cook) does not think that the time has come when there should be a non-official majority if the committees are to remain advisory bodies. "To appoint a non-official majority, and not to give full power of control would be to give the shadow and withhold the substance." The Commissioner of the Presidency Division (The Honourable Mr. Lang) considers that a non-official majority would often cause inconvenience, and the Collector of the 24-Parganas (Mr. Dunlop) fears that the committees might become instruments in the hands of agitators and cause embarrassment to the Administration. The Superintendent of Excise, Calcutta, thinks that a non-official majority appointed independently of the Excise Department will, on occasion, cause serious difficulty, as, even though the Collector were not bound to accept their opinion, any disagreement with them would be liable to be interpreted as a disregard of the wishes of the people which would reduce the committee system to a farce. On the other hand, the Collector of Nadia is in favour of a non-official majority, and the Commissioner of the Rajshahi Division, the Deputy Commissioner of Darjeeling and the Collectors of Rangpur and Malda see no objection to the proposal. Personally I do not think that the question of an official or a non-official majority should be allowed to arise in connection with an advisory committee. The object of the committee's existence is that the Collector should be made aware of local opinion by the most representative body available, in order that he may come to as fair a decision as possible in the interests of the public. To borrow terms from the Code of Criminal Procedure the members of the committee should occupy the position of assessors rather than that of jurors. If they are not unanimous, the objections raised by any of them should be duly recorded and the Collector should give his reasons for his decision. If it were possible to make the committees really representative of local opinion (including the opinion of those who are not rate-payers or members of the educated class), and if it were certain that they would be actuated by the principles laid down by the Government of India, it might be possible to make an advance in this direction. But this is at present beyond the range of practical politics, and it appears to me that to discuss the question of official or non-official majorities is merely mischievous. The only object in insisting and laying stress upon the appointment of a non-official majority would be to enable the committee to bring pressure to bear upon the district officer. This would seem to be entirely beyond its scope. There can be no objection if a majority of the persons selected to bring local opinion to the knowledge of the Collector to the best of their ability are non-officials, and they usually are at present. But to make a parade of appointing a body with a "non-official majority" would be either to introduce the thin end of the wedge of local option, in which the option would be exercised by the committee and not by the people at all, or, in the words of the Collector of Bankura, "to give the shadow and withhold the substance" and thus to open the door to agitation.

30. The deputation frankly admit that their object in desiring that the non-official element on the advisory committees should be strengthened is that the licensing function should as soon as practicable be removed from the control of the Revenue Department, and they see no reason why the experiment should not be tried in certain districts of conferring the function of licensing upon the local committees, subject to such reservations as it may be found necessary to impose. It is towards this object that all their proposals tend, but it appears to me to be utterly impracticable that the committees should anywhere be given powers of this kind; and it would in my opinion be a most serious mistake if Government were to take any action which could lead anyone to believe that they even contemplated the possibility of the delegation of such powers to the committees at some far distant date. It will be time enough to do this when there is some likelihood that such a measure will be immediately possible. It is Government, and Government alone, which is responsible for seeing that the habits of those who use alcohol in moderation are not interfered with, and that due provision is made for the needs of such persons. This is an essential part of the subject, but it is one in which the committees are not likely to be interested, at any rate as regards such articles as country spirit and *pachwai*. I can see no advantage in setting up bodies, which, however they may be constituted, cannot under present conditions and are not likely for a long time, if ever, to be able adequately to represent all shades of opinion in order that they may pass resolutions based on one point of view, many of which must inevitably be vetoed. I am entirely in favour of measures which shall, as far as possible, ensure that the wishes and

opinions of every section of the public should be voiced, that they should be given the fullest consideration, and that they should, as far as possible, be met; but I am strongly of opinion that it should be laid down in no uncertain manner that, however the committees may be constituted and on whatever points they may be asked to advise, their functions are and will remain purely advisory and that the ultimate decision must rest with the officers of Government.

It appears to me to be unnecessary to lay down that the recommendations of the committees should only be disregarded when there are substantial grounds for exercising an official veto. If every objection is fully considered before orders are passed, it follows that grounds which appear to the officer who ultimately passes orders to be substantial, will exist if the objection is disallowed. To lay down a definite principle of this kind will serve no useful purpose, and may merely lead to discussions and agitations bearing upon the interpretation of the term "substantial." Nor can I see any reason for more frequent meetings than at present. The whole question of licensing comes up annually, except in Calcutta, where the intervals are not longer than three years at most. A shop, which is unobjectionable at the beginning of the period, is unlikely to do much harm before the end of it; and if there is any ground for objection in any particular case, the Collector is always easily accessible. At times at which there is no question of granting or renewing licences there would only be business for the committees to transact in very exceptional cases.

If it be agreed that the ultimate decision must rest with Government—and I would repeat that in my opinion it would be most unwise to let it be thought for a moment that any other course is even remotely possible—it is difficult to see how any change that could be made in the direction of separating the licensing and revenue functions would satisfy those who hold the opinion that the general system of licensing is framed so as to encourage as much as possible the use of liquor. The suggestion, which was once made, that licensing should be a judicial function in the hands of a judicial officer appears to me to be positively harmful. Apart from the objections pointed out by the Indian Excise Committee, Government would presumably appear in every case as the party interested in the maintenance of the shops, and, however unreasonable the objections made might be, there is no doubt that it would be placed in a position in which it could be plausibly accused of doing its best to foster the use of intoxicants. Unless the number of licences were largely reduced, the judicial officer himself would probably be accused of partiality. There would presumably be a system of appeals with the attendant uncertainty and delay; and, unless Government bore all the cost of the litigation, it might be said, and not wholly without reason, that the expense stifled reasonable objections.

31. The Government of India have expressed the opinion that the Collector of the district is, under the existing conditions of the Administration, the officer who is most likely to possess the local knowledge required for the satisfactory discharge of the licensing functions. They have also said that the subject is a most important one. The Right Honourable the Secretary of State for India stated in his reply to the deputation that he would be glad to see the double function gradually disappearing. The deputation desired to move in the direction of the establishment of an independent body to deal with the question of licensing, and proposed that the advisory committees should be strengthened, with the intention that the licensing functions should eventually be made over to them. I have already stated that in my opinion this cannot be regarded as a practicable line of development, and, after all, the committees would at best only deal with municipal areas, which form but a small part of the total area of this Presidency. Government must ultimately be responsible, and without doubt its most efficient local agent in this matter is the Collector. If any advance is to be made in the direction of separating the licensing and revenue functions, it should I think take the form of relieving the Collector of the revenue functions and making him directly responsible to Government for the regulation of the number and location of shops. It would also be his duty to watch the consumption of excisable articles and to propose measures for checking any tendency towards excess.

The functions of the district Excise Department are :—

- (i) to make due provision for the needs of persons who use alcohol in moderation, that is, to establish and maintain an adequate number of shops;
- (ii) to minimize temptation to those who do not drink and to discourage excess among those who do, that is, to see that the number of shops is not greater than is necessary to provide for the needs of moderate consumers and that their sites are unobjectionable;

- (iii) to dispose of licences for shops;
- (iv) to collect the revenue;
- (v) to inspect licensed premises with a view to seeing that they are properly managed, that the conditions of the licences are observed, and that drunkenness is discouraged;
- (vi) to perform various technical duties in connection with the supervision of the manufacture and supply of intoxicants;
- (vii) to prevent illicit practices;
- (viii) to collect information as to prices, consumption and consumers, in order that the effect of the orders of Government may be watched and that the need for further action may be ascertained.

The two first functions are the licensing functions; the third and fourth are the revenue functions; the sixth and seventh are the technical functions; the fifth and eighth are matters in which both the licensing and the revenue officers must be interested even if they are separate and independent.

Would it then be possible to relieve the Collector of the revenue and technical functions by making the District Excise Officer responsible for them and placing him under the direct control of the Excise Commissioner, and, if so, would such a course be advantageous? To answer the second part of the question first, it would remove the Collector from a position which is theoretically anomalous and would enable him to act with the single object of the welfare of the people of his district in accordance with the principles laid down by the Government of India. It would relieve him of a certain amount of work, and would to that extent enable him to devote more attention to giving effect to those principles. And it would render him independent of, and a useful check upon, the Excise Department if it showed any tendency to give undue weight to considerations of revenue. Whilst I do not believe that any Collector deliberately sacrifices what may be described as moral considerations to considerations of revenue, yet it is possible that if the duties of the Collectors were limited to carrying out the principles laid down by the Government of India, they might take action which it would not occur to them to take when they were in charge of the dual functions. On the other hand, there are obvious difficulties. I do not think that any question of prestige need arise; most Indians would think none the worse of the Collector if he were less intimately connected with excise than he is now. But there might be serious objections to the emancipation of all Excise Deputy Collectors, some of whom must be very junior officers, from all local departmental supervision, and it is questionable how far it would be desirable to centralize all control in the hands of the Excise Commissioner, for it would necessarily come to that. It is also doubtful how far the District Excise Officer and his staff would be able to manage their work at all without the authority of the district officer behind them.

It would in any case be impossible to give general effect to any scheme of this sort at once, as in only two districts are the functions of the District Excise Officer confined to excise and it would be impossible to withdraw him from the control of the Collector in respect of one department whilst leaving him in subordination in respect of others. But a step might be made in the direction of the separation of the licensing and revenue functions in districts in which there are Additional Magistrates, if the Collector were to take charge of the licensing functions whilst the District Excise Officer worked under the Additional Magistrate. An experiment of this kind would be free from any of the objections referred to above, and would afford some indication of the possible advantages of such a system. To go more into detail, the general management of the revenue and technical functions of the department would be in the hands of the District Excise Officer under the supervision of the Additional Magistrate. But when they had drawn up their proposals regarding the number and location of shops, they would submit them to the Collector. The latter officer would consult local opinion and would direct his Subdivisional Officers to do the same, and would then forward the proposals with any objections which had been made and his own opinion to the Excise Commissioner. If the Excise Commissioner disagreed with the Collector, he would refer the matter to Government for final orders. The settlements would be made by the Additional Magistrate, but the Collector would retain full power to inspect any licensed premises and to cancel any licence in case of misconduct. In order that he might be entirely unfettered by any connection with the Excise Department, it would be desirable to provide that appeals from his orders should lie to the Commissioner of

the Division, and not to the Excise Commissioner. Quarterly statements of consumption in each shop for a term of years with explanations of the variations would also be furnished to the Collector, and it would be his duty to take steps to verify the causes of any marked increase in consumption by independent enquiry and to propose measures to check it if it appeared to indicate a tendency to excess among consumers.

As regards Calcutta, it would be a great step in advance and might have a beneficial effect if it were possible for the Commissioner of the Presidency Division to preside over the advisory committee and to deal with the question of the number and location of shops instead of the Superintendent of Excise, who cannot be relieved of his revenue functions.

By action on the above lines the wishes of the advocates of temperance would be complied with in a practical manner. Objections would doubtless still be raised on the ground that the Collector is an executive officer whose promotion is in the hands of Government; but I can think of no other arrangement which would go so far towards a real separation of the licensing and revenue functions, and which would at the same time be so likely to result in fairness to all classes of the public and so little open to any real objection. If any experiment is to be made in this matter, I would recommend that it should proceed upon these lines, and not upon the lines of delegating licensing powers to committees which cannot possibly be made truly representative.

The members of the deputation appear to have overlooked the fact that Bengal, at any rate, bears no resemblance to England, where each town contains a much larger number of public houses within short distances of one another than would be required merely for the purpose of providing for the needs of persons who use alcohol in moderation. In many towns in Bengal there is only one shop for the sale of each kind of intoxicant, and in none, with the possible exception of Calcutta, are the facilities for obtaining intoxicants in any way comparable with those which exist in Europe.

#### REDUCTION IN THE NUMBER OF SHOPS.

32. The Government of India have enquired what further reductions (if any) will now be possible in the number of shops.

The Annual Report for 1911-12 shows that in 21 districts out of 27 the average area per country spirit shop is more than 50 square miles, and if the urban areas, where shops are naturally close together, are excluded, the average would, in several cases, be even higher. The exceptions are Burdwan, where the average area (30 square miles) is reduced on account of the large mining and industrial population in the Asansol sub-division, Bankura (38 square miles) where illicit distillation is very prevalent and easy, Hooghly, Howrah and Calcutta, each of which contains an urban and industrial population largely composed of immigrants from spirit-consuming tracts, and Darjeeling, which is similarly affected by immigration and where the natural features of the country render shops far less accessible than the average area served by each (38 square miles) would indicate. The following figures show how far the principle of reduction in the number of shops has been carried since 1882-83 :—

District.	1882-83.	1911-12.
Burdwan ... ..	111	89
Birbhum ... ..	67	29
Bankura ... ..	125	69
Midnapore ... ..	170	80
Hooghly-Howrah ... ..	159	139
24-Parganas ... ..	99	97
Calcutta ... ..	136	111
Nadia ... ..	93	52
Murshidabad ... ..	55	36
Jessore ... ..	64	42
Khulna ... ..	33	41
Dacca ... ..	95	52
Mymensingh ... ..	83	59
Faridpur ... ..	64	26
Bakarganj ... ..	80	19
Chittagong ... ..	40	17



District.	1882-83.	1911-12.
Noakhali ... ..	13	9
Tippera ... ..	46	28
Rajshahi ... ..	63	31
Dinajpur ... ..	79	42
Jalpaiguri ... ..	36	44
Rangpur ... ..	61	49
Bogra ... ..	32	23
Pabna ... ..	40	21
Malda ... ..	78	42
Darjeeling ... ..	31	30

It will be seen that there has been a reduction in every district, except Khulna and Jalpaiguri, in both of which districts a good deal of land has been brought under cultivation during the last 30 years and in which the population has increased by 26 and 73 per cent., respectively. The reductions have as a rule been most marked in agricultural districts, such as Birbhum, Midnapore, Faridpur, Bakarganj, Chittagong and Rajshahi, in all of which the number is now less than half of what it was in 1882-83. It is far less marked in the great consuming areas of Hooghly, Howrah, 24-Parganas, Calcutta and Darjeeling. Whilst the number of shops must necessarily be larger in proportion to area in such places, the figures indicate that facilities for obtaining supplies have for the most part been reduced in several areas in which they were least to begin with, and that, in the attempt to show a large reduction in numbers, the necessity of making adequate provision for the needs of moderate consumers has not always been kept in view. The case of Bakarganj is particularly striking. The number of shops in 1882-83 was 80, or 1 to every 58 square miles. In 1911-12 it was 19, or 1 to every 244 square miles. Illicit distillation was formerly believed to be non-existent in this district; it is now very widely practised and very difficult to deal with. Communications are almost entirely by water and are therefore slow and difficult. It is hard to blame consumers, who have been deprived of reasonable facilities for supplying their legitimate requirements, when they resort to illicit practices. It is undoubtedly necessary to increase the number of shops in this district and this is gradually being done, but of course the annual returns will be affected to some extent and there will be a possibility of misunderstanding.

33. The proposals which are annually made by Collectors are personally scrutinized by the Excise Commissioner, and attention is also paid to the number and location of shops at the time of inspection. As a rule there is no room for further reduction in rural areas, and in some districts, besides Bakarganj, reduction may have been carried too far. Bankura is an exception—there appear to be a few shops in that district which can be dispensed with—and I have already asked the Collector to examine the question before he submits his settlement proposals for next year.

34. The only direction in which it is now likely to be possible to effect much in the way of a further reduction in the number of shops is in closing some of those in urban areas. In the Burdwan district, for example, there are 5 shops in Burdwan town and its immediate neighbourhood, 3 in Asansol, and 2 each in Raniganj, Katwa and Kalna, and, if it is found that any two of these shops are at no great distance from one another, it will probably be possible to close one of them. Their retention seems to have been due to an idea that it is desirable to stimulate competition; but there is certainly no greater need to keep prices down by competitive sales in urban areas than elsewhere. The question of a reduction in the number of shops in urban areas will be taken up at the same time as the enquiry into the causes of the disproportionately large consumption in such areas.

35. The most important area of all is, of course, Calcutta and its neighbourhood. There were 137 shops in Calcutta in 1904-05. The number was reduced to 127 in the following year. In 1907-08 the question of numbers was carefully dealt with by a committee which recommended reduction to 108. The Excise Commissioner, however, in a note of dissent expressed his inability to recommend any reduction below a standard of one shop to every 10,000 of the population and would have retained 116. The number was eventually reduced to 111 in 1909-10 and is 107 in the current year. This gives one shop to every 11,600 of the population according to the census of 1911. I am not prepared to assert that there is no room for further reduction, but, in view of the above opinion and of the fact that once the

number has been reduced it will be very difficult to increase it, I think it is necessary to proceed cautiously, and I should prefer not to commit myself to the opinion that a further reduction is advisable under existing circumstances until I have had more opportunity of visiting the shops and of examining the conditions under which they work than I have had at present. Another reason for caution is that the operations of the Calcutta Improvement Trust are likely to deprive vendors of the sites of several shops, which may have to be abolished altogether if other sites cannot be found. The conditions in Calcutta are peculiar. The number of sites is limited and objections are raised, perhaps not unnaturally, if it is proposed to open a shop on a new site even when it is close to the old one. I think that it might facilitate a reduction in the number of shops if Government were to acquire sites and construct premises, which would be leased to the vendor with whom settlement was made. The existing premises are often small and the number of consumers is generally large. If a shop is closed it means that the consumers have to resort to another shop where they increase the congestion. With the existing premises this is undesirable on sanitary and other grounds. But if large premises were constructed by Government, which would always be available, it might in several places be possible to substitute one large shop for two smaller ones. Another advantage in acquiring sites would be that the shops would be built in the places least open to objection. Other difficulties which would be mitigated by action on these lines are—

- (i) in several cases the premises do not satisfy the requirements of the Excise Department in every respect, but the defects have to be overlooked as no better premises are available, and the landlords will usually make no improvements whilst there is little inducement for the vendor to do so at his own expense;
- (ii) the difficulty of obtaining a site tends to prevent any person except the vendor in possession from bidding for a large number of the shops. The shops are sanctioned at particular sites. If the person who obtains settlement of the shop is unable to obtain possession of the premises on the sanctioned site, the question of location has to be gone into again by the Police and Excise authorities even if he be able to obtain another site in the neighbourhood, and this involves a considerable amount of harassment and delay. It is partly due to this that there is no real competition at auctions in Calcutta, that the incidence of licence-fees is so much less than in most of the adjacent areas, although consumption is so much larger and profit greater, and that the price of country spirit has been kept at a low level.

Whilst, however, I think that the acquisition of sites would enable Government to go further in meeting the wishes of the deputation than is likely to be possible under existing circumstances, and although I consider that such a course would be advantageous from an administrative point of view, I am not prepared to recommend such action unless Government is forced to it by its becoming absolutely impossible for vendors to obtain sites otherwise or unless there are clear indications that public opinion would regard it as a lesser evil than those which it would seek to prevent. Although the objections to the State ownership of premises for the sale of liquor do not appear to me to be very serious, there seems little doubt that action in this direction would raise a public outcry, and that it would be misunderstood. The object of the measure would, after all, be mainly to remove objections raised by members of the upper classes to the number and location of shops and to their construction and arrangement. It is doubtful whether the temptation afforded to passers-by by the existence of a few more shops than the minimum which would be possible if the area, which might reasonably be served by each, were alone considered without regard to the number of consumers, present or future, leads to the consumption of much liquor which would not be consumed in any case. It cannot be confidently asserted that consumption will diminish because there are fewer shops. Mr. Geake pointed out in his note of dissent to the report of the Calcutta Excise Committee of 1908 that the theory that fewer shops means smaller consumption was probably fallacious, and his views are supported by recent experience which has shown that a large reduction in the number of opium shops has not caused any decrease in the amount consumed. Of course opium and country spirit cannot be regarded as exact parallels—illicit manufacture is easier in the case of country spirit, and it is more easily replaced by other intoxicants. But if measures taken to meet the wishes of the advocates of temperance are likely to result

in more serious agitation among the classes which those advocates represent, I think they should be avoided and that action should continue on the old, though probably less effective, lines. Should there be any indication at a later date that public opinion would support the acquisition of sites, this remedy can be applied at any time.

36. The urban areas adjoining Calcutta are largely inhabited by mill hands who spend most of their time at work. Such persons cannot be expected to devote much of their leisure to walking long distances in order to obtain the liquor which they habitually consume, and, if reasonable facilities are not afforded to them, the means of meeting their requirements from illicit sources are not likely to be lacking. This fact must be borne in mind when the number of shops in those areas is dealt with. The shops are already further apart than in Calcutta. It should be possible for the Excise Commissioner personally to visit most of the shops in these areas during the coming cold weather and to judge for himself if any reduction can be effected; but, unless two shops happen to be very close together, it is doubtful whether much can be done except in the direction of efforts to find unobjectionable sites. It may be mentioned that the site question is almost as difficult in thana Serampore as in Calcutta; and that cheap liquor is freely smuggled from French Chandernagore into the surrounding British territory. It follows from this last fact that any considerable reduction in the number of British shops in the immediate neighbourhood of French Chandernagore is more likely to increase than to diminish drunkenness, as British subjects will merely go to French Chandernagore and drink more liquor for the same money.

37. There appears to be room for a reduction in the number of *pachwai* shops in certain districts. *Pachwai* in some places is more responsible for drunkenness than is caused by country spirit. The main difficulty in the way of large reductions in the number of shops is that illicit manufacture is so easy that any considerable decrease of facilities will merely lead to the substitution of illicit for licit liquor, and the cause of temperance will not be benefited. I have asked Collectors to make proposals for a reduction in the number of shops, but action will have to be gradual and cautious, and heroic measures should be avoided.

#### CURTAILMENT OF HOURS OF SALE.

38. I consulted the Commissioners and district officers as to what further progress is possible as regards the curtailment of the hours of sale of intoxicants, and enquired tentatively whether there would be any objection to fixing the hours from 8 a.m. to 8 p.m. in places in which the present hours are from sunrise to 9 p.m., or, outside Calcutta, to 8 p.m. in the cold weather. I also enquired whether it would be desirable to provide for the closure of shops during the hours when processions are likely to be actually passing, and whether orders directing such closure could be enforced effectively.

39. The majority of the officers consulted are of opinion that no serious inconvenience would be caused if shops were opened at 8 a.m. instead of at sunrise, and the Commissioner of Dacca (the Honourable Mr. Beatson-Bell) would fix the hour as late as 10 a.m. The Collectors of Hooghly (Mr. Prentice) and Howrah (Mr. Patterson), however, report that the mills open at 7 a.m. and that persons who have indulged in liquor at night require a dose in the early morning or they are unfit for work for the whole day. They add that in the hot weather people prefer to make their purchases before 8 a.m. on account of the heat. The Commissioner of Burdwan (Mr. Hallifax) agrees with them that the hour of opening should not be changed, but the Superintendent of Excise, Calcutta (Mr. Baboneau), reports that those who drink in the early morning are largely habitual consumers of liquor who feel a craving for drink caused by depression after their overnight debauch. He further states, however, that in some cases shops in Calcutta are required to be open at a very early hour to meet a legitimate demand, for example, shops near the markets where the stall-keepers come for a drink after a long night's journey or those which supply labourers who have been working at night, often exposed to the weather, in connection with the mills, docks and shipping. With the exception of these two classes, it is unusual for anyone to drink in the early hours of the day. Mr. Baboneau believes that men who are only just acquiring the habit of drinking or who belong to the better classes rarely visit the shops in the morning, in the hope that there will then be less chance of their being observed, since, if they did so, they would smell of liquor all day, and the fact that they had been drinking could

easily be detected. The Commissioner of the Presidency Division (the Honourable Mr. Lang) considers that in rural areas generally the early morning and evening hours are the most convenient to customers, and that in his Division the extent of business is such as to render any curtailment of hours inadvisable and unnecessary. The Collector of the 24-Parganas (Mr. Dunlop), however, sees little objection to opening at 8 a.m., though he does not consider it to be a fact that persons who are ashamed to drink openly visit liquor shops in the early morning. The Collector of Jessore (Mr. Johnston) considers that the labouring classes of consumers would be seriously inconvenienced if shops were not opened until 8 a.m., as they obtain their supplies before they start for work. The Collector of Faridpur (Mr. Woodhead) would fix 6 a.m. in summer and 8 a.m. in winter. The Commissioner of the Chittagong Division (Mr. Radice) and the Collector of Tippera (Mr. Rankin) would not deprive the poor of facilities for obtaining opium at early dawn when sometimes they require it most. It is often taken medicinally and is hardly used as an intoxicant in the Tippera district. Similarly the Collector of Chittagong (Mr. Clayton) would make no alteration in the present hours, as the amount sold in the early morning is nominal and no advantage would be derived from restrictions, whilst inconvenience might be caused to persons who required spirits for medicinal purposes. The Collector of Dinajpur (Mr. Ezechiel) would open the shops at 8 a.m. in the cold weather and 7 a.m. in the hot. The Deputy Commissioner of Jalpaiguri (Mr. Milligan) considers that any curtailment of the hours of sale would tend to increase smuggling in his district. All the other officers agree to the proposal that shops should not be opened till 8 a.m. At the same time no officer has said anything which would go to support the opinion formed by the deputation that persons who are ashamed to drink openly resort to the shops to any great extent in the early morning.

I do not think that there can be any great objection to the issue of orders that no shop for the retail sale of excisable articles shall open before 8 a.m. In so far as such orders tend to discourage excessive drinking overnight they will be advantageous, but I do not think that they will do this to any great extent, and their effect on the amount of alcohol consumed is likely to be small. Those who require intoxicants in the early morning can easily procure a sufficient stock overnight, and will probably learn to do so after the rules have been in force for a short time. There does not appear to be any very great danger that later opening hours will lead to illicit practices, except possibly to the illicit sale of *tari* by tappers and carriers. The probability that excisable articles may be required for medicinal purposes might be used as an argument for permitting sales at any hour of the day or night, and I do not think that the proposal should be negatived on that ground alone.

40. The question of earlier closing hours presents more difficulty. Several officers are in favour of the proposal. The Deputy Commissioner of Darjeeling, where the country spirit shops already close at sunset, would not object to closing all excise shops at that hour. The Collector of Nadia would close them at 7 p.m. The Collector of Midnapore would fix that hour in rural areas only, and the Collector of Faridpur would close at one hour after sunset. The Commissioners of the Dacca, Chittagong and Rajshahi Divisions and the Collectors of Birbhum, Bankura, Mymensingh, Bakarganj, Tippera, Noakhali, Rangpur, Bogra, Pabna and Malda would close the shops at 8 p.m. all the year round, though some of those officers admit that the change would be likely to result in an increase in illicit practices. The other officers are opposed to any change in the direction of earlier closing hours.

The main difficulty in the way of earlier closing hours is that consumers are, in many cases, not free to obtain their supplies until after dark. This is particularly the case with labourers in the industrial areas who are at work until 7, 8 or even 8.30 p.m. The close of the day's work is the time when the moderate consumer chiefly feels the need of stimulants, and it would certainly be a flagrant case of interference with his habits if the shops were closed at the only time when he could obtain them legitimately. The demand would certainly be satisfied illegitimately. It would be very difficult to check this illicit traffic which would after all, for the most part, be supplying a legitimate demand, but any failure to check it would be pointed to as another case in which Government closed its eyes, more or less deliberately, to the breach of its own rules, for fear that the revenue might be affected. Whilst it would be practically impossible to enforce early closing hours at all in rural areas except when a Government officer happened to be present, earlier hours would certainly lead to a serious extension of illicit practices in towns. The special circumstances of one or two areas would tend to render orders for earlier closing ineffectual on other grounds. The shops in

French Chandernagore do not close until 10 p.m., and there is nothing to prevent British subjects who live in the neighbourhood from resorting to them after the British shops have been closed. In Jalpaiguri again there are a series of outstills on the borders of Bhutan and Cooch Behar, which compete successfully with the British shops at all times; any additional restrictions placed upon the latter would merely lead to increased smuggling of outstill liquor. I do not think therefore that the present closing hours should be curtailed, as far as liquor shops are concerned. Such action would in many cases amount to interference with the habits of moderate consumers, it would lead to illicit practices which could not be checked, and it is very doubtful whether it would have any effect whatever in checking consumption or in saving persons who are ashamed to drink openly from acquiring the drink habit. Such persons do not ordinarily take to drink unless they are led to do so by their friends or acquaintances. In these cases they would have no difficulty in obtaining supplies through their associates, or, in the case of those who are well-to-do, through their servants or others. There is no need for them to go to the shop in person at all if they are ashamed to do so, and although they might not be seen on their way to the shop if they went after nightfall, it is the very time of all others when they could most easily be seen inside it.

41. There will be little harm in closing all drug shops at sunset. Opium shops are already closed at that hour in the Burdwan and Presidency Division and in Darjeeling and no serious inconvenience has been caused. Drugs are not consumed on the premises, they are easily carried, and a quantity sufficient to last for some days can usually be purchased at a time. The restriction would, however, like most restrictions, be likely to press most hardly on the poorest classes, who make their purchases in small quantities. It is unlikely to cause any decrease in consumption, and, in so far as it does so, may, in the larger towns, result in the substitution of cocaine which is sold illicitly at all hours.

42. There is a general consensus of opinion that any attempt to close shops in rural areas whilst processions were passing would be impracticable and undesirable. In most cases orders could not be enforced and the vendors would be placed at the mercy of the subordinate police. As regards towns it might be possible to enforce such orders, though they would lead to illicit practices. None of the Collectors support the theory that persons who would be ashamed to enter a shop at other times slip in whilst processions are passing, and several have pointed out that their opportunities would be very rare. Some practical difficulties have been referred to by the Collector of the 24-Parganas—"Licences for processions are usually obtained from the police who deal with them without reference to other authority. If liquor shops are to be closed, information must be sent to the Collector, who will in turn issue orders to have the shops closed. Besides the extra trouble, opportunities for blackmail and illegal gratification will arise, whilst the resulting benefit is problematical. At the last moment the promoters may find it inconvenient or impossible to hold the procession, but the shops will have been closed already; this will cause harassment to the vendors and further opportunities for illicit gain. If, however, persons who are ashamed to drink openly are on the watch for processions, so that they may follow and seek an opportunity of entering a liquor shop unobserved, their object would be attained by any incident that attracts a crowd, such as an upset vehicle, an arrest, or a quarrel. Processions do not pass every day in any locality nor are liquor shops as numerous as public houses in England." The Commissioner of the Presidency Division considers that shops for consumption of liquor on the premises might be closed with advantage during religious festivals where there are aboriginal customers. The Collector of Nadia does not think that there can be many instances of persons slipping into shops; whilst processions are passing, and getting intoxicated, but he would close shops for some hours or even for the whole day at particular festivals in particular places, where past experience has shown that serious drunkenness is likely to take place, and would restrict the quantity which might be sold in places where large numbers of people congregate. The Collector of Mymensingh would give the Collector a discretionary power to close shops during processions, if necessary. The Commissioner of Chittagong and the Collectors of Noakhali, Bogra and Pabna would close shops in towns when processions are likely to pass by them; and the Collector of Tippera would do so on the requisition of the processionists or of the police.

I do not think that any case has been made out for general action in the direction of closing shops at religious festivals or during the passage of processions. To close shops altogether on festival days would be no more justifiable than to close all public houses on a bank holiday in England. It would, moreover, lead to a large number

of illicit sales which could not easily be detected, as the detection of cases of this nature depends mainly upon information and not on chance, and before the information could be acted upon the festival would usually be over. An attempt to limit supplies, such as that suggested by the Collector of Nadia, will not ensure equal distribution among consumers; it will put a premium upon illicit sales and will have little or no effect in preventing drunkenness. There would, however, in my opinion be no harm in giving the Collector a discretionary power to close shops in towns during the actual passage of processions, if he had reason to believe that drunkenness would otherwise occur to any considerable extent.

#### THE POSSIBILITY OF ABOLISHING THE AUCTION SYSTEM.

43. The deputation pressed for the abolition of the auction system in the disposal of licences. Their argument is that in practice any increase in licence-fees has no effect upon the price of liquor unless all fees are raised in the same proportion, which never happens. If more is paid for the licence the licensee must recoup himself by an increase in sales, and not by an increase in prices. The auction system tends to force up licence-fees unevenly and thus definitely encourages consumption. It has further been urged against the auction system that, in so far as it determines the real value of a shop at all, it determines that value on the basis, not only of licit sales, but also of sales effected by every kind of illicit practice to which the vendor can possibly have recourse.

Much of this argument might be used against any proposal to increase the taxation of excisable articles in any way; it is merely a statement that when there is competition a vendor will use every means to extend his sales sooner than raise his prices.

44. In this Presidency the question must be considered separately in its relation to rural and urban areas. Throughout the greater part of the area competition between shop and shop is practically non-existent. It is obvious that in rural areas, where the shops are as far away from one another as they are in most districts, a vendor would not be deterred from raising his prices by the fear that other vendors might not do so and that they would thus attract his custom. His only fear would be that he might destroy his market altogether by driving consumers to other forms of intoxicants if he raised his prices too high, and there is abundant evidence from practically every rural area that this fear has not acted as a deterrent in the past. Under the central distillery system, when vendors were free to charge any price they liked, they met increasing licence fees, not by any attempt to increase their sales, but by increasing their prices. If the arguments put forward by the deputation held good for rural areas, there must have been a large increase in consumption, licit or illicit. But the statistics do not bear out this theory. A single instance will suffice, though the statistics of practically every purely rural area follow similar lines. The revenue from licence fees in Nadia in 1890-91 was Rs. 18,153. In 1906-07 it was Rs. 30,500. The consumption of country spirit was 5,938 L. P. gallons in 1890-91 and 4,554 L. P. gallons in 1906-07. The rate of duty was the same throughout the period, and illicit practices are not believed to have prevailed to any great extent, though the reason was chiefly that the place of country spirit could be taken by cheap foreign liquor.

It cannot be said therefore that the arguments put forward by the deputation are applicable to rural districts in which each vendor has a monopoly over a considerable area; in fact, the objections to the auction system in such places are of a precisely opposite nature. The tendency for the incidence of licence-fees on consumption to increase leads vendors in such places, if left to themselves, to raise their prices to a figure which drives consumers either to practise illicit distillation or to use other intoxicants. This difficulty has been surmounted in some districts by the fixation of maximum prices and by measures taken at the time of auction to check speculative bids. This system is not ideal. It is probable that the rural consumer, who is in a better position to practise illicit distillation, will have to pay more for his liquor than the urban consumer, even when the maximum price is the same, not only because the urban vendor may sometimes, under the stress of competition, sell below the maximum price, but because it is more difficult for the preventive staff to supervise rural than urban shops and to check dilution and short measure, and because these practices are more likely to be resorted to by a vendor who has a monopoly than by one who risks losing his customers if he adopts them. But after all this only follows the general rule that luxuries can be obtained more cheaply in large towns than in the country. Again the system of restricted auction may be

said to be a departure from the main principle, and depends too much upon the personal action of the officer who conducts the sales. But, at any rate, there is never likely to be any difficulty in increasing the price of country spirit in rural areas whenever it may be found desirable to do so.

45. The arguments put forward by the deputation were, however, probably intended to apply primarily to urban and industrial areas in which the shops are sufficiently close together to feel the effect of competition and in which alone the increase in the consumption of country spirit tends to become serious. The most important of these areas is Calcutta. It is somewhat difficult to ascertain what the actual retail prices of country spirit in Calcutta are, as the vendors are allowed to dilute spirit before sale and the bottles in which it is sold are of varying sizes. So little reliance can be placed upon the figures, which have been reported from time to time, that they cannot be accepted as a true indication of the fluctuations of price which may have taken place. There is, however, a general consensus of opinion that the fluctuations have been small. The fact as regards Calcutta appears to be that the vendors are an unusually astute body of hereditary liquor sellers who know their business most thoroughly. Unlike the vendors in rural areas, they are exposed to the influence of competition, and this alone tends to keep prices down. But they are also alive to the advantage of a system of small profits and quick returns. They will probably give short measure whenever they get a chance, but here again competition sets a limit to their exactions. There is also reason to believe that they sometimes transact sales at unauthorized hours. But they do not obtain liquor from illicit sources—illicit distillation is difficult and uncommon in Calcutta—and dilution is not prohibited. I am quite prepared to believe that they push sales by every means in their power and that they sometimes even try to encourage persons to drink who would not otherwise do so, a line of action which would be applauded in any other trade as showing enterprise and aptitude for business. But I do not think that this can be fairly attributed to the auction system or to the fact that licence-fees are unduly high. The vendors are generally disposed tacitly to recognize one another's rights, and they know their business too well to enter into cut-throat competition with one another at auction, which would lead to reprisals. Cases of rivalry occur sometimes, but as a rule the vendors would be more likely to combine to ruin an outsider than to interfere seriously with one another, a policy in which they are aided by the difficulty which a new vendor would usually have in obtaining a site. There is little real competition at auction. At the sales last March there was only one bidder each for 90 country spirit shops out of 107, and of the remaining 17 only four changed hands. Only a few weeks back a vendor appealed to Government against the abolition of a shop on the ground that he and his ancestors had held it for more than 150 years and that by its abolition he was being deprived of his means of livelihood. The general incidence of licence-fees on consumption is lower in Calcutta than in the neighbouring districts. The fees of some shops may occasionally be forced considerably above the average by competition at auction, but there is no reason to believe that the vendors of such shops are the only vendors who do their best to push their sales. It is the object of every vendor to make as much money as he can, and, even if licence-fees were abolished altogether, the vendor who could sell the most liquor would still make the largest profits. When there is competition between shop and shop there cannot be much variation in price, and in congested areas, which are largely peopled by consumers of country spirit, there can be no question of reducing the number of shops to a point at which competition would be non-existent.

It may be urged that a reduction of the amount paid as licence-fees would remove the temptation to commit illegalities and to push sales. A study of the licence-fees and consumption in the Barrackpore subdivision on the one hand and in thanas Behala, Tollygunge and Budge-Budge on the other in 1911-12 and 1912-13, however, will go far to dispose of this theory. The incidence of the licence-fees for 1911-12 on the consumption of 1910-11 was practically the same in both areas. In 1912-13 it was reduced in the former and increased in the latter. The result was that the vendors in the Barrackpore subdivision were enabled to reduce their prices whilst those in the other areas were unable to do so. Consumption increased by more than 18 per cent. in the Barrackpore subdivision whilst the increase in the other three industrial thanas of the 24 Parganas was less than 4 per cent. A failure to raise licence-fees to a sufficiently high figure has had very similar results in the Howrah district and in thana Serampore. Any marked reduction in the amount of licence-fees would certainly result in lower prices and increased consumption unless

it were accompanied by a corresponding increase of duty. And if the rate of duty were correspondingly increased, the inducements to push sales and to break the departmental rules would be precisely the same as now.

Licence-fees undoubtedly bear unevenly upon different shops, and it is said that the auction system accentuates this evil. The transfer of revenue from licence-fees to duty must, however, be limited by three considerations: the first is that it cannot be carried beyond the point at which the shop in which the incidence of licence-fees is lowest will pay no licence-fees at all; the second that, when there is a considerable difference in the rate of duty in adjacent areas, liquor, which has paid the lower rate of duty, will tend to find its way into the high-duty area; and the third that, some time before the rate of duty on country spirit reaches the tariff rate, the effect of the enhancement will merely be to substitute foreign liquor for country spirit. The combination of these limitations will prevent the policy of a transference of revenue from licence-fees to duty from being carried very far even in Calcutta. But however far it is carried, there will always remain a difference between one shop and another which can only be adjusted by means of licence-fees. Under no system is it possible that this adjustment can be made with absolute fairness, as the result will depend upon circumstances which cannot be accurately foreseen.

46. It may be considered what other systems can be substituted for the auction system and what prospects of more satisfactory results they promise. The first alternative is a system of fixed licence-fees. Certain classes of licences are at present settled at fixed fees, but they afford little indication of the probable results of a general adoption of such a system. These licences are:—

- (a) licences for drugs granted to chemists, medical practitioners, &c., at nominal fees;
- (b) certain licences for the sale of foreign liquor;
- (c) opium licences in the district of Chittagong.

In the first class the fee is merely a registration-fee and does not cover the sale excisable articles to the public for consumption as intoxicants.

The second class covers first sales by wholesale; second sales in hotels, restaurants, theatres, steamers, railway refreshment rooms, &c.; third sales by the bottle for consumption off the premises, and fourth sales for consumption on or off the premises in country spirit shops in Calcutta. In the first two cases settlement by any other system is impossible. In the fourth the practice only exists, because it was considered more desirable to continue it than to increase the number of shops for the consumption of spirits on the premises. No attempt is made to base the fee on the amount of alcohol sold, as this would be impossible in view of the varying strengths, prices, &c., at which different brands are retailed. The system is only a makeshift, and its chief effect is to make it more difficult to ascertain the real profits of the shop than it would otherwise be. It cannot be regarded as a true example of the fixed-fee system. Outside Calcutta licences for the sale of foreign liquor by the bottle are only issued in places in which they are needed to supply the wants of classes which are accustomed to use such liquor, and they are settled at low fixed fees with respectable persons, who are not connected with the country spirit trade, in the hope that the licensees will not try to make foreign liquor compete with country spirit. When a man of this class cannot be found or when a tendency to push sales is shown, these licences are auctioned in order that a high-licence-fee may prevent competition with country spirit. In Calcutta these licences are held by wine merchants.

The system of fixed fees for opium licences in Chittagong was devised in order to stop sales to smugglers. The amount of opium which may be issued to each shop is fixed, licence-fees are calculated so as to allow a fixed rate of profit per seer, on the assumption that the whole of the permissible issues will be sold at the average price which is believed to have prevailed in the shop during the previous year, a liberal allowance is made for shop expenses, and the shops are settled by lot among selected candidates. The result has probably checked smuggling from shops in Chittagong, but it has enhanced the price of opium enormously and has not checked smuggling into or through the district. It puts large profits into the pockets of those who are fortunate enough to draw the best shops, and they absorb a considerable part of the money which should come as revenue to the public purse.

The system was introduced with a definite object which has been attained. It is not necessary to consider here whether that object was worth the loss of revenue which it has involved. It need only be pointed out that the system could not be applied to country spirit shops. It depends entirely for its success upon the restriction of the supply of opium which has enabled the vendors to force up prices. The



supply of country spirit, which is an article which can be illicitly manufactured by anyone, cannot be restricted, nor can the price be forced up indefinitely, for this would merely lead to the substitution of an illicit for a licit article to a far greater extent than is possible in the case of opium.

47. A system of fixed-fee licences can be worked in several ways. Under the first method an attempt is made to fix the fee according to the value of the shop. If this could be done with accuracy, it would obviously be the best course to adopt. But this is impossible, and there can be little doubt that the vendors themselves are in a better position to form an opinion of the true value of a shop than the excise officers, however unimpeachable the honesty of the latter may be. Not only have the vendors an hereditary aptitude for the liquor business, but, for reasons of which the excise officers may not be aware, a particular shop may be of greater value to one man or he may be able to pay more for it than another. In Calcutta again there are two complicating factors—the difficulty of obtaining sites and the fact that the holders of many of the country spirit shops have the right, on payment of a fixed fee, of selling foreign liquor. It is practically impossible for an excise officer to ascertain the value of this foreign liquor business, but, as the fee is fixed, the profits made from it react upon the price which can be paid for the country spirit licence. With the best intentions a system of fixed fees is just as likely to be wide of the mark as an auction system. The management of such a system must be largely in the hands of subordinate officers in whose way great temptations would be placed. This difficulty might be overcome if, when the fees had been fixed, the actual vendors were selected by lot, but this would only be practicable in Calcutta if Government owned the sites.

A second method would be to fix licence-fees on the basis of past transactions. This would be open to the objection that it would tend to make a bad year pay for a good one and to perpetuate an increase in consumption which might have been due to a temporary cause. If the fees were modified in order to meet conditions of this kind, the method would tend to become a reversion to that which has already been discussed.

The third method would be the grant of a licence to sell country spirit on payment of a certain fixed sum, which would be larger in towns than in rural areas and in one district than in another. This system would have the advantage of being automatic, but I do not think that it would work in practice, as it would disregard the differences between different shops. In an industrial area, for example, one shop might be situated near several mills or mines, and a large number of consumers would resort to it; another might have a comparatively small clientele. One fee would obviously not suit both. A fee high enough to prevent the vendor of the larger shop from reducing his prices in order to increase his sales would be too high for the licensee of the smaller shop to pay at all. Of course, shops might be roughly classified according to the probable number of consumers, but this classification would necessarily be very rough indeed, or it would do away with the chief advantage of the system—that it worked automatically. Or this system might be combined with an arrangement under which the rate of duty was increased for every 100 gallons issued, but this would lay it open to the same objections as any system which depended on a differential rate of duty in a small area, viz., that liquor issued to a low duty shop would be sold in one which was liable to pay a higher rate.

A great objection to any system of fixed fees would be that it would increase the difficulty of abolishing a particular shop, as this might deprive a respectable vendor of his means of livelihood, whilst leaving less desirable persons in the trade. It would obviously be impossible to turn a vendor out, except upon the clearest evidence of malpractices, whereas it is now possible to do so in case of reasonable suspicion, and it might be difficult to resist a claim for compensation if a shop were abolished or a change of site were insisted on when a vendor had held a shop in one place for a number of years.

48. Another system, which has been suggested as an alternative to the auction system, is a system of confidential tenders. It has been urged in support of the tender system that the offer made would give a more accurate indication of the true value of the shop than bids made in the excitement of an auction, and that the presiding officer would be better able to decide between the claims of rival candidates at leisure. It seems, however, that a vendor who wishes to oust another or who is afraid of being ousted would be just as likely to make a speculative tender as a speculative bid, and both would equally be based on illicit as well as licit profits.

The tendency would be for the vendor to make a tender as high as the highest bid which he would be prepared to make if he expected competition, or to tender an entirely inadequate price if he were in a position (such as the possession of the only available site in a locality) in which he thought he could defy competitors. In neither case would the tender be a true indication of a fair price for the shop. The system would lend itself to blackmail as readily as the auction system. It would be next to impossible to keep tenders strictly confidential, and the lack of publicity would tend to destroy confidence and to create suspicion.

49. It seems doubtful whether the auction system is really responsible for the evils which are urged against it, and still more doubtful whether the substitution of any other system would result in inducing vendors to abandon their efforts to increase their sales in an area in which competition exists. In such areas the enhancement of licence-fees may not be a very effective way of increasing prices, and there is no doubt that this object can be attained with greater certainty by enhancing the rate of duty. But experience has shown that a failure to enhance licence-fees as consumption increases tends towards a reduction in prices and an increase in consumption. Shops paying high licence-fees do not as a rule attempt to stimulate consumption by cutting prices, though in exceptional cases a vendor may try to ruin a rival even at considerable cost to himself. The worst cases of cutting prices, which have come to my notice, have occurred where a shop near a town has been settled at a low licence-fee which enables the vendor to compete with the town shop by selling at prices which the town shop cannot adopt; and this might happen under any system. In rural areas, where competition is practically non-existent an enhancement of licence-fees will almost inevitably increase prices. The auction system may lead to inequalities in the incidence of taxation, but it is difficult to devise any system which would not do so to some extent; and the auction system has the great advantage of publicity.

One objection to the auction system which has not been mentioned by the deputation is that it tends to throw the trade into the hands of monopolists. This has been recognized by the rules, which lay down that, if a fair price can be obtained from a small local man of good character, his bid may be accepted in preference to that of a capitalist who bids higher. If sustained action is taken on these lines, the evil should disappear, and, if necessary, known monopolists can be definitely excluded from auctions for rural shops.

I am not at present prepared to recommend a departure from the auction system. If it is desired to make an experiment, I am inclined to think that the third system referred to under the head of fixed fees would probably be least harmful under existing conditions. But it would be necessary to introduce it tentatively at first and the details would have to be worked out with great care.

I have dealt above with the auction system as applied to country spirit shops. The same considerations are generally applicable to the disposal of licences for the sale of all excisable articles on which a fixed duty is levied. It has never been suggested that any alternative, except the tender system, can be applied to shops for the sale of excisable articles, such as *tari* and *pachwai*, from which the revenue is at present raised solely by means of licence-fees. My reasons for preferring the auction to the tender system have been given above.

#### THE SELECTION OF SHOP SITES.

50. In conformity with the suggestion contained in paragraph 4 of the Government of India's letter, instructions have again been issued to the local officers, with the exception of the Superintendent of Excise, Calcutta, impressing upon them the necessity of selecting shops sites as far as possible in accordance with the principles embodied in the Excise Manual. They have been asked to examine the sites of all liquor and *ganja* shops annually, and, when submitting their annual settlement proposals, to make a note against each shop, of which the site infringes any of the principles, showing in what respect it is objectionable and in what manner they propose to effect compliance with the rules. As regards Calcutta, the sites have been examined in detail as recently as December, 1912, and altogether three times in the last five years. Whilst it is known that in several cases the sites are not free from objection, it will be very difficult indeed to secure unobjectionable sites except by acquisition, and little advantage would be gained by a further detailed examination during the current year. Such an examination will again be made in the ordinary course towards the end of 1914.

## SALES AT UNAUTHORISED HOURS IN CALCUTTA.

51. I have obtained reports from the Commissioner of Police and the Superintendent of Excise, Calcutta, regarding the alleged sale of liquor at unauthorized hours. The latter officer states that of five cases reported during the year 1912-13 the allegations were found to be groundless in two, and two others ended in acquittal. He points out that in the event of unauthorized sales of this kind being detected the licence becomes liable to cancellation—a contingency which involves the forfeiture of the large sums of money paid as advance fees—and that the vendors would be unlikely to run this risk for the sake of a trifling profit.

The Commissioner of Police has, however, reported, as the result of very extensive observations made during the current year, that a month's careful watching has resulted in the detection of after-hour sales in no fewer than 20 shops. These sales almost invariably consisted of non-ejection of persons who were in the shop at 9 p.m. In the majority of cases these persons were not turned out for periods of time ranging from five to 25 minutes. It may be mentioned that the general conditions of the licence only prohibit actual sales after 9 p.m., and do not prohibit consumption on the premises of excisable articles purchased before that hour. It is doubtful therefore whether, in most of the cases referred to above, any breach of the conditions of the licence had been committed. In four cases, however, sales by side doors were detected, and in three cases persons were admitted into the shop by unfastening the door after the shop had been closed.

It is, I think, clear that after-hour sales are carried on in Calcutta, though they are not as frequent as was suggested by the deputation which waited upon the Right Honourable the Secretary of State, and the Commissioner of Police admits that his enquiries point to the connivance of the beat constables. He is taking steps which he hopes will obviate this in future. He suggests that padlocks should be placed outside the doors of the liquor shops and that superior officers should be employed to observe the shops themselves or to depute reliable agents to do so. He mentions that some years ago when these unauthorized sales were particularly rife they were completely checked by the action of the Temperance Society, which placed gentlemen, whose word was beyond dispute, to watch and report on the shops.

52. I have instructed the Superintendent of Excise, Calcutta, to issue a general warning to all vendors that in future conviction for transacting sales after the authorized hours will invariably be followed by the cancellation of all licences held by the offender and by the attendant penalties of forfeiture of advance fees and of liability for any loss occurring on the resettlement of the shop. I have also instructed him that all charges of this nature should be taken into Court, and not dealt with departmentally, in order that they may be thoroughly and publicly sifted. I have further directed the Superintendent of Excise—

- (i) to order the vendors to place padlocks on the outside of every door leading into the shop when it is closed;
- (ii) to see that the superior officers under him personally watch the shops in order to satisfy themselves that the conditions of the licence are not broken.
- (iii) to enlist the aid of the Calcutta Temperance Federation, of which the Honourable Dr. Deva Prasad Sarvadhikary is President, in employing gentlemen, whose word is beyond dispute, to watch and report on the shops.

These measures should, I think, put a stop to the irregularities complained of as far as the shops are concerned, but I would suggest that the general condition of the licences should be amended from the next settlement so as to provide for the actual closure of shops at 9 p.m., and not merely for the cessation of sales at that hour.

53. There is, however, another class of sales, viz., sales at unauthorized places. Such sales are of course illegal at any time, and the question of hours does not arise in this connection. It is well known that a considerable quantity of liquor is sold by or through prostitutes at their own houses, but it is practically impossible to put a stop to this practice as it cannot be proved that the money paid to the prostitutes is actually paid for the liquor supplied. The Commissioner of Police reports that it was decided some years ago that inquisitorial visits by police officers to prostitutes' houses in order to check the sale of liquor were objectionable, and a similar objection would seem to apply to visits by excise officers. It would, moreover, be difficult to obtain respectable witnesses to such transactions. Prostitutes cannot be prevented from pur-

chasing liquor, and a reduction in the limit of retail sale of country spirit would merely lead to the substitution of foreign liquor. The question is a very difficult one. When in the majority of cases it would be impossible to prove actual sale, it is doubtful whether even the employment of an increased preventive staff and the adoption of inquisitorial methods would prove effective in checking the practice. Sales may be effected at other unauthorized places, but success in detecting such cases is dependent on information: it is hardly possible to discover them by chance. I have asked the Superintendent of Excise to enlist the aid of the Temperance Federation in this matter also, and to arrange that, if definite information as to such sales comes to their notice, it may be communicated to him confidentially, in order that the preventive staff may take steps to bring the offender to justice.

#### STATISTICS OF VEND AND CONSUMPTION OF FOREIGN LIQUORS.

54. With reference to the instructions contained in paragraph 6 of the letter from the Government of India, I would mention that the only information available is that contained in the accounts of the vendors which, in the case of retailers, are often unreliable. A further difficulty is that liquor frequently passes through three or four hands before it reaches the consumer. For example, one well-known Calcutta firm shows in its accounts all sales to its sole sub-agent in Calcutta. The sub-agent in his turn sells to other wholesale dealers before the liquor reaches the retail vendor who sells to the public. Again, sales by a Calcutta vendor direct to a mufassal customer will be shown as sales in Calcutta and the information will be misleading. It is difficult to see how accurate information can be obtained unless an elaborate system of accounts is insisted on. Such a system has been objected to in the past, and it has been held that the amount of harassment involved would be unjustifiable. Every effort will, however, be made to obtain as accurate figures as possible, and it will be reported in due course how far it is probable that reliance can be placed on them.

#### SUMMARY.

55. To recapitulate, alcohol is consumed in this Presidency in the form of country spirit, foreign liquor, *tari* and *pachwai*. The consumers of these four articles usually belong to different classes, but considerations of price and, occasionally, of fashion have favoured sometimes one form and sometimes another. An examination of the drink question is hampered by the fact that there are no certain means of ascertaining the actual consumption of alcohol in any district except in so far as it is consumed in the form of duty-paid country spirit.

56. Before the year 1890-91 the outstill system was in force throughout the Presidency, except in the neighbourhood of Calcutta and in two or three large towns. It has now been replaced by a fixed duty system. The first general advance in this direction was made in the year 1890-91, when the central distillery system was extended to the whole of the Burdwan, Presidency and Dacca Divisions. The chief effect of this system was to cause an increase in the retail price and a decrease in the licit consumption of country spirit. The demand for alcohol does not appear to have been checked, but it was diverted from country spirit to the other forms of alcohol which happened to be most in favour in any particular locality, and may have been partly diverted to drugs. Some portion of the demand was met by illicit distillation, and it was found to be so difficult to cope with this offence in the hilly portions of Bankura and Midnapore that the outstill system was reintroduced into parts of those districts in 1891-92. The tendency for prices to rise was greatest in rural areas, where this result was least needed, and in such areas consumption generally remained stationary or declined. In the towns the increase of prices was less marked, and in Calcutta and other industrial areas competition tended to keep prices down and the check to consumption was, as a rule, only temporary.

57. There was no change of system up to the year 1904-05. In 1905-06 the system of contract supply was introduced into the district of Midnapore and has since been gradually extended to the whole Presidency. Its main feature as affecting consumption in the rural areas of the Burdwan and Presidency Divisions was the fixation of maximum retail prices at rates which were usually lower than those which had previously prevailed, and the result was a large increase in the recorded consumption. Part of this increase may have been due to the use of licit in place of illicit liquor, but the extent to which the former article replaced the latter appears to have been over-estimated. Part, again, was probably due to the fact that some

consumers, who had taken to other forms of alcohol when the price of country spirit ruled high, returned to the use of country spirit when its price was reduced; in other words, consumption again took the normal course from which it had been diverted by the effects of the central distillery system. The enhancement of the tariff rate in 1906 contributed to this result. But the increase in the consumption of country spirit in the Burdwan and Presidency Divisions must be mainly attributed to the fact that those who already consumed it were enabled by the reduction in its price to consume a larger quantity. Practically the whole of the increase took place immediately the price was reduced, and it must be inferred from this that there was no general increase in the number of consumers after the first year of lower prices; in other words, that the reduction in price did not cause a continuous spread of the drink habit among persons who had not been accustomed to the use of alcohol. In the industrial areas in the neighbourhood of Calcutta the fixation of maximum prices caused no large sudden increase in consumption as prices were considerably lower than in the rural areas, and little or no reduction was effected. Consumption had, however, already increased and has continued to increase steadily. One of the chief causes of the increase in this area, including Calcutta, where maximum prices were not fixed at all, has been a failure to enhance taxation sufficiently to keep prices at a reasonably high level.

In the Dacca Division, where the central distillery system continued in force until the current year, the *swadeshi* movement, combined with the enhancement of the tariff rate, caused an increase in the consumption of country spirit. Consumption showed a tendency to decline as the *swadeshi* movement died down, but the further enhancement of the tariff rate in 1910 and the restrictions which were simultaneously placed on the sale of foreign liquor restored matters to their normal course, and there is now comparatively little competition between country spirit and foreign liquor.

58. In the Rajshahi Division the outstill system has only recently been abolished, and the Chittagong Division was under the outstill system until 31st March last. No data are available as regards the Chittagong Division, and in the Rajshahi Division it is believed that consumption is considerably less than it was under the outstill system.

59. Speaking generally, it would appear that the consumption of country spirit in this Presidency is probably less in proportion to the population than it was immediately before the abolition of the outstill system, except in certain urban and industrial areas. There appears, however, to be a general tendency for consumption to be much larger in proportion to the population in such areas than in rural tracts.

As a rule consumption in rural areas is small and stationary, and there is no indication that prices are too low, even though they are less than they were ten years ago. Certain areas, such as the district of Darjeeling and the Asansol subdivision of Burdwan, must, however, be regarded as exceptional, and the consumption in them is large. In urban areas there is a tendency for consumption to increase, though here again the tendency is not universal. A further detailed examination of the consumption in the different urban and rural areas in the Presidency is needed before it can be said with certainty where special action is called for and before definite proposals can be made as to what form that action should take. The recent enhancement of duty is likely to check consumption to some extent in districts in which there has also been a considerable increase of licence-fees, such as Calcutta, Rangpur, Bogra and Darjeeling.

60. The consumption of *tari*, *pachwai* and foreign liquor was greatly stimulated by the increase in the price of country spirit which followed the introduction of the central distillery system. The consumption of foreign liquor has decreased to some extent since the enhancement of the tariff rate, but as this article is chiefly consumed by persons who do not drink country spirit, the statistics of imports do not afford very satisfactory information. The consumption of *tari* and *pachwai* on the other hand does not appear to have decreased, except perhaps temporarily in a few districts. It is, however, difficult under existing methods of taxation to check the consumption of fermented liquors by increasing the retail price. In some cases the rate of increase appears to have been less rapid since the consumption of country spirit increased; in other areas, such as the Asansol subdivision, consumption has increased more rapidly than ever, but in this particular instance it has been accompanied by a gradual decrease in the consumption of country spirit.

61. The proposals that the system of local excise advisory committees should be extended to all municipalities, and that the committees should be given power to

deal with all licences for the sale of intoxicants are generally unobjectionable. At the same time it is doubtful whether the committee system is likely in practice to be an improvement on the arrangements under which local opinion is already ascertained in small municipalities. The more representative of all shades of opinion the committees can be made the better, and as long as the committees are purely advisory it is immaterial whether the majority of the members happen to be officials or non-officials. The publication of rules prescribing that the committees should contain a non-official majority or laying down the precise circumstances under which their opinions might be disregarded is to be deprecated. Government must be, under existing circumstances, and as far as can be foreseen must continue to be, the only judge of, and solely responsible for, such matters as the number and location of shops. This is a matter in which the interests of large classes, which cannot be represented on the committees, are concerned, and it seems to be most necessary that Government should retain a free hand and should take no action which can be interpreted as an implied promise that it will, either now or at any future time, fetter itself in any way whatever. If any step is to be taken in the direction of separating the licensing and revenue functions, it would be better that it should take the form of relieving the Collector of the revenue function than of setting up a judicial tribunal or of handing the licensing function over to a body which would not be representative of all the interests involved. The existence in some districts of Additional Magistrates affords an opportunity of making an experiment in this direction.

62. Reduction of the number of country spirit shops has, generally speaking, been carried to the furthest possible limit in rural areas and seems in at least one district to have been excessive. There is, however, room for a further reduction in the number of *pachwai* shops in some districts, and this matter will be taken in hand, though progress will have to be gradual owing to the ease with which *pachwai* can be manufactured from materials which are in daily use by all. It may be possible to effect some small further reduction in the number of country spirit shops in towns, and this question will be dealt with at the same time as the general question of consumption in urban areas. In Calcutta further reduction in the number of shops is largely blocked by the difficulty of obtaining sites, by congestion in the existing shops, and by the practical certainty that the operations of the Improvement Trust will result in the abolition of a certain number of shops for which it may be impossible to find premises elsewhere. This site question is the cause of other difficulties. It might be solved if Government were to acquire sites and build shops, but this course cannot be recommended unless Government is forced to it, or unless there are indications that public opinion would favour it. At present there would probably be an outcry that the evil of State-owned premises was worse than the evils which it was sought to remedy by such a measure, and the advantages to be derived from a reduction in the number of shops and an improvement in their situation and arrangement are not so certain as to make it worth while to face an agitation.

63. The curtailment of hours is a matter which affects the habits of the moderate consumers, and it appears to be doubtful whether action in this direction can be justified unless it can be shown that there is a reasonable probability that it will minimize temptation to those who do not drink and discourage excess among those who do. If it were intended to effect a gradual reduction of facilities with the intention of eventually arriving at prohibition, it would undoubtedly be time for another step in that direction. But this is not, and has never been, the policy of Government. Some inconvenience may be caused by a curtailment of the hours of opening, but it appears that little real hardship will be involved if the hour of opening is fixed at 8 a.m. instead of at sunrise; and as the Government of India have expressed the opinion that further advance in this direction would be desirable, I would raise no objection to this. At the same time it is unlikely that this will satisfy the temperance reformers, and the same arguments are likely to be brought forward again to press for a further measure of curtailment. To curtail the closing hours would certainly increase illicit practices, which already exist and which are difficult to deal with, besides causing real hardship to moderate consumers. It seems to be inadvisable to attempt to insist upon earlier closing. There would be no harm in empowering Collectors to close shops when processions were passing if there were reason to believe that widespread drunkenness would take place in the absence of such a measure; but the need for general rules of this kind does not seem to have been established, and in many cases it would be most difficult to enforce them.

64. There appears to be no clear evidence that the auction system has been responsible for the increase in the consumption of intoxicants in this Presidency; on the other hand, there seems to be some ground for holding that the increase has in some places been due to a failure to enhance licence-fees to the extent which would have been brought about by a less restricted system of auction. In Calcutta the auction system has been restricted by the difficulty of obtaining sites and by the general recognition of one another's claim to particular shops by the local vendors, and in some of the neighbouring districts by the theory that if licence-fees were kept down to a level which would ensure a considerable profit to the vendors they would not attempt to push their sales. It appears to have been overlooked that the vendors' object is to make as much money as possible, and whilst in rural areas in which each shop has a monopoly over a considerable area and in which there is little chance of increasing the number of consumers, they will usually sell at as high a price as possible, in areas in which there is competition they will effect their object by extending their market and will take advantage of any opportunity of reducing their prices that is offered to them. In such areas an enhancement of licence-fees may not have much effect in the direction of increasing prices, but high licence-fees certainly have a salutary effect in keeping prices at a reasonably high level. Lower licence-fees will not render the vendors any less desirous of extending their market whilst they will increase their means of doing so by enabling them to reduce their prices. No other system appears to promise better results. The experience gained from the settlement of certain classes of licences at fixed fees does not throw any light on the probable results of an extension of such a system to licences for the sale of country spirit, as the conditions under which such licences are held in this Presidency are entirely dissimilar.

65. Action has been taken in accordance with the instructions contained in paragraphs 4 and 5 of the Government of India's letter, and as accurate statistics as possible will be furnished in accordance with the request contained in paragraph 6, though there is reason to fear that they will be of little value as a guide to the amount of foreign liquor actually consumed in each district.

66. Whilst there can be no doubt that Government can by its methods of administration do much to promote temperance by taking measures to ensure that intoxicants should not be too cheap, that shops should not be too numerous or conspicuous, and that excess should be discouraged, it must be recognized that there are limits to the effectiveness of Government orders in enforcing moderation. The failure to prevent the use of cocaine as an intoxicant, notwithstanding its complete prohibition and the strenuous efforts of the preventive staff, is a well-known example. And the facts that the materials for the manufacture of cocaine are not available in this country, and that arrangements are made for the supply of certain other intoxicating drugs are circumstances which favour the effective enforcement of the orders of prohibition. It is unnecessary with this example so near at hand to refer at length to the unsatisfactory results of prohibition in Norway and Sweden as a measure for checking drunkenness. The Bengal Excise Commission, which sat 30 years ago, laid stress upon the effect of social, moral and religious changes in relaxing the restrictions which had at a former period kept large classes from indulging in spirituous liquors. Those changes are not less apparent now than they were in 1883-84, and it is probably to them that the disproportionately large consumption of country spirit in urban areas is mainly due. In rural areas, in which the influences are more conservative, the increase in the consumption of country spirit has been very small, if indeed consumption has increased at all. In the industrial centres the presence of large numbers of up-country immigrants, men who have come without their families and who earn good wages, is a disturbing element which makes for a still larger consumption. But the comparatively large consumption in the towns appears to be largely the result of social, moral and religious changes in the direction of relaxation from restrictions. The problem appears to be largely one of social reform, and it is hardly to be expected that any course of action open to Government can have much effect unless steps are taken to combat the drink evil by social reformers, who will create a strong body of public opinion in favour of moderation among the classes who drink. Real reform must come from the people. Nothing that Government can do will make a drunkard sober whilst there is some danger that an attempt by Government to do so would result in depriving moderate consumers of a necessary stimulant or of driving them to the use of more deleterious intoxicants.

## Enclosure 14.

*Letter from the Honourable Mr. W. J. Keith, I.C.S., Officiating Revenue Secretary to the Government of Burma, to the Secretary to the Government of India, Department of Commerce and Industry, No. 522M.—8E.-15, dated Maymyo, the 30th October, 1913.*

I am now directed to reply to your letter No. 477—490—21 of the 24th January, 1913, regarding the criticisms of the Excise administration of India by a Deputation which waited upon the Right Honourable the Secretary of State for India in July, 1912. The Government of India invite an expression of the Lieutenant-Governor's opinion on the special aspects of the drink question in this Province, and ask to be furnished with statistics in the forms attached to your letter showing the consumption of and taxation realized on excisable articles of different descriptions in Burma during each of the years 1905-06 to 1911-12.

They further enquire—

- (a) to what extent this Government would be prepared to give effect to the recommendations of the Deputation in regard to the enlargement of the powers of local advisory committees and the modification of their constitution;
- (b) what further reductions, if any, are possible in the number of licensed shops; and
- (c) what further progress is possible in curtailing the hours of sale.

The Government of India also ask for any observations which the Lieutenant-Governor may have to offer in regard to the working of the auction system of disposing of licences in this Province, and they suggest—

- (i) that instructions should again be issued to local Excise Officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles laid down in paragraph 6 of Finance Department Resolution No. 5086-Excise of the 15th August, 1907; and
- (ii) that statistics showing the wholesale and retail vend of foreign liquors such as those contained in Provincial Statements A and B of the Punjab Excise Administration Report of the year 1911-12 may be furnished in future in the Excise Report of this Province.

2. The Lieutenant-Governor considered it advisable to consult all Deputy Commissioners and superior Revenue Officers on the suggestions of the Deputation, and I am to enclose copies of their replies for the information of the Government of India. The desired statistics have been prepared by the Commissioner of Excise, Burma, who comments on the figures in paragraphs 2 and 3 of his letter (Annexure 2). In view of the important changes in Excise administration which have taken place during the period to which they relate and of the fact that the Excise problems in Burma differ considerably from those of other provinces in India, which alone were referred to by the Deputation, the figures shown in the statements require some explanation before any proper conclusion can be drawn from them. In giving this explanation it will be convenient to deal with each statement separately.

(1) STATEMENT A.—*Country Spirit; Outstill and Distillery Systems.*—The Commissioner of Excise, in paragraph 2 of his letter (Annexure 2) describes the method followed in arriving at the area and population served by the outstill and distillery systems respectively. It may be said at once that these figures are of very little value and that any deductions based on them must be received with the greatest caution. The only figures in this statement of any value are those showing the revenue derived from the two systems. The revenue derived from the outstill system in 1912-13 was but little more than a third of that derived in the year 1905-06, the revenue from the distillery system has increased nearly tenfold within the same period, and the combined revenue from the two systems in the latter year was  $2\frac{1}{4}$  times as large as in the former year. Taken by themselves these figures would appear fully to justify all the charges brought by the Deputation. They are, however, the natural outcome of (a) the gradual substitution for outstills of country spirit shops under the Contract Distillery system, with effect from the 1st November, 1906, and of (b) the further experiment described in my letter No. 1161M.—8E.-8 of the 17th June, 1913, of substituting country spirit manufactured under the contract distillery system for country beer in some of the larger town areas in the Province. Statement B shows that the effect of this policy has



been a considerable rise in the incidence of the total revenue derived from country distillery spirit per proof gallon, and that, too, in spite of the fact that it has recently been found necessary to reduce the rate of still-head duty in certain parts of the Tenasserim Division to enable the local officers to make headway in the suppression of illicit manufacture. A part of the increase in revenue is due to the substitution of shops for the sale of country spirit manufactured in contract distilleries for shops for the sale of imported liquors.

(2) STATEMENT B.—*Country Spirit; Distillery System.*—The explanation given in respect of Statement A serves to explain the large increase in the consumption of country spirit between 1905-06 and 1912-13. The figures showing the consumption of such spirit per 100 of population in distillery areas are of no value in view of the uncertainty regarding the extent and the population of such areas.

(3) STATEMENT C.—*Country Spirit Shops, Outstill and Distillery Systems.*—The statistics showing the number of shops per 100,000 of population and the number of square miles per retail shop are of little value for the reasons already given in discussing Statement A. The statistics of shops in the years 1905-06 and 1906-07 differ somewhat from those shown in Form III. of the Provincial Reports on the Administration of the Excise Department for these years. Statement C shows that there were only three such shops in the distillery areas in 1905-06, whereas column 10, Form III. of the Report, shows 58; the latter total, however, includes shops licensed to sell Burma distillery spirits excised at the tariff rate. In regard to the figures for 1906-07, the statement shows the number of shops for the sale of outstill liquor open at the close of the year after the introduction of the Contract Distillery system, whereas the Excise Report shows the number licensed at the beginning of the year. The increase of 22 over the previous year's total in the number of shops in 1906-07, from 78 to 100, was due to the introduction of the Contract Distillery system towards the end of 1906. Several new shops were opened in the Thaton and Mergui Districts with a view to supply the demand met by illicit distillation which, in the former district at least, had been carried on for many years on a very large scale. Between 1906-07 and 1911-12 the extension of the Contract Distillery system made very little change in the total number of shops, that total in the latter year being only five in excess of the total of the former year. In 1912-13 their number was raised by 24 to 98 in pursuance of the experiment already referred to of substituting country spirit manufactured under the Contract Distillery system for country beer in some of the larger town areas.

(4) STATEMENTS A, B AND C.—The general conclusion to be drawn from the statistics regarding country spirit is that during the period covered by them a considerable advance has been made in the substitution of the Contract Distillery for the outstill system. The increased number of shops for the sale of country spirit and the increased revenue derived therefrom are attributable to a variety of causes, which may be summarised as improved administration. There is not the slightest reason to believe that the change has resulted in an increased consumption of spirits, but it is hoped and believed that some success has been achieved thereby in substituting a dearer supply from licensed sources for a cheaper supply from illicit outstills. It must be borne in mind that for many years an attempt was made in this Province to substitute country fermented liquors for country spirit in areas originally supplied with outstill liquor and that in furtherance of this policy all outstills were suppressed over the greater part of Lower Burma, save in areas where illicit distillation was exceptionally common and where the attempt to substitute country fermented liquors was a failure. It is now generally recognised that this policy has not been altogether successful and that despite the suppression of outstill licences the demand for country spirits has continued to be supplied illicitly and probably to some extent through the medium of the country fermented liquor shops. The preference for country fermented liquor, as being a less harmful intoxicant than country spirit, has been shown to have little foundation in fact; and the substitution of country spirit, manufactured in a Contract Distillery and paying revenue mainly in the form of a duty on each gallon consumed, for country fermented liquor, frequently adulterated or fortified with illicitly distilled country spirit, paying revenue wholly in the shape of licence fees, appears to be a change which the Deputation to the Secretary of State would welcome rather than deprecate.

(5) STATEMENT D.—*Wholesale and Retail Licence Fees for the Sale of Foreign Liquors.*—The figures in this statement include not only the licence fees for imported

spirits and beer but also licence fees for the sale of locally produced spirit excised at the tariff rate. They do not, however, include the licence fees for locally brewed beer; if these be included the figures shown in the table must be substituted for those in Statement D. They show considerable variations from year to year, but these variations are due in the main to fluctuations in the prices realised at the auctions and not to an increase in the number of licences. The number of ordinary shop licences for the sale of imported liquors, including distillery spirit manufactured in Burma, was reduced from 245 in 1904-05 to 130 in 1905-06; and, as explained in paragraph 3 of the Excise Commissioner's letter (Annexure 2), the number of ordinary licences for the sale of such liquors and for fermented malt liquor manufactured in Burma fell from 219 in 1905-06 to 212 in 1912-13. The conclusion to be drawn from Statement D therefore is that in the period under review the revenue from licence fees derived from shops for the sale of foreign liquors of all kinds and the numbers of such shop licences have remained more or less stationary.

			Rs.				Rs.
1905-06	...	...	11·69	1909-10	...	...	12·27
1906-07	...	...	10·27	1910-11	...	...	9·93
1907-08	...	...	12·06	1911-12	...	...	11·56
1908-09	...	...	11·97	1912-13	...	...	10·21

(6) STATEMENT E.—*Shops for the Retail Sale of Foreign Liquors, including Special Licences, in Hotels, &c.*—The variations of the figures in this statement are explained in paragraph 3 of the Excise Commissioner's letter (Annexure 2). Thus explained, the statement shows that there has been a tendency to decrease rather than increase in the number of licences issued for ordinary shops, the variations from year to year being caused in the main by fluctuations in the number of licences for public or private entertainments. The Excise Commissioner suggests that the number of such special licences might be largely restricted; this suggestion will be considered further below.

(7) STATEMENT F.—*Consumption of Potable Spirits manufactured in Burma after European Methods and taxed at Rates higher than Country Spirit.*—This statement shows the number of London proof gallons of potable spirits manufactured in Burma after European methods and excised at the full tariff rate of duty. The figures for the past three years show a very large decrease which is probably explained by the fact that the local distillers find it more profitable to devote their attention to the outturn of country spirits under the Contract Distillery system, and have in large measure abandoned the struggle to compete with the cheaper forms of imported liquor.

(8) STATEMENT G.—*Duty realised from Potable Spirits manufactured in Burma after European Methods and taxed at Rates higher than Country Spirit.*—The figures in this statement show the duty realised at the tariff rate on the quantity of spirits shown in Statement F. The fact that the fall in the amount of duty realised between the years 1905-06 and 1912-13 is proportionately less than the fall in the consumption is due to the gradual increase during the same period in the rate of duty from Rs. 6 to Rs. 9-6-0 per London proof gallon.

(9) STATEMENT H.—*Production of Beer in the Breweries in Burma.*—The figures given in this statement are taken from the Annual Return of Breweries and not from the Reports on the Provincial Excise Administration. The consumption of beer varies with the demand from the British regiments stationed in the Province. In paragraph 23 of the Excise Administration Report for the year 1912-13 the Excise Commissioner remarks: "Compared with the enormous increase of 308,900 gallons of imported ales the increase of 6,615 gallons only of the Mandalay-brewed beer is trivial. It is remarkable that this beer has failed to achieve a larger share of success with a population whose taste inclines to beer and ale more and more each year." There is only one brewery in the Province and the failure of its products to win popular favour renders it probable that the number will not be increased.

(10) STATEMENT I.—*Duty realised on Country Beer.*—This statement is blank. Country fermented liquors pay no duty in Burma. No practicable method of raising revenue from them in this form has been devised, and all receipts from this source come as hitherto from licence fees for the retail sale.

(11) STATEMENT J.—*Revenue realised from Tari and the Number of Retail Shops.*—Despite a decrease of nearly 30 per cent. in the number of shops for the

retail sale of *tari* during the period under review, the revenue shows a generally upward tendency. The receipts are wholly derived from licences for the retail sale, the introduction of a tree tax being deemed impracticable in the circumstances of the country. The policy of eliminating superfluous shops has been kept steadily in view during the past few years and the increase in the revenue must be ascribed in the main to the increased prosperity of the people.

(12) STATEMENTS K, M AND O, dealing with hemp drugs, are blank for Burma.

STATEMENTS L, N AND P, *dealing with the Consumption of Opium and its Preparations*.—The figures in these statements show for the period under review a small decrease in the number of shops; a very large decrease, from 78,000 to 48,000 seers, in the consumption and a decrease of over 7 lakhs, comparing the first year with the last, in the total revenue derived therefrom. The opium policy of Burma is a thing apart. Opium is sold under the eye of a Government officer, and a strict account is kept of the quantity sold to each purchaser, that quantity being limited to the quantity which is believed to be sufficient for his personal consumption so as to eliminate the possibilities of hawking. The incidence of the total revenue derived from each seer of opium and its preparations has risen from Rs. 62 in 1905-06 to Rs. 86 in 1912-13 when the prices were raised by a fourth. The opium policy of Burma is one to which none of the criticisms of the Deputation can be held to apply. The great bulk of the revenue is derived from duty on the quantity actually consumed; licence fees are fixed and the licences to sell are given to selected licensees and not disposed of by auction. The steady reduction during the past eight years in consumption would be a matter for congratulation were it certain that the place of opium sold in the licensed shops has not been taken by illicit opium or other more noxious drugs such as cocaine.

3. The Deputation of 1912 asked the Secretary of State to consider the question of the development of the drinking habit in India and the steps which could be taken to check it. The drink question cannot, however, be considered by itself so far as Burma is concerned. The control of the drug habit is at least as important as the control of the drink habit and a policy aimed at the suppression of the latter must include precautions to prevent a stimulus being given thereby to the former. The precautions adopted in this Province to check the spread of the opium habit have, on paper at least, achieved a very large measure of success. How far this success has been achieved at the expense of driving otherwise would-be opium consumers to drink or to the use of pernicious drugs such as cocaine can only be guessed at. Moreover in spite of the unremitting vigilance and energy of a large Excise establishment it must be recognised that the extent of opium smuggling remains an unknown quantity and that much of the demand formerly supplied by opium bought by authorised purchasers from the Government shops and by them retailed to unauthorised consumers may still be met by opium smuggled from other Provinces of India. The experience gained from the restrictive policy towards opium makes it doubtful whether any action taken by Government to regulate the taste of the people for intoxicants is not productive of more harm than good. As regards the drink question the views of the Deputation are based on the assumptions stated by Mr. Leif Jones, M.P., on page 10 of the enclosure to the Secretary of State's Despatch, No. 85, of the 6th September, 1912, that India is a temperance country and that the drink evil is an imported evil—a part of the price paid for coming into contact with our western system. In paragraph 4 of his letter (Annexure 1) the Financial Commissioner points out that this assumption is not correct so far as Burma is concerned. The fact that the Burmese civil and religious authorities before the period of British rule forbade the use of intoxicants does not indicate that they were unknown and that it was desired to prevent their introduction, but that their use was then common enough to constitute an abuse calling for interference. Contact with western civilisation and the opportunities thereby afforded for obtaining drink manufactured after western methods are responsible for creating the demand for such drinks but not for creating the demand for drink itself. It is possible that the fashion prevailing among Burmans of preferring imported articles to those produced locally is an incentive to increased drinking among those who would otherwise content themselves with a moderate quantity of country liquor and for this reason it is desirable as much as possible to restrict the facilities for obtaining imported liquor. The remarks regarding Statements D and E in paragraph 2 above show that this policy has been adhered to during the period under review. As regards country liquors, whether manufactured by Native or European methods, the present policy is to provide shops for the sale of the kind

locally in demand but to restrict their number as much as possible in order to reduce temptation to drink. An exception to this policy has been made in the case of *tari* in Upper Burma. The number of licensed shops there is quite inadequate to meet the requirements of the inhabitants of the *tari*-palm-growing tracts, but it has been deemed advisable to allow consumption to continue in these tracts unregulated rather than to license the necessary number of shops. As regards country spirit the present policy aims at the gradual substitution of shops under the Contract Distillery system for outstills. Illicit distillation is rife in many parts of the country and if it is to be checked some increase in the number of licensed shops will be necessary, for a time at least. The experiment of substituting country spirit shops under the contract distillery system for country beer shops, referred to above, has been justified in detail in my letter No. 1161M.—8E.-8 of the 17th June, 1913.

4. I am now to consider the recommendations of the Deputation of July, 1912, in regard to the enlargement of the powers of Local Advisory Committees and the modification of their constitution. These recommendations are contained in paragraphs 15, 18, and 21, of the statement submitted by Sir Herbert Roberts on behalf of the Deputation, which is printed on pages 14-23 of the enclosure to the Secretary of State's Despatch. In paragraph 15 the Deputation, with a view to making Local Advisory Committees a more efficient instrument for expressing the views of those who are concerned in the issue of licences, urge:—

- (1) that the appointment of the committees should be extended, as soon as practicable, to the whole of India;
- (2) that the committees should be made more representative of local opinion;
- (3) that they should in every case contain a majority of non-officials, appointed independently of the Excise Department;
- (4) that they should be empowered to deal with all licences for the sale of intoxicants;
- (5) that their meetings should be held more frequently than at present;
- (6) that their recommendations should only be disregarded when there are substantial reasons for exercising an official veto.

In paragraph 18 they recommend (7) that the licensing function should be removed, as soon as practicable, from the control of the Revenue Department, and suggest that the experiment should be tried in certain districts of conferring it upon the Local Advisory Committees, subject to such reservations as may be found necessary.

(1) The first of these recommendations, that the appointment of the committees should be extended as soon as practicable to the whole of India, is favoured by some and opposed by others of the officers consulted. The Excise Commissioner reports that there is no demand for any extension of such committees and he does not think that there is any need for change, though he sees no great objection to the application of the system to all Municipalities in the Province; if it be extended, he agrees with the Commissioner, Mandalay Division, that the Municipality itself might be made the Advisory Committee. The Financial Commissioner, while not sanguine that any great benefit will result from the extension, is willing to support the proposal in the hope that in the process of time the committees will be able to help the executive more than they have in times past. He is, however, exceedingly dubious of the advisability of establishing Advisory Committees in rural tracts; in this view the Lieutenant-Governor concurs. The opinions of the inhabitants of rural tracts, and more especially of the inhabitants of the village in which it is proposed to establish a new shop, should continue to be consulted as at present, and no new shop should be opened in the face of any strong opposition from them unless it is conclusively shown that such opposition springs from interested motives and has been engineered by persons engaged in illicit manufacture of liquor. As regards Municipalities and Notified Areas entrusted with certain powers of local self-government under the Municipal Act, Sir George Shaw considers that the system of Local Advisory Committees may be extended to all. There are 45 Municipalities and 15 Notified Areas in Burma Proper, and the Lieutenant-Governor's proposal therefore involves an increase in the number of Local Advisory Committees from 10 to 60.

(2) and (3) The second and third recommendations of the Deputation are that the Committees should be made more representative of local opinion and that they should in every case contain a majority of non-officials appointed independently of the Excise Department. Here, again, the views of the officers consulted are divided. The Excise Commissioner agrees with the Commissioner of the Mandalay Division

that the Municipal Committee itself might be made the Advisory Committee. The detailed recommendations of the Commissioner on the subject are set forth in paragraph 10 to his letter (Enclosure 27). Sir George Shaw is disposed to accept this suggestion. It is true that under the existing orders (Excise Rule 67) Municipal Committees are invited to express their views regarding proposals to establish new shops, but they are not empowered like the Special Excise Committees to frame proposals regarding the minimum and maximum scales of shops to be allowed nor do they submit annual recommendations regarding the location of shops. The non-official members of the Municipal Committee, in theory at least, represent local opinion; and when there is at hand a duly-constituted body representing local opinion and carrying on local self-government, it seems unnecessary to constitute another representative body for the purpose of the Excise Act. In the case of large Municipal Committees, a special Sub-Committee would naturally be appointed to deal with the question of Excise licences and to submit its recommendations to the whole Committee. Many Municipal Committees and Town Committees do not contain a majority of non-officials and in such a case the third recommendation of the Deputation would not be given effect to. This, however, is a defect which will gradually be cured in time as the constitution of the committees widens.

(4) The fourth recommendation of the Deputation, that the Advisory Committees should be empowered to deal with all licences for the sale of intoxicants, is somewhat ambiguous. If it means merely that the views of the committees should be sought in the case of all licences for the sale of intoxicants, it calls for no remarks in view of the fact that the existing rule imposes no restriction in the matter in regard to licences issued under the Excise Act. If it means more than this, it appears to be covered by the suggestion made in paragraph 18 of the memorandum which is dealt with below.

(5) The fifth recommendation of the Deputation, that the meetings of the Advisory Committees should be held more frequently than at present, does not appear to call for any action so far as Burma is concerned. Under Excise Rule 69 the existing committees are required to meet annually for the examination of existing and proposed shops. Shop licences are ordinarily issued for a period of twelve months, and so far as they are concerned an annual meeting of the Advisory Committee is sufficient. It seems hardly necessary to refer to them all applications for temporary licences for entertainments and the like. The advisability of the grant of such licences in specific cases can always be discussed at the annual meeting and the views of the Committee placed on record for the future guidance of the Collector. If, however, the duties of Advisory Committees are made over to Municipal and Town Committees, the ordinary meetings of those Committees are sufficiently frequent to satisfy all possible requirements.

(6) The sixth recommendation is that the advice of the Committees should only be disregarded when there are substantial reasons for exercising an official veto. This, it is believed, is the present practice, and the Lieutenant-Governor concurs that it may suitably be continued. In any case all alterations in the existing arrangements for the retail of liquor require the approval of the Commissioner and the Excise Commissioner and are not left to the Collector.

(7) The last proposal of the Deputation, that the licensing function should be removed as soon as practicable from the control of the Revenue Department and experimentally conferred upon the Advisory Committees in certain districts, is based on the assumption that Government officials are under constant temptation to obtain as much revenue as possible from the sale of liquor. The officers consulted are practically unanimous in protesting against this assumption. In Burma, with the exception of the Collector, Rangoon, the Collector of each district is also the District Magistrate and he is much more interested in the suppression of crime than in the enhancement of Excise revenue. The Excise Commissioner suggests that in Rangoon, where the Collector is not the District Magistrate and where he takes a very active part in directing Excise affairs, the licensing function should be vested in the District Magistrate. The Financial Commissioner concurs with the Excise Commissioner, that it would be quite impracticable to hand over the licensing function to the Advisory Committees, and the latter officer also condemns the alternative suggestion to make Sessions Judges the licensing authorities. The Lieutenant-Governor is of opinion that in the existing state of education and public opinion in this Province the Government cannot abdicate its powers of controlling and regulating the grant of licences in favour of Advisory Committees and that under the present rule all reasonable weight is given to their opinions.

5. In paragraph 16 of their statement the Deputation express the view that, without a considerable further reduction in the number of liquor shops and the carrying out of the other reforms which they advocate, no effective diminution in the consumption of liquor can be reasonably expected and in paragraph 21 they make the specific recommendation that the licences for the sale of intoxicants should be steadily reduced in number. The officers consulted by the Lieutenant-Governor are practically unanimous in declaring that with one or two unimportant exceptions no further reduction in the number of existing licences is possible. One Deputy Commissioner points out that the undeveloped condition of Burma makes it impossible to apply recommendations intended for a fully-developed province. The Commissioner of Excise considers that as the province develops moderate increases in the number of shops are more probable than decreases. If a reduction is considered desirable, he suggests (paragraph 3 of Enclosure 2) the abolition of licences for inland steamers and of licences for entertainments. The Financial Commissioner considers that the discontinuance of these licences would have absolutely no appreciable effect in reducing the drink habit and he does not consider it possible to suggest any systematic withdrawal of licences or any restriction on consumption in any particular locality of the Province. The Deputy Commissioner, Insein (Mr. G. F. Arnold, C.I.E.) [Enclosure 9] concurs in the view of the Deputation that the existence of shops is an incentive to drink and would be prepared to abolish about half the existing shops in his district. He considers it preferable that there should be a few breakers of law on account of the absence of shops rather than that the community as a whole should be drawn to liquor-drinking by their presence. This view is similar to that expressed by Sir Herbert White in this department letter No. 441—2E.-2 of the 28th June, 1909. Sir George Shaw considers that, while the desirability of a reduction in the number of shops should be kept in view and any proposals for additional shops accepted only after the most careful enquiries have established their necessity, no definite assurance of a reduction can be given. Reduction may be possible in some localities, but in others and especially in the areas where the distillation of illicit country spirit is rife some increase is essential if the liquor traffic is to be regulated at all.

6. In paragraph 21 of their statement the Deputation suggest that the hours of sale should be further limited by later opening and earlier closing hours being fixed for all licensed premises. The Excise Commissioner does not recommend any change and the Financial Commissioner, while remarking that the shops are usually empty in the morning, accepts this view. The Deputy Commissioner, Pegu, points out that in a country like Burma the habits of the people are nocturnal during the hot weather and during the light half of the moon. A few officers consider that shops need not be opened so early, as drinking in the morning has nothing to commend it. Some recommend that all shops should be closed at sunset or shortly after sunset so that consumers who are ashamed to be seen frequenting liquor shops by day and are afraid of illicit practices may be weaned from the liquor habit altogether by the impossibility of obtaining a supply from a licensed source after dark. The Lieutenant-Governor considers that in the case of Municipal and other towns with some measure of local self-government the hours of opening and closing might be fixed by the Municipal Committee within the limits at present authorised and that in rural areas all shops should be closed by sunset. As regards the hours of opening it seems probable that very few sales are made in the morning, but, as it is doubtless necessary in any case to open the shops at that time in order to have them cleaned and made ready for the business of the day, there does not seem to be much object in directing that no sales shall be made till an hour subsequent to the actual hour of opening.

7. In paragraphs 17 and 21 of their memorandum the Deputation again press for the abolition of the auction system for the disposal of liquor licences and suggest in its stead a system of fixed licence-fees as recommended by the Excise Committee of 1905-06. The Excise Commissioner reports that a system of fixed fees is practicable and advisable in the case of country shops under the contract distillery system but not in the case of other shops. This view is shared by several other officers. In the Mandalay Division the Commissioner and four out of its five Deputy Commissioners are in favour of the universal introduction of the fixed fee system, but the majority of other officers consider that the auction system with all its drawbacks is the one open to the fewest objections; in this view the Lieutenant-Governor concurs. The subject was discussed at length by the Government of India in their Finance Department Resolution No. 2997-Exc. of the

16th May, 1907, where they came to the conclusion that the best method for the disposal of the right of retail vend of country liquor is an auction system worked on the lines described in paragraphs 5 and 6 of the Resolution with power to Local Governments to fix a term of three years instead of one year for the currency of the licences. The greatest of the many objections to the fixed fee system is the danger of the growth of vested interests. To meet this danger officers are driven to suggest impracticable expedients, such as that of the Deputy Commissioner, Bhamo, that a rule could be made that the same person should not be given a licence for more than three years in his lifetime. Such a rule would, of course, deprive persons who have engaged all their life in the liquor trade of their means of livelihood. There is no objection to the same licensee obtaining the same licence time and again; the object of the auction system is not to prevent this, but to ensure the payment by him to the Government of the full value of the licence. In this connection I am to quote, with approval, the following observations of the Deputy Commissioner, Bassein, reproduced in the letter from the Commissioner of the Irrawaddy Division :—

“ I think the evils of the auction system are greatly exaggerated. It is suggested that a man who has paid for a shop a price which leaves him very little profit has a stronger motive for pushing the sale of liquor than one who is able to make a larger profit without any special exertion. It is not suggested in what way he can push the sale. I do not know of any legitimate means except advertising, which is not resorted to and would promptly be stopped if it were. As to illegitimate means, such as sending out liquors to be hawked about the neighbourhood, larger profits would certainly not check such practices if they are not restrained by the watchfulness of the Excise and Police Officers. The fixed fee system is hardly any check on malpractices unless the holder of the licence is given to understand that he is likely to enjoy it during his good behaviour, and this has the disadvantage of creating vested interests. Moreover the system is impracticable when applied to liquor manufactured on the spot, owing to the impossibility of ascertaining the profits. There is no great objection to its being applied to country spirit, and this is already being done. It could also be applied to foreign liquor, but I doubt if it would be worth while. If Burmans are to be prevented from taking the drink, such a system as that already enforced for opium must be introduced.”

Sir George Shaw considers that the auction system should continue to be the ordinary method of disposing of licences for retail sale. It might be advisable, while auctioning the right of retail sale for a year, to empower the Collector to offer to a licensee the renewal of his licence for a further period of two years at the same fee in cases where this fee is held to represent the value of the licence. In paragraph 13 of their Finance Department Resolution No. 2997-Exc. of the 16th May, 1907, the Government of India refer to certain proposals for the acquisition by the Government in Rangoon of sites for country liquor shops. The state of the provincial finances makes it impossible to hope that this Government will be able within any reasonable period to acquire liquor shop sites to any appreciable extent, but it might be possible, in order to obviate the trouble imposed on a new licensee of obtaining suitable premises for his shop, for Government to take a long lease of such premises and to require the licensee, as a condition of his licence, to occupy them as the sub-tenant of Government, paying the rent reserved in the lease.

8. The Government of India's request made in paragraph 4 of your letter under reply that instructions should again be issued to local Excise Officers impressing upon them the necessity of selecting shop sites as far as possible in accordance with the principles laid down in paragraph 6 of Finance Department Resolution No. 5086-Exc. of the 15th August, 1907, has been noted and the Financial Commissioner has been requested to draw the attention of Collectors to Rule 75 of the Rules under the Excise Act which reproduces these principles.

9. The great majority of the officers consulted agree in deprecating the suggestion that statistics showing the wholesale and retail vend and consumption of foreign liquors, such as those contained in Provincial Statements A and B of the Excise Administration Report of the Punjab for the year 1910-11 should be furnished for this Province. The Excise Commissioner points out that as the licensees of foreign liquor shops in Burma are usually either Chinese or Madrassis, keeping accounts, if any, in their own languages, great difficulty would be experienced in checking them by the agency of the present Excise staff. This difficulty might perhaps be got over by making it a condition of the licences that the accounts

should be kept either in Burmese or in English, but Sir George Shaw is disposed to think that no substantial advantage would be derived from such accounts. It has been pointed out by more than one officer, that in view of the geographical isolation of Burma from India the Customs figures of Import show the total quantity of imported liquors consumed in the Province, and this information appears to be sufficient.

10. The specific points referred for the views of the Local Government have been dealt with in the foregoing paragraphs and I am to conclude this letter with the following general remarks. Sir George Shaw is disposed to consider that the cause of temperance in India will best be forwarded not by any action on the part of Government but by the action of its advocates among the people themselves. The temperance cause in England has prospered entirely through the private efforts made to enlist the sympathies of the people on the side of temperance. In this connection I am to invite a reference to the remarks by the Commissioner, Irrawaddy Division, in paragraph 13 of his letter. Until the leaders of Indian opinion follow the example of temperance reformers in England and conduct campaigns for the spread of their principles, it is idle to hope that any lasting good can come from official action. In Burma propaganda against the eating of meat and the slaughtering of kine have been conducted with great success by some of the leaders among the Buddhist monks, and there is no reason why the cause of temperance should not be advanced by similar means. It is the tendency of natives of India and of Burma to look to the Government to do everything and to blame the Government for everything of which they do not approve: in accepting the view that official action is needed for the accomplishment of reform the English members of the Deputation appear to have overlooked the almost entire absence of any attempt at self-help on the part of their Indian colleagues. Temperance principles have been advanced in England not by closing shops for the sale of liquor but by inculcating on the people the advantages of temperance. If, as is maintained by the Deputation, India is a temperance country and the disposition of the people is in favour of temperance, there should be infinitely less difficulty in propagating temperance principles than was experienced in the less favourable soil of the British Isles.

#### Annexure No. 1.

*Letter from C. R. P. Cooper, Esq., I.C.S., Assistant Secretary to the Financial Commissioner, Burma, to the Revenue Secretary to the Government of Burma, —No. 344—2E. 35, dated the 13th August, 1913.*

In reply to your letter No. 201—8E.-15, dated the 14th of February, 1913, I am directed to submit a copy of letter No. 106—2E.-68, dated the 7th of July, 1913, from the Excise Commissioner forwarding the statistics required by the Government of India in their letter dated the 24th of January, 1913, and also copies of the enclosures to the Excise Commissioner's letter.

2. With regard to the statistics, the Excise Commissioner has pointed out in paragraph 2 of his letter the difficulties connected with their compilation for this province. It is to be noticed that in Statement A the areas under the outstill system and the areas under the distillery system have been arrived at by including the areas of any township in which a shop or shops under the respective systems existed. The total excise area has, however, been regarded as the total area of the province, excluding the Shan States and certain remote hill-tracts. In the statistics of population, the figures for 1910-11 were taken from the new census tables, and the sudden large increase is thus only apparent, not real. It was impossible to distribute a gradual increase over a number of years. The decrease in total revenue in 1906-07 was due to the fact that the contract distillery system was beginning to make itself felt in Tenasserim Division, and that there was much uncertainty regarding the period for which some of the outstill shops would be continued. In Statement B it has been assumed that only figures for areas served by central distilleries are required.

3. Major Stone has made a careful *resumé* of the opinions of the officers consulted and has also submitted his own opinion thereon on the various points raised. As the conditions existing in Burma differ so essentially from those obtaining in the rest of India, and as special attention has been invited in paragraph 2 of Mr. Enthoven's letter to an expression of opinion on the special aspects of the drink question in each province, Mr. Eales thinks that it would be as well to consider carefully the full value of the outstanding facts alluded to by Sir Herbert Roberts,



M.P., in his speech when introducing the deputation to the Honourable the Secretary of State for India on the 18th of July, 1912. The Honourable Member stated that 39 years ago the revenue stood at  $1\frac{1}{2}$  millions, whereas it is estimated to be close upon 8 millions now. Mr. Eales is unable to give any opinion as to the causes of this seemingly extraordinary expansion in India, but with regard to Burma he would venture to submit the following remarks which will to a great extent explain how the increase has been brought about in this province. The Excise Commissioner notes that the members of the deputation in their speeches generally confined themselves to the condition of the drink question in India, but as the returns of India are swollen by the revenue obtained from Burma, the causes which led to the increase in Burma are relevant to the consideration of this question, especially as they may to a certain extent indicate the causes of the expansion in India.

4. The population of Burma taken at the census of 1872 was 2,747,148. Thirty-nine years afterwards the population of Burma had risen to 10,610,256. This extraordinary increase has been brought about, firstly, by the annexation of Upper Burma, and secondly, by the abnormal growth of the population owing to the influx of large numbers of natives of India, Chinese and other nationalities. Apart from the increase of population, the value of these figures is considerably affected by the following factors:—In the last 39 years not only has the population quadrupled, but the increase in wealth has far exceeded even this great increase in population. The standard of living has risen very greatly. The cost of agricultural labour has doubled within the least 30 years and this means that the return to the labourer as calculated in rupees is probably at least twice as great as it was 30 years ago. Moreover, it must be remembered that in 1877 the value of the rupee, as measured in commodities, was about 70 per cent. greater than it is at present. Thus, though the figures would show an increase of revenue from  $1\frac{1}{2}$  millions to nearly 8 millions, the real rise would have been probably not much more than 5 millions had the value of the rupee been stationary. Viewed in the light of these facts, the outstanding features alluded to by the Honourable Member are not so striking as they would at first seem to be. But there is another factor which must be considered in Burma at least. During this period of 35 years an immense change has taken place in the administration of the Excise revenue. It is generally admitted that India is a very backward country and that parts of it have but recently emerged from the neolithic period. Burma was generally supposed to be one of the most backward provinces of the Indian Empire, and in the seventies the Excise Administration was comparatively in its infancy. Even if the population had not increased at the abnormal rate above noted, and had there been no abnormal increase in wealth and prosperity, yet the introduction of the more systematic administration would have meant an extension of the Excise revenue and an increase in the number of shops which the expansion and regularization of the administration would have rendered necessary. Mr. Eales has been himself 34 years in the province and during that time he has served chiefly on the executive branch of the administration, and at no time has there been any such tendency to increase the sale of excisable liquor merely for the purpose of increasing the revenue. It is hardly necessary, he thinks, to go further into this matter, because anyone acquainted with the facts would be willing to admit that there is no truth in any such charge. The refusal of Government itself at the time of the annexation to allow the sale of liquor to Upper Burmans would completely refute any such imputation. The Excise Commissioner has dilated to some extent on the difference of conditions obtaining in Burma from those obtaining in India, and Mr. Eales has nothing further to add to what Major Stone has written on this point. But he would like to emphasize the remark made by Mr. Carey, Commissioner of Sagaing, that it is untrue to say that "the use of alcohol was not freely practised" before we annexed the country. It is true that there is a very strong feeling amongst the best of the Buddhists against the use of alcoholic liquor, and there is the same feeling in England; yet the prevalence of drunkenness in England among the lower orders has long resisted the influence of the more religious sections of the community. Mr. Carey's remarks are worth a perusal, and Mr. Eales is able from his own experience to corroborate these statements. Indeed, Mr. Eales has an even longer experience of both Upper and Lower Burma than Mr. Carey, as he accompanied the expeditionary force that entered Upper Burma in November, 1885. On two occasions, at least, when attacks were made on the British forces, the prisoners who were taken after the rebels were repulsed were found to be in a state of semi-intoxication. They had been drinking freely of toddy before they attempted

to make the attack. Unfortunately it was not merely as a preliminary to these attacks that toddy was drunk by the people. Government has resolutely for the last 27 years set its face against the introduction of the sale of liquor to Upper Burmans. Opium also has been prohibited, and Mr. Eales thinks that it is only right to set forth these facts in order to remove any doubt which might exist in the minds of people who interest themselves so greatly in the people of India and Burma.

Before proceeding to deal with the other questions referred to in your letter, Mr. Eales would like to emphasize the remarks of the Excise Commissioner as to the danger,—which undoubtedly exists,—that total prohibition may do more harm than good. For the last 18 years the Government of Burma has endeavoured to restrict and diminish the use of opium by the Burmans in Lower Burma. It has never been allowed to be sold to the Upper Burmans. The Annual Reports of the Excise Department for the last few years show that we have successfully battled against and controlled the spread of the opium habit, and the opium habit is, Mr. Eales believes, decreasing in Lower Burma. Nevertheless it has been found that a new and far more pernicious habit is arising to take the place of the one that we have controlled. The use of cocaine and morphia imported from Europe has unfortunately obtained a foothold in Lower Burma, and Mr. Eales has reason to believe that the habit is beginning to spread among the inhabitants of the larger towns in Upper Burma. The efforts of the Excise staff have been especially directed to the suppression of smuggling of cocaine and opium, and while we can congratulate ourselves that we have, as before stated, obtained a certain measure of success so far as opium is concerned, the issue of the struggle in the suppression of cocaine is still doubtful.

5. In paragraph 3 of Mr. Enthoven's letter attention has been drawn to the powers and scope of Local Advisory Committees. Advisory Committees have been established in accordance with previous directions of the Government of India, and as President of the Rangoon Municipality for three years, the officiating Financial Commissioner was himself in a position to understand the full value of such a Committee in the town of Rangoon. The opinions of the members of the Municipality were carefully consulted, and on only one occasion, so far as Mr. Eales was aware, was any action taken by the members of the Committee which had not already been indicated or suggested by the executive. The instance in question was of no particular value except that it showed that the Committee displayed initiative only in cases where certain personal interests were affected. Nevertheless it is proposed to extend the scope of the Advisory Committees to all towns in Burma, and while Mr. Eales is not sanguine that any great benefit will result therefrom, he is willing to support the measure, in the hope that in process of time the Committees will be able to help the executive more than they have in times past. But the advisability of establishing such Advisory Committees in the rural tracts is exceedingly dubious. The Collector will himself assume that no fresh shop should be established unless there are very strong reasons for its establishment. The Excise Commissioner has quoted a case where the opinion of a rural tract was taken and was found to be contrary to the establishment of the shop, and the shop was not established. Nevertheless, shortly afterwards it was discovered that there was a large illicit distillery in this neighbourhood, and yet the very persons who voted against the shop thought it no business of theirs to help directly or indirectly the Excise Department to discover the existence of this distillery. Indeed, by objecting to the establishment of the shop, they practically abetted the continuance of the illicit distillery. Mr. Eales has reason to believe that this is not a solitary instance. The value of public opinion in rural tracts, therefore, is exceedingly problematical. The Collectors in Burma, however, are required to ascertain the public opinion before any fresh shop is established. Mr. Eales is in complete agreement with the opinion expressed in paragraph 6 of the Excise Commissioner's letter that it would be quite impracticable to hand over the licensing function to Local Advisory Committees.

6. With regard to paragraph 2 of your letter which concerns the necessity of selecting shop sites in accordance with the principle laid down under Rule 75 of the rules under the Excise Act, Mr. Eales would draw attention to the remarks made by the Excise Commissioner in paragraph 7 of his letter. Notwithstanding the difficulty which has been experienced in obtaining sites for shops in Rangoon, and elsewhere, the principles laid down in that rule have been faithfully followed as far as circumstances would permit, and revenue has been on more than one occasion foregone when the conditions laid down by the rule could not be fulfilled.

7. The Excise Commissioner has drawn attention to the difficulty which the Excise Department has to meet when attempting to diminish the number of shops for the sale of excisable liquor. With these views Mr. Eales is entirely in accord, and he would like to draw attention to the fact that the efforts of a previous Deputy Commissioner of Pegu to reduce the number of shops in his district led to such an increase in the consumption of illicit liquor that the subsequent Deputy Commissioner of the same district urged the re-establishment of the shops. It is somewhat remarkable that the Excise Commissioner, who has during his tenure of office endeavoured loyally to carry out the wishes of Government, is unable to make any suggestion for the reduction of shops for the sale of excisable liquor, except by proposing that temporary licences should not be issued for the sale of liquor during the occasion of dramatic and other performances, and for the withdrawal of the licences on board the riverine steamers. Mr. Eales does not support these proposals because he is satisfied that they would have absolutely no appreciable effect on reducing the drink habit. The temporary licences before mentioned are issued for the use only of Europeans and Anglo-Indians, as very few Burmans or natives of India attend these performances. In the same way, Mr. Eales, who has often travelled on board the riverine steamers has no reason whatever to believe that these licences are abused and that liquor is sold to people who should not be allowed to consume it. The value of these proposed restrictions is so infinitesimal that Mr. Eales does not feel justified in supporting them and he does not think that any appreciable harm is caused thereby. It is impossible therefore to suggest any systematic withdrawal of licences or to restrict consumption in any particular locality in the province; but the wishes of Government will be impressed on all executive officers.

8. It has been suggested that the hours of opening of shops, which are now generally fixed from 6 a.m. to 9 p.m., should be reduced. With regard to the first point of the opening of the shop so early, the matter is one of very little importance to the general public. In the course of his duty, Mr. Eales has often visited these shops, in the early hours of the day, and though these were surprise visits, he has generally found these shops quite empty when he visited them before 9 a.m. Still, if coolies go there on their way to work at 6 o'clock, as is suggested by the Excise Commissioner in his letter, it would be perhaps a dangerous thing not to open the shop for their use, as it would tend to the smuggling of liquor which would be taken home and drunk by the coolies before going to work or recourse would be had to illicitly distilled liquor. With regard to the proposal to close the shops before 9 o'clock, Mr. Eales has nothing to add to Major Stone's remarks.

9. The Excise Commissioner has drawn attention to the difficulty experienced in the preparation of the returns suggested in the last paragraph of Mr. Enthoven's letter to which you draw attention in paragraph 3 of your letter. He has nothing to add to what the Excise Commissioner said thereon. It might be possible to obtain returns from licensees, but under the present conditions these returns would probably be valueless.

10. The Excise Administration in Burma is now in a transitional stage. An attempt, so far successful, has been made gradually to extend the central distillery system advocated by the Government of India and good progress has been made within the last two years; but a change of this sort cannot be made summarily. The central distilleries are unable, at present, to keep pace with the increased demand. Moreover, there is much to be said for the old system of disposing of shops for the sale of country spirit by auction sale instead of at fixed prices. The question has been carefully handled in paragraph 6 of the Excise Commissioner's letter. Mr. Eales has but little to add to what the Excise Commissioner has said. The arguments against the old system are too well known to need repetition, but the arguments in its favour, perhaps, have not received the full consideration they deserve at the hands of those who have no personal knowledge of the working of the system, and it is quite possible that over-hasty substitution of the central distillery system with fixed prices for the various shops would merely lead to a serious loss of revenue without any countervailing advantages in the way of greater security against adulteration of liquor or restriction of sales. The officiating Financial Commissioner is able to assure the Government that every endeavour is being made to carry out the wishes of the Government of India so far as it is possible under present conditions. The change must be gradual, and perhaps this fact is not altogether disadvantageous in view of the experience we have already gained in carrying out these orders.

## Annexure No. 2.

*Letter from Major W. R. Stone, I.A., Commissioner of Excise, Burma, to the Assistant Secretary to the Financial Commissioner, Burma, No. 106, 2 E. 68, dated the 7th July, 1913.*

With reference to your letter, No. 73, 2 E.-35, dated 5th March, 1913, forwarding enclosures regarding certain criticisms made on the Excise Administration in India by two deputations which waited upon His Majesty's Secretary of State for India in August, 1907, and July, 1912, I have the honour to submit copies of this office letter, No. 256—263—2 E.-68, dated 17th March, 1913, to Commissioners and Deputy Commissioners and of replies received, together with other papers as enumerated in the schedule attached.\*

2. The statistics required by paragraph 2 of the Government of India letter dated 24th January, 1913, are furnished in the forms annexed, numbered A to P. I may observe that these forms have been drawn up with special reference to the excise conditions of the provinces of continental India and not with reference to existing conditions in this province. Every effort has been made to compile correct figures and much labour has been involved, as part only of the statistics could be taken from annual reports and returns. This is particularly the case in regard to Form A, *Country spirit*. It appears to be assumed that the area under the outstill system plus the area under the distillery system will be equal to the total excise area. This is far from being the case in Burma. Strictly speaking there is no outstill area in Burma. In 1911-12 there were 22 and in 1912-13, 23 (since reduced to 13) outstills scattered over the province in situations remote and difficult of access; each still being isolated and unconnected with other outstills. No definite areas are served; if the licensee is an active influential Chinaman he will be able to keep illicit distillation in check for some miles round, and customers will come from afar; if he has not these qualifications illicit distillation and sales will creep up close to the shop. It has been assumed that if there is no other licensed shop the area served may be as much as the whole township. In other cases a smaller area has been assumed. As regards the area under the distillery system here again, out of ten districts in which the contract distillery system was in force in 1911-12, Indian conditions were reproduced only in the Thatôn District and parts of the Amherst and Mergui Districts of the Tenasserim Division. In the remaining seven districts the shops were widely scattered and isolated, each in fact having the same monopoly as was enjoyed by the outstills they replaced. The isolation of the shops (both outstill and distillery country spirit) is described by the Commissioner, Arakan Division, in regard to the Sandoway District, where the shortest distance between any two spirit shops is sixty miles. The total areas of such districts are assumed to be under the distillery system. In addition to the above-mentioned sparsely shopped areas, there are areas, even whole townships, where "no licence" conditions prevail. These areas are included in the total excise area of the province. Such areas are far from being teetotal.

3. From Statement E showing the number of shops for the retail sale of foreign liquors it would appear that there had been an increase of 90 licences (328 to 418) between 1905-06 and 1911-12. An analysis of the figures will however show that this is not really the case.

In spite of the rapid growth of a prosperous foreign liquor consuming population, due to the influx of persons connected with mines, plantations and the oil industry, the ordinary licences for imported liquors, locally produced spirits excised at the tariff rate and fermented malt liquor manufactured in Burma, fell from 219 in 1905-06 to 218 in 1911-12, and to 212 in 1912-13. Special licences however rose from 109 to 200 between 1905-06 and in 1911-12, falling again in 1912-13 to 149. Such licences are issued for hotels, proprietary clubs, refreshment rooms, trains, steamers, public or private entertainments and buffets at public places of amusement or entertainment. The growth of hotels and railway refreshment rooms proceeds *pari passu* with the expansion of the province and it is doubtless a convenience to travellers to be able to procure alcoholic refreshment, but if a reduction is considered desirable, the abolition of licences to inland steamers might be considered and the desirability of retaining licences for entertainments is doubtful. Reductions could be effected in special licences for foreign liquor on these lines with inconvenience to but few and they mostly travellers who could carry liquor if they required it; while spectators at entertainments cannot be in any real need of alcoholic refreshments while the entertainment lasts. It would not be unreasonable to expect that such

\* Not printed.

measures might assist in some degree in checking the spread of the drinking habit.

4. The deputation of 1912 like the deputation of 1907, confined itself wholly to a consideration of the conditions prevalent in continental India. No reference was made to this province nor were the local conditions investigated by the Indian Excise Committee of 1905-06. The conditions in this province are wholly different from those in the provinces of continental India and unless the differences are pointed out, the province runs the risk of having regulations imposed which may be admirably adapted to conditions in India but which might be inapplicable to Burma. Before dealing then with the specific recommendations contained in paragraphs 15 and 21 of the statement submitted by the Deputation on 18th July, 1912, and mentioned in paragraph 3 of the Government of India's letter, I will endeavour very briefly in this paragraph to point out some conditions peculiar to this province. The letters from Mr. B. S. Carey, Commissioner, Sagaing Division, Mr. J. J. Anderson, Deputy Commissioner, Amherst District, and Mr. Hardiman, Deputy Commissioner, Tavoy District, copies of which are attached, give interesting accounts of the excise conditions prevailing in the dry zone of Upper Burma and in the southern part of the province now being so rapidly opened up to the mining industry and rubber plantations. The great bulk of the population consists of Burman-Buddhists who on religious and traditional grounds are strongly opposed to the recognition by the State of the liquor traffic in any form. They are opposed to licences and regulations of any kind. They desire absolute legal prohibition but at the same time are firmly determined to do nothing to assist Government in making such prohibition effective. Before the annexation of the country such was the principle—absolute prohibition; the practice was no interference except occasionally in the case of scandalous and troublesome drunkenness, such interference being spasmodic. The Burman-Buddhist attitude remains unchanged and no Burman-Buddhist elder can give any other opinion or adopt any other attitude in view of his religious precepts and the recognized standard public opinion of his class. This is the leading factor in the provincial situation. The administration in Lower Burma permits Burmans to purchase alcohol in all forms while severely restricting facilities for purchase of imported liquors; but in Upper Burma, following the example of the Burmese régime, the sale of any spirit or fermented liquor to a Burman is prohibited with the single exception of *tari*; nor may any Burman hold a licence for the sale of any alcoholic liquor except *tari*.

In spite of his religious precepts and the avowed principles professed by his elders, the Burman is extremely prone to self-indulgence in both drugs and alcohol and generally speaking is quite unable to resist either, with the single curious exception of *ganja* (hemp drug). Wherever there are *groves* of the *tari* palm-tree or of the *dani* palm (*Nipa futilans*), there the Burman drinks and there is no way of stopping him. If neither palm is present he ferments rice-beers or distils spirit. If a licit supply is provided by a licensed shop, he will patronize that to a certain extent, if he happens to reside in the immediate vicinity; but almost up to the shop door illicit supplies are generally procurable, while the further from the shop the more the illicit source of supply supplants the licit supply, in the more distant areas entirely taking its place. Non-official Burman-Buddhist interference with the illicit consumption of alcohol whether it be *tari* or in any other form is unknown, except in the case of informers seeking rewards or revenge.

In addition to this Burman-Buddhist population there are (a) Indians, (b) Chinese, (c) Europeans and Anglo-Indians, (d) indigenous hill tribes to be considered. The Indian population of the Province exceeded 800,000 at the last census and mostly consists of labourers who are accustomed to alcohol, mainly country spirit, in their own country and who feel the need of it even more in Burma with its damp climate and unaccustomed conditions. The labourer gets much higher pay than he did; he feels that he requires his accustomed stimulant and if a licit supply is not provided, he sets up a demand for an illicit supply which is supplied with ease by local manufacture either of fermented or distilled liquor as desired. The bases for country liquors are everywhere procurable on the spot, either rice, *jaggery* (sugar) palm juices or plantains; the choice is wide and in every village the art of distillation and fermentation is understood. The Chinese in Burma at the last census exceeded 80,000. Although comparatively small in numbers, by their industry, skill, hard work and ability they have won the foremost place among the Asiatic inhabitants of the country and they have acquired much wealth. Though the Chinaman has a national preference for opium, he also takes liquor in moderation and the liquor business of Burma is in his hands. The European population, still smaller than the Chinese, is even more conspicuous and the customs returns indicate how large

the amount of imported liquors is, the value of such imports in 1912-13 amounting to Rs. 19,35,883. It is not possible to say how much of this was consumed by the European and Anglo-Indian section of the communities but it was undoubtedly very considerable. The indigenous hill tribes who live mostly on the borders and not generally under regular administration are mostly exempted from the operation of the ordinary excise laws. Each of these sections demands consideration of its own requirements. In strong contrast to the conditions prevailing in an Indian province with its homogeneous population of liquor consumers (Mahomedans are excluded in both cases), it has seemed necessary to provide, even in small towns, for each section of the population one licence which covers the particular form of alcohol which that section of population is accustomed to and which it demands, on pain of introducing an illicit supply. This means that several licences are required to meet the needs of a cosmopolitan population which could be met by one licence with a homogeneous liquor consuming population. For example, the following licences are issued in some lower Burma towns to meet the wants of the population as shown :—

*Form X.*—General shop-keeper's or grocer's licence—an "off" licence to meet the requirements of European and Anglo-Indian residents

*Form XIV.*—Foreign liquor. This is a public house licence "on and off" to meet the general demand of Chinese and others for their own and other foreign liquors.

*Form XIVA.*—Country spirit, to meet the requirements of Indian labourers.

*Form XVII.*—Country beer (rice), to meet the demand of Indians and Burmans for this particular beverage which is very popular in parts of the country and which is the most easy of all alcoholic drink to manufacture illicitly.

*Form XVIII.*—*Tari*, to meet the Burman and Indian demand for the juice of the palm, where it exists.

In addition there is sometimes a beer shop licence to meet the growing and insistent demands of the Burmans for this supposed tonic; and miscellaneous licences for hotels, railway refreshment rooms, ferry steamers and proprietary clubs. With a less mixed population it is evident that these licences could be much reduced in number.

The *tari* question and the relation of drink to crime has been much under consideration in recent years.

In certain districts of both Lower and Upper Burma, the number of *tari* trees is very considerable; in Pakôkku District alone the number is estimated at a million. In Upper Burma these trees are ostensibly intended entirely for the supply of sap for the manufacture of molasses or *jaggery*: and this manufacture is an important economic factor in the precariously situated dry zone, and in famine years indeed has sometimes been almost the only harvest yield. But concurrently with the main object, the manufacture of *jaggery*, the villagers ferment and drink the *tari* and a good deal of drunkenness occurs. In Upper Burma *tari* in all places outside a radius of five miles from a licensed *tari* shop is exempt from all the provisions of the Excise Act and both in Upper and Lower Burma persons selling *tari* to manufacturers of molasses or *jaggery* are not required to have licences.

This freedom from restriction outside a five-mile limit is considered desirable to prevent harassment of the people by petty officials and informers who could not be efficiently supervised: without doubt the exemption is necessary and the evils of subjecting the people in distant tracts in Upper Burma to the danger of frequent extortion and oppression would far outweigh any supposed advantage to temperance, and with people who could not readily obtain redress except at a disproportionate cost in time and money, the political effects would be undesirable. The Government would be blamed for actions which it could not readily prevent. In Lower Burma, which is more advanced, there is no exemption but the districts have more shops in *tari* areas. The results of the presence of *tari* groves however are the same. When *tari* is in season the people drink it. The possibility of regulating *tari* consumption by means of a tree tax such as is in force in Madras Presidency was fully considered and there was a universal consensus of opinion that such a tax or means of regulation was totally unsuited to the conditions in this Province.

It has been the fashion to attribute much of the existing wave of crime to drink, just as crime in this Province used to be attributed to the consumption of opium, but the statistics which all Magistrates' Courts are now required to furnish regarding cases in which drink has been the cause of or contributory to crime have disproved such assertions. The proportion of criminal cases (apart from ordinary drunkenness) in which drink was either the cause or a contributory factor is surprisingly

small and the greater portion of them has been shown on investigation to be due to illicit drink.

The Excise staff of the Province was placed upon a permanent footing last year and its cost far exceeds the usual proportion of 5 per cent. of the Excise revenue. The percentage for 1912-13 was 9.3. This staff, like the temporary Excise staffs which preceded it, was sanctioned and entertained for moral and not revenue reasons and those reasons are to keep opium, cocaine and other deleterious drugs from the population of the country, which is so remarkably prone to the use of drugs and which shows such an utter want of control in their use. To attempt to keep the flood of drugs out of the country and to prevent their spread inland absorbs the greater part of their energies and the staff is much more of a moral police force than a revenue staff. The latter aspect is indeed so much relegated to the back ground that it is almost lost sight of and the Excise revenue dealt with altogether by revenue officers. This Excise staff is grouped in the places where drugs can be most effectively dealt with and consequently in a large proportion of the districts where *tari* is most grown there is either no Excise preventive staff or it is so small that systematic regulation would be impracticable. The staff already costs quite as much as the Provincial finances can afford and both for that reason and because undue harassment of the people is much to be deprecated, no increase of staff can be contemplated. In districts where both illicit drugs and liquor are consumed the staff, under the general control of the Collector, pay as much attention to liquor as they have time for: but the facilities for the manufacture and distribution of illicit liquor are so great, while the sources of licit retail supply are so scattered, shops each having a monopoly of licit supply over a large area, that it has rarely been found possible to establish really effective excise control or to maintain it, if it has been established by a special effort.

These conditions may not all be peculiar to this province but they constitute a set of conditions and a state of things which were not within the purview of either of the deputations which waited upon His Majesty's Secretary of State and which have not been taken into account in any of the papers which formed enclosures to your letter under reply.

5. I now proceed to deal with the specific recommendations made by the Deputation of 1912 which are alluded to in paragraph 3 of the Government of India letter (a) *That the system of local Excise Advisory Committees be extended to all municipalities and that these committees should be made more representative and given power to deal with all licences for the sale of intoxicants of all kinds.*

6. *That the licensing function be removed from the control of the Revenue Department and (with proper safeguards) placed in the hands of the local committees or some other independent authority.* It will be convenient to consider these recommendations together.

For reasons given in paragraph 4 of this letter, in a municipality mainly Burman-Buddhists, the Advisory Committee, if it represents the standard Buddhist view held by the majority of the inhabitants, must recommend the prohibition of all liquor licences however much these may be required by the non-Buddhist minority. If they are overruled or over-persuaded the results are equally unsatisfactory from a representative point of view.

In seaport towns where the non-Burman population predominates advisory committees would be more useful; though self-interest is likely to have a large part in the decisions arrived at. Such committees in Burma would not have the necessary expert knowledge nor would they have the breadth of view necessary to deal fairly with all classes of a mixed population. The genuine consumer would be largely unrepresented, while the committees would be mainly composed of and swayed by persons desirous of depriving others of their customary privileges. Such committees could not safely be given independent authority and must remain advisory.

At present local advisory Excise Committees have been constituted in the following ten towns only: Rangoon, Akyab, Pegu, Prome, Bassein, Henzada, Moulmein, Toungoo, Thayetmyo and Mandalay. There is no demand for any extension and there does not appear to be any need for change: but if an advance is considered advisable, there would not appear to be any great objection to the extension of the system to the whole 45 municipalities in the Province (Lower Burma 32, Upper Burma 13). As already mentioned such committees if they take any active part in deliberations, will have to be overruled not infrequently: but it is probable that apathy and want of interest on the part of Burman-Buddhist members will leave the decisions to others.

So long as the committees remain advisory there appears to be no objection to a non-official majority.

The licensing function cannot be handed over to such committees nor does it appear that in this Province the suggestion of making sessions judges licensing authorities would be practicable.

In every district except one in Burma the Collector is also District Magistrate and as one Deputy Commissioner says the Deputy Commissioner is fully as much interested in maintaining peace and order in his district as in securing a few hundred or thousands of more rupees excise revenue. It is possible to go much further than this, however, and to state that every Deputy Commissioner is far more interested in maintaining the peace of his district and good administration all round, than in improving excise revenue.

The first ensures a good record; the second is a negligible quantity. The freedom of consideration regarding excise revenue in considering excise policies is strikingly shown in correspondence regarding excise matters in this Province and is indicated in some of the enclosures to this letter.

Two recent instances of the sacrifice of large amounts of excise revenue to principle may here be cited, as typical of the policy followed.

In Rangoon Town a country beer licence sold for 1913-14 for Rs. 30,000 could not be located in accordance with Excise Rule 75, owing to prohibited buildings having sprung up. When it was definitely ascertained that the licence could not be located in the prescribed area, according to rule, the licence was cancelled by order of the Financial Commissioner and the portion of fees paid refunded.

In the second instance, a proposal to grant a licence for a rice beer shop in Toungoo Town was negatived in accordance with the wishes of the special excise committee, although there is a great demand for this beverage and although over Rs. 20,000 a year was tendered for the licence. Government thus unhesitatingly gave up a revenue of over Rs. 50,000 a year for temperance principles.

The Collector and District Magistrate known in this province as the Deputy Commissioner is usually the only impartial person available in a district as licensing authority: but he should be subject as at present to the control of the Divisional Commissioner and the ultimate control of the Financial Commissioner.

In the case of the Rangoon Town District where the Collector is not District Magistrate and where he takes a very active part in directing excise affairs, it would perhaps be desirable to remove the licensing function from his hands. This might be vested in the District Magistrate, whose decision would be final if he agreed with the local Advisory Committee, but who would be obliged to refer the matter to higher authority in case he was unable to come to an agreement with them with regard to the number and kind of licences. The licences approved in the way suggested would be issued by the Collector as at present.

If it is decided to extend the system of local excise committees, I agree with the Commissioner, Mandalay Division, and the Deputy Commissioner, Bhamo (Mr. Lewisohn), that the Municipal Committee might be made the advisory committee.

(c) *That the licences for the sale of intoxicants should be steadily reduced in number, and that the hours of sale should be further limited by later opening and earlier closing hours being fixed for all licensed premises.*—As pointed out by Mr. Anderson, Burma is the least developed of all the major provinces and to apply the standard of a fully developed province is to ignore existing facts. The Deputation had not in fact the Burma conditions in view.

There are divergent schools of thought in the province on this subject, some holding that where there is a legitimate steady demand sufficient to support a shop, which demand is now illicitly met, that a licence should be granted. Others would do away with all licences or greatly reduce the present number, even where most sparse, in the belief that by doing away with the licit supply the total consumption would be reduced *pro tanto*; and experience in America and elsewhere would appear to indicate that with the total absence of a licit supply, the increase in illicit supplies might not attain to the total volume of licit plus illicit supplies. The point is doubtful but it is certain that the law would be openly broken and would fall into disrepute. Others hold to a policy of compromise and in the present transitional stage which the province is undergoing this is probably the soundest.

On the whole moderate increases are more probable than decreases as the Province develops.



As regards reduction of hours no evil results have been noted and no complaints have been made regarding the normal hours of sunrise to 9 p.m.

If closed earlier in the evening the consumers would be inconvenienced and positive evil might easily follow as pointed out by Mr. Andrew, Deputy Commissioner, Mergui, for consumers would be tempted to drink in the day time or to hurry away earlier from their work in the evening if the time were further restricted. As regards the morning hour there is no object in making a change; no complaints have been made and no abuse of morning drinking has been brought to notice; if a labourer or a fisherman, for example, does occasionally like a morning drink before starting out to expose himself in bad weather it would not appear particularly harmful. The more rules and regulations the larger staff is needed to enforce them; such staff is not available. I do not recommend any change.

(d) *That the auction system of licensing shall be superseded by a system of fixed fees as recommended by the Government Excise Committee of Enquiry.*—This is practicable and advisable in the case of country spirit shops under the Contract Distillery System, as the gallonage is known as well as the cost price and actual or probable proceeds. In such cases excessive auction bids are a very real evil.

The main factor in the taxation is the still head duty and this can be regulated according to requirements.

Where country spirits form the staple drink as in Bombay Presidency and elsewhere, no great difficulty arises in introducing fixed fees.

In Burma, however, the most important licences are country rice beers, *tari*, foreign liquor. Country spirits are a comparatively recent introduction and are still comparatively unimportant, though growing in importance. In the case of country beers and *tari* the gallonage is not known and it was decided after full consideration in 1911-12 that a quantitative taxation of country beers was impracticable. Present excise policy in the province tends to the gradual substitution in the towns at least of country spirits, subject to exact control, for country beers. In the case of foreign liquors the "off" trade is mostly carried on under fixed fee licences (Form X, general shop keeper; Form III, Wholesale); but in the case of public houses (Form XIV) the amounts realized are so large and vary so greatly in different years that no fixed fees could be arranged, just alike to licensees and Government. The wealth of the foreign liquor consuming class who buy at public houses is so great and they are willing to pay such prices that the conditions in Burma differ from those of any other Province in India. A reference to the table showing the receipts from foreign liquor licence fees for all the provinces will show this at a glance.

7. The principles laid down in Excise Rule 75 regarding the location of shops are fully complied with in Burma. The Commissioner, Mandalay Division, considers that these may now and again be inadvertently disregarded, but this can very seldom be the case and other observers do not agree with the Commissioner.

8. The furnishing of the statistics suggested in paragraph 10 (a) of the statement presented by the Deputation and referred to in paragraph 6 of the Government of India letter, showing the wholesale and retail vend and consumption of foreign liquors such as those contained in Provincial statements A and B of the Punjab and North-West Frontier Province for the year 1910-11 appears to be quite impracticable in this Province; because the licensees of foreign liquor shops, usually either Chinese or Madrassis, cannot keep accounts in either Burmese or English, cannot afford to keep clerks who can keep accounts in English or Burmese, and the staff is insufficient and untrained in this work. If taken off their primary duties and required to undertake such formal revenue and statistical duties, the object of keeping up this most expensive preventive staff would be largely lost.

The Chinese are adepts in concealing what they do not wish known and even a highly trained and numerous Excise Staff would have difficulty in securing returns of retail sales of any value. Returns of wholesale sales would leave no value apart from the retail figures and it would appear that here again the peculiar conditions of this Province suggests a different solution. The Province is isolated and practically all the liquor imported is consumed in the Province. Little, if any, liquor is believed to be re-exported; if any is re-exported the figures could be obtained from the Customs authorities at other ports to which steamers ply from Rangoon. The Customs figures then supply all the information required and to attempt a duplication of statistics in a complicated and detailed form would only result in great waste of effort and money for extra staff.

Enclosure No. 15.

No. 3289 Revenue, dated the 12th November 1913.

From—F. B. EVANS, Esq., I.C.S., Deputy Secretary to the Government of Madras,

To—The Secretary to the Government of India, Department of Commerce and Industry.

I am directed to reply to your letter No. 477-490-218, dated the 24th January 1913, regarding the criticisms made upon the Excise administration in India by the two Deputations which waited upon the Right Honourable the Secretary of State for India in August 1907 and July 1912. The statistics called for in the second paragraph of the letter have already been forwarded with letter No. 166A—13-5, dated 4th October 1913.

2. The Deputations and those who spoke on their behalf enunciate the two propositions, that the consumption of intoxicating liquors is alien to the customs or religion of the vast majority of the population of this country, and that there has been an increase in the consumption of such liquors since the time of the last Deputation of 1907, which cannot be explained by normal causes, but represents an increasing "drink evil" fostered by administrative methods. They go on to express the opinion that this growth in the consumption of liquor cannot be checked unless the present system of Excise administration is changed, by taking away the licensing function from the Revenue authority and by abolishing the system of selling the privilege of retail vend by auction. They do not consider that the Government is an impartial authority in determining where liquor shops shall be located and what their number shall be, and recommend that the constitution of the present Advisory Committees in which there is an official majority be so changed as to leave it to the representatives of the people to decide these questions.

3. The Government of Madras are unable to accept the premises on which the Deputations have based their conclusions. However it may be in other provinces, it is not true of this Presidency that the vast majority of its population are abstainers either by religion or rule. The consumption of intoxicants is prohibited by the Muhammadan religion, but alcohol is only forbidden to some Hindus of the higher castes. Accurate information as to which castes drink and which do not is difficult to obtain, but the statistics available in the District Manuals supplemented by those given in Dr. Thurston's "Castes and Tribes" go to show that of the castes which contain over 10,000 males the following are supposed to abstain from alcohol:—

Ambattan	...	...	...	...	...	105,199
Baliya	...	...	...	...	...	514,770
Bedaru	...	...	...	...	...	24,783
Boya	...	...	...	...	...	216,714
Brahmins	...	...	...	...	...	650,265
Idiga	...	...	...	...	...	126,756
Indra	...	...	...	...	...	26,535
Jain	...	...	...	...	...	14,166
Kammalan (Tamil)	...	...	...	...	...	274,693
Kanakkan	...	...	...	...	...	31,640
Karnam	...	...	...	...	...	23,499
Kshatriya	...	...	...	...	...	80,372
Lingayet	...	...	...	...	...	66,375
Muhammadans	...	...	...	...	...	1,351,119
Odiya	...	...	...	...	...	46,419
Satani	...	...	...	...	...	23,533
Telaga	...	...	...	...	...	245,812
Vellala	...	...	...	...	...	1,248,052
						<hr/>
				Total	...	5,070,702

These figures prove that at the most 25 per cent. of the total male population in this Presidency consider it a vice to take liquor; and show that the goal of total abstinence at which the Deputations appear really to aim is far off and must long remain so, even if there existed in India, as there does not, that practical missionary zeal which abounds at home.

4. The next contention is that the great expansion of revenue from Abkari since the date of the last Deputation proves a largely increased consumption of liquor and increased intemperance, and justifies the conclusion that the Government have failed to carry out their avowed policy of regulation and reasonable restriction. Taking first country spirits, the quantity consumed and the revenue derived have been as follows:—

Year.	Quantity consumed. Proof gallons.	REVENUE		
		Derived from rentals paid for shops.	Derived from excise duty on consumption.	Total.
		Rs.	Rs.	Rs.
1906-07 ... ..	1,410,844	21,09,515	61,51,794	82,61,309
1907-08 ... ..	1,566,944	24,30,164	71,41,068	95,71,232
1908-09 ... ..	1,707,136	29,10,968	81,63,539	1,10,74,507
1909-10 ... ..	1,511,570	36,20,085	77,89,572	1,14,09,657
1910-11 ... ..	1,538,475	34,35,325	79,48,791	1,13,84,116
1911-12 ... ..	1,628,178	35,28,308	90,22,820	1,25,51,128
1912-13 ... ..	1,773,673	39,35,928	1,01,06,802	1,40,42,730

The total revenue from country spirits has increased by nearly 70 per cent., but for present purposes only the revenue derived from excise duty on the quantity of country spirits consumed need be taken into account, and this revenue, it is observed, has increased by Rs. 39·5 lakhs or 64 per cent. All this increase, however, is not the result of increased consumption. It will be seen from the above figures that of the 39½ lakhs by which the total excise duty was increased between 1906 and 1912, more than 23 lakhs was the result of the enhancement of the rates of duty, and less than 16 lakhs is to be attributed to increased consumption. In other words the quantity of country spirits consumed increased in the six years by only 25 per cent. Compared with the year 1908-1909, however, when consumption reached the high figure of 1,707,136 proof gallons, the increase in 1912-13 was only 3·8 per cent. while the consumption per 100 of the population which was 4·37 proof gallons in 1908-09 was only 4·39 proof gallons in 1912-13. The increase can hardly, therefore, be considered abnormal, and is to some extent to be attributed to the decrease in the quantity of foreign liquor imported—*vide* figures in annexure I—and to the decrease in the number of trees licensed to be tapped for fermented toddy.

## 5. Taking next toddy revenue, the figures are as under :—

Toddy year (October to September).	Number of trees licensed to be tapped.	REVENUE FROM		
		Rentals of shops.	Tree-tax.	Total.
		Rs.	Rs.	Rs.
1905-06 ... ..	2,755,261	50,47,891	45,50,725	95,98,616
1906-07 ... ..	2,668,152	46,96,712	53,64,586	1,00,61,298
1907-08 ... ..	2,784,680	51,57,546	60,18,935	1,11,76,481
1908-09 ... ..	2,752,631	57,11,588	61,38,041	1,18,49,629
1909-10 ... ..	2,733,593	62,26,136	64,79,061	1,27,05,197
1910-11 ... ..	2,717,790	66,79,251	67,14,265	1,33,93,516
1911-12 * ... ..	2,809,197	73,46,994	70,53,740	1,44,00,734

\* This is the latest complete year for which statistics of tree-tax are available.

The total revenue has increased by Rs. 48,02,118 or 50 per cent., but, for present purposes, only the revenue under tree-tax need be considered. This exhibits an increase of Rs. 25,03,015 or 55 per cent. But of this again over 24 lakhs is the result of the enhancement of the rates of tree-tax and less than a lakh is to be attributed to an increase in the number of trees tapped. As a matter of fact, the number of trees tapped has increased by only 53,936 or 1·9 per cent., while the number of trees licensed per head of population has decreased from '073 to '071.

6. Under opium also the revenue has increased by 93 per cent. while consumption has only increased by 3·7 per cent. as shown by the following figures :—

Year.	No. of shops.	Consumption in thousands of seers.	REVENUE IN LAKHS OF RUPEES FROM		Total in lakhs of rupees.
			Duty.	Vend fees.	
1906-07 ... ..	1,121	38·1	4·56	3·36	7·92
1907-08 ... ..	1,117	39·1	5·06	3·55	8·61
1908-09 ... ..	1,118	46·2	5·33	4·35	9·68
1909-10 ... ..	1,068	44·0	6·72	4·68	11·40
1910-11 ... ..	1,028	41·5	8·41	4·22	12·63
1911-12 ... ..	955	41·4	8·40	4·85	13·25
1912-13 ... ..	851	39·5	10·0	5·21	15·21

Bengal excise opium was first introduced in this Presidency in April 1908 and duty was then fixed at Rs. 20 per seer for issues from storehouses. This was rather low as compared with previous issue prices for Malwa opium and, as a result, consumption rose in 1908-09. This tendency to rise was, however, checked by successive enhancements of the price to Rs. 23 in April 1909, Rs. 28

in April 1910, and Rs. 33 in April 1912, with the result that consumption which went up in 1908-09 to 46,200 seers has gradually fallen to 39,500 seers in 1912-13.

7. The revenue from hemp drugs again has increased from 4.46 lakhs to 6.81 lakhs of rupees or by 52.7 per cent. while consumption has increased from 47.6 to 52.4 thousand seers or by 10 per cent. Here again there is a great reduction on the figures of 1908-09 when the consumption was 56.6 thousand seers.

8. These figures prove that the increase in revenue by no means justifies the inference of a corresponding increase in consumption. Considerable fluctuations from year to year are inevitable in a country where the seasons are so variable, and taxation has to be settled in advance; but His Excellency the Governor in Council trusts that he has made it clear that the weapon of taxation has not been wielded without effect in the past seven years; and the policy of increasing taxation to check growth in consumption will be steadily pursued.

9. The other great weapon in Government hands is the restriction of facilities for drinking. The figures furnished in paragraph 21 of this letter show to what extent the number of liquor shops has been reduced in recent years. I am also to invite attention to the figures given in Annexure II, which show that the policy of reduction has been as vigorously pursued in areas in which there are no Advisory Committees as in those in which there are; and to enter a strong protest against the insinuation that the Government are not in earnest in this matter, and that there is a conflict between the Government's avowed policy and its practice or between the Government and a *department* which it is unable to control. The Government of course expect their Abkari officers to ensure that no licitly produced liquor escapes taxation and that no illicitly produced liquor enters into competition with it. That is a duty which the Government owe to the general tax-payer in respect of every taxable article, and it is especially necessary in the case of an article which is taxed not purely for revenue purposes but on social and moral grounds. But the suggestion that the department has an unavowed mission to discover new outlets for the consumption of licit liquor for the benefit of the public revenue is, in the opinion of His Excellency the Governor in Council, as absurd as it is unfounded; and it is hardly necessary to assure the Government of India that there has never been a case of a Collector being congratulated or marked out for promotion on account of the increase in the Abkari revenue of his district, or of an Excise officer being recommended for his ingenuity in suggesting new opportunities for pushing sales.

10. I am now to deal briefly with the several suggestions and recommendations of the Deputations.

First, in the matter of the grant of liquor licenses and the location of liquor shops, their recommendations are—

- (1) That the Advisory Committees should be made more representative of local opinion.
- (2) That they should in every case contain a majority of non-officials appointed independently of the Excise Department.
- (3) That the Committees should be empowered to deal with all licenses for the sale of intoxicants.
- (4) That meetings should be held more frequently than at present.
- (5) That the recommendations of the Committee should only be disregarded when there are substantial reasons for exercising an official veto.
- (6) That the appointment of the Advisory Committees should be extended as soon as practicable to areas other than Municipalities.

11. In the first two recommendations the Deputations practically advocate a system of local option on the pretext that, if the power of regulating shops is placed in the hands of the representatives of the people, it will be exercised with

more impartiality and with greater stringency than it is at present by the Government. Both the Excise Committee of 1905-06 and the Government of India have expressed the opinion that it would be impossible to introduce any system of local option into India without throwing the whole administration into confusion and in many places creating an intolerable class tyranny which might have very serious political effects, and the Government can only repeat their concurrence in that opinion. In other countries where local option has been tried it is based on a broad popular franchise. In this Presidency, the voters even in Municipalities number less than 1 to 3 per cent. of the population (in rural tracts they are considerably less) and their representatives are almost exclusively drawn from the higher non-drinking classes. The Government have consulted the Board of Revenue and agree with it in considering that, if the constitution of the Advisory Committees were enlarged so as to give them non-official majorities, these would almost certainly consist of men of the higher castes who would have little sympathy with the drinking population; they would inevitably tend to use their power of regulation in furtherance of their own views and, in their anxiety to diminish open drinking, to disregard the secret evils that so often take its place. The Government have with much trouble reduced illicit distillation and kindred offences within manageable limits, and any injudicious step towards the reduction of reasonable facilities for drinking might lead to a serious recrudescence of such practices.

The Government would, however, have no objection to the number of non-officials in the Committees being increased, provided an official majority is maintained. The Committees might consist of the Collector, the Superintendent of Police, the local Magistrate and the Abkari officer with the Municipal Chairman and two members elected by the Municipal Council. But they doubt whether the practical results would be to get more effective representation of the classes directly affected by the closure of shops.

12. The Deputations' third recommendation is that the Committees should be empowered to deal with all licenses for the sale of intoxicants. The Government consider that there is no necessity to extend the Committee's powers to foreign liquor licenses which are issued on payment of fixed fees; but have no objection to their being empowered to deal with auctioned shops of all kinds.

13. The fourth recommendation is that meetings should be held more frequently than at present. The questions with which the Committees deal come up for discussion once a year in connection with the proposals for the following year and there is no current business. The Government accordingly consider it unnecessary to issue any orders in regard to the frequency of the meetings of the Committees and would leave it to the Committees to meet whenever there is any matter to be discussed.

14. The fifth suggestion, that the recommendations of the Committees should only be disregarded when there are substantial reasons for exercising an official veto, is urged by the Deputations as a corollary to their first three recommendations; but the principle is observed in existing practice.

15. With regard to the sixth recommendation I am to say that for the reasons given in paragraph 5 of the Resolution of the Government of India No. 5086-Excise, dated 15th August 1907, *viz.*, that members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops required in the smaller and more densely populated areas with which they are familiar, this Government decided in 1908 not to appoint Advisory Committees for rural areas but to leave the question of shops in those areas to be dealt with by Collectors in consultation with the District Superintendent of Police. They have consulted the Board of Revenue now and agree with it in considering that it would be quite impossible to extend the system of Advisory Committees to rural areas for a long time to come. It might, however, be possible to extend it to unions which, though in rural areas, are really of an urban character, and the Government intend to ask the Board of Revenue to submit proposals for such extension. As the Government of India are aware, the system has already been extended to all Municipalities in the Presidency.

16. The Deputation next condemn the system of selling shops by auction. It is needless for Government to recapitulate the arguments in favour of the retention of the system. They would merely refer the Government of India to paragraph 11 of their letter No. 1540-Exc., dated 20th March 1901, paragraph 31 of their Resolution No. 2997-Exc., dated 16th May 1907, paragraph 10 of their Resolution No. 2996-Exc., dated 16th May 1907, and paragraph 17 of their despatch No. 294, dated 8th October 1908, and add that nothing has occurred to induce this Government to change their opinion.

17. They would in this connection invite the attention of the Government of India to the results of the change made in Madras town and Saidapet taluk in respect of the disposal of toddy shops. The shops in these areas were for a long time assigned on license fees to the last holders of the license, the fee being Rs. 25 for shops paying a tree-tax of Rs. 400 and less, and Rs. 25 extra for every Rs. 400 paid as tree-tax in addition. There were 245 toddy shops thus assigned in Madras town and 206 in the Saidapet taluk in 1907-1908. In September 1908, the Government directed the introduction of the auction system in the disposal of these shops and a gradual reduction in their number. The auction system was gradually introduced till it was thoroughly established in these areas in 1912-13. It will be seen from the results of the auction of the shops for that year (October 1912 to September 1913) that 286 shops fetched a rental of Rs. 4,22,555 whilst the average fixed license fee collected before 1908-09 for the 451 toddy shops then in existence was Rs. 39,925.

One of the objections urged by the Deputation against the auction system is that if a licensee has, by competition in auction, to pay increased license fees, he must recoup himself by increase in sales and not by increase in prices. They add "the increase of taxation by license fee must mean inducement to sell more and more liquor". Taking for instance the figures for the Madras Town Circle referred to above, according to the Deputation, the shopkeepers who before 1908-09 were tapping 1,09,557 trees to obtain the toddy required for issue to their consumers should in 1912-13 have tapped over ten times the number of trees to recoup the enhanced rental paid by them; but the number of trees actually tapped in 1912-13, was only 185,713. There cannot, in the opinion of His Excellency in Council, be a stronger refutation of the objection urged. It is obvious that in order to pay the enhanced rents the shopkeepers have not been stimulating drinking by offering toddy cheaper than before, but must have been charging higher prices and so tending to reduce consumption. It would be comforting if Government could accept the view that consumption could be reduced by enabling shopkeepers to pocket more than the fair profit to which they are entitled on their capital and business capacity; but though if rentals were less, the shopkeeper could of course afford to sell cheaper, it is doubtful if he would, therefore, exercise restraint in pushing his wares, while his customers would be able to buy more for the same money.

18. The figures for country spirits suggest the same conclusion. The issues for consumption in 1906-07 when the rentals for shops amounted to Rs. 21,09,515, were 1,410,844 proof gallons. When rentals under the auction system went up to Rs. 39,35,928 in 1912-13, the shopkeepers, according to the contention of the Deputation, ought to have sold 2,623,952 proof gallons, but the actual consumption of that year was only 1,773,673 proof gallons. The point is made still clearer by the figures relating to opium as, unlike country spirits and toddy which are taxed at different rates in different districts, opium is subject to a uniform rate of duty throughout the Presidency. When vend fees in 1906-07 were Rs. 3'36 lakhs, consumption of opium was 38,100 seers, *vide* paragraph 8 *supra*. In 1912-13, when vend fees rose to Rs. 5'21 lakhs, consumption should have risen to 59,000 seers but the actual consumption was only 39,500 seers. In arguing that increased shop rents must lead to increased sales rather than to increased prices the Members of the Deputation appear to have overlooked the fact that increased sales involve the payment of additional excise duty; and the figures now quoted are sufficient to refute the argument. This Government would, therefore, prefer to continue the present system of selling shops by auction.

19. With reference to paragraphs 2 and 3 of the letter under reply, I am to state that as compared with 1905-06 there has been a gradual reduction in the number of shops for the sale of intoxicants,

the number of arrack shops in distillery areas having fallen from 10,155 in 1905-06 to 8,324 in 1912-13;

the number of arrack shops in outstill areas from 1,364 in 1905-06 to 652 in 1912-13;

the number of toddy shops from 19,080 in 1905-06 to 14,478 in 1912-13;

the number of foreign liquor taverns from 214 in 1905-06 to 63 in 1912-13;

the number of beer shops from 41 in 1905-06 to 27 in 1912-13;

the number of ganja shops from 633 in 1905-06 to 538 in 1912-13;

and the number of opium shops from 1,211 in 1905-06 to 851 in 1912-13.

I am to add that in 1913-14—

415 arrack shops in distillery areas,

93 arrack shops in outstill areas,

10 taverns,

2 ganja shops, and

93 opium shops

have been closed.

The results of the auction sale of toddy shops for the lease commencing from October 1913 have not yet been reported, so that it is not possible to say how many toddy shops in the Presidency will be closed in 1913-14. This information will be submitted as soon as it is received; but it may be stated at once in regard to the Madras Town Circle that 47 toddy shops will be closed from 1st October 1913, and 33 more will be closed from 1st October 1914. I am to add that the reduction effected has been rendered possible only by the fact that illicit practices have been reduced to manageable dimensions and that such further reduction as may be found expedient will be carried out; but that there is a point beyond which the restriction of legitimate facilities cannot go, not only from the danger to which the Government of India advert in paragraph 2 of their Resolution No. 5086-Exc., dated 15th August 1907, of giving individual shopkeepers a practically unrestricted monopoly, but from the far more serious danger of stimulating a recrudescence of those illicit practices which are so difficult to control.

20. The Deputation next ask that a change be made in the hours of opening of shops. They say that no Hindu or Muhammadan worthy of the name and no respectable member of Indian society would take a bottle of drink into his own house and consume the contents in the presence of his family and friends. They add that these people will not venture to go to the shops in day-light but are tempted to go into them in the early hours of the morning and in the late hours of the day, and accordingly suggest that the shops be not opened early in the morning or till a late hour in the evening.

As the Government of India are aware (*vide* this Government's letters Nos. 70, dated 7th January 1910, No. 940, dated 30th March 1911, and No. 147, dated 19th January 1912) excepting hotels and refreshment rooms in Madras town which have been permitted to close at 10 P.M., no depôt or shop is allowed in this Presidency to be opened before sunrise or kept open after 9 P.M. except under special authority. The Government have more than once on the motion of Additional Members of the Legislative Council considered the question of curtailing the hours of sale, but they fear that they cannot be reduced without causing considerable hardship and inconvenience to the labouring classes who usually take arrack or toddy either in the mornings before they commence their daily work or in the evenings after their daily work is over and without putting an additional weapon in the hands of the subordinate officers of the department to harass the shopkeepers and customers alike. In their opinion the hour



of 8 P.M., fixed in parts of Bombay is too early for liquor shops to close either in the towns in this Presidency or in the villages where agricultural labourers are kept in the fields till 7 or 8 P.M. If the shop were closed at the time when the consumer would naturally go to have his drink, he would make arrangements to have it at home, and any measure which would increase drinking at home is an evil. If the object of curtailing the hours is to reduce consumption, I am to say that experience in Madras town has been quite the reverse. There the hour of closing country spirit shops was 10 P.M. before 1910; it was then changed to 9 P.M., and yet there was an increase in the consumption of country spirits. In the opinion of His Excellency the Governor in Council any general curtailment of the present hours would be an unwarranted interference with the liberty of the subject, and he has accordingly thought it sufficient for the present to add a condition to the general conditions applicable to Abkari and Opium licenses giving power to Collectors, on the report of the Police or for other sufficient reasons, to order the closure of any particular shop at 8 P.M., or even at an earlier hour, if they consider such a course to be advisable in the interests of the public.

21. The last point with which I am to deal is the Deputations' reference to the question of the situation of liquor shops. This question has received full consideration at the hands of the Board and Government, and I am to forward to the Government of India a copy \*

\* Annexure III.

of the instructions issued by the Board of Revenue in correction slip No. 530 to the Excise Manual in pursuance of the orders of Government given from time to time, and to add that His Excellency in Council regards them as sufficient.

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## ANNEXURE I.

*Statement showing issues of locally made foreign liquor, and imports of foreign liquor.*

Year.	Locally made foreign spirits.			Beer.			Imported liquors.			
	Malabar arrack.	Other kinds of spirits	Total.	Nilgiris.	Bangalore.	Total.	Ale, Beer and Porter.	Cider and other fermented liquors.	Spirits including Colombo, Cochin and Java arrack and liquors.	Wines.
	P. Gallons.	P. Gallons.	P. Gallons.	P. Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
1906-07 ... ..	1,890	4,910	6,800	572,280	163,445	735,725	624,704	2,087	199,815	52,360
1907-08 ... ..	17,036	7,164	24,200	754,420	168,624	923,044	566,236	1,280	187,381	50,822
1908-09 ... ..	15,884	4,216	20,100	687,719	109,633	797,352	561,494	2,019	207,050	52,601
1909-10 ... ..	15,008	4,392	19,400	607,042	113,335	720,377	529,388	4,192	191,456	53,276
1910-11 ... ..	14,513	1,987	16,500	585,546	104,111	689,657	466,249	2,095	165,752	51,734
1911-12 ... ..	15,809	1,291	17,100	551,122	150,982	702,104	470,957	2,047	144,909	51,775
1912-13 ... ..	10,847	2,222	13,069	542,813	170,675	713,488	376,705	2,650	165,314	53,792

## ANNEXURE II.

Year.	Number of arrack shops closed in		Total.
	Municipal areas.	Rural areas.	
1909-10	94	929	1,023
1910-11	13	184	197
1911-12	10	166	176
1912-13	9	398	407

Year.	Number of toddy shops closed in		Total.
	Municipal areas.	Rural areas.	
1909-10	46	901	947
1910-11	17	367	384
1911-12	19	326	345
1912-13	58	954	1,012

Year.	Number of foreign liquor taverns and liquor shops closed in		Total.
	Municipal areas.	Rural areas.	
1909-10	No information available.		26
1910-11	...	3	3
1911-12	2	...	2
1912-13	23	7	30

Year.	Number of opium shops closed in		Total.
	Municipal areas.	Rural areas.	
1909-10	Information not available.		51
1910-11	3	36	39
1911-12	1	72	73
1912-13	19	85	104

ANNEXURE II—*concl'd.*

Year.	Number of ganja shops closed in.		Total.
	Municipal areas.	Rural areas.	
1909-10	Information	not available.	8
1910-11	1	8	9
1911-12	4	4	8
1912-13	9	70	79

## ANNEXURE III.

*Number, locality and sites of shops, etc.*

The number of shops for any tract is fixed in order to meet the reasonable requirements and convenience of the people without encouraging illicit sales.

B. P. No. 92, 15th February 1892.

2. The declared policy of Government is to secure the maximum of revenue with a minimum of consumption of intoxicating drugs and liquors and the Excise arrangements should, therefore, be such as to restrict consumption, so far as is consistent with making provision to meet the demand by ensuring a licit supply. It is for Collectors to determine where shops are required and what number should be allowed, and they have full power to refuse to permit shops to be opened in localities in which they do not consider that they are really required. Too great a restriction in the number of shops involves a danger of the licit supply being inadequate and of an illicit one being substituted. The number of arrack and toddy shops to be actually opened should represent the number considered necessary to meet reasonable requirements and shops should neither be so sparse as to give their owners practical monopoly over particular areas nor so numerous as to make it equally convenient for any considerable number of persons to choose between two or more shops. A maximum and a minimum limit for the number of shops in each taluk or division or municipal town will be fixed by the Board so as not to exceed, nor fall below the number considered necessary to meet present requirements by more than 5 per cent. The minimum should represent the number of shops absolutely necessary to meet reasonable requirements of each locality, while the maximum should serve as an effective check on the undue growth of shops in any area and at the same time give the local authorities sufficient scope to provide for varying circumstances. These limits will be subject to revision once in five years.

NOTE.—Until the number of arrack and toddy shops necessary for the present requirements of each tract is ascertained with a greater degree of accuracy, Collectors should propose only maximum numbers of shops. The existing minima should be considered to have been cancelled.

B. P. No. 34-183-R., Abk., 17th February 1912.

3. Except in the case of arrack and toddy shops in municipal areas, Collectors will determine, in consultation with the District Superintendent of Police, the limits within which shops should be opened. In locating a shop the following principles should be followed :—

Its position should be so far public that persons entering it should not escape observation and that supervision should be rendered easy, but it should not be so prominent as to compel attention, *e.g.*, by occupying a whole side of a public square, etc. It should never occupy a position to which the near neighbours object on grounds which upon enquiry appear to be other than grounds of personal spite. So far as possible, it should be at a distance from bathing ghats, market places and other places of public resort, schools, hospitals, places of worship, factories and should not be in the interior of a village, at the side of a road leading to a ghat or other place of water-supply, or in a bazaar or at the entrance to a bazaar.

Local opinion and where necessary the opinions of persons who may be specially interested, such as Railway authorities, Forest officers and large employers of labour, should be obtained and representations from District or Taluk Boards or from village panchayats should receive attention. To this effect, a list of the shops proposed to be opened during the ensuing lease, with the prescribed limits, should be forwarded each year to the District or Taluk Board concerned in time to allow of any representations as to number or limits being received and duly considered by the Collector. Moreover, a notice in the subjoined form, setting forth the limits within which a shop is to be opened.

should be put up each year in the chavadi of the village concerned as well as at or near the proposed site, and the proposal should be notified in the village by beat of drum.

B. P. No. 82-746-R., Abk., 3rd May 1910.

B. P. No. 595-D., Abk., 16th May 1911.

B. P. No. 216-1131-R., Abk., 26th November 1912.

### NOTICE.

It is hereby notified for the information of the public that <sup>an arrack</sup> ~~a toddy~~ shop will be opened in the locality specified below from <sup>1st April</sup> ~~1st October~~ 191 . Any objections to the proposed limits must be submitted by (\* ) to

Number and name of shop.	Limits within which the shop may be opened.

\* Here enter date.

Where possible, a local and personal enquiry should be made by a responsible officer. A personal enquiry will secure knowledge of the actual opinion of the respectable law-abiding inhabitants, while other methods are apt to elicit only the contentions of persons of extreme views or litigious character.

B. P. No. 139, 2nd April 1891.

B. P. No. 140, 3rd April 1891.

B. P. No. 205, 12th May 1891.

B. P. No. 99-R., Abk., 22nd January 1908.

B. P. No. 216-1131-R., Abk., 26th November 1912.

4. In planting districts, the local Planting Association should be consulted, whenever any liquor shop is to be opened anywhere else than in a recognised public market.

B. P. No. 214-1323-R., Abk., 9th September 1909.

5. In municipal towns local committees appointed for the purpose will propose the number of arrack and toddy shops to be actually opened and the maximum and minimum limits for these shops. In this work the committee will be guided by the instructions in paragraphs 2 and 3 *supra*. It will suffice if the maximum and minimum limits are thus revised once in five years, but a list of the shops proposed to be opened during the ensuing lease with the prescribed limits should be forwarded each year to the Municipal Council in sufficient time to allow of its remarks being received and considered both by the local committee and by the Collector. The final decision as regards the number and location of

shops in municipal towns within the maximum and minimum limits fixed by the Board rests with Collectors, but the recommendations of committees should be accepted wherever possible.

B. P. No. 82-746-R., Abk., 3rd May 1910.

B. P. No. 391-R., Abk., 24th March 1911.

B. P. No. 216-1131-R., Abk., 26th November 1912.

*Notes.*—The committees will be constituted as follows :—

(a) In the case of municipalities at the head-quarters of districts and of those having a population of 30,000 and over, the Committee will consist of the Collector (President), the District Superintendent of Police, and the Chairman of the Municipality.

(b) In the case of other Municipalities, the Committee will comprise the Divisional Officer (President), the Chairman of the Municipality and the Assistant Superintendent of Police or other local Police Officer to be appointed by the District Superintendent of Police. When the Divisional Officer is himself the Chairman of the Municipality, a member of the Municipal Council, selected by the Council, will act with the Divisional Officer and the local Police Officer.

B. P. No. 99, Abk., 22nd January 1908.

6. Where shops are sold separately, the limits within which shops may be opened should be set forth in the sale notification published in the District Gazette, and the successful bidder will be allowed to establish a shop at any place within those limits approved by the Tahsildar or Deputy Tahsildar in independent charge. It is not desirable that the *sites* of shops should be too precisely fixed and notified, as this might throw the purchaser into the hands of the *owners of the only possible house or houses*, and, should he be unable to come to terms with them, complication with other shopkeepers may result from his being permitted to use a site outside the notified limits. A reasonable and well-marked area should be notified for each shop, *i.e.*, the *locality* of the shop and not its *exact site* should be notified. In towns, the street or streets in which a shop may be opened can be specified. Where there is only one shop in a village, it will generally suffice if it is notified that it must be within the village, but it may often be desirable to state that it should be in a specified part of the village; where there are two or more, the village can be divided between them.

B. P. No. 303, 4th June 1892.

B. P. No. 327, 15th August 1896.

B. P. No. 99-R., Abk., 22nd January 1908.

7. Collectors may order the transfer of shops from one locality to another or their closure or the opening of new shops subject to the minimum number of shops being always sold and the maximum not being exceeded. But no new shops should be opened unless notice of the sites selected has been published in the District Gazette six months before the commencement of the lease and no such changes as affect the interests of adjacent shopkeepers should be made during the currency of a lease except under the special sanction of the Board. Tahsildars may, subject to the control of Divisional officers, permit at any time the transfer of a shop within the notified limits for the shop in the sale notice.

B. P. No. 166, 17th May 1890.

B. P. No. 345, 17th November 1898.

B. P. No. 99, Abk., 22nd January 1908.

B. P. No. 38-135, Abk., 6th February 1909.

8. Shops situated along the Mysore border should not be moved nearer the border without reference to the Mysore Excise authorities through the Board of Revenue.

B. P. No. 937, Abk., 25th May 1903.

B. P. No. 107-574, Abk., 6th May 1909.

9. Except in the case of foreign liquor, shops must not be located in the same building with depôts, and in the case of arrack, they should always be a considerable distance apart. Shops and depôts for the sale of any one kind of intoxicant must not be located in the same building with shops or depôts for the sale of any other kind.

**NOTE.**--The case of chemists and druggists and medical practitioners is an exception to the rule.

B. P. No. 342, 7th August 1891.

B. P. No. 92, 15th February 1892.

B. P. No. 424, 18th September 1893.

B. P. No. 474, 9th October 1895.

10. The number of shops for the sale of foreign liquor for consumption on the premises should not be increased without very strong reasons, in order that there may be no interference with country spirit vendors.

11. In rented areas where outstills are allowed, Collectors should endeavour to reduce the number of stills as much as can be done without encouraging illicit distillation.



Country spirit.

Province,	Area under the outstill system, in square miles.								Area under the distillery system, in square miles.							Percentage of the outstill area to the total excise area.							Province.			
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.		1911-12.	1912-13.	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		24	25	1
Madras ... ..	19,539	19,406	19,896	19,230	19,823	19,108	19,015	18,947	123,163	123,545	123,555	123,731	123,721	123,471	123,559	123,727	14	14	14	14	14	13	15	13	Madras.	
Bombay ... ..	808	808	808	808	805	805	805	805	75,110	75,110	75,110	75,110	75,110	75,118	75,118	75,118	1	1	1	1	1	1	1	1	1	Bombay.
Sind ... ..	...	...	...	...	...	...	...	...	47,011	47,011	47,011	47,011	47,011	47,011	47,167	47,658	...	...	...	...	...	...	...	...	...	Sind.
Bengal ... ..	26,570	25,406	24,728	24,728	6,635	6,635	6,635	6,635	43,312	44,476	45,156	45,156	63,247	63,247	63,247	63,247	38	36	35	35	9	9	9	9	9	Bengal.
Bihar and Orissa ... ..	66,368	66,293	62,196	60,340	46,105	31,620	31,445	30,833	16,731	16,731	20,828	22,684	34,919	51,404	51,579	53,142	80	80	75	73	58	38	38	37	37	Bihar and Orissa.
Burma (a) ... ..	45,073	37,335	36,127	36,452	36,452	21,259	18,020	18,463	2,675	18,981	16,167	15,842	15,842	35,464	38,703	40,126	94	73	69	70	70	37	33	33	33	Burma. (a)
United Provinces ... ..	39,225	35,745	31,961	29,237	27,341	22,255	14,594	14,594	68,027	71,507	75,391	78,015	79,611	84,997	92,673	92,673	37	33	30	27	25	21	14	14	14	United Provinces.
Punjab (including Delhi) ... ..	2,348	2,348	2,348	2,348	2,034	...	...	...	94,861	94,861	94,861	94,861	95,178	97,309	99,779	99,779	2	2	2	2	2	...	...	...	...	Punjab (including Delhi).
North-West Frontier Province ... ..	...	...	...	...	...	...	...	...	15,171	15,171	15,171	15,171	15,171	15,171	15,171	15,171	...	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam ... ..	40,736	40,736	38,429	14,137	14,057	14,057	14,137	14,137	4,966	4,966	7,303	31,695	31,676	31,676	31,631	31,631	39	39	34	31	31	31	31	31	31	Assam.
Central Provinces ... ..	31,859	45,148	45,671	41,678	37,178	28,344	23,433	20,530	30,878	34,539	37,166	41,059	44,966	63,800	59,024	61,477	63	39	55	50	45	35	27	25	25	Central Provinces.
Berar ... ..	...	...	...	...	...	...	...	...	17,707	17,707	17,707	17,707	17,707	17,707	17,707	17,706	...	...	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara... ..	...	...	...	...	...	...	...	...	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660	...	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg ... ..	...	...	...	...	...	...	...	...	1,582	1,582	1,582	1,582	1,582	1,582	1,582	1,582	...	...	...	...	...	...	...	...	...	Coorg.
Baluchistan ... ..	55,836	55,836	55,836	55,836	10,315	10,315	10,315	10,315	...	...	...	...	45,521	45,521	45,521	45,521	...	...	...	...	18	18	18	18	18	Baluchistan.
TOTAL ... ..	349,277	332,111	317,299	294,702	292,745	154,303	127,419	125,277	642,914	663,927	673,698	611,174	628,221	746,632	765,774	770,273	39	37	35	32	28	17	15	15	15	TOTAL.

Province.	Population served by the outfall system, in thousands.								Population served by the distillery system, in thousands.								Percentage of total population served by the outfall system.								Province.		
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.		1	
Madras	1,617	1,844	1,844	1,808	1,822	1,470	1,414	1,405	38,077	36,979	36,670	36,021	36,921	39,951	40,011	40,020	4	4	4	3	3	4	3	3	3	Madras.	
Bombay	33	33	33	33	23	23	23	23	15,290	15,290	15,290	15,492	15,503	16,063	16,091	16,091	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Bombay.	
Sind	...	...	...	...	...	...	...	...	3,211	3,211	3,211	3,211	3,211	3,513	3,513	3,513	...	...	...	...	...	...	...	...	...	Sind.	
Bengal	14,321	13,972	13,743	13,743	4,613	5,240	5,240	5,240	27,797	28,046	28,275	28,275	27,405	40,080	40,080	40,080	34	33	33	33	11	12	12	12	12	Bengal.	
Bihar and Orissa	25,342	25,327	25,339	25,222	17,773	7,223	7,031	7,020	7,899	7,614	9,302	9,959	15,468	27,279	27,476	27,487	70	70	72	70	53	31	30	30	30	Bihar and Orissa.	
Burma (e)	1,121	756	729	730	730	617	605	615	57	559	561	580	580	1,024	1,036	1,058	94	59	55	59	56	33	37	37	37	Burma (e).	
United Provinces	6,453	6,327	5,342	4,840	3,886	3,812	1,617	1,617	39,219	41,344	42,320	42,631	42,805	42,959	45,135	45,135	18	19	11	10	8	9	4	4	4	United Provinces.	
Punjab (including Delhi)	440	440	440	440	308	...	...	...	19,890	19,890	19,890	19,890	20,028	20,330	19,975	19,975	2	2	2	2	2	...	...	...	...	...	Punjab (including Delhi).
North-West Frontier Province	...	...	...	...	...	...	...	...	2,120	2,120	2,120	2,120	2,120	2,120	2,278	2,278	...	...	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam	5,161	5,161	4,875	528	491	491	644	644	598	598	684	5,281	5,268	5,268	5,978	5,978	90	90	85	8	9	9	10	10	10	Assam.	
Central Provinces	4,508	3,956	3,840	3,378	2,656	1,752	1,662	1,442	4,722	5,277	5,397	5,859	6,560	7,464	9,417	9,417	49	43	42	37	29	19	15	12	12	Central Provinces.	
Berar	...	...	...	...	...	...	...	...	2,754	2,754	2,754	2,754	2,754	2,754	2,754	2,067	2,067	...	...	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara	...	...	...	...	...	...	...	...	477	477	477	477	477	477	501	501	501	...	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg	...	...	...	...	...	...	...	...	181	181	181	181	181	181	175	175	...	...	...	...	...	...	...	...	...	...	Coorg.
Baluchistan	402	402	402	402	70	70	70	70	...	...	...	...	...	362	364	364	...	...	...	...	...	...	...	...	...	...	Baluchistan.
<b>TOTAL</b>	<b>61,197</b>	<b>57,720</b>	<b>54,687</b>	<b>48,078</b>	<b>31,851</b>	<b>20,702</b>	<b>18,505</b>	<b>18,275</b>	<b>160,908</b>	<b>164,520</b>	<b>167,670</b>	<b>172,781</b>	<b>160,607</b>	<b>210,731</b>	<b>214,825</b>	<b>215,087</b>	<b>28</b>	<b>26</b>	<b>25</b>	<b>23</b>	<b>14</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>TOTAL.</b>	

Province.	Revenue from the outstill system, in lakhs of rupees.								Revenue from the distillery system, in lakhs of rupees.								Percentage of the outstill revenue to the total revenue from country spirit.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	
Madras ... ..	2'90	2'99	3'08	3'31	3'11	2'78	3'25	3'14	73'08	83'09	96'57	111'47	114'47	115'76	126'35	141'43	4	3	3	3	3	2	3	2	Madras.
Bombay ... ..	'10	'11	'11	'10	'07	'07	'10	'08	90'99	96'49	108'20	108'79	118'28	124'29	135'11	140'89	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Nom.	Bombay.
Sind ... ..	...	...	...	...	...	...	...	...	9'53	10'19	11'64	11'26	11'20	12'35	13'88	13'95	...	...	...	...	...	...	...	...	Sind.
Bengal ... ..	8'41	8'10	8'43	8'55	1'85	'95	'97	'83	84'43	88'43	43'15	42'89	51'41	57'53	60'84	63'27	21	17	17	17	3	2	2	1	Bengal.
Bihar and Orissa ... ..	36'33	39'57	39'69	33'90	24'90	15'45	17'00	16'11	9'89	11'98	15'83	18'41	20'76	29'08	34'16	37'96	79	77	71	64	54	34	33	30	Bihar and Orissa.
Burma ... ..	1'96	1'23	'93	'99	1'01	'57	'59	'60	'18	'65	1'23	1'14	1'01	1'43	1'73	3'54	90	65	43	46	60	28	23	14	Burma.
United Provinces ... ..	7'06	5'07	4'90	4'11	2'93	2'39	1'20	1'40	49'83	53'18	51'03	46'27	49'05	63'02	72'50	81'20	14	9	9	8	6	4	3	2	United Provinces.
Punjab (including Delhi) (a) ... ..	'03	'03	'03	'03	'03	...	...	...	25'95	25'26	26'58	28'81	24'93	25'74	40'38	40'61	Nom.	Nom.	Nom.	Nom.	Nom.	...	...	...	Punjab (including Delhi) (a).
North-West Frontier Province ... ..	...	...	...	...	...	...	...	...	1'18	1'20	1'27	1'49	1'48	1'46	1'96	2'11	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam ... ..	6'33	5'67	3'67	'31	'20	'20	'24	'26	'97	1'94	4'55	8'61	10'00	11'34	11'91	13'81	88	75	46	3	2	2	2	2	Assam.
Central Provinces ... ..	3'68	6'10	4'19	3'06	3'48	3'50	3'81	2'66	18'10	27'67	25'25	24'63	24'96	20'14	25'57	43'03	32	18	14	14	13	8	7	6	Central Provinces.
Berar ... ..	'03	...	...	...	...	...	...	...	26'94	26'44	24'61	17'54	19'10	20'85	27'96	31'37	Nom.	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara ... ..	...	...	...	...	...	...	...	...	1'05	1'24	1'58	2'06	2'33	2'98	2'98	3'03	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg ... ..	...	...	...	...	...	...	...	...	1'32	1'23	1'60	1'70	1'49	1'54	1'86	1'91	...	...	...	...	...	...	...	...	Coorg.
Baluchistan ... ..	1'27	1'19	1'18	1'15	'04	'04	'04	'08	...	...	...	...	1'04	1'35	1'54	1'57	...	...	...	...	4	3	3	3	Baluchistan.
<b>TOTAL</b> ... ..	<b>74'73</b>	<b>76'04</b>	<b>66'33</b>	<b>55'30</b>	<b>27'11</b>	<b>24'95</b>	<b>26'13</b>	<b>25'16</b>	<b>345'33</b>	<b>381'05</b>	<b>413'63</b>	<b>425'06</b>	<b>445'51</b>	<b>509'75</b>	<b>569'53</b>	<b>619'57</b>	<b>18</b>	<b>16</b>	<b>14</b>	<b>13</b>	<b>8</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>TOTAL.</b>

Province. (C.S.)	Consumption of country spirit in distillery areas, in gallons London proof.								Consumption of country spirit per 100 of the population in distillery areas, in gallons London proof.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1
Madras	1,231,819	1,410,844	1,566,944	1,707,139	1,511,570	1,538,475	1,628,178	1,773,073	8'33	8'63	4'25	4'02	4'09	3'85	4'07	4'48	Madras.
Bombay	2,302,423	2,627,699	2,591,234	2,214,618	2,360,913	2,606,059	2,545,205	2,449,964	16'85	16'53	16'95	14'94	15'23	16'20	15'83	15'22	Bombay.
Sind	183,175	195,893	225,959	217,911	214,878	210,285	216,658	211,691	5'70	6'10	7'04	6'79	6'89	5'99	6'17	6'08	Sind.
Bengal	452,242	547,291	636,981	563,945	705,964	776,542	796,764	851,534	1'63	1'95	2'25	1'99	1'89	1'94	1'99	2'13	Bengal.
Bihar and Orissa	308,350	340,753	497,328	472,410	548,355	534,954	1,079,535	1,157,686	3'90	4'42	5'35	4'74	3'65	3'43	3'93	4'21	Bihar and Orissa.
Burma (a)	4,550	11,452	19,519	17,539	13,861	25,200	26,788	57,591	6'79	2'12	3'38	3'02	2'39	3'46	2'59	3'46	Burma (a).
United Provinces	1,149,868	1,282,771	1,125,244	957,718	1,013,888	1,319,371	1,538,504	1,689,932	2'64	3'10	2'66	2'24	2'31	3'03	2'41	3'74	United Provinces.
Punjab (including Delhi) (b)	470,681	414,692	424,144	398,040	382,467	479,643	479,154	473,669	2'37	2'08	2'18	2'00	1'91	2'66	2'40	2'97	Punjab (including Delhi) (b).
North-West Frontier Province	17,258	18,242	18,265	21,640	20,053	19,385	21,580	24,206	'82	'86	'86	1'02	'95	'91	'95	1'07	North-West Frontier Province.
Assam	20,520	45,698	80,649	179,407	202,561	211,594	238,947	247,363	3'42	7'64	10'25	3'43	3'85	4'02	4'00	4'14	Assam.
Central Provinces	449,335	649,751	647,345	499,413	499,278	650,326	671,925	765,082	9'51	12'29	11'99	8'52	7'61	8'72	7'21	8'12	Central Provinces.
Berar	525,793	532,371	463,240	224,023	224,063	389,065	394,955	426,314	19'09	19'33	16'82	10'34	10'31	14'12	12'32	14'27	Berar.
Ajmer-Merwara	39,442	46,835	85,062	42,965	48,915	65,106	53,249	51,780	8'27	7'82	11'54	9'01	10'25	12'00	10'68	10'84	Ajmer-Merwara.
Coorg	26,057	25,676	31,696	27,209	21,059	22,225	22,308	26,499	14'40	14'19	17'51	16'07	11'63	12'31	12'75	15'14	Coorg.
Baluchistan	...	...	...	...	8,640	19,394	23,902	23,599	...	...	...	...	2'66	5'64	6'95	6'86	Baluchistan.
<b>TOTAL</b>	<b>7,261,103</b>	<b>8,057,636</b>	<b>8,408,631</b>	<b>7,704,637</b>	<b>7,836,684</b>	<b>9,278,080</b>	<b>9,737,672</b>	<b>10,239,357</b>	<b>4'51</b>	<b>4'80</b>	<b>5'01</b>	<b>4'43</b>	<b>4'11</b>	<b>4'40</b>	<b>4'53</b>	<b>4'75</b>	<b>TOTAL.</b>

Province.	Total revenue derived from country distillery spirit, in lakhs of rupees.								Incidence of the total revenue derived from country distillery spirit per proof gallon, in rupees.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	
Madras	73'08	83'00	98'57	111'47	114'47	115'76	128'35	141'48	5'98	5'89	6'16	6'53	7'57	7'53	7'76	7'97	Madras.
Bombay	90'90	98'49	108'20	108'79	116'28	124'28	135'11	140'59	3'80	3'82	4'18	4'70	4'88	4'77	5'31	5'74	Bombay.
Sind	9'52	10'19	11'64	11'20	11'20	12'35	13'88	13'95	5'20	5'20	5'15	5'17	5'21	5'87	6'43	6'59	Sind.
Bengal	24'43	32'43	43'15	42'89	51'41	57'53	60'84	63'27	7'61	7'03	6'62	7'61	7'28	7'41	7'64	7'43	Bengal.
Bihar and Orissa	9'89	11'98	15'83	16'41	20'76	29'98	34'16	37'93	3'21	3'43	3'18	3'90	3'79	3'21	3'16	3'23	Bihar and Orissa.
Burma	1'18	1'66	1'22	1'14	1'01	1'43	1'73	3'54	3'96	5'77	6'25	6'50	7'22	5'87	6'46	6'17	Burma.
United Provinces	49'88	53'18	51'63	46'27	49'05	63'02	72'50	81'20	4'34	4'07	4'59	4'63	4'84	4'74	4'71	4'80	United Provinces.
Punjab (including Delhi)	25'95	25'26	26'53	28'91	24'28	35	40'38	40'61	5'51	6'09	6'13	7'24	6'52	7'45	8'43	8'57	Punjab (including Delhi).
North-West Frontier Province	1'18	1'20	1'27	1'49	1'48	1'46	1'96	2'11	6'80	6'52	6'95	6'89	7'38	7'53	9'08	8'62	North-West Frontier Province.
Assam	1'87	1'94	4'55	8'61	10'00	11'34	11'91	13'91	4'24	4'25	5'03	4'80	4'94	5'38	4'98	5'52	Assam.
Central Provinces	15'10	27'67	25'25	24'63	24'96	30'14	35'57	43'02	4'03	4'27	3'90	4'03	5'00	4'63	5'29	5'62	Central Provinces.
Berar	20'94	29'44	24'61	17'54	19'10	20'85	27'96	31'57	5'12	5'53	5'31	6'16	6'72	6'30	7'08	7'24	Berar.
Ajmer-Merwara	1'05	1'24	1'52	2'06	2'33	2'98	2'98	3'03	2'66	2'65	2'67	4'79	4'79	4'53	5'60	5'83	Ajmer-Merwara.
Coorg	1'32	1'28	1'60	1'70	1'49	1'54	1'66	1'91	5'07	4'92	5'05	6'22	7'08	6'91	7'44	7'21	Coorg.
Baluchistan	...	...	...	...	1'04	1'35	1'54	1'57	...	...	...	...	11'78	6'98	6'44	6'63	Baluchistan.

NUMBER OF SHOPS FOR THE RETAIL SALE OF COUNTRY LIQUOR.

Province.	NUMBER OF SHOPS FOR THE RETAIL SALE OF COUNTRY LIQUOR.																								Province.
	Outstill areas.								Distillery areas.								Total.								
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	1
Madras	1,364	1,212	1,214	1,164	978	792	790	658	10,180	10,289	10,284	10,128	9,099	8,900	8,724	8,824	11,524	11,451	11,478	11,287	10,079	9,692	9,444	8,976	Madras.
Bombay	5	5	5	5	5	5	5	5	2,509	2,509	2,507	2,428	2,388	2,177	2,148	2,109	2,514	2,514	2,512	2,438	2,288	2,182	2,148	2,114	Bombay.
Sind	...	...	...	...	...	...	...	...	292	293	293	280	266	265	265	249	292	292	298	250	266	255	255	249	Sind.
Bengal	418	386	360	338	56	55	54	54	938	969	1,026	1,011	1,233	1,228	1,223	1,233	1,866	1,855	1,970	1,849	1,389	1,283	1,277	1,237	Bengal.
Bihar and Orissa	1,809	1,850	1,689	1,532	1,201	641	594	576	438	427	576	656	946	1,487	1,491	1,512	2,242	2,228	2,235	2,188	2,148	2,128	2,085	2,068	Bihar and Orissa.
Burma	75	55	55	56	56	34	31	32	3	45	47	48	40	73	74	98	78	100	102	104	102	107	105	130	Burma.
United Provinces	1,484	1,100	914	812	710	674	276	274	4,487	4,484	4,274	4,358	4,244	4,212	4,491	4,468	5,971	5,584	5,468	5,170	4,954	4,686	4,767	4,742	United Provinces.
Punjab (including Delhi)	17	18	19	10	12	...	...	...	1,220	1,200	947	915	856	842	840	795	1,237	1,218	966	934	869	843	840	795	Punjab (including Delhi).
North-West Frontier Province	...	...	...	...	...	...	...	...	51	45	38	36	37	37	37	37	51	45	38	36	37	37	37	37	North-West Frontier Province.
Assam	175	164	149	11	9	9	9	9	31	33	50	164	176	180	181	179	206	197	199	195	187	189	180	188	Assam.
Central Provinces (a)	3,827	3,388	2,212	1,784	1,546	1,158	698	790	2,020	2,076	1,968	2,047	2,072	2,181	2,260	2,270	5,653	4,464	4,200	3,811	3,617	3,339	3,158	3,060	Central Provinces (a).
Berar	...	...	...	...	...	...	...	...	927	806	807	788	746	690	698	699	927	806	807	786	746	690	699	699	Berar.
Ajmer-Merwara	...	...	...	...	...	...	...	...	137	136	136	128	128	128	128	128	137	136	136	128	128	128	128	118	Ajmer-Merwara.
Coorg	...	...	...	...	...	...	...	...	42	39	40	37	37	36	36	33	42	39	40	37	37	36	36	33	Coorg.
Baluchistan	146	90	82	84	5	15	15	15	...	...	...	...	40	42	46	47	146	90	82	84	45	57	61	62	Baluchistan.
TOTAL	9,120	7,274	6,669	5,785	4,578	3,383	2,602	2,407	23,256	23,301	23,288	23,037	22,160	22,468	22,627	22,181	32,376	30,575	29,952	29,822	26,733	25,852	25,229	24,588	TOTAL.

NUMBER OF RETAIL SHOPS PER 100,000 OF THE POPULATION.

Province.	NUMBER OF RETAIL SHOPS PER 100,000 OF THE POPULATION.																								Province.	
	Outfall areas.								Distillery areas.								Average.									
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Madras	90	90	90	89	74	64	51	46	28	28	28	27	25	22	23	21	30	30	30	30	26	23	23	23	Madras.	
Bombay	15	15	15	16	23	23	23	23	16	16	16	16	14	14	13	13	16	16	16	16	14	14	13	13	Bombay.	
Sind	...	...	...	...	...	...	...	...	9	9	9	9	8	7	7	7	9	9	9	9	8	7	7	7	Sind.	
Bengal	8	9	9	8	1	1	1	1	3	3	4	4	3	3	3	3	3	3	3	3	3	3	3	3	Bengal.	
Bihar and Orissa	7	7	7	7	7	9	9	8	5	5	6	7	6	6	5	6	7	7	7	7	6	6	6	6	Bihar and Orissa.	
Burma (a)	7	7	8	8	8	6	5	5	4	8	8	8	8	7	7	6	7	8	8	8	8	7	6	6	Burma (a).	
United Provinces	18	17	17	17	18	18	15	15	11	11	11	10	10	10	10	10	13	13	12	11	10	10	10	10	United Provinces.	
Punjab (including Delhi)	4	4	4	4	4	...	...	...	0	0	5	5	4	4	4	4	6	6	5	5	4	4	4	4	Punjab (including Delhi).	
North-West Frontier Province	...	...	...	...	...	...	...	...	3	3	3	3	3	2	2	2	2	2	2	2	2	2	2	2	2	North-West Frontier Province.
Assam	3	3	3	2	2	2	1	1	5	6	6	4	3	3	3	3	4	3	3	3	3	3	3	3	3	Assam.
Central Provinces	80	80	80	82	88	66	64	55	43	39	37	35	32	29	25	24	61	48	45	41	39	36	29	28	Central Provinces.	
Berar	...	...	...	...	...	...	...	...	34	29	29	29	27	25	23	23	34	29	29	29	27	25	23	23	Berar.	
Ajmer-Merwara	...	...	...	...	...	...	...	...	29	29	29	27	27	26	26	26	29	29	29	27	27	26	26	26	Ajmer-Merwara.	
Coorg	...	...	...	...	...	...	...	...	23	23	22	20	20	20	21	19	23	23	23	20	20	20	21	19	Coorg.	
Baluchistan	30	22	30	31	7	21	21	21	...	...	...	...	12	12	13	14	36	22	20	21	11	14	15	15	Baluchistan.	
TOTAL	18	13	13	13	14	16	14	13	14	14	14	13	13	11	11	10	15	14	13	13	13	1	11	11	TOTAL.	

NUMBER OF SQUARE MILES PER RETAIL SHOP.

Provinces.	NUMBER OF SQUARE MILES PER RETAIL SHOP.																						Provinces.			
	Outsell areas.								Distillery areas.								Average.									
	1906-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1906-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1906-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.		1911-12.	1912-13.	
1	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	1	
Madras ... ..	14'32	16'01	15'88	16'53	20'37	24'12	28'41	33'01	12'03	11'07	11'04	12'13	13'49	15'27	14'16	14'55	15'30	15'40	15'37	15'58	14'15	14'71	15'10	15'59	Madras.	
Bombay ... ..	161'80	161'60	161'60	161'60	161'00	161'00	161'00	161'00	29'94	29'94	29'98	30'98	33'84	34'80	35'05	35'63	30'20	30'20	30'22	31'20	33'92	34'79	35'34	35'91	Bombay.	
Sind ... ..	...	...	...	...	...	...	...	...	161'00	160'45	160'45	167'90	178'78	184'36	184'97	191'99	161'00	160'45	160'45	167'90	173'73	184'36	184'97	191'99	Sind.	
Bengal ... ..	63'55	65'82	70'05	73'15	118'48	120'64	122'87	123'87	40'17	45'80	44'01	41'06	51'30	51'50	51'71	51'30	51'54	51'57	50'79	51'80	54'21	54'47	54'72	54'80	Bengal.	
Bihar and Orissa ... ..	38'65	35'72	37'49	39'39	40'05	40'35	52'84	53'81	38'84	39'18	38'16	34'58	30'95	34'57	34'59	34'49	37'03	36'37	37'15	37'95	38'69	39'02	39'53	39'76	Bihar and Orissa.	
Burma (a) ... ..	600'97	679'73	668'85	660'95	650'83	625'26	581'29	576'94	891'97	810'89	848'98	830'04	844'89	495'81	523'00	409'47	612'15	513'06	512'69	502'83	512'69	530'19	540'21	450'69	Burma (a).	
United Provinces ... ..	26'48	32'50	34'86	38'01	38'51	38'02	52'68	53'23	15'16	15'95	16'48	17'90	18'88	20'18	20'64	20'74	17'96	19'21	19'54	20'76	21'65	21'96	22'50	22'62	United Provinces.	
Punjab (including Delhi) ... ..	138'12	180'44	123'53	123'53	158'49	...	...	...	77'75	79'05	100'17	103'67	111'19	115'31	118'78	12'51	79'58	79'81	100'68	104'08	111'86	115'31	118'78	125'51	Punjab (including Delhi).	
North-West Frontier Province ... ..	...	...	...	...	...	...	...	...	297'47	337'13	399'24	421'42	410'03	410'03	410'03	410'03	297'47	337'13	399'24	421'42	410'03	410'03	410'03	410'03	410'03	North-West Frontier Province.
Assam ... ..	232'78	248'39	257'91	1,285'18	1,561'89	1,581'89	1,573'00	1,573'00	181'16	151'39	148'08	171'71	177'95	175'97	174'76	176'71	223'00	233'14	229'81	234'53	244'56	241'97	240'99	242'55	Assam.	
Central Provinces ... ..	14'80	20'16	20'80	23'63	24'06	24'48	24'98	26'05	15'24	16'66	18'70	20'06	21'70	24'67	26'38	27'09	14'64	16'53	19'70	21'71	22'71	24'60	25'08	25'62	Central Provinces.	
Berar ... ..	...	...	...	...	...	...	...	...	19'10	21'07	21'94	23'53	23'74	25'66	25'45	25'42	19'10	21'07	21'94	22'53	23'74	25'66	25'45	25'42	Berar	
Ajmer-Merwara... ..	...	...	...	...	...	...	...	...	19'41	19'55	19'55	20'78	20'78	20'78	20'78	20'78	19'41	19'55	19'55	20'78	20'78	20'78	20'78	20'78	Ajmer-Merwara.	
Coorg ... ..	...	...	...	...	...	...	...	...	37'87	40'58	39'55	42'76	42'76	43'94	43'94	47'94	37'87	40'58	39'55	42'76	42'76	43'94	43'94	47'94	Coorg.	
Baluchistan ... ..	382'44	520'40	630'93	664'71	2,063'00	687'67	687'67	687'67	...	...	...	...	1,138'02	1,083'83	989'59	968'53	382'44	520'40	630'93	664'71	1,240'80	979'56	915'34	900'58	Baluchistan.	
TOTAL ... ..	38'19	45'66	47'65	49'23	44'54	45'64	52'91	56'20	23'85	24'16	24'84	26'53	31'28	33'20	33'84	34'73	27'53	29'27	29'91	31'09	33'52	34'68	35'80	36'33	TOTAL.	



## D.

Statement showing the wholesale and retail license fees realised from shops for the sale of foreign liquors of all kinds.

(In lakhs of rupees.)

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	4.47	3.95	5.14	4.44	5.74	4.83	5.57	5.61	Madras.
Bombay ... ..	1.98	1.97	1.80	2.08	2.20	1.87	1.98	2.01	Bombay.
Sind ... ..	.19	.18	.20	.20	.25	.31	.35	.29	Sind.
Bengal ... ..	4.23	3.94	3.62	3.99	4.14	3.98	3.54	3.46	Bengal.
Bihar and Orissa ... ..	.23	.24	.27	.33	.32	.30	.28	.32	Bihar and Orissa.
Burma ... ..	12.35	10.27	12.06	11.97	12.27	9.93	11.56	10.21	Burma.
United Provinces ... ..	.77	.57	.55	.56	.64	.61	.57	.58	United Provinces.
Punjab (including Delhi) ... ..	1.27	1.65	1.85	2.13	1.64	1.87	1.92	2.01	Punjab (including Delhi).
North-West Frontier Province ... ..	.26	.26	.33	.35	.41	.26	.33	.45	North-West Frontier Province.
Assam ... ..	.18	.19	.17	.20	.19	.19	.15	.17	Assam.
Central Provinces ... ..	.07	.11	.06	.09	.08	.11	.14	.10	Central Provinces.
Berar ... ..	.04	.03	.03	.03	.04	.03	.05	.04	Berar.
Ajmer-Merwara ... ..	.03	.01	.01	.03	.02	.03	.02	.02	Ajmer-Merwara.
Coorg ... ..	.01	.01	.01	.01	.01	.01	.01	.01	Coorg.
Baluchistan ... ..	.04	.04	.04	.04	.08	.09	.10	.11	Baluchistan.
TOTAL ... ..	26.11	23.42	25.64	26.43	28.08	24.42	26.57	25.39	TOTAL.

Statement showing the number of shops for the retail sale of potable foreign liquors, including special licenses for the sale of such liquors, in hotels, restaurants, rooms, steamers, etc., and temporary refreshment room stalls.

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	745	840	911	893	792	785	797	797	Madras.
Bombay... ..	360	348	353	342	548	554	535	563	Bombay.
Sind ... ..	194	110	121	115	120	137	138	170	Sind.
Bengal (a) ... ..	572	585	549	550	520	635	627	564	Bengal (a).
Bihar and Orissa (a) ... ..	104	108	107	135	127	136	139	132	Bihar and Orissa (a).
Burma ... ..	325	333	335	365	394	386	418	361	Burma.
United Provinces (a) ... ..	337	331	339	333	293	283	313	276	United Provinces (a).
Punjab (including Delhi) ... ..	304	283	298	289	316	298	294	264	Punjab (including Delhi).
North-West Frontier Province ... ..	45	47	46	46	46	49	49	49	North-West Frontier Province.
Assam (a) ... ..	87	87	90	94	93	96	98	102	Assam (a).
Central Provinces ... ..	143	100	95	105	129	105	123	125	Central Provinces.
Berar ... ..	28	25	26	23	21	16	15	15	Berar.
Ajmer-Merwara ... ..	9	9	10	8	12	12	12	11	Ajmer-Merwara.
Coorg ... ..	8	7	6	7	8	8	8	9	Coorg.
Baluchistan ... ..	32	33	37	35	33	45	40	41	Baluchistan.
TOTAL	3,238	3,246	3,323	3,280	3,452	3,543	3,606	3,419	TOTAL.

(a) The figures include temporary shops,

D.

Statement showing the wholesale and retail license fees realised from shops for the sale of foreign liquors of all kinds.

(In lakhs of rupees.)

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	4.47	3.95	5.14	4.44	5.74	4.83	5.57	5.61	Madras.
Bombay ... ..	1.98	1.97	1.30	2.06	2.20	1.87	1.98	2.01	Bombay.
Sind ... ..	.19	.18	.20	.20	.25	.31	.35	.29	Sind.
Bengal ... ..	4.23	3.94	3.62	3.99	4.14	3.98	3.54	3.46	Bengal.
Bihar and Orissa ... ..	.23	.24	.27	.33	.32	.30	.28	.32	Bihar and Orissa.
Burma ... ..	12.35	10.27	12.06	11.97	12.27	9.93	11.56	10.21	Burma.
United Provinces ... ..	.77	.57	.55	.56	.64	.61	.57	.58	United Provinces.
Punjab (including Delhi) ... ..	1.27	1.65	1.85	2.13	1.64	1.87	1.92	2.01	Punjab (including Delhi).
North-West Frontier Province ... ..	.26	.26	.33	.35	.41	.26	.33	.45	North-West Frontier Province.
Assam ... ..	.18	.19	.17	.20	.19	.19	.15	.17	Assam.
Central Provinces ... ..	.07	.11	.06	.09	.08	.11	.14	.10	Central Provinces.
Berar ... ..	.04	.03	.03	.03	.04	.03	.05	.04	Berar.
Ajmer-Merwara ... ..	.02	.01	.01	.03	.02	.03	.02	.02	Ajmer-Merwara.
Coorg ... ..	.01	.01	.01	.01	.01	.01	.01	.01	Coorg.
Baluchistan ... ..	.04	.04	.04	.04	.08	.09	.10	.11	Baluchistan.
TOTAL ... ..	26.11	23.42	25.64	26.43	28.08	24.42	26.57	25.39	TOTAL.

*Statement showing the number of shops for the retail sale of potable foreign liquors, including special licenses for the sale of such liquors, e.g., in hotels, refreshment rooms, steamers, etc., and temporary refreshment room stalls.*

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	745	840	911	833	792	785	797	737	Madras.
Bombay... ..	360	348	353	342	548	554	535	563	Bombay.
Sind ... ..	134	110	121	115	120	137	138	170	Sind.
Bengal (a) ... ..	572	585	549	550	520	635	627	564	Bengal (a).
Bihar and Orissa (a) ... ..	104	108	107	135	127	136	139	132	Bihar and Orissa (a).
Burma ... ..	325	333	335	365	394	386	418	361	Burma.
United Provinces (a) ... ..	337	331	339	333	293	283	313	276	United Provinces (a).
Punjab (including Delhi) ... ..	304	283	298	289	316	296	294	264	Punjab (including Delhi).
North-West Frontier Province ... ..	45	47	46	46	46	49	49	49	North-West Frontier Province.
Assam (a) ... ..	87	87	90	94	93	96	98	102	Assam (a).
Central Provinces ... ..	143	100	95	105	129	105	123	125	Central Provinces.
Berar ... ..	28	25	26	23	21	16	15	15	Berar.
Ajmer-Merwara ... ..	9	9	10	8	12	12	12	11	Ajmer-Merwara.
Coorg ... ..	8	7	6	7	8	8	8	9	Coorg.
Baluchistan ... ..	32	33	37	35	33	45	40	41	Baluchistan.
<b>TOTAL</b>	<b>3,238</b>	<b>3,246</b>	<b>3,323</b>	<b>3,280</b>	<b>3,452</b>	<b>3,543</b>	<b>3,806</b>	<b>3,419</b>	<b>TOTAL.</b>

(a) The figures include temporary shops.

E.

*Statement showing the consumption of potable spirits manufactured in India after European methods and taxed at rates higher than those imposed on country spirit (exclusive of duty-free issues to the Supply and Transport Department).*

[ In thousands of gallons (a). ]

Province.	1905-06.	1906-7.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Provincia.
1	2	3	4	5	6	7	8	9	1
Madras (b) ... ..	5	7	24	20	19	17	18	13	Madras (b).
Bombay ... ..	Nom.	Nom.	Nom.	Nom.	...	...	...	...	Bombay.
Sind ... ..	Nom.	Nom.	Nom.	...	...	...	...	...	Sind.
Bengal (b) ... ..	44	31	32	32	27	33	24	28	Bengal (b).
Bihar and Orissa (b)...	1	1	Nom.	...	...	...	...	...	Bihar and Orissa (b).
Burma (b) ... ..	47	27	30	32	33	21	14	13	Burma (b).
United Provinces (b)	384	103	24	16	18	27	22	26	United Provinces (b).
Punjab (including Delhi) (c)	...	...	...	...	...	...	...	...	Punjab (including Delhi) (c).
North-West Frontier Province (b) (d)	...	...	...	...	Nom.	Nom.	3	1	North-West Frontier Province (b) (d).
Assam ... ..	...	...	...	...	...	...	...	...	Assam.
Central Provinces ... ..	...	...	...	...	...	...	...	...	Central Provinces.
Berar ... ..	...	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara ... ..	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg ... ..	...	...	...	...	...	...	...	...	Coorg.
Baluchistan ... ..	...	...	...	...	...	...	...	...	Baluchistan.
<b>TOTAL</b> ...	<b>481</b>	<b>169</b>	<b>110</b>	<b>100</b>	<b>97</b>	<b>98</b>	<b>81</b>	<b>81</b>	<b>TOTAL.</b>

(a) Except where otherwise stated, the figures are in bulk gallons and represent issues from local distilleries, excluding issues at reduced duty for consumption by the troops.

(b) The figures are in proof gallons.

(c) In the absence of details the figures have been included in Statement B.

Statement showing the duty realised on potable spirits manufactured in India after European methods and taxed at rates higher than those imposed on country spirit.

(In lakhs of rupees.)

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	32	48	1.69	1.41	1.40	1.58	1.64	1.22	Madras.
Bombay ... ..	02	01	02	...	...	...	01	...	Bombay.
Sind ... ..	01	01	01	Nom.	Nom.	...	...	...	Sind.
Bengal ... ..	1.80	1.41	1.66	1.61	1.46	1.91	1.99	2.28	Bengal.
Bihar and Orissa ... ..	...	...	...	...	...	...	...	...	Bihar and Orissa.
Burma ... ..	2.85	1.92	2.09	2.24	2.29	1.95	1.33	1.24	Burma.
United Provinces (a) ... ..	11.82	2.22	1.49	1.12	1.25	1.04	0.89	0.90	United Provinces (a).
Punjab (including Delhi) (b) ... ..	...	...	...	...	...	...	...	...	Punjab (including Delhi) (b).
North-West Frontier Province ... ..	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam ... ..	...	...	...	...	...	...	...	...	Assam.
Central Provinces ... ..	...	...	...	...	...	...	...	...	Central Provinces.
Berar ... ..	04	05	...	...	...	...	...	...	Berar.
Ajmer-Merwara ... ..	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg ... ..	...	...	...	...	...	...	...	...	Coorg.
Baluchistan ... ..	...	...	...	...	...	...	...	...	Baluchistan.
<b>TOTAL ... ..</b>	<b>16.86</b>	<b>6.10</b>	<b>6.96</b>	<b>6.38</b>	<b>6.40</b>	<b>6.48</b>	<b>5.86</b>	<b>5.62</b>	<b>TOTAL.</b>

Statement showing the number of breweries in the different provinces and the production of beer therein.

Province.	Number of breweries in operation.								Production in thousands of gallons.								Quantity purchased by the Supply and Transport Department in thousands of gallons.						Province.		
	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1905.	1906.	1907.	1908.	1909.	1910.		1911.	1912.
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23		24	25
Madras	4	3	3	3	3	3	3	3	480	551	607	700	810	584	558	546	...	...	Nom.	Nom.	Nom.	...	...	...	Madras.
Bombay (b)	1	1	1	1	1	1	2	2	344	206	219	407	306	273	307	288	...	...	...	...	...	...	...	...	Bombay (b).
Sind	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Sind.
Bengal	2	2	2	3	3	3	3	3	93	40	56	64	104	94	105	72	69	45	37	30	30	38	41	27	Bengal.
Bihar and Orissa	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Bihar and Orissa.
Burma	1	1	1	1	1	1	1	1	198	80	120	188	282	293	247	240	...	...	...	...	...	...	...	...	Burma.
United Provinces (b)	0	0	0	0	0	5	5	5	1,292	1,152	1,009	894	850	639	504	369	659	510	453	107	64	82	82	24	United Provinces (b).
Punjab (including Delhi)	7	7	7	7	7	6	6	6	2,323	2,321	2,308	2,087	1,800	1,580	1,057	1,318	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	Punjab (including Delhi).
North-West Frontier Province	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Assam.
Central Provinces	1	1	1	1	1	1	1	1	121	114	108	30	80	43	25	5	112	181	110	85	66	34	2	8	Central Provinces.
Berar	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Coorg.
Baluchistan	1	1	1	1	1	1	1	1	292	209	255	232	277	272	310	310	175	124	141	181	222	219	275	268	Baluchistan.
<b>Total</b>	<b>23</b>	<b>22</b>	<b>21</b>	<b>23</b>	<b>23</b>	<b>21</b>	<b>24</b>	<b>22</b>	<b>5,133</b>	<b>4,688</b>	<b>4,778</b>	<b>4,620</b>	<b>4,367</b>	<b>3,782</b>	<b>3,713</b>	<b>3,157</b>	<b>1,006</b>	<b>860</b>	<b>750</b>	<b>403</b>	<b>362</b>	<b>272</b>	<b>400</b>	<b>327</b>	<b>TOTAL.</b>

(a) Figures not available.

## I.

Statement showing the duty realised on country beer in the different provinces of India.

(In lakhs of rupees.)

Province.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	Province.
1	2	3	4	5	6	7	8	9	1
Madras ... ..	·30	·35	·44	·89	·77	1·03	1·03	1·02	Madras.
Bombay... ..	·22	·13	·15	·51	·46	·51	·58	·54	Bombay.
Sind ... ..	...	...	...	...	...	...	..	...	Sind.
Bengal ... ..	·05	·03	·03	·08	·18	·17	·18	·12	Bengal.
Bihar and Orissa ... ..	...	...	...	...	...	...	...	...	Bihar and Orissa.
Burma ... ..	·11	·07	·13	·19	·32	·46	·43	·45	Burma.
United Provinces ... ..	·65	·61	·71	1·11	·86	1·03	1·01	·62	United Provinces.
Punjab (including Delhi) ... ..	1·35	1·34	1·26	2·26	2·11	2·12	2·88	2·37	Punjab (including Delhi).
North-West Frontier Province ... ..	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam ... ..	...	...	...	...	...	...	...	...	Assam.
Central Provinces ... ..	·07	·07	·07	·09	·09	·08	·01	·01	Central Provinces.
Berar ... ..	...	...	...	...	...	...	...	...	Berar.
Ajmer-Merwara ... ..	...	...	...	...	...	...	...	...	Ajmer-Merwara.
Coorg ... ..	...	...	...	...	...	...	...	...	Coorg.
Baluchistan ... ..	·13	·13	·15	·27	·34	·50	·60	·52	Baluchistan.
<b>TOTAL ... ..</b>	<b>2·88</b>	<b>2·73</b>	<b>2·94</b>	<b>5·40</b>	<b>5·08</b>	<b>5·88</b>	<b>6·72</b>	<b>5·65</b>	<b>TOTAL.</b>



Statement showing the revenue realised from toddy (tari) and the number of shops for its sale.

Province.	1905-06.				1906-07.				1907-08.				1908-09.				Province.
	No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			
		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1
Madras	10,080	45'31	50'03	95'33	18,685	50'54	48'60	99'23	18,535	59'30	40'21	107'51	17,162	61'15	54'43	115'58	Madras.
Bombay	1,641	9'93	6'84	16'77	1,710	10'44	6'78	17'22	1,965	11'02	7'36	18'38	1,797	10'64	7'52	18'16	Bombay.
Sind	10	...	'01	'01	8	...	'01	'01	4	...	'01	'01	4	...	'02	'02	Sind.
Bengal	996	...	3'23	3'28	885	...	3'46	3'46	878	...	3'00	3'60	807	...	3'75	3'76	Bengal.
Bihar and Orissa	12,516	...	8'10	8'10	12,281	...	8'16	8'16	11,762	...	8'50	8'50	10,713	...	8'93	8'93	Bihar and Orissa.
Burma	1,018	...	6'28	6'28	885	...	6'78	6'78	811	...	5'83	5'82	778	...	6'80	6'80	Burma.
United Provinces	4,598	...	1'66	1'66	4,251	...	1'52	1'52	3,632	...	1'57	1'57	3,001	...	1'73	1'73	United Provinces.
Punjab (including Delhi)	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Punjab (including Delhi).
North-West Frontier Province	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	North-West Frontier Province.
Assam	1	...	Nom.	Nom.	...	...	...	...	...	...	...	...	...	...	...	...	Assam.
Central Provinces	559(8)	...	'41	'41	506	...	'73	'73	348	...	'54	'54	368	...	'75	'75	Central Provinces.
Berar	668	...	'37	'37	634	...	'31	'31	634	...	'26	'26	315	...	'28	'28	Berar.
Ajmer-Merwara	...	...	...	...	...	...	...	...	...	...	...	...	6	...	Nom.	Nom.	Ajmer-Merwara.
Coorg	263	...	'19	'19	229	...	'17	'17	206	...	'24	'24	206	...	'25	'25	Coorg.
Baluchistan	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Baluchistan.
TOTAL	41,336	55'24	77'76	133'00	40,073	60'98	76'61	137'59	38,665	69'32	77'11	146'43	35,207	71'79	84'46	126'25	TOTAL.

Statement showing the revenue realised from toddy (tari) and the number of shops for its sale.

Province.	1909-10.				1910-11.				1911-12.				1912-13.				Province.
	No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			No. of shops (a).	Revenue in lakhs of rupees.			
		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.		Tree-tax.	License fees.	Total.	
1	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Madras	18,215	64'49	59'82	124'11	16,883	65'94	64'49	130'43	15,487	69'48	70'10	139'58	14,478	74'38	77'88	152'24	Madras.
Bombay	2,070	13'20	5'85	18'05	2,385	11'97	6'28	18'25	2,613	15'44	6'48	19'92	2,872	13'53	6'44	19'97	Bombay.
Sind	3	..	'02	'03	4	..	'01	'01	4	..	'01	'01	4	..	'01	'01	Sind.
Bengal	643	..	3'90	3'90	886	..	4'23	4'23	680	..	4'26	4'26	858	..	4'50	4'50	Bengal.
Bihar and Orissa	9,976	..	9'01	9'01	9,043	..	10'48	10'48	8,441	..	11'93	11'93	7,657	..	12'66	12'66	Bihar and Orissa.
Burma	750	..	6'88	6'88	719	..	6'89	6'89	718	..	7'42	7'42	718	..	7'21	7'21	Burma.
United Provinces	3,061	..	1'99	1'99	3,053	..	2'51	2'51	3,049	..	2'86	2'86	3,028	..	3'10	3'10	United Provinces.
Punjab (including Delhi)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	Punjab (including Delhi).
North-West Frontier Province	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	North-West Frontier Province.
Assam	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	Assam.
Central Provinces	388	Nom.	'84	'84	359	Nom.	'85	'05	362	Nom.	1'07	1'07	335	..	1'26	1'26	Central Provinces.
Berar	172	..	'27	'27	153	..	'28	'28	155	..	'83	'83	159	..	'43	'43	Berar.
Ajmer-Merwara	3	..	Nom.	Nom.	5	..	Nom.	Nom.	4	..	Nom.	Nom.	5	..	Nom.	Nom.	Ajmer-Merwara.
Coorg	126	..	'32	'33	111	..	'37	'37	103	..	'44	'44	88	..	'40	'46	Coorg
Baluchistan	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	Baluchistan.
TOTAL	33,376	70'09	88'87	168'96	32,448	77'31	96'49	174'40	31,748	82'02	104'85	187'77	30,185	87'80	112'83	201'82	TOTAL.

Statement showing the revenue realised from and the consumption of hemp drugs, and the number of shops for their sale.

Province.	1905-06.					1906-07.					1907-08.					1908-09.					Province.
	No. of shops, excluding drug-gists' licenses, etc. (c).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (c).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (c).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (c).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			
			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	1
Madras ... ..	633	40'28	1'38	2'33	4'20	636	47'64	1'83	2'63	4'46	633	51'07	2'01	2'78	4'77	633	58'04	2'00	3'07	5'07	Madras.
Bombay ... ..	559	51'93	1'90	1'41	3'31	571	51'70	2'40	1'59	3'99	576	53'60	2'53	1'57	4'10	574	58'70	2'09	1'70	4'39	Bombay.
Sind ... ..	461	136'71	1'41	1'46	2'86	482	112'36	1'02	1'43	2'45	468	110'12	2'04	1'38	3'42	460	123'35	2'20	1'79	3'98	Sind.
Bengal ... ..	1,806	130'20	11'28	11'63	22'79	1,903	120'00	10'39	11'81	21'90	1,877	132'10	11'39	11'22	22'61	1,875	130'80	11'72	12'09	23'61	Bengal.
Bihar and Orissa ... ..	1,597	101'70	8'09	7'35	15'04	1,594	93'90	7'20	7'75	15'55	1,609	90'90	8'03	7'05	15'68	1,615	98'30	8'23	8'08	16'31	Bihar and Orissa.
Burma ... ..	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Burma.
United Provinces ... ..	2,765	347'06	4'95	14'43	19'37	2,721	291'79	5'37	14'29	19'66	2,730	296'06	5'26	13'71	18'97	2,701	211'47	4'83	13'75	18'68	United Provinces.
Punjab (including Delhi) ... ..	969	119'71	2'27	1'01	4'15	979	110'78	2'28	2'07	5'35	708	113'21	2'32	2'22	5'54	684	104'40	2'55	2'62	6'17	Punjab (including Delhi).
North-West Frontier Province ... ..	101	10'43	'12	'44	'56	97	9'00	'21	'44	'65	92	11'10	'16	'47	'63	91	8'97	'22	'47	'69	North-West Frontier Province.
Assam ... ..	296	29'46	2'07	2'24	5'31	292	23'87	2'64	2'27	4'91	288	25'55	2'80	2'20	5'00	274	28'13	2'09	2'33	5'42	Assam.
Central Provinces ... ..	1,269	48'18	1'01	1'30	2'01	1,060	40'15	2'00	1'33	3'33	938	43'30	2'08	1'10	3'24	917	36'56	1'79	1'69	3'48	Central Provinces.
Berar ... ..	192	9'19	'44	'53	'97	173	8'05	'39	'02	1'01	183	8'54	'43	'58	'98	186	7'50	'37	'59	'95	Berar.
Ajmer-Merwara ... ..	17	3'40	'04	'11	'15	17	2'03	'06	'11	'17	16	2'08	'08	'09	'11	16	2'02	'06	'08	'13	Ajmer-Merwara.
Coorg ... ..	5	'45	'02	'01	'03	5	'21	...	'01	'01	5	'32	'02	'01	'03	5	'49	'04	'01	'06	Coorg.
Baluchistan ... ..	124	5'35	'04	'24	'28	94	4'50	'07	'21	'28	86	3'73	'06	'14	'20	87	4'83	'12	'16	'23	Baluchistan.
<b>Total</b> ... ..	<b>11,904</b>	<b>1037'99</b>	<b>37'20</b>	<b>45'76</b>	<b>83'96</b>	<b>11,624</b>	<b>923'18</b>	<b>38'36</b>	<b>45'26</b>	<b>83'62</b>	<b>11,213</b>	<b>957'59</b>	<b>40'14</b>	<b>45'14</b>	<b>85'28</b>	<b>11,118</b>	<b>876'16</b>	<b>41'00</b>	<b>48'41</b>	<b>89'41</b>	<b>Total.</b>

(a) The shop license figures include temporary licenses.

STATISTICS SHOWING THE REVENUE RECEIVED FROM THE SALE OF DRUGS, AND THE NUMBER OF SHOPS FOR SUCH SALE.

Province.	1909-10.					1910-11.					1911-12.					1912-13.					Province.
	No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			
			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Madras ... ..	635	52'00	2'02	3'42	5'44	638	51'43	1'83	3'41	5'23	617	47'49	3'01	3'08	6'00	538	52'48	3'33	3'40	6'82	Madras.
Bombay ... ..	570	54'58	2'63	1'66	4'29	556	62'63	2'99	1'69	4'63	569	62'09	3'57	1'98	5'55	572	64'12	3'74	2'27	6'01	Bombay.
Sind ... ..	455	130'44	2'34	1'50	4'24	448	135'51	2'41	2'02	4'43	432	129'31	2'35	1'84	4'70	378	115'28	2'61	2'05	4'66	Sind.
Bengal ... ..	1,818	141'40	13'06	12'77	25'83	1,814	151'73	13'88	14'16	28'04	1,747	156'95	14'08	15'87	29'73	1,737	151'84	18'04	15'82	20'76	Bengal.
Bihar and Orissa ... ..	1,826	100'20	8'84	8'17	17'01	1,856	118'32	10'43	8'54	18'97	1,657	124'69	10'26	9'76	20'62	1,043	121'45	10'79	10'06	21'45	Bihar and Orissa.
Burma ... ..	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Burma.
United Provinces ... ..	3,632	209'41	4'92	13'47	18'39	3,561	241'28	5'25	13'34	18'59	3,517	305'18	6'00	18'90	19'90	3,463	286'33	7'93	15'23	23'16	United Provinces.
Punjab (including Delhi) ... ..	600	110'05	3'90	2'28	6'13	616	116'88	4'40	2'30	6'70	574	121'29	4'27	3'75	7'02	541	117'42	4'60	2'84	7'44	Punjab (including Delhi).
North-West Frontier Province ... ..	88	10'43	'20	'63	'73	88	8'73	'21	'49	'70	75	10'36	'38	'49	'77	75	10'15	'76	'60	1'36	North-West Frontier Province.
Assam ... ..	259	33'17	3'82	2'71	6'33	255	32'79	3'62	3'11	6'73	250	34'52	3'61	3'08	6'89	240	34'03	3'76	3'13	6'88	Assam.
Central Provinces ... ..	930	38'88	1'93	1'88	3'81	916	40'90	2'10	2'02	4'12	913	42'55	2'58	3'38	4'06	911	39'86	2'98	2'78	5'74	Central Provinces.
Berar ... ..	201	8'20	'41	'87	1'08	190	9'95	'50	'58	1'08	187	10'47	'80	'71	1'31	182	10'43	'79	'81	1'60	Berar.
Ajmer-Merwara ... ..	16	2'61	'05	'09	'14	16	2'99	'07	'09	'16	16	3'21	'07	'09	'16	16	3'24	'08	'09	'17	Ajmer-Merwara.
Coorg ... ..	5	'35	'04	'01	'05	5	'43	'02	'01	'03	5	'41	'04	'01	'05	5	'74	'05	'01	'06	Coorg.
Baluchistan ... ..	63	5'08	'11	'14	'25	72	2'73	'15	'12	'27	68	2'04	'13	'11	'24	68	1'87	'11	'15	'26	Baluchistan.
<b>TOTAL</b> ... ..	<b>10,888</b>	<b>896'80</b>	<b>44'07</b>	<b>49'65</b>	<b>93'72</b>	<b>10,822</b>	<b>976'28</b>	<b>47'85</b>	<b>51'86</b>	<b>99'71</b>	<b>10,626</b>	<b>1050'55</b>	<b>52'13</b>	<b>56'01</b>	<b>108'14</b>	<b>10,383</b>	<b>989'79</b>	<b>55'47</b>	<b>59'90</b>	<b>115'37</b>	<b>TOTAL.</b>

(a) The shop license figures include temporary licenses.

Statement showing the revenue realised from and the consumption of opium and its preparations, and the number of shops for their sale.

Province.	1905-06.					1906-07.					1907-08.					1908-09.					Province.
	No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (b).			
			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	1
Madras ... ..	1,211	37'40	3'83	3'02	7'45	1,121	38'10	4'56	3'30	7'02	1,117	39'16	5'06	3'85	8'61	1,118	46'27	5'33	4'35	9'68	Madras.
Bombay ... ..	515	35'33	4'80	1'16	5'72	511	37'28	4'24	1'18	5'42	513	41'40	4'70	1'27	5'97	509	42'31	5'05	1'48	6'53	Bombay.
Sind ... ..	271	8'88	1'40	'57	2'09	279	9'03	1'30	'63	1'93	263	10'00	1'43	'02	2'04	264	10'06	1'46	'63	2'09	Sind.
Bengal ... ..	1,173	59'00	12'41	4'20	16'73	1,109	61'70	13'90	5'53	19'43	1,158	70'90	14'81	5'50	20'31	1,101	75'05	15'83	5'66	21'49	Bengal.
Bihar and Orissa ... ..	650	28'40	5'40	3'53	9'03	634	29'80	5'83	2'57	8'40	652	32'10	6'29	2'51	8'50	650	31'86	6'04	2'62	8'06	Bihar and Orissa.
Burma ... ..	128	78'30	40'03	1'65	42'28	126	74'73	38'81	1'56	40'37	126	70'46	39'72	1'72	41'44	126	62'33	35'03	1'60	37'23	Burma.
United Provinces ... ..	1,223	65'82	5'70	2'08	8'47	1,199	68'86	6'07	2'40	8'47	1,163	69'13	5'94	2'53	8'47	1,174	63'81	5'56	2'00	8'55	United Provinces.
Punjab (including Delhi) ... ..	1,380	69'82	1'75	4'73	6'48	1,314	59'01	2'35	4'95	7'30	131	60'81	2'71	5'03	7'74	958	61'41	2'75	6'14	6'89	Punjab (including Delhi).
North-West Frontier Province ... ..	95	2'16	'09	'39	'48	95	2'64	'10	'42	'52	86	3'06	'34	'48	'82	'62	3'34	'36	'55	'91	North-West Frontier Province.
Assam ... ..	736	56'36	16'07	3'75	19'82	707	60'95	17'42	3'90	21'32	619	60'16	18'89	4'50	23'36	495	63'99	18'24	5'27	23'51	Assam.
Central Provinces ... ..	1,102	29'28	3'36	2'77	6'73	767	28'61	4'29	2'79	7'08	729	30'10	4'51	2'45	6'96	729	37'96	4'19	2'24	7'43	Central Provinces.
Berar ... ..	431	17'49	2'94	2'06	5'00	363	19'76	2'84	2'95	5'79	367	18'05	2'85	2'38	5'23	357	17'45	2'62	2'86	5'49	Berar.
Ajmer-Merwara ... ..	55	3'04	'12	'15	'27	50	2'80	'06	'17	'23	48	2'47	'31	'22	'28	42	2'65	'09	'17	'26	Ajmer-Merwara.
Coorg ... ..	3	'03	Nom.	'01	'01	3	'04	Nom.	'01	'01	3	'06	Nom.	'01	'01	3	'07	Nom.	'01	'01	Coorg.
Baluchistan ... ..	124	'71	...	'19	'19	93	'65	...	'17	'17	85	'66	...	'12	'12	87	'59	...	'13	'13	Baluchistan.
<b>TOTAL</b> ... ..	<b>8,487</b>	<b>482'87</b>	<b>99'13</b>	<b>22'45</b>	<b>131'59</b>	<b>8,751</b>	<b>465'83</b>	<b>100'77</b>	<b>32'59</b>	<b>133'36</b>	<b>8,124</b>	<b>615'04</b>	<b>107'52</b>	<b>32'59</b>	<b>140'41</b>	<b>8,001</b>	<b>611'25</b>	<b>103'16</b>	<b>37'70</b>	<b>140'85</b>	<b>TOTAL.</b>

Statement showing the revenue realised from and the consumption of opium and its preparations, and the number of shops for their sale.

Province.	1909-10.					1910-11.					1911-12.					1912-13.					Province.
	No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (c).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (c).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (c).			No. of shops, excluding drug-gists' licenses, etc. (a).	Consumption in thousands of seers (b).	Revenue, in lakhs of rupees (c).			
			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.			Duty.	Vend fees.	Total.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Madras	1,088	44'09	6'78	4'68	11'40	1,028	41'49	8'41	4'38	12'84	955	41'89	8'40	4'88	18'25	851	39'58	10'00	5'21	15'21	Madras.
Bombay	804	45'89	5'54	1'14	5'68	788	47'09	5'53	1'05	6'58	780	45'95	6'03	3'41	8'48	780	44'26	9'59	3'09	11'07	Bombay.
Sind	207	10'08	1'84	'65	2'89	207	10'81	1'89	'68	2'81	251	10'89	1'69	'73	2'41	248	9'70	12'87	'67	3'04	Sind.
Bengal	1,061	64'85	18'50	5'84	19'34	1,054	65'04	14'05	6'59	20'84	1,039	66'78	14'41	8'13	23'58	908	67'00	14'00	8'97	23'63	Bengal.
Bihar and Orissa	659	24'00	0'41	2'63	3'04	678	25'37	0'41	2'89	3'10	671	26'89	0'69	2'90	3'50	578	27'05	0'81	3'25	10'06	Bihar and Orissa.
Burma	124	61'41	33'35	1'57	35'12	124	57'78	31'73	1'44	33'16	124	53'13	28'90	1'43	30'38	124	47'70	35'14	1'16	27'80	Burma.
United Provinces	1,168	67'07	5'85	3'50	9'85	1,149	61'82	7'78	3'08	10'74	1,181	61'81	7'83	3'89	11'12	1,004	64'37	8'18	3'73	11'90	United Provinces.
Punjab (including Delhi)	916	59'50	3'57	5'17	8'74	913	63'37	4'83	5'20	10'69	911	63'45	5'65	5'30	11'04	903	66'54	6'41	5'83	12'24	Punjab (including Delhi).
North-West Frontier Province	89	8'03	'58	'63	1'16	82	2'74	'49	'53	1'01	70	2'82	'89	'60	'69	70	5'71	'55	'64	1'19	North-West Frontier Province.
Assam	413	60'06	18'20	4'85	23'65	416	60'34	18'95	5'65	24'00	400	60'19	18'93	6'28	25'20	403	61'93	20'45	6'80	27'35	Assam.
Central Provinces	789	20'00	4'42	3'58	7'08	740	23'08	4'95	3'68	8'58	760	24'57	5'20	4'49	9'69	751	24'50	6'53	4'72	11'24	Central Provinces.
Berar	243	17'60	2'84	3'21	5'85	304	19'31	2'00	2'88	5'78	298	19'79	2'90	3'44	6'48	296	19'28	3'80	3'37	7'17	Berar.
Ajmer-Merwara	42	2'55	'10	'17	'27	42	2'78	'08	'27	'35	41	2'69	'09	'20	'29	41	2'94	'07	'22	'20	Ajmer-Merwara.
Coorg	3	'07	'01	'01	'08	3	'06	Nom.	'01	'01	3	'05	'01	Nom.	'01	3	'06	'02	Nom.	'02	Coorg.
Baluchistan	63	'76	'02	'15	'17	71	'62	'05	'17	'22	59	'71	'05	'17	'22	60	'78	'06	'20	'26	Baluchistan.
TOTAL	7,778	500'07	108'20	37'78	141'08	7,689	501'00	107'84	38'58	146'42	7,501	500'07	107'23	44'29	151'83	7,107	502'85	125'63	46'94	172'57	TOTAL.

Statement showing the incidence of total taxation on hemp drugs.

Province.	Total revenue derived from hemp drugs, in lakhs of rupees.								Incidence of the total revenue derived on each seer of hemp drugs consumed, in rupees.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1
Madras	4.20	4.46	4.77	5.07	5.44	5.83	6.09	6.82	8.53	9.36	9.94	8.05	10.46	10.17	12.89	13.00	Madras.
Bombay	3.31	3.99	4.10	4.39	4.29	4.68	5.56	6.01	6.38	7.72	7.65	7.74	7.88	7.47	8.94	9.37	Bombay.
Sind	2.86	3.35	3.42	3.98	4.24	4.43	4.79	4.68	3.09	2.98	3.87	3.23	3.25	3.27	3.70	4.02	Sind.
Bengal	23.70	21.90	22.61	23.81	25.83	28.04	29.73	29.76	17.50	18.16	17.13	17.40	18.27	18.48	18.04	19.60	Bengal.
Bihar and Orissa	16.04	15.65	16.68	16.31	17.01	18.97	20.63	21.45	16.77	16.56	16.18	16.59	16.98	16.03	16.46	17.68	Bihar and Orissa.
Burma	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Burma.
United Provinces	19.37	19.66	18.97	18.68	19.89	19.59	19.96	23.16	5.58	6.74	6.41	8.63	8.78	7.70	6.54	8.70	United Provinces.
Punjab (including Delhi)	4.18	5.35	5.54	6.17	6.13	6.70	7.02	7.44	3.49	4.58	4.89	5.91	5.67	5.73	5.79	6.34	Punjab (including Delhi).
North-West Frontier Province	.56	.65	.63	.69	.73	.70	.77	1.36	5.37	6.77	5.68	7.69	7.00	8.02	7.43	13.40	North-West Frontier Province.
Assam	5.31	4.81	5.00	5.43	6.33	6.73	6.69	6.83	18.02	20.67	19.57	19.27	19.08	20.52	19.96	20.22	Assam.
Central Provinces	3.01	3.33	3.24	3.48	3.81	4.12	4.36	5.74	6.74	8.29	7.66	9.52	9.80	10.07	11.06	14.40	Central Provinces.
Berar	.97	1.01	.98	.95	1.08	1.06	1.31	1.60	10.55	12.55	11.48	12.67	13.17	10.65	12.51	15.34	Berar.
Ajmer-Merwara	.15	.17	.11	.13	.14	.16	.16	.17	4.41	8.37	3.76	6.44	5.36	5.38	4.98	5.25	Ajmer-Merwara.
Coorg	.03	.01	.03	.05	.05	.03	.05	.06	6.07	4.76	9.38	10.20	14.29	6.98	12.20	8.11	Coorg.
Baluchistan	.26	.28	.20	.28	.25	.27	.24	.26	5.23	6.22	5.36	5.80	4.92	9.89	11.76	13.80	Baluchistan.
<b>TOTAL</b>	<b>82.96</b>	<b>84.03</b>	<b>86.28</b>	<b>89.41</b>	<b>93.72</b>	<b>99.71</b>	<b>108.14</b>	<b>115.37</b>	<b>7.99</b>	<b>9.17</b>	<b>8.91</b>	<b>10.20</b>	<b>10.45</b>	<b>10.31</b>	<b>10.29</b>	<b>11.63</b>	<b>TOTAL.</b>

*Statement showing the incidence of total taxation on opium and its preparations.*

Province.	Total revenue derived from opium and its preparations, in lakhs of rupees.								Incidence of the total revenue derived on each year of opium and its preparations consumed, in rupees.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1
Madras	7.45	7.92	8.61	9.68	11.40	12.04	12.25	12.21	10.89	20.79	21.99	20.02	25.86	20.47	22.01	22.48	Madras.
Bombay	5.72	5.42	5.97	6.53	6.68	6.59	6.43	11.07	16.19	14.64	14.42	15.22	14.72	13.99	18.35	20.37	Bombay.
Sind	2.08	1.93	2.04	2.09	2.29	2.31	2.41	3.04	22.86	19.92	19.25	20.78	22.72	22.41	22.20	31.24	Sind.
Bengal	19.78	13.43	20.31	21.49	19.34	20.64	22.53	23.63	28.07	29.87	28.65	28.29	29.96	31.73	33.76	34.80	Bengal.
Bihar and Orissa	9.02	8.40	8.80	8.66	9.04	9.10	9.59	10.06	31.76	22.19	27.41	27.12	25.90	25.80	26.36	27.15	Bihar and Orissa.
Burma	42.28	40.37	41.44	37.23	35.12	33.16	30.32	37.30	53.94	54.02	52.81	52.16	57.19	57.39	57.08	72.20	Burma.
United Provinces	8.47	8.47	8.47	8.55	9.35	10.74	11.12	11.90	12.87	12.30	12.43	12.40	12.94	17.37	17.99	18.49	United Provinces.
Punjab (including Delhi)	6.48	7.30	7.74	8.39	8.74	10.69	11.04	12.24	11.02	12.18	12.72	14.48	14.69	16.87	17.29	18.39	Punjab (including Delhi).
North-West Frontier Province	.42	.52	.82	.91	1.16	1.01	.99	1.19	15.19	19.70	26.80	27.25	28.22	26.86	24.75	20.84	North-West Frontier Province.
Assam	19.22	21.32	23.26	23.51	23.65	24.90	25.20	27.35	35.17	34.98	35.31	36.74	39.32	40.77	41.27	44.16	Assam.
Central Provinces	6.78	7.08	6.96	7.43	7.93	8.58	9.69	11.24	22.91	24.75	23.12	23.57	27.52	23.02	23.03	22.58	Central Provinces.
Berar	5.90	5.79	5.23	5.49	5.85	5.72	6.43	7.17	33.79	29.30	27.60	31.40	33.24	29.93	32.49	25.69	Berar.
Ajmer-Merwara	.27	.23	.52	.26	.27	.25	.29	.29	8.62	8.21	21.46	9.61	10.59	12.59	10.72	10.21	Ajmer-Merwara.
Coorg	.01	.01	.01	.01	.02	.01	.01	.02	33.33	25.00	16.67	14.29	28.57	16.67	20.00	33.33	Coorg.
Baluchistan	.19	.17	.12	.12	.17	.22	.22	.26	26.76	26.15	17.65	22.02	22.37	25.42	20.99	32.32	Baluchistan.



Statement showing the incidence of consumption of hemp drugs.

Province.	Consumption of hemp drugs, in thousands of seers.								Consumption of hemp drugs per 100,000 of the population, in seers.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Madras	49'28	47'84	51'07	58'04	53'00	51'48	47'48	52'48	128'07	124'04	183'61	148'18	135'07	124'14	114'62	126'09	Madras.
Bombay	51'82	51'70	53'00	56'70	54'58	62'68	62'09	64'12	336'84	337'40	349'80	365'23	351'56	345'89	385'34	397'04	Bombay.
Mad	136'71	112'36	119'12	123'35	130'44	135'51	129'31	115'83	4,357'56	3,499'28	3,700'75	3,841'48	4,062'29	3,857'39	3,680'90	3,297'18	Sind.
Bengal	130'20	120'60	123'10	130'80	141'40	151'72	156'05	151'84	309'87	287'02	314'38	325'57	338'52	334'02	340'47	335'19	Bengal.
Bihar and Orissa	101'70	93'80	96'80	98'30	100'20	118'32	124'69	131'45	305'35	322'48	291'51	295'72	301'43	342'89	361'06	351'06	Bihar and Orissa.
Burma	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	Burma.
United Provinces	247'05	291'79	290'06	311'47	299'41	241'28	305'18	266'33	728'03	612'09	631'05	443'40	433'29	506'14	649'89	507'24	United Provinces.
Punjab (including Delhi)	119'71	115'78	118'21	104'40	110'05	116'89	121'20	117'49	558'83	574'42	558'86	513'53	541'32	574'61	607'21	567'63	Punjab (including Delhi).
North-West Frontier Province	10'46	9'60	11'10	8'07	10'43	8'73	10'36	10'16	491'08	452'83	523'58	423'11	491'03	411'79	455'18	445'96	North-West Frontier Province.
Assam	20'48	23'87	25'55	28'13	33'17	32'70	34'52	34'08	511'55	414'48	443'05	488'45	575'97	559'37	521'29	513'69	Assam.
Central Provinces	43'15	40'15	43'30	36'56	38'88	40'90	42'55	39'89	467'19	434'71	437'94	395'80	421'87	443'79	391'84	367'07	Central Provinces.
Berar	9'19	9'05	9'54	7'50	8'20	9'95	10'47	10'43	333'70	392'30	310'09	272'33	297'75	361'29	342'49	341'18	Berar.
Ajmer-Merwara	3'40	3'03	3'08	3'03	3'01	2'99	3'21	3'24	712'79	425'53	634'68	423'48	547'17	596'81	640'72	648'71	Ajmer-Merwara.
Coorg	'45	'21	'33	'49	'35	'43	'41	'74	248'61	116'02	178'80	270'72	193'37	237'57	234'29	422'86	Coorg.
Baluchistan	5'33	4'60	3'73	4'83	5'08	2'73	2'04	1'87	1,330'85	1,119'40	927'86	1,201'49	1,263'68	659'42	462'75	451'69	Baluchistan.
<b>TOTAL (a)</b>	<b>1,087'00</b>	<b>923'18</b>	<b>967'53</b>	<b>976'18</b>	<b>896'80</b>	<b>976'28</b>	<b>1,060'53</b>	<b>969'79</b>	<b>469'86</b>	<b>417'88</b>	<b>433'40</b>	<b>396'19</b>	<b>405'52</b>	<b>424'95</b>	<b>453'43</b>	<b>427'21</b>	<b>TOTAL (a)</b>

Statement showing the incidence of consumption of opium and its preparations.

Province.	Consumption of opium and its preparations, in thousands of seers.								Consumption of opium and its preparations per 100,000 of the population, in seers.								Province.
	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	1905-06.	1906-07.	1907-08.	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1
Madras ... ..	37'45.	38'10	39'12.	40'27	44'09	41'49	41'39	39'53	98'08	99'68	102'45	121'05	115'20	100'17	99'92	95'48	Madras.
Bombay ... ..	25'53	27'28	41'40	42'21	45'39	47'00	45'95	44'26	230'57	249'20	270'18	276'39	292'37	297'39	285'17	274'69	Bombay.
Sind ... ..	8'88	9'69	10'69	10'98	10'68	10'31	10'39	9'70	279'55	301'78	330'12	318'30	313'99	293'48	298'76	276'12	Sind.
Bengal ... ..	59'60	61'70	70'90	75'65	64'58	65'04	66'73	67'90	141'84	149'84	168'74	180'76	153'65	149'58	147'31	140'89	Bengal.
Bihar and Orissa ... ..	28'40	30'60	33'10	31'36	34'90	35'27	36'38	37'03	85'44	89'65	98'87	95'85	104'99	102'31	105'49	107'37	Bihar and Orissa.
Burma ... ..	73'39	74'75	70'46	62'98	61'41	57'78	53'12	47'70	853'27	813'43	766'95	684'02	608'87	548'87	504'22	452'79	Burma.
United Provinces ... ..	65'82	68'86	68'12	63'81	67'07	61'82	61'31	64'37	183'07	144'45	142'92	153'85	140'69	129'68	131'65	137'10	United Provinces.
Punjab (including Delhi) ... ..	58'82	59'21	60'21	61'41	59'50	63'37	63'48	60'54	289'33	294'09	299'11	302'07	292'67	314'71	317'80	323'12	Punjab (including Delhi).
North-West Frontier Province ... ..	3'16	2'64	3'06	3'34	3'08	2'74	2'82	2'71	149'06	124'53	144'34	167'55	142'92	129'25	123'90	260'88	North-West Frontier Province.
Assam ... ..	58'82	60'95	66'16	63'99	60'06	60'34	60'19	61'93	978'04	1,058'34	1,148'61	1,111'13	1,048'62	1,017'76	908'04	935'22	Assam.
Central Provinces ... ..	29'38	23'61	30'10	27'96	29'00	32'98	34'67	34'50	318'10	309'77	325'66	302'70	314'67	357'86	319'35	317'71	Central Provinces.
Berar ... ..	17'49	19'76	18'05	17'45	17'60	19'31	19'79	19'88	635'08	717'50	689'09	639'62	689'07	701'18	647'87	653'68	Berar.
Ajmer-Merwara ... ..	3'04	2'80	2'47	2'65	2'55	2'78	2'69	2'84	637'32	567'40	517'87	553'56	534'29	554'29	536'98	509'27	Ajmer-Merwara.
Coorg ... ..	'08	'04	'06	'07	'07	'06	'05	'06	16'57	23'10	33'15	38'67	38'67	33'15	28'67	34'29	Coorg.
Baluchistan ... ..	'71	'65	'68	'69	'76	'62	'71	'78	176'62	161'69	169'15	146'77	160'05	149'76	171'50	188'41	Baluchistan.
TOTAL (a) ... ..	482'87	495'52	515'04	511'25	500'07	501'00	500'07	502'85	209'65	215'32	223'80	221'96	217'10	208'47	208'45	207'60	TOTAL (a).

Enclosure No. 17.

**STATEMENT submitted by Deputation to His Excellency Baron Hardinge of Penshurst, P.C., G.C.B., G.M.S.I., G.M.I.E., G.C.M.G., G.C.V.O., I.O.M., Viceroy and Governor General of India, relative to Excise Administration in the Indian Empire.**

*May it please Your Excellency,*

1. We, the representatives of the Temperance organizations in India, and of a much larger community deeply interested in the important relation that drinking habits bear to all questions of national and social regeneration, desire first of all to express our deep gratitude for the privilege Your Excellency has granted us of this interview.

2. The Honourable Dr. Deva Prasad Sarvadhikary as President of the Ninth All-India Temperance Conference, Bankipur (at which a resolution was adopted requesting Your Excellency kindly to receive this Deputation), has, we understand, already acquainted Your Excellency with the spirit in which, and the purpose for which, we have humbly sought Your Excellency's presence. In regard to that department of administration in which this Deputation and those that it represents are more directly interested, we welcome the oft-repeated declaration of Government that it is their desire to minimise temptation to those who do not drink, and to discourage excess among those who do. Provincial Governments cannot possibly wish to spread the habit of drinking or drug-taking at the same time that they seek the material and moral improvement of the people. But while gratefully admitting all that can be urged in favour of the Excise administrations of provincial Governments in dealing with the many and complex problems by which they are faced, we desire to submit for Your Excellency's consideration a non-administrative view of what many of the best informed leaders of the people begin to regard as one of the greatest evils facing modern India to-day. It is the steady growth of the drink and drug habit. If our contention be admitted, we respectfully submit that the subject is of such vital importance to the future well-being of all classes of the people in every province, and to the cause of order and progress, that it demands an independent and comprehensive enquiry into both the causes and the remedies for the evil set forth.

3. Your Excellency has had official intimation of the Deputation that waited upon the Most Noble the Marquess of Crewe, K.G., at the India Office, Whitehall, on the 18th July, 1912, and we understand that the proceedings of that interview and the Statement drawn up by Sir Herbert Roberts, Bart., M.P., in connection therewith, is still engaging the attention of Your Excellency's Government. We do not therefore feel it necessary to recapitulate the facts, figures and arguments urged on that occasion, but rather to deal with the present situation, and briefly to set forth a policy of reform for which we humbly ask Your Excellency's sympathetic consideration.

4. What is the present situation? The administrative Excise reforms recommended by the Excise Committee of 1905 have been partially adopted. These administrative reforms have secured substantial revenue increases in almost every province—so much so that the Honourable the Finance Minister in his Financial Statement for 1913-14 budgets for a net increase of revenue of thirty-seven lacs in all provincial areas (Appendix I). He states, however, that for certain reasons "provision has generally been made only for a moderate growth of revenue in 1913-14". This moderate growth of revenue is a fair financial expectation based upon the steady and, to the Temperance view, alarming growth that has characterized revenue expansion during the years in which the machinery of administration has been receiving so thorough an overhauling with a view to great administrative efficiency. In this connection it appears to us significant that one Finance Secretary in a province that leads the Empire in successful Excise administration, pointed out last year that one-half

of the annual increase of the total revenue for his province came from Excise, and that if these sources ceased to expand it would be quite impossible to continue to find money for the improvement of Education, Public Works, Irrigation, Agriculture and other objects of expenditure in his Presidency. The figures in Appendix II give the increase in revenue receipts, and net revenue income for eleven years. During this period the receipts from all taxation have only risen about 25 per cent, whereas in the same period the liquor receipts have increased by more than 80 per cent. Put in another way the Excise revenue in 1901-02 was only about one-fifth of the total taxation receipts, while last year it had risen to nearly one-third. Since 1904 it has become the largest item of revenue and seems likely to remain in that position. Diagrams I and IV may also be referred to in this connection.

5. Expansion in consumption of both drink and drugs has risen concurrently with expansion in revenue, and the dictum of the Secretary of State for India in 1907, that "there was an undoubted increase in the drinking habits of the people" is now admitted in every Excise Administration Report that is published—the only difference of opinion being upon the causes and extent of the increase. The latest figures for all provincial areas of the consumption of country liquor, which is rightly regarded as the principal index to the growth of the liquor habit among the people, are conclusive proof of great expansion. In the distillery areas of the various provinces the actual consumption of this liquor has in ten years increased by very high percentages (Diagram III and Appendix III). If an analysis is made of the average sale per shop in the major provinces, comparing 1902 with 1912, the increases vary from one hundred to four hundred per cent. Other alcoholic liquors such as tari, pachwai and foreign liquor are also extensively consumed, and while it is admitted that the price of one reacts to some measure upon the consumption of others, Excise Administration Reports show expansion in the consumption of all. The remarkable absence of accurate data as to the extent of consumption is one outstanding feature of the present situation.

In regard to drugs, provincial Excise Reports are constantly mentioning large expansions in consumption, *e.g.*, the consumption of cocaine is a growing evil of a particularly deleterious character in Bengal and the United Provinces, where the Excise Commissioner also states the rise in drug consumption gives cause for alarm. Other drugs seem in other areas to be getting a steadily growing constituency. Side by side with these facts it is clear that social changes of a deep and far-reaching character are going on in the cities and villages of the Empire, and those in closest touch with these changes report that among the educated classes of the community, also among the lower castes of Hindus and to some extent among the great middle-classes, there is a steadily increasing tendency towards the indulgence in drinks and drugs that did not exist ten years ago.

6. Equally patent is the fact of the rapid change in the Empire's economic life and in the industrial conditions that give rise to a steady flow of workers from village to city life, from agricultural to industrial conditions, though it is easy to exaggerate the numerical significance at present of this fact. The Empire is passing through a period of comparative prosperity—itsself a temptation to indulgence—and there has been evident to all investigators an incipient breaking down of caste regulations and of religious restrictions that have through past centuries been bulwarks of the temperate life of India's millions. Hence we are not surprised at a statement made by the Commissioner of Excise in Bengal for 1912-13, that the large increase in Calcutta in the consumption of country liquor occurred in the neighbourhood of markets, docks, mills, factories and in localities inhabited by prostitutes mainly due, he thought, to general prosperity. The same might be predicated of all the Presidency and other large cities of the Empire. When the situation is fairly faced it seems impossible to come to any other conclusion regarding the Empire than that to which the Lieutenant-Governor of the Punjab was driven in his investigation of the conditions in his own province. "There can be no doubt, that the chief cause of the growth of the revenue is the increase of consumption and the spread of the liquor habit. It can only be concluded that apart from the very serious increase of drunkenness in certain districts, such as Ferozepur,

the number of persons who have acquired the habit of indulgence is steadily increasing throughout the province."

7. Your Excellency is, no doubt, aware of the difference of opinion that has existed for years between official and unofficial opinion upon the question of the causes of this growth of consumption. There is no question in which Temperance workers are more deeply interested and to which they have given more constant and earnest consideration. The official view may be summed up by saying that enhanced consumption, wherever found, is due—

- (1) to the prevalence of favourable economic conditions,
- (2) to stricter Excise control, especially over illicit production, and
- (3) to the increase of population.

The non-administrative view which the members of this Deputation may be said to represent accepts the above reasons as explaining a proportion of the enhancement of consumption, but as not justifying its large and increasing growth, nor recognizing its social significance. Your Excellency will not misunderstand our frankness when in view of our privilege of presenting our case in person before you, we would add to the official explanation :—

- (i) The direct action of the Imperial Government in budgetting, upon the estimates prepared by provincial Excise Departments, large annual increases in revenue, and thus making fiscal consideration so important an element in provincial Excise administration.
- (ii) The administrative procedure in provincial areas which places licensing functions under the control of the Revenue Department, which must from the nature of things be mainly interested in the efficiency of its own working and in the production of the revenue anticipated by the Imperial as well as its own provincial Government.
- (iii) The general system of licensing, which gives the greatest inducement to all vendors to sell as much as possible. The high proportion which revenue from license fees bears to the total taxation on both liquor and drugs definitely encourages the enhancement of consumption. At the same time the interest of the vendors in increased sales is also a continual stimulus to the consumption.
- (iv) The apparent inability of provincial Governments to deal with the problems of the number and location of drink and drug shops in any method inducing restriction of consumption.
- (v) The location in urban areas of shops for the vend of liquors and drugs on sites infringing Excise Manual Rules, and affording direct temptation to all classes of the community, especially the working classes. And finally,
- (vi) The ignorance of the majority of the classes concerned regarding the dangers incident to even a moderate use of the drink and drugs offered so widely for their acceptance.

It will be seen therefore that while the official view suggests that the increase in alcohol and drug habits depends largely on material conditions and only partially on Excise administration, Temperance advocates lay stress upon the changes and developments of the present Excise policy as being the greater factor in what both admit to be a complex and serious problem.

8. We would not dwell at any length upon the dangers, social and economic, that lie before this Empire should a rapid expansion in consumption fix the habit of drug and drink taking upon the people. We do not believe the habits of the people need yet be characterized as intemperate. Statistics about convictions for drunkenness are as yet of comparatively little value, and indeed much of the statistical information is for the purposes of an inquiry into the progress of drink and drug habit in India of no help whatsoever. We agree with the Commissioner of Excise for the Central Provinces when he states that

until we reach the stage of a village census showing the number of people who actually drink, the population basis of statistical returns appears to be useless, if not misleading. The whole subject of statistical standards of area and population needs investigation. The figures for conviction for drunkenness in provincial areas (see Appendix V) for 1909-11 show a slight increase, but such figures only relate, as is pointed out in the Excise Report for Burma, to areas in which special Acts to deal with drunkenness are in force. Their object is to give an accurate view of facts in selected places rather than an inaccurate view over the whole Empire. The connection between drunkenness and conviction for drunkenness is not very close. The result of an investigation into tari drunkenness went to show that it was a stupefying rather than an exciting drink. The same may be said of the cocaine habit. The vast majority of alcoholic excesses especially among aboriginal tribes do not amount to a public nuisance leading to Police attention, and we are therefore precluded from drawing any clear conclusions as to the dangers of a large increase in intoxication, resulting from the spread of the habit of drinking which may not at the present time have formed a sufficient hold on the community to lead them to excess. An inquiry which included this aspect of the problem would be of exceptional sociological and administrative interest. It is rather such dangers as experience has proved to be connected with the spread of the drink habit in Western nations that we would emphasize. Money spent on drink and drugs is money wasted, and the poorest of the people who have no real need or justification for drinking are usually those most impoverished. Whatever pleasure may be derived from the habit, centuries of testimony show pauperism, disease and crime, are distinctly traceable to it. All civilized States guard children from unnecessary contamination with its evil effects. A growing and serious problem in India connected with the drink and drug habit is slowly immersing on the horizon of this Empire's vast life. This is the deliberate conviction of those who believe they have the fullest opportunity of seeing things as they really are below the surface of the people's social progress.

9. We pass on to lay before Your Excellency various suggestions that we believe would help to promote an advance in Temperance among the people of the country. We approve of the policy that has been one clear outcome of the reforms suggested by the Excise Committee, that of making the tax on liquor as high as it is possible to raise it without stimulating illicit production. We understand, however, that this has not been raised as high as it might have been, because it is considered necessary that the tax on country liquor should not exceed that on foreign liquor. We are in hearty sympathy with all the legislation that aims at more effective and real consultation with local opinion through local Advisory Committees, and trust that the opinion expressed by the Noble Marquess of Crewe is in accord with Your Excellency's views in his statement :—"Indian Excise is one of the administrative matters on which I shall look for much provincial and local devolution, with the hope that ultimately it may be possible to go very far indeed in the direction of local control." We view with satisfaction the change that has been manifest since Your Excellency came to India, in the greater regard of certain provincial Excise administrations, of which we would specially mention Bengal and the Punjab, for Temperance movements and those specially interested in Temperance reform. We believe that it is along the lines not of uninformed criticism from either side, but of sympathetic co-operation, that the best results will follow. Real reform must come from among the people themselves, while the provincial administrations can render great assistance if they are keen not only to prevent the spread of intemperance but to minimize temptation to those who do not drink. May we then briefly touch on the reforms we regard as of urgency, if the growth of the drink and drug habit is to be checked ?

10. For many years we have been urging the desirability of some advance in the direction of separating the licensing and revenue functions, and the Secretary of State for India in his reply to the Deputation said that he would be glad to see the dual function disappearing. There are obvious practical difficulties but they are not insurmountable. If the executive officer in charge of a district could be relieved of other Excise responsibilities apart from the charge of the

The separation of the licensing from the revenue functions of Excise administration.

licensing functions and with the assistance of the Advisory Committees direct his main attention to the carrying out of the principles laid down by the Government of India in its Excise policy, undue weight to considerations of revenue would be no longer so necessary. District Excise officers dealing with revenue and other administrative functions could be placed under the supervision of some other officer. We believe this to be an initial step in securing greater control over the rapid spread of the drink and drug habit.

11. We would respectfully urge that the powers and functions of Advisory Committees be reconsidered in the light

Local Advisory Committees.

of the modern conditions we have set forth. The limitation of facilities, the number and sites of liquor and drug shops, curtailment of hours of sale and other reforms directly affecting consumption will follow if increased powers are transferred to local Excise Committees. And admitting that it is necessary to provide for retention by Government itself of the ultimate responsibility in such matters, we should approve the policy of the present system in giving official members a majority on these Committees, provided executive powers are entrusted to them. May we suggest, however, that as *Advisory* Committees retaining the safeguard from the official standpoint of the Commissioners' or Collectors' veto, they should be made more representative of local opinion, in every possible case contain a majority of non-official members, be consulted more frequently, be empowered to deal with all licenses for the sale of both liquors and drugs, and as soon as possible be extended to every municipal town and also to areas outside municipalities. It would also be very useful to have powers given to the members of these Committees to visit and inspect at any time, premises licensed for the sale of liquors or drugs. This would give friends of Temperance the opportunity of helping the Administration in having its rules carried out.

In asking for these additional opportunities of giving local opinion as to the number and sites of shops greater emphasis, may we point out that the effect during the short period that the system of local Advisory Committees has been in force has been little more than the closing of unprofitable shops and the shifting of a few objectionable sites? It has not touched the problem of expanding consumption.

12. We respectfully request that the auction system of vend should be

The auction system of vend.

succeeded as soon as possible by some such system as the Bombay Government is seeking to introduce, by which the license-holder is not compelled to push his trade and sell the maximum amount of liquor or drug possible during the period of his holding the license. The Administration Reports from provincial Governments for 1911-12 give instances of the various pernicious effects of the present system.

*Bengal.*—"In the 24-Perganahs immediately after the auctions in March 1911 a large number of petitions was filed for reduction of fees, and it was then observed that the fees had been allowed to rise to a limit which made it difficult for vendors to work on honest lines at the maximum price fixed for country spirit."

*Bihar and Orissa.*—In Shahabad the sales were settled with the highest bidders though the figures reached a limit beyond which no profit would be made. The Collector "subsequently proposed to reduce the license fees on the ground that they would not admit of the shops being worked without heavy loss, unless there was an enormous increase in consumption; but the proposal was disallowed by Mr. Oldham, who has made the following remarks in forwarding the Shahabad Administration Report as Divisional Commissioner: 'In my opinion the settlements were mismanaged. At the same time it is entirely opposed to the expressed principles of the Government of India's policy that the fees once settled at public auction should be subsequently altered. The abkars bid at the sale with full local knowledge, and if they paid too high they should accept the consequences and learn a salutary lesson for the future.'" The public aspect of this unfortunate business was an increase in consumption of country liquor for the district of 24,956 gallons L. P. 1

*Central Provinces and Berar.*—"In Raipur good harvests no doubt stimulated competition and there was probably wild bidding at the auctions, as

reported by the Deputy Commissioner. A few shops had to be re-sold soon after the auctions and Rs. 2,000 had to be remitted."

*Burma.*—The increase in license fees in Rangoon Town for sale of imported liquors—Rs. 1,59,308—is "intrinsicly unjustifiable in view of the slight rise of imports, but is due to the competition of two Chinese factions who were more concerned in outbidding their rivals than in considering the probable losses or profits of the business. The same competition caused a rise in license fees for country beer shops of Rs. 2,13,800."

Such evidence from the official Administration Reports for 1911-12 shows that the auction system of vending fees forces increased consumption, induces illicit practices, and gives a speculative value to each shop that without doubt forces the vendor, if he wishes to make money, to spread his custom in any and every direction. It is surely possible to introduce a system such as that suggested by the Excise Committee, which will save the Government of India from the evils attendant on the fixed fee system of Western nations with its undesirable security of privileges to the vendors. We respectfully submit that the Government of provincial areas cannot make the auction system carry out the avowed policy of Your Excellency's Government of minimizing temptation to those who do not drink.

13. The problem of sites is a very important factor in encouraging or discouraging consumption. We ask no more than that the Bengal rule be carried out. It prohibits the presence of shops in a bazaar or at the entrance to a bazaar, or near a bathing ghat, school, hospital, place of worship, factory, workshop, or tea-garden, or in the interior of a village. Most other provincial Administrations have a similar counsel of perfection as to sites of licensed premises, which are broken in both letter and spirit in innumerable cases. The problem is to meet the just demand of the moderate drinker without encouraging the habit among those who do not drink. In our Presidency Cities, departmental rules as to location are broken in from 20 to 40 per cent of cases, and the authorities reply that their attempts to secure sites to which the rules would apply, and to which local objection would not be raised, always end in insuperable difficulties, so that the present objectionable sites have to be retained. Our reply has been that if the site itself is against rules and objectionable for that reason, the license should be revoked until a proper site was forthcoming. We would respectfully ask Your Excellency to suggest to all provincial Governments that the prescribed rules regarding sites must be observed.

14. The spread of the liquor and drug habit is encouraged by the multiplication of facilities as well as by the site of shops. It is a matter of satisfaction that there has been a steady decrease in the grant of facilities (Diagram II and Appendix IV), but the result of that decrease has not been to check consumption. If local Advisory Committees be given greater powers and the question of facilities be more fully entrusted to their judgment as well as to the judgment of the Revenue officers, we should anticipate a greater restriction on liquor and drug consumption, which as we have endeavoured to show is eminently desirable.

15. Different regulations are in force all over the Empire regarding hours of sale. We believe this to be necessary by the differing conditions. But in the interest of the working classes much more might be done to prevent the enhancement of consumption. The Commissioner of Excise, Bombay, reports that "the early closing of shops has had a marked effect on consumption," and "the late opening, viz., 9-30 A.M., prevents mill-hands and labourers generally from drinking before going to their work." It is not desirable to deal with the hours of sale in a way to drive customers to obtain their drugs or drink from illicit sources; but we believe a welcome reform would be to close all premises licensed for the vend of liquor or drugs on Sundays, on the occasion of religious fairs and festivals, and at such hours morning and evening.



as shall be in the general interests of the community as well as to the best advantage of the consumer.

16. We would recommend further that the Educational Department of all provincial Governments be requested to see that special instruction in Temperance principles and the evils of the abuse of drink or drugs be given in the class books dealing with general hygiene and physiology or in the recognized Readers. We are glad to say that the opinion of Your Excellency's Government in letter No. 730—737 of 12th September, 1907, "that a few sensible lessons on the subject of Temperance should be included in the sanctioned Readers in schools" has led to some slight response in one or two provincial areas. But we believe the ultimate effect would be so beneficial to the people at large that we press for a definite order requiring scientific Temperance teaching in all schools and colleges, not indeed by way of discouraging intemperance among the students—for no such necessity happily exists—but by way of affording them greater light regarding the effects of alcohol, and by encouraging them to combat the evil wherever it exists, which unfortunately is in most cities and towns in India.

17. We desire further respectfully to remind Your Excellency that Governments in Western countries, without the intimate connection in Excise matters between themselves and the classes they govern found in India, regard some expenditure of funds in the way of preventive action permissible and prudent. In view of the enormous revenue the provincial Governments obtain from Excise administration, we would suggest the setting aside of a grant for some positive measures in order to prove to the people that Government is on the side of abstinence. We would suggest that the long-felt want of a hospital for inebriates might be met, that parks and open spaces in our cities now so delightful a feature in our civic life, might be made still more attractive by music: municipalities might be aided, where prepared to establish Tea and Coffee shops. We have learned with supreme gratification that Your Excellency has quite recently given orders for promotion of facilities for Common Rooms for Indian clerks in Simla and Delhi, which will not only prove a great boon to those immediately concerned, but are instructive object lessons in innocent recreation which may be copied elsewhere with success and effect.

Major Bedford in his report on Alcoholic Liquors in India states (page 97): "The idea seems very prevalent that alcoholic liquors tend to prevent cholera and plague, and in the terai it also stated malaria. This is a specially pernicious popular delusion, for over-indulgence in alcohol markedly tends to lower the individual's resistance to all these, in common with other acute and specific diseases." Might not provincial Governments adopt some means, by the issue of leaflets in the vernacular, to acquaint the village population with this and similar facts? We accept the position that the promulgation of Temperance among the masses of the people is a matter for private effort and enterprise, but it can hardly be denied that at least some of the revenue obtained from Excise administration aiming at minimizing temptation and discouraging excess might be used for the more positive accomplishment of that end, particularly on lines that responsible medical officers of Government, like Major Bedford, have not hesitated openly to proclaim in official documents.

18. We would also urge the growing importance of securing more accurate data in regard to the consumption of liquors and drugs. The consumption of country spirits is recorded in terms of a definite standard—the London Proof gallon, made possible by the Central Distillery System or the system of Contract Supply; but all areas under an outstill system furnish no statistics—and cannot do so—upon which reliance can be placed. Statistics of the consumption of foreign liquor are unobtainable. The amount of duty paid is accurately recorded, but when and where the liquor is consumed Excise administration has devised no means of checking. In districts where liquors other than country or foreign may be manufactured

for home consumption no one knows the amount consumed. It need hardly be stated that the actual quantity of illicit liquor of any kind manufactured and sold defies computation, suggesting the need of strengthening Excise establishments to forcibly suppress consumption stimulated illegally. It is clear, therefore, that upon the data at present secured in statistical returns the extent to which the drug habit is competing with the liquor habit cannot be gauged in any satisfactory manner, any more than the growth of the drink habit in its full extent and seriousness can be measured. We would respectfully submit that among the serious social problems in India to-day the substitution of one form of intoxicating liquor for another or of drugs for liquor is important enough to demand fuller and more reliable statistical data of the consumption of all liquors and all drugs.

19. We have noted the fear expressed in recent provincial Excise Reports that any attempt to make drink harder to obtain or more expensive is likely to drive consumers to more deleterious drug habits. The growth of the opium habit in Assam, the tendency in some tracts of the Central Provinces and Berar to substitute ganja as cheaper than liquor, and the extraordinary statement from the same area that 40 per cent of the total consumption of opium is due to what is given to children under three years of age; the spread of the cocaine and morphia habits in Burma and of the cocaine habit in the United Provinces and Bengal where even menial servants, coolies and labourers are being affected, all suggest the necessity of a closer study of the conditions that prevail in the relation of the drug to the drink habit and of more effective Police control and Magisterial vigour. Both vices are growing, both need checking, and it is in the power of the Administration to secure the fuller data desirable, and apply the restriction necessary.

20. In conclusion we desire to re-affirm our conviction that the Administrator and the Temperance reformer have a common aim—the highest material and moral welfare of the community—and to some extent similar ideals in regard to the community in its relation to the drink and drug habit. The restriction of consumption is the crux of the situation, and in all the suggestions we have desired most respectfully to lay before Your Excellency in the above statement we have sought to keep in view the well-known ideals of Your Excellency's administration, which is to confer abiding blessings upon the masses of the people throughout the Indian Empire.

*On behalf of the Deputation,*

DEVA PRASAD SARVADHIKARY,

*President, NINTH ALL-INDIA TEMPERANCE CONFERENCE, Bankipur.*

*Dated Calcutta, November 1st, 1913.*

## APPENDIX I.

*Anticipated net increase in Excise provincial revenues in the Budget for 1913-14.*

Provinces.						Rs.
Imperial	...	...	...	...	...	1,53,000
Assam	...	...	...	...	...	84,000
Bengal	...	...	...	...	...	2,90,000
Bihar and Orissa	...	...	...	...	...	2,42,000
Bombay and Sind	...	...	...	...	...	4,54,000
Burma	...	...	...	...	...	55,000
Central Provinces and Berar	...	...	...	...	...	4,41,000
Madras	...	...	...	...	...	16,81,000
Punjab	...	...	...	...	...	-8,000
United Provinces	...	...	...	...	...	3,88,000

*Total anticipated net increase in revenue for 1913-14:*

Rs. 37,80,000=£252,000.

(See copy of Indian Financial Statement and Budget for 1913-14, page 143, from the figures of which the above is calculated.)

## APPENDIX II.

*Revenue returns for years 1901-1911.*

Receipts for liquor, drug and total, including miscellaneous receipts.

Year.				Total receipts.	Drugs.	Liquor.
				Rs.	Rs.	Rs.
1910-1911	...	...	...	10,54,10,448	2,62,52,486	7,88,01,710
1909-1910	...	...	...	9,80,26,271	2,47,56,141	7,28,71,760
1908-1909	...	...	...	9,58,10,224	2,42,58,618	7,12,35,741
1907-1908	...	...	...	9,36,80,714	2,40,35,195	6,93,74,110
1906-1907	...	...	...	8,84,56,697	2,28,08,261	6,53,81,513
1905-1906	...	...	...	8,53,37,424	2,24,67,869	6,25,77,495
1904-1905	...	...	...	7,76,81,150	1,97,96,827	5,76,45,223
1903-1904	...	...	...	7,49,57,602	1,99,21,309	5,47,88,760
1902-1903	...	...	...	6,58,89,954	1,75,03,872	4,82,24,975
1901-1902	...	...	...	6,16,87,846	1,63,41,483	4,51,79,518

(The above figures are taken from Statistics of British India for 1910-1911 and preceding years, Part IV, b, page 137.)

*Net revenue income from Excise.*

Year.	Net income in Rupees.	Net income in £.
1911-1912 ...	11,29,93,200	7,532,880
1910-1911 ...	10,43,60,685	6,957,379
1909-1910 ...	9,69,33,390	6,462,226
1908-1909 ...	9,47,06,685	6,313,779
1907-1908 ...	9,24,46,665	6,163,111
1906-1907 ...	8,75,31,930	5,835,462
1905-1906 ...	8,43,15,885	5,621,059
1904-1905 ...	7,94,37,945	5,295,863
1903-1904 ...	7,38,32,625	4,922,175
1902-1903 ...	6,56,07,495	4,373,833
1901-1902 ...	6,02,31,494	4,015,433

(The above figures are taken from the Return of net Increase and Expenditure of British India for 1901-12, pages 4-10.)

**APPENDIX III.***Consumption of country liquor in gallons, L.P.*

Province.	1910-11.	1911-12.	Increase in 1911-12.
Assam ...	211,594	238,947	27,353
Bengal ...	776,542	796,784	20,242
Bihar and Orissa ...	934,954	1,079,535	144,581
Bombay and Sind* ...	3,004,486	2,933,034	Decrease 71,452
Burma ...	25,200	26,788	1,588
Central Provinces and Berar ...	1,040,000	1,067,000	27,000
Madras ...	1,538,475	1,628,178	89,703
Punjab ...	554,047	565,233	11,186
United Provinces ...	1,329,271	1,538,504	209,233

\*A review over a period of years shows, however, a large increase.

## APPENDIX IV.

*Licensed shops for the vend of drugs and liquor.*

Year.	Drug shops.	Liquor shops.	Total.
1910-1911 ... ..	20,014	71,052	91,066
1909-1910 ... ..	19,754	76,762	96,516
1908-1909 ... ..	20,005	73,350	93,355
1907-1908 ... ..	20,244	86,758	107,002
1906-1907 ... ..	21,072	89,214	110,286
1905-1906 ... ..	21,865	91,447	113,312
1904-1905 ... ..	21,978	91,138	113,116
1903-1904 ... ..	22,051	91,823	113,874
1902-1903 ... ..	20,984	86,757	107,741
1901-1902 ... ..	20,155	84,925	105,080

(These figures are taken from the Statistics of British India for 1910-1911 and preceding years, Part IV, b, pages 186-187.)

## APPENDIX V.

*Statistics for convictions of drunkenness in municipal areas.*

Province.	1909-1910.	1910-1911.	1911-1912.
Assam ... ..	...	149	150
Bengal ... ..	9,088	9,237	9,247
Bihar and Orissa ... ..	1,494	1,848	2,190
Bombay and Sind ... ..	...	5,079	4,878
Burma ... ..	2,495	3,188	3,618
Central Provinces and Berar... ..	397	336	356
Madras ... ..	9,655	10,133	9,161
Punjab ... ..	1,001	1,017	1,396
United Provinces ... ..	...	1,508	1,757

DIAGRAM I.—Showing increase in total Receipts from Spirits Opium, other drugs, beer, etc. for British India, 1900-01 to 1910-11.

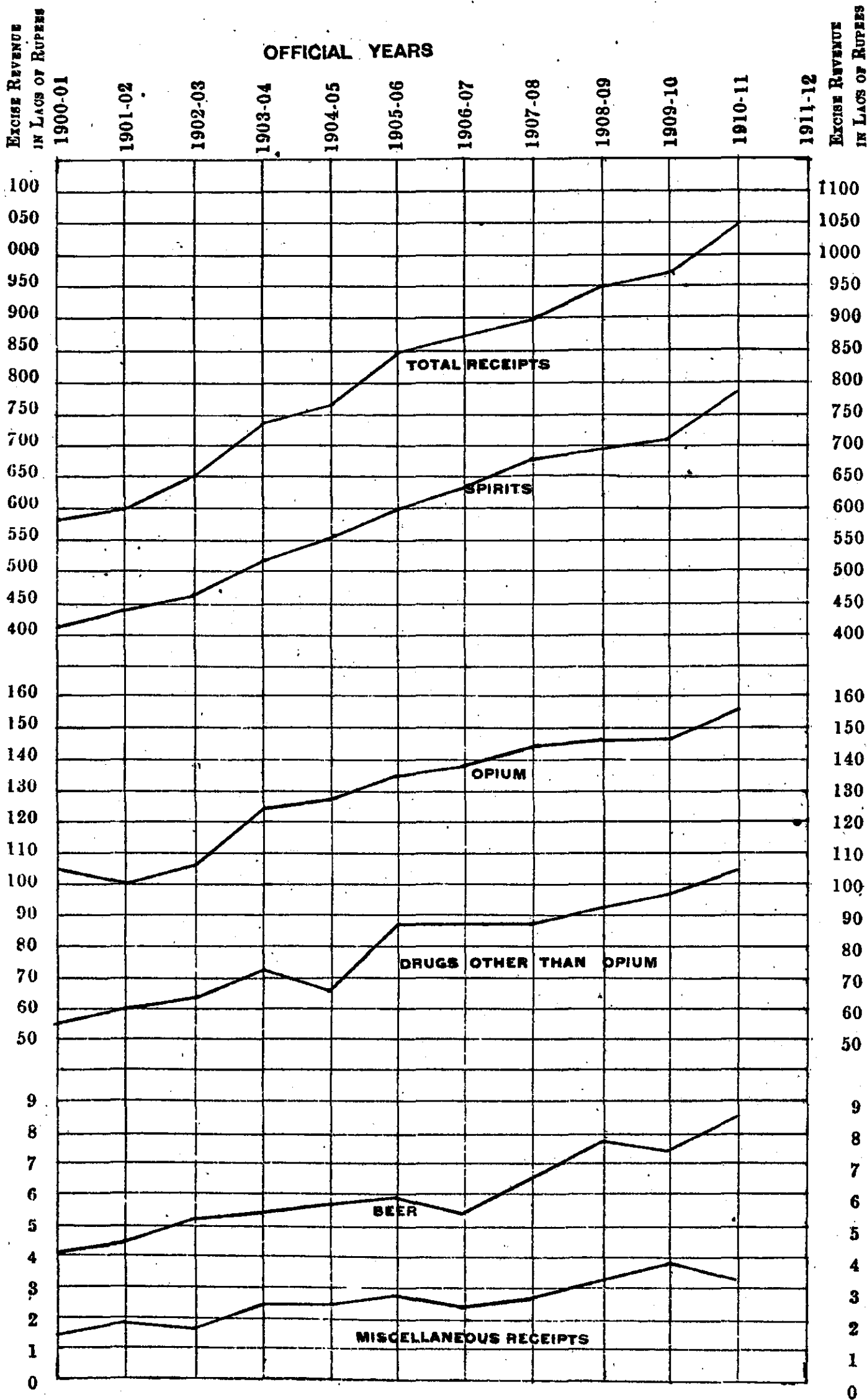
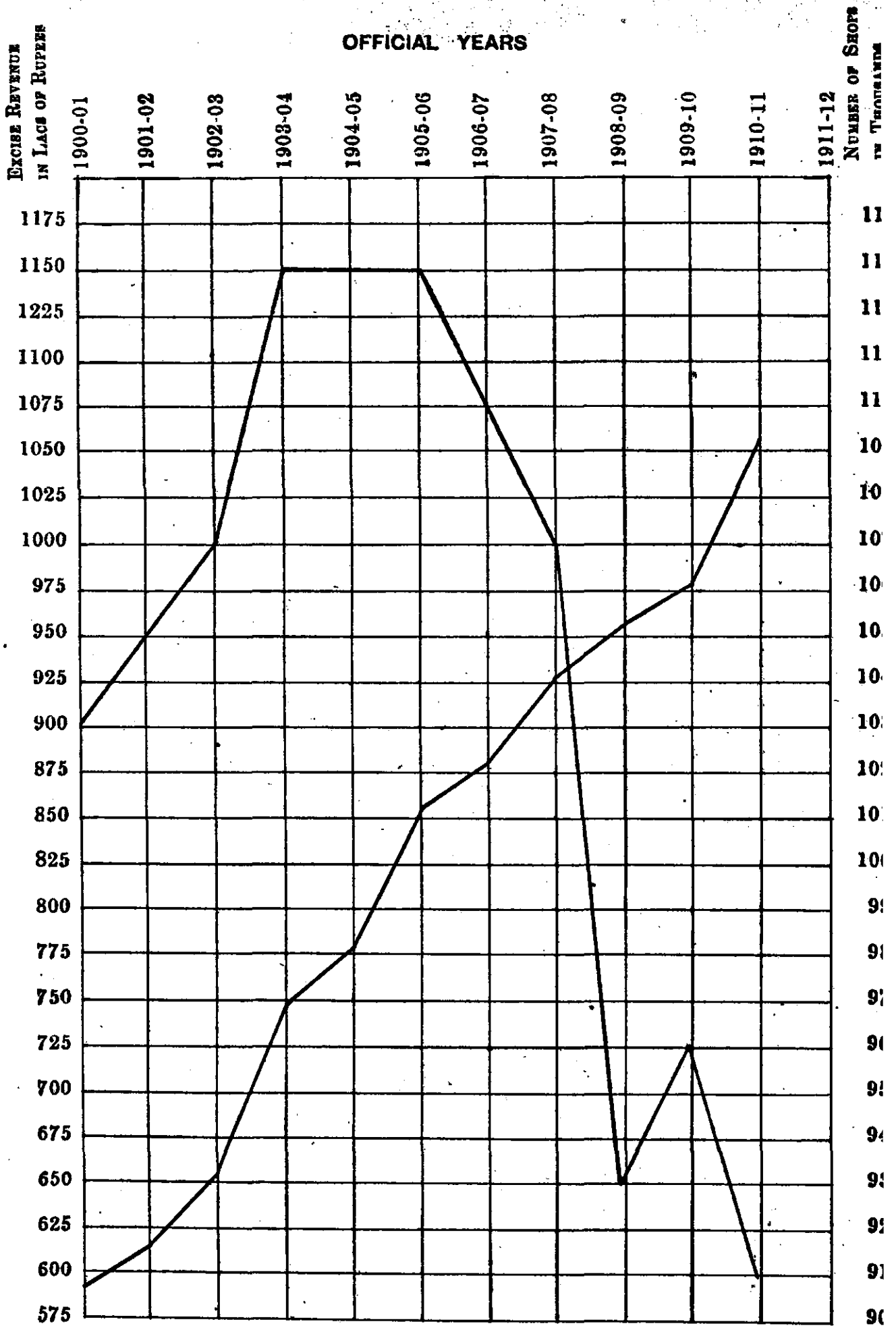
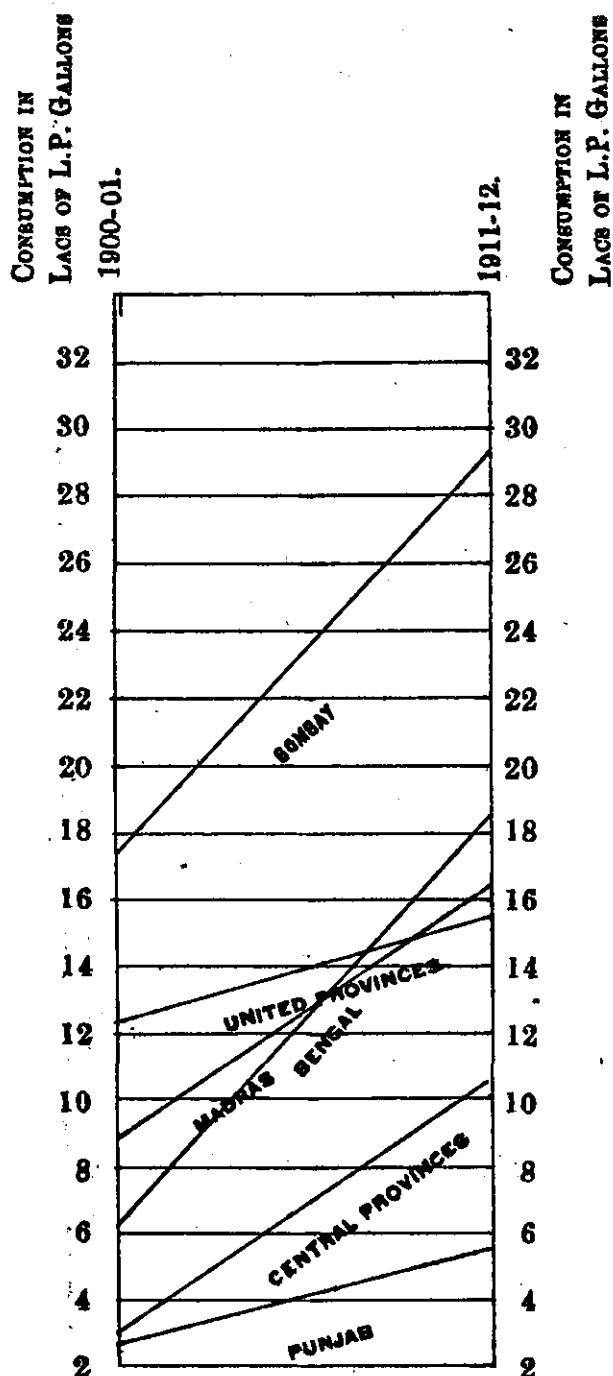


DIAGRAM II.—Showing fluctuations in Excise Revenue and changes in the Number of Shops of all kinds for British India, 1900 to 1911.



N.B.—This diagram is prepared from figures given on pages 136 and 137 of Statistics of British India for 1910-11 and preceding years, Part iv b.

DIAGRAM III.—Showing increase in Consumption of Country Spirits in distillery areas in the chief Provinces of British India from 1900 to 1912.



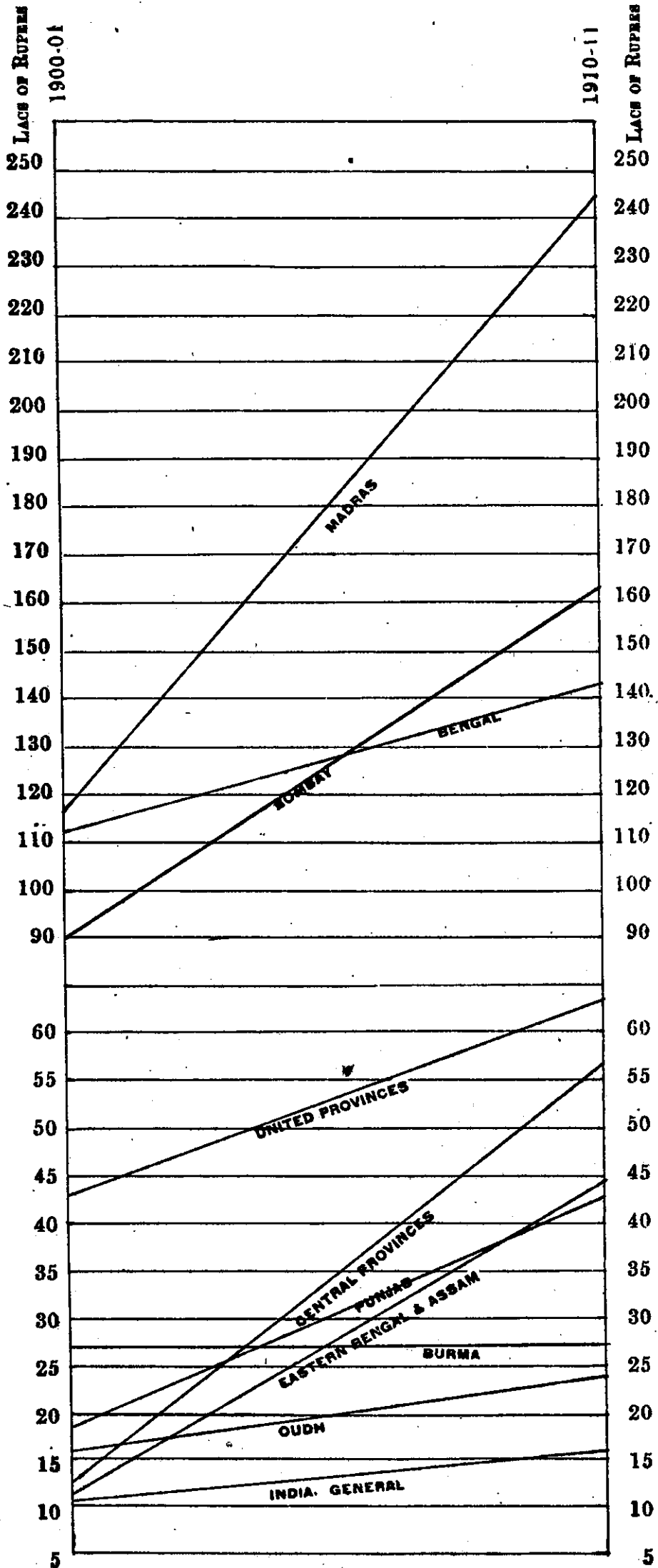
The statistics showing the above increases in Provincial Consumption of Country Liquor in L. P. Gallons are as follows :—

Province.	1900-1901.	1911-1912.
Punjab	2,48,524	5,65,233
Central Provinces	2,66,180	10,67,000
Bengal with Behar and Orissa	6,08,298	18,76,319
Madras	8,86,369	16,28,178
United Provinces	12,14,798	15,38,504
Bombay and Sind	17,17,775	29,83,084

It should be stated, however, that distillery areas were considerably smaller in 1900-01 than in 1911-12, the outstill system having been gradually superseded.



DIAGRAM IV.—Showing increase in net receipts from 1900 to 1911 for Excise Revenue exclusive of Opium in the several Provinces of British India.



Enclosure No. 18.

*Speech by His Excellency the Viceroy.*

I thank you, Dr. Sarvadhikary, and you, My Lord Bishop, very cordially for the very kind and friendly references to myself and my administration contained in your speeches introducing the Deputation, and I can assure you, Gentlemen, that it gives me no little pleasure to receive your Deputation to-day. I need hardly tell you that the object which you have at heart is one which has my cordial sympathy and approval, and I should like at once to assure you that the Government of India, the Local Governments and Administrations, and their officials, are unanimous with you in desiring to promote the cause of Temperance in this country by all means within their powers.

Your memorial, Gentlemen, appears to me to cover very much the same ground as a similar representation recently made to the Secretary of State by a Deputation that waited upon him in July of last year. The Government of India have taken the occasion to review the results of our excise policy since the changes introduced after consideration of the Report of the Excise Committee which was appointed in 1905. Local Governments and Administrations have been consulted upon the main questions raised in the memorial presented to the Secretary of State, and the Government of India will shortly be addressing the Secretary of State on the whole subject. Your Deputation, therefore, has waited on me at a specially opportune moment.

You call attention, in the first place, to the increase in revenue from excise duties and the increase in consumption of liquor and drugs which have taken place since 1905. I have carefully studied the portion of your memorial in which you deal with this aspect of the case, and I am sure you will not attribute to me any desire to minimise the possible dangers of the present situation if I suggest that you appear to attach an excessive importance to increase in revenue as an indication of increase in consumption. There are many factors which make fluctuations in revenue a misleading measure of fluctuations in consumption. I desire to invite your close attention to certain statistical tables which have been specially drawn up in this connection, copies of which are available for the use of the members of the Deputation. An examination of these statistics shows that during the last seven years,—that is, in the period that has elapsed since the revision of our excise arrangements which followed the Report of the Excise Committee of 1905-06,—while the revenue per proof-gallon or seer from country spirits, from opium, and from hemp drugs, has increased by 28, 26 and 46 per cent., respectively, the consumption of these articles per hundred of the population has in the case of country spirits increased by only 5 per cent., surely a comparatively insignificant figure. The consumption has remained stationary in the case of opium; and in the case of hemp drugs it has decreased by more than 8 per cent. Again, if we take the case of foreign liquors, while the total receipts from customs duty have increased by over 29 per cent., the total imports have fallen off by about 6 per cent. It is true that during this period the *recorded* consumption of country spirits shows an increase of nearly 41 per cent.; but I desire to draw attention to the fact that this increase is largely misleading, since the recorded consumption increases with every increase in the substitution of our central distillery system for the outstill system, under which no record of consumption can be maintained. During the last seven years, this process of substitution has occurred in very large areas. You are doubtless aware also that the suppression of illicit manufacture due to greater vigilance and more efficient control necessarily leads to an increase in the total recorded consumption. I am inclined to think, therefore, that the general position we have attained in connection with the consumption of intoxicants in India is scarcely so alarming as your memorial would appear to suggest. At the same time, the matter undoubtedly merits the close attention of Government, with a view to measures being taken to prevent any undue expansion of consumption. Our chief means for the attainment of this end has been a steady and judicious raising of the duties on all classes of intoxicants, accompanied by a reduction in the facilities for obtaining them. The duties have been substantially increased during the last seven years; and to this fact must

for the most part be attributed the great rise in the excise revenue which you deplore; in fact, the rise of revenue is the effect of increased duties rather than the result of increased consumption. Large reductions have at the same time been made in the number of shops licensed to sell intoxicants, and, as the statistical tables will show you, the net number of shops abolished during the last seven years reaches the striking total of 11,500. These reductions have naturally caused an increase in the sales of shops, a fact to which you draw attention, though I am unable to discover that the increase is in any case as large as you suggest. But you will remember that an important result of these reductions is necessarily that, besides offering less inducement to intemperance, there is less competition between the shops, less tendency to force down prices in order to undersell rivals, fuller scope for the operation of high duties and vend fees as items in the cost of production—all of which lead to a general rise in the retail price and a corresponding discouragement of consumption. The Local Governments are in fact constantly using their powers to increase the duties on intoxicants and to reduce the facilities for their sale. It may indeed fairly be claimed that the settled policy of the Government of India, of securing maximum taxation with a minimum of consumption, has been steadily kept in view and is being steadily kept in view. At the same time, we cannot afford to forget that in India there is a practical limit to the amount by which the duties can be increased owing to the difficulty of preventing illicit manufacture and smuggling. It would be easy to do lip-service to the cause of Temperance by recklessly raising the duties and thus diminishing the recorded consumption; but it would be impossible in many areas to prevent the almost certain consequence of a more than corresponding increase in illicit consumption, which would be a far more serious evil in its effect on the health and morals of the people.

The main requests affecting our excise administration which are contained in your statement are that the licensing functions of the administration should be separated from the revenue functions; that the powers and functions entrusted to local advisory committees should be reconsidered; and that the fixed fee system or some similar system of licensing should be substituted for the auction system of vend of licenses. I entirely appreciate the spirit in which these suggestions have been put forward, and you need have no apprehension that I should misunderstand your action in stating your views to me with complete frankness. One of my motives in receiving your Deputation was that you should be enabled to do so. At the same time, I cannot accept the assumption underlying the first of your proposals, namely, that the desire to secure larger revenue is a paramount motive in the mind of revenue officers when dealing with questions of excise. Your contention is that such a result must follow as an inevitable consequence of the combination of the dual functions in one officer. I think you overlook the high ideals which have always animated the officers of Government in their care for the true interests of the people entrusted to their charge. The Collector is responsible as Magistrate for the peace and sobriety of his district: this is his primary duty; the revenue interests of Government, important as they are, must come and do come after it. I can find no evidence that officers aim at securing a large excise revenue through an increased consumption of intoxicants, or that they receive any encouragement to do so from their superiors. Such a procedure would be contrary to the whole spirit of British administration in India. I cannot, therefore, regard this objection to the present system as in itself a ground for the adoption of your second proposal that wider executive powers should be entrusted to advisory committees. Do not, however, think that I am not in sympathy with your desire to see an eventual development of local control. You will agree with me, however, that the introduction of such an important change in our administration is one which requires very careful examination and should not be embarked upon by Government unless they are very sure that the time is ripe. I doubt myself whether the moment has yet arrived, at least so far as the greater part of India is concerned, for entrusting wider executive control to local committees. At the same time, I think it very desirable that Local Governments and Administrations should make free use of these committees and that they should be as representative as possible. Substantial progress has been made in achieving this ideal. In this connection I attach great importance to the interesting

experiment which you have been kind enough to attribute to my influence, but which has in fact been initiated by the Government of Bengal, of establishing Licensing Boards in Calcutta and its suburbs and in Howrah and Bally. The results of this experiment will be very carefully watched, and, should it prove successful, I think the way will be cleared for a similar experiment in other large towns also. Meanwhile, it seems to me that it would be unwise to attempt to hasten a movement which has developed and is developing naturally on healthy lines of its own. Such a course might lead to results very different to that which you desire. Cases, for instance, have occurred in which the intervention of the executive authorities has been necessary to prevent an actual increase in the number of liquor shops being effected by an advisory committee. Nor do I think it possible to lay down any general instructions concerning the constitution of these committees: that is a matter which must clearly be left to the discretion of the Local Governments concerned.

I have read with interest your remarks concerning the auction system of vend which for many years past has formed one of the most controversial questions connected with the excise policy of the Government of India. The main objection usually urged against the auction system is that it may result in the license fee being in effect too high, and consequently forming an inducement to the licensee to press sales and to indulge in malpractices in order to increase consumption and recoup himself. The alternative fixed fee system, on the other hand, while involving the acceptance of a lower license fee, tends to create vested interests. One of these two difficulties is inherent in practically any system of licensing, and it is a matter of extreme difficulty to decide—indeed it can only be decided by experiment—which is the best type of system for a country such as India. You will remember that in 1907, Lord Morley, who had a lifelong knowledge of and interest in Temperance questions, in replying in England to a Deputation similar to your own, emphasised this difficulty,—the immense difficulty of deciding, upon what is the best system of licensing the sale of liquor. Both the auction and the fixed fee systems have theoretical disadvantages and it is not easy to decide by which the cause of Temperance may best be served. You remark that the system now in force in Bombay does not compel the license-holder to push his trade and sell the maximum amount of liquor or drug possible during the period of his holding the license. In cases, no doubt, where the licensee has paid too much for his license in relation to its true value, he may be tempted to press consumption unduly; but I am afraid that human nature is never averse to gain and it would be rash to assume that because a man has paid a small fee for his license he will not wish to see his customers consume and pay for the largest possible quantity of liquor. As I said just now, this question appears to me one which can only be finally decided by experiment. Hitherto, it cannot be said that experience has been decisive. According to information contained in the Excise Administration Report of the Bengal Presidency for 1912-13, in certain districts a reduction in the license fees on country spirits during the year was followed by an increase in the consumption of such spirits. We know also that the trial of the fixed fee system in certain selected districts of the Punjab in substitution for the auction system a few years ago was accompanied by an increased consumption. An experiment, however, is now in progress on a larger scale from which we may expect more conclusive results. The Government of India on the representation of the Government of Bombay sanctioned in 1911 the introduction of the fixed fee system in that Presidency as an experimental measure. It is reported that the working of the system has so far been attended with a fair measure of success, but it is too early yet to draw a general and decisive conclusion. I cannot at the moment say more than that the Government of India do not regard this question as closed. They are watching the Bombay experiment with close interest and, should its results prove satisfactory, they will consider the advisability of suggesting to other Local Governments that similar experiments might be initiated in suitable areas within their provinces.

With regard to your complaint that drink and drug shops are occasionally located on undesirable sites, I would remind you that instructions have already been issued to the local authorities to adhere as closely as possible to

the rules which have been laid down on the subject, and I see no reason to doubt that this will lead to the gradual abandonment of undesirable sites in the future.

I have already referred to the large reductions which have been made in the number of shops for the sale of intoxicants of all kinds. Statement III of the statements which have been supplied to you shows that there has been a slight increase in the number of foreign liquor shops. A large portion of this increase, however, is due chiefly to improvements in our system, whereby licenses are now insisted on in the case of bars, canteens, etc., for which they were not previously required. In other cases the reductions have been considerable.

You have very rightly drawn attention to the importance of restricting the hours of sale to reasonable hours. There is no doubt that early opening and late closing tend to increased consumption. But much has already been done by the Local Governments to check this tendency by reducing the hours, and such further measures as may be practicable, bearing in mind the reasonable needs of the people, will be taken to secure still further reductions.

In regard to your suggestion that the influence of the Education Department should be utilised to secure Temperance teaching in schools, I understand that in the majority of the larger provinces school readers already contain such lessons. But, as you observe, the necessity of Temperance teaching in schools and colleges does not really exist in India so far as discouraging intemperance amongst the students is concerned. The Government of India addressed Local Governments on this subject in 1907, and declared that it would be sufficient if the subject of intemperance were dealt with in a few sensible lessons in the sanctioned readers. The Local Governments have kept this suggestion steadily in mind.

I am in sympathy with your suggestion to provide counter-attractions to intemperance, and I am ready to bring your suggestions on this head to the notice of Local Governments for such action as may be feasible. It seems to me, however, that some of the detailed recommendations which you have made on this point, for instance, the dissemination of Temperance leaflets, and the like, relate to matters in which action might more appropriately be taken by the organisations which you represent than by Government; and I commend this proposal to your earnest consideration. I also agree with you in attaching importance to the maintenance of as accurate and complete statistics as possible of the consumption of liquors and drugs, so as to secure a true measure of the position from time to time in this country, and it is a question to which the Excise Department give constant attention. Statistics of the consumption of intoxicating articles can, however, be maintained by the Department only in so far as data are readily available. Those we publish are reasonably accurate so far as the consumption of the chief intoxicants is concerned. It is true that no statistics of the consumption of outstill country spirit or of toddy and other country fermented liquors are available; but the outstill system is now universally regarded as obsolete, and is being gradually and consistently ousted by the distillery system. In the case of toddy and other country fermented liquors it is clearly impossible to obtain any reliable statistics of consumption without an undue amount of interference with the consumers and vendors. In any case, these liquors are generally of low strength and much less deleterious than spirit. You are correct in asserting that the distribution of imported liquors between different provinces has not hitherto been accurately known; but statistics of their sale in each province are now furnished in the provincial Excise Reports in accordance with the instructions issued by the Government of India in 1911. To minimise illicit consumption, the extent of which cannot in the nature of things be accurately ascertained, the excise establishments of all provinces have also lately been, or are being, strengthened and revised.

Your anxiety that attempts to make drink harder or more expensive to obtain may drive consumers into more deleterious drug habits, is one which for long has been the concern of my Government. Under present conditions, however, it cannot be said that either opium or hemp drugs or potable liquors

(country or foreign) compete successfully with each other ; and you will find that this is borne out in the statistical tables which I have handed to you. As to cocaine, I and my Government have for some time past regarded the serious increase in the use of that dangerous drug with the gravest anxiety, and we, together with the Local Administrations, have devoted much attention to the problem of its prevention. Within the last eighteen months legislation has been passed or initiated in several provinces greatly increasing the penalties for unlawful dealings in it with a view to render punishments more deterrent. Very special efforts have been made by our preventive officers to detect cocaine offences, and in spite of the fact that the drug is capable of being very easily smuggled, these efforts have, I am glad to say, met with a considerable measure of success. But the most efficient method of checking the illicit trade in this drug, which unfortunately is now a feature of several great ports of India, lies in the imposition of control over its manufacture and sale in the countries of production. You are no doubt aware of the part which the Government of India have taken in the recent Opium Conferences at the Hague with the object of designing international control over such manufacture and sale. It is hoped in this way to make it difficult to bring out to India large quantities of the drug, which offers, owing to the very high price at which it sells, an irresistible temptation to smuggling and illicit possession. The Government of India, I may add, have no revenue interest whatever in the traffic in cocaine which, as you are aware, can only be obtained from abroad.

I have put freely before you, Gentlemen, recognising the important and representative nature of this Deputation, what Government are doing, and are prepared to do, to control the consumption of drink and drugs in India. But you must remember that there are natural forces outside Government's control which are making for indulgence in intoxicants in this country. The population, agricultural and industrial alike, is becoming increasingly prosperous. We observe, too, in India the beginnings of a tendency, of which the development is giving much anxiety in western countries, for the people to flow from the rural districts into the towns where drinking habits are far more rife. An even more important influence, perhaps, is the gradual relaxation of social and religious restrictions on drinking. Were Government, therefore, to adopt extreme measures of restriction, or to endeavour to force the pace unduly upon the path which they have marked out for themselves, there would be the gravest danger of creating a stimulus to illicit manufacture and consumption which might lead to a general breakdown of control. My Government and Local Administrations will not relax their steady policy of watchfulness and of restriction based on practical expedients for checking excessive consumption. In our endeavours, Gentlemen, I am glad to hear from you, that we may be assured of your sympathetic co-operation. Government can do much, and our efforts will not be spared ; but I cannot better conclude what I have to say to you to-day than by borrowing from your memorial a sentence with which I am in the fullest agreement—" Real reform must come from among the people themselves."

I.

Statement showing the consumption per 100 of the population of excisable articles of different kinds in the different provinces of India for each of the years 1905-06 and 1912-13.

Province.	COUNTRY SPIRIT.		OPIUM.		HEMP DRUGS.		REMARKS.
	1905-06.	1912-13.	1905-06.	1912-13.	1905-06.	1912-13.	
1	2	3	4	5	6	7	8
	Proof gals.	Proof gals.	Seers.	Seers.	Seers.	Seers.	
Madras ... ..	3.38	4.43	.10	.10	.13	.13	
Bombay ... ..	15.65	15.22	.23	.27	.34	.40	
Sind ... ..	5.70	6.03	.28	.28	4.26	3.90	
Bengal ... ..	1.63	2.13	.14	.15	.31	.34	
Bihar and Orissa ... ..	3.90	4.21	.09	.11	.31	.35	
Burma ... ..	6.79	3.46	.85	.45	...	...	
United Provinces ... ..	2.94	3.74	.14	.14	.73	.57	
Punjab ... ..	2.37	2.37	.29	.33	.59	.59	
North-West Frontier Province ... ..	.82	1.07	.15	.25	.49	.45	
Assam ... ..	3.43	4.14	.98	.94	.51	.51	
Central Provinces ... ..	9.51	8.12	.32	.32	.47	.37	
Berar ... ..	19.09	14.27	.64	.65	.33	.34	
Ajmer-Merwara ... ..	8.27	10.34	.64	.57	.71	.65	
Coorg ... ..	14.40	15.14	.02	.08	.25	.42	
Baluchistan ... ..	...	6.86	.18	.19	1.33	.45	
Total ... ..	4.51	4.75	.21	.21	.47	.43	

## II.

*Statement showing the total imports into India of potable foreign liquors of all kinds.*

(In thousands of bulk gallons.)

Year.	Fermented liquors.	Potable spirits.	Liqueurs.	Wines.	Total.	Year.
1	2	3	4	5	6	7
1905-06	5,011	1,370	16	342	6,739	1905-06
1906-07	4,927	1,191	12	329	6,459	1906-07
1907-08	4,889	1,319	13	347	6,568	1907-08
1908-09	4,807	1,368	13	338	6,026	1908-09
1909-10	4,194	1,317	13	338	5,862	1909-10
1910-11	4,254	1,202	13	332	5,801	1910-11
1911-12	4,251	1,213	15	336	5,815	1911-12
1912-13	4,746	1,248	15	342	6,351	1912-13
Increase (+) or decrease (—) in 1912-13 as compared with 1905-06	—265	—122	—1	...	—388	Increase (+) or decrease (—) in 1912-13 as compared with 1905-06.



### III.

*Statement showing the number of shops for the retail sale of excisable articles of different kinds in the different provinces of India in each of the years 1905-06 and 1912-13.*

Province.	COUNTRY SPIRIT.		FOREIGN LIQUORS.		OPIUM.		HEMP DRUGS.	
	1905-06.	1912-13.	1905-06.	1912-13.	1905-06.	1912-13.	1905-06.	1912-13.
1	2	3	4	5	6	7	8	9
Madras ... ..	11,524	8,976	745	737	1,211	851	633	538
Bombay ... ..	2,514	2,114	360	563	815	786	559	572
Sind ... ..	292	249	134	170	271	246	481	378
Bengal ... ..	1,356	1,287	572	564	1,173	908	1,896	1,737
Bihar and Orissa ... ..	2,242	2,088	104	132	650	573	1,597	1,643
Burma ... ..	78	130	325	361	128	124	...	...
United Provinces ... ..	5,971	4,742	337	276	1,223	1,094	3,765	3,463
Punjab ... ..	1,287	795	304	264	1,380	902	969	541
North-West Frontier Province ... ..	51	37	45	49	95	70	101	75
Assam ... ..	206	188	87	102	736	402	296	249
Central Provinces ... ..	5,653	3,060	148	125	1,192	751	1,269	911
Berar ... ..	927	699	28	15	431	296	192	192
Ajmer-Merwara ... ..	137	128	9	11	55	41	17	16
Coorg ... ..	42	33	8	9	3	3	5	5
Baluchistan ... ..	146	62	32	41	124	60	124	68
Total ... ..	32,376	24,588	3,238	3,419	9,487	7,107	11,904	10,388

*Statement showing the incidence of revenue derived per proof gallon or seer from the sale of excisable articles of different kinds in the different provinces of India in each of the years 1905-06 and 1912-13.*

Province.	COUNTRY SPIRIT.		OPIUM.		HEMP DRUGS.		REMARKS.
	1905-06.	1912-13.	1905-06.	1912-13.	1905-06.	1912-13.	
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Madras ... ..	5.98	7.97	19.89	38.48	8.58	13.00	
Bombay ... ..	3.80	5.74	16.19	26.37	6.38	9.87	
Sind ... ..	5.20	6.59	22.86	31.34	2.09	4.02	
Bengal ... ..	7.61	7.43	28.07	34.80	17.50	19.60	
Bihar and Orissa ... ..	3.21	3.28	31.76	27.15	15.77	17.66	
Burma ... ..	3.96	6.17	53.94	78.20	...	...	
United Provinces ... ..	4.34	4.80	12.87	18.49	5.58	8.70	
Punjab ... ..	5.51	8.57	11.02	18.39	3.49	6.34	
North-West Frontier Province ... ..	6.80	8.68	15.19	20.84	5.37	13.40	
Assam ... ..	4.24	5.58	35.17	44.16	18.02	20.22	
Central Provinces ... ..	4.02	5.62	22.91	32.58	6.74	14.40	
Benar ... ..	5.12	7.24	33.73	35.89	10.55	15.34	
Ajmer-Merwara ... ..	2.66	5.85	8.88	10.21	4.41	5.25	
Coorg ... ..	5.07	7.21	33.33	33.33	6.67	8.11	
Baluchistan ... ..	...	6.65	26.76	33.33	5.23	13.90	
Total ... ..	4.73	6.05	27.25	34.32	7.99	11.66	
Increase (+) or decrease (—) in 1912-13 ... ..	...	+1.32	...	+7.07	...	+3.67	

V

Statement showing the gross amount of Customs duty collected in British India on imported liquors of all kinds in each of the years 1905-06 to 1912-13.

(In lakhs of rupees.)

Year.	Fermented liquors.	Spirits and liqueurs.	Wines.	Total.
1	2	3	4	5
1905-06	3.12	90.31	3.97	97.40
1906-07	3.09	77.98	3.83	84.90
1907-08	3.85	92.66	4.00	100.51
1908-09	5.27	95.27	3.97	104.51
1909-10	5.46	95.57	4.12	105.15
1910-11	8.00	106.87	5.71	120.58
1911-12	8.00	110.83	5.75	124.58
1912-13	8.86	111.91	5.80	125.97
Increase (+) or decrease (-) in 1912-13 as compared with 1905-06	+5.74	+21.00	+1.83	+28.57

*Statement showing the rates of duty per proof gallon imposed on country spirit in the four Presidency towns of Calcutta, Bombay, Madras and Rangoon in 1905-06 and 1912-13.*

	Towns.				1905-06.	1912-13.
					Rs. A. P.	Rs. A. P.
(a) Figures are for 1911-12, the latest available	Calcutta	...	...	...	5 0 0	5 10 0
	(a) Bombay	{	Mhowra spirit	...	4 0 0	6 0 0
			Toddy "	...	2 12 8	{ 4 12 8 4 7 10.
	(a) Madras	...	...	...	5 10 0	7 8 0
	Rangoon	...	...	...	...	7 0 0

*Rates of tariff duty per gallon imposed on imported potable liquors in 1905-06 and 1912-13.*

	Descriptions of liquors.				1905-06.	1912-13.
					Rs. A. P.	Rs. A. P.
	Fermented liquors	...	...	...	0 1 0	0 8 0 per imperial gallon.
(b) Rate in force up to 25th February 1906	Liqueurs	...	...	}	6 10 0 (b)	13 0 0 per imperial gallon.
					10 0 0 (c)	
(c) Rate in force from 26th February 1906	Other potable spirits and all sparkling and still wines containing more than 42 per cent of proof spirit.	...	...	}	6 0 0 (b)	9 6 0 per proof gallon.
					7 0 0 (c)	
					2 8 0	
Wines	{	Champagne and all other sparkling wines not containing more than 42 per cent of proof spirit.		}	2 8 0	3 12 8 per imperial gallon.
		All other sorts of wines not containing more than 42 per cent of proof spirit.			1 0 0	

EAST INDIA (EXCISE ADMINISTRATION).

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R E P L Y

TO

REPRESENTATIONS AND STATEMENTS

SUBMITTED BY

MR. HERBERT ROBERTS, M.P.,

RELATIVE TO

EXCISE ADMINISTRATION IN INDIA.

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Presented to both Houses of Parliament by Command of His Majesty.

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REPLY TO REPRESENTATIONS AND STATEMENTS

SUBMITTED BY

MR. HERBERT ROBERTS, M.P.,

RELATIVE TO

EXCISE ADMINISTRATION IN INDIA.

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No. 1.

*Report of the Proceedings in the Council Room of the India Office at a Deputation to the Secretary of State for India with reference to Excise Administration, 1st August, 1907.*

Mr. HERBERT ROBERTS said:—

Mr. Morley, I have been asked to introduce the Deputation to you this afternoon, and in doing so I may perhaps be allowed very briefly to emphasize two or three of the main points which we wish to impress upon you. The object of the Deputation in the first place is to lay before you facts as to the growth in the revenue derived from drink in India; to urge upon you and upon the Government of India the necessity of carrying out as soon as possible the recommendations of the Excise Committee, and to make certain definite proposals for your consideration. I should like at the outset to say that the Deputation is in no sense a political body. In considering Indian affairs we think that politics in any partisan sense should be rigidly excluded. There are present here to-day representatives of both Houses of Parliament, and of both political parties; there are representatives also of the great missionary societies now working in India; and there is also present Dr. Harold Mann, who has upon all questions of excise in India an exceptional knowledge. The dominant fact, Mr. Morley, in the situation which we desire to bring to your notice to-day is the steady expansion of the revenue drawn from drink in India. I will only refer to two figures. In the year 1874 the amount, roughly, of revenue drawn from liquor was 1½ millions per annum. In 1906 it amounted to 6½ millions per annum. Now, we recognise that some of the causes of this expansion of revenue are quite outside executive action, but we feel that behind this fact of the enormous increase in the revenue drawn from drink sources in India there are facts which demand the consideration of the Government of India. There is one point in the situation in regard to which the Government of India have complete control, and that is in reference to the facilities for drinking—the number of licenses which are granted. And although we wish to make it quite clear, Mr. Morley, that the fact of the increased facilities by itself cannot be regarded as in any way the sole cause for the increase in the drinking of the people, still we think that that fact, taken with other circumstances, is a contributing influence in the situation. The declared policy of the Government of India is quite clear upon this point. I would refer this afternoon only to one sentence from the letter of the Government of India, dated 23rd of April, 1904, in which the policy in regard to Excise is clearly stated: "The policy of the Government of India is to discourage drinking, and to do all that is possible, without interfering with the liberty of the subject, to suppress the degrading and demoralising habit of intoxication." That is quite clear, and that has been repeated by the Government of India on many occasions in the most emphatic terms. But I would like to make three observations upon that declared policy of the Government of India.

First of all, the policy is not carried out by the Excise officials. It is not the fault of the officials in India, but of the conditions of the system under which they work.

Another comment I should like to make is this, that the opinion of those immediately concerned in the grant of drink licenses is not sufficiently consulted and recognised.

And the third comment I would make is that, in most cases, considerations of revenue, and not the moral welfare of the people must, under present circumstances, dominate the position.

We will separately bring before you some facts as to the evidence in the increase in the consumption of liquor in India. I will not dwell in any detail upon that point, I would simply mention it.

The second point which we wish to urge upon you, Sir, is the desirability of carrying out without delay the reforms suggested by the Excise Committee. Dr. Mann, in his statement, will go into some detail upon this important point.

Mr. MORLEY: You think then, Mr. Roberts, that those reforms suggested by the Excise Committee are of importance and of value?

Mr. ROBERTS: Yes. A considerable number of the recommendations we consider of the utmost value, and we desire to press upon you the necessity of carrying them out with as little delay as possible.

And the last point I wish to make is that we will bring before you certain definite proposals with reference to the future. I have already mentioned the carrying out of the recommendations of the Excise Committee. There is another point which, in our opinion as a Deputation, is of essential importance, and which we wish to bring before you, and that is that no permanent reform will be possible in this matter in India until we obtain a separation of the licensing from the revenue functions in the Department dealing with Excise administration. It cannot be right that the officials responsible for the revenue of a district should also control the facilities for drinking from which such a substantial contribution is made to the revenue from the licenses which he grants. And to sum up the situation, we desire to press upon you the desirability of further enquiry into this question by means of an independent and impartial Committee; and we feel that in making these representations to you to-day we need not apologise in any way for seeking an interview upon the question. We have for years observed with anxiety the constantly increasing dimensions of the revenue drawn from drink in India, and the evidence, which we receive from sources which we consider of undoubted reliability, points to the irresistible conclusion that intemperance in India is increasing. We cannot but remember that the vast majority of the people of India are total abstainers by religion, by custom, and by considerations of prudence. The question we ask ourselves is, Why should they be tempted, and is it right that the views and wishes of those who are in the overwhelming majority upon this point in India should not receive greater and more distinct recognition?

Now, Mr. Morley, in conclusion I have only to say that in appealing to you to consider this question we know that we are appealing to one from whose mind—in the great and responsible task which is committed to your charge—moral considerations will never be absent; and we feel that, when we have had the opportunity of making our statement to-day, you will give it your careful and your sympathetic consideration. I now have much pleasure in calling upon Lord Kinnaird to address you.

LORD KINNAIRD said:—

Mr. Morley, I can assure you, on behalf of many interested in the moral and material interests of India, that we are deeply grateful to you for having undertaken, in the midst of your very busy life, to receive this Deputation, the more so because we think that it may lead you to have before your own mind certain different views from those of others who were in office before you, and who were equally interested with yourself in all that concerns the interests of India. A new mind sometimes will look at a matter in a different way from that of one who is accustomed to look at it possibly from having himself been in India. We do not wish to make any charge against those who have the administration of the licensing law in India. But with regard to these facts, which, I suppose we may take it, are in the main accurate, there is an increase from £1,755,000 in 1874-75 to £6,510,000 in 1906-07, which is an appalling figure when we remember that we have, by temperance work in England, been enabled to influence public opinion and the habits of the individual to such an extent that the increase has not been anything like proportionately so great in this country. Possibly there may be some preventable causes



which we venture to think that you, with your advisers, might be able to discover to stop this tremendous increase. Then I know Mr. Caine, who used continually to have a strongly Indian mind, said, I think publicly, both in Parliament and elsewhere, that, while he admitted that the function of the Government was not to increase and further the sale of liquor, on the other hand, revenue officers were promoted—I hope by putting it in that way that I am not saying anything unkind—but that they were promoted as zealous revenue officers; and one of the reasons that lead to their promotion was that, among other revenue, the liquor revenue increased. I am only saying what one has heard continually from those who know the country; but, having been only twice in India, I do not pretend to much personal knowledge. In talking to others about it, however, one gets the impression that the young officials think that their duty is to run up this revenue: and, when it once gets into a man's mind that he will be considered a useful official if he can run up the revenue, I am afraid—human nature being what it is—he will not be as keen a temperance reformer as some of us might be who have not to raise the revenue, and who have not to make both ends meet in that great Dependency.

Then one other matter. It is very difficult to know, without wishing to exaggerate, how much weight to attach to stories (which one hears personally from friends who have complained and have got very little or no redress) of the planting of a liquor shop just outside the entrance to a tea-garden or some big factory, and of its being there just at the time when the people come out tired and weary, and at other times, with a little money in their pockets. We are not surprised to see that the tendency is an increase in revenue.

Cases have occurred in tea-gardens where coolies have been imported at great expense from a distance—men not accustomed to drink anything but very light beer, or not even that: for these coolies to be killed owing to the increase in this liquor traffic, or even to have their efficiency in any way interfered with in this way, is unfair to their employers who have gone to great expense to secure them. It is a position which I am sure no Government would deliberately take up. I referred to this matter in the House of Lords, and a promise was made that the matter should be looked into—and I have no doubt it was looked into. But the difficulty is this; these things go on, and all we want is just to state certain facts and see whether, together with those who are working in this way, some experiments might not be made whereby in some cases—in a large number of cases—these shops might be removed. Some of them have been removed. But in some cases, as I know from personal knowledge, they have not been removed, though the high officials have tried to get it done.

Lastly, the difficulty that does come in the way of some of us and of those in India who want to do it, is this. Human nature being pretty strong, the Indian Official must be a wonderful man, and very different from the rest of the world, if he is going to make himself very objectionable; and, if he finds he is stopped by people higher than he is, and thought to be a nuisance in troubling to stop these grog-shops—well, I am afraid we do not expect to see much improvement in this way, until a less uncertain note is sounded than has hitherto gone out, and until in some practical way the co-operation of the managers of tea gardens, temperance workers, and others is called in to help others in carrying out the desires which have so often been stated. We do not want any remarks we make here or outside in the country to be misunderstood; we do not want to say a word against any man's personal conscience—we believe he is just as honest in his desire as we are; but when it comes to the official conscience and the revenue falling off—and men in famine time want revenue—I admit it is very tempting to start a hundred or more grog shops; and, as that has happened in the past, we ask you kindly to consider, Mr. Morley, whether you can apply your mind to see whether something can be done—with the great powers which officials in India have—to decrease the temptation which is shown by the figures which we have stated. I do not think I need take up your time in trespassing further on you this afternoon; but that is the view of some of us who have been out there.

DR. HAROLD MANN said:—

Mr. Morley,—Sir, my claim to address you this afternoon is simply that during the past seven years I have, from a purely non-official position, given the subject of excise in India a good deal of attention, and I think that there is no need whatever to try to demonstrate that the drink habit in India is spreading. Apart altogether from the figures for increase in quantity consumed per head, the change is obvious to all those who are really in touch with the problem, and, whatever be the cause of this increase, it is a fact which must cause those who are keenly interested in the progress of India to pause at least and deeply consider what it means. At the time of its appointment I was hopeful that the Excise Committee, which has lately presented its report, would be able to inquire

into and call for evidence upon the general question of the increase in liquor consumption—its causes and its meaning. Its terms of reference were, however, too narrow to allow of this, and its report contains but a few meagre references to the matter, being almost entirely concerned with points in excise administration. To me the determination of the causes which underlie the increasing consumption, their relative importance, and the means by which the action of these causes can be neutralised, is far more important than the determination of the best methods of carrying out details of excise administration without a complete understanding of the basis on which these are laid. I would, therefore, strongly urge that such an enquiry by an impartial body be made before any excise legislation is instituted. To enter on general legislation such as is understood to be in contemplation, and such as was suggested by the Excise Committee, until information, as complete as possible, as to the causes of the increase in consumption is available, seems at least unwise. I wish to press the point of the necessity of a further and more fundamental inquiry, because the whole excise policy of the Government of India has been declared again and again to have as its first and principal object the limitation of the consumption of liquor and the prevention of the increase of drinking habits. Until we know—and no exact information beyond that collected by private individuals is available—what are the causes of the phenomenal increase in consumption in recent years, it is impossible to carry out the declared policy of the Government simply from want of knowledge.

Though no exact information is to hand, yet a great many causes of the apparent increase have been suggested by excise officers (*vide* annual reports of the provincial excise departments) and by private inquirers. "Improved administration" is that usually given by excise officials. This explanation, of course, largely denies that the apparent increase in consumption is a real one. My own experience in North-East India would indicate that in many cases it is at least partially true that any sudden and large increase in revenue, and apparent increase in consumption, is due to this cause. But it is totally insufficient to explain the steady and gradual increase of liquor consumed per head which has been going on for a number of years. Plague has probably something to do with this in several parts of India. The apparently increasing prosperity of the people, the change from agricultural to industrial life, the breaking down of the caste system, all are given, and, in my own experience, I think given with reason, as partial explanations of the increase in consumption. But the more the importance of these causes the more necessary is it, if the declared Government policy is to be carried out, (1) that a thorough and impartial inquiry should be made, (2) that everything possible should in the meantime be done to decrease the temptations to drink and the facilities for drinking.

I have already urged the necessity for an impartial inquiry. But with regard to the temptations to drink and the facilities for drinking, my contact with all save the highest excise officials indicates that they are in mortal dread of any such decrease in facilities as may lead to loss of revenue. I can give numerous instances of this fact,—and all critics of the excise administration, including Sir Frederick Lely, have said the same. Apart from the highest officers, it is acknowledged always in conversation that revenue, and revenue almost alone, dominates the ideas of those concerned in excise administration. I can give you an illustration of that. In connection with some representations made to the Excise Department in Calcutta some years ago we presented them with a list of shops which we were anxious to see closed. The Superintendent of Excise revenue went down this list, and at last, when he came to one which was the smallest of the lot, from which the revenue was very little—practically nothing at all—he said, "I think we can *afford* to close that,"—and that represents the attitude of all the lower excise officials in India. This attitude, it would seem, can only be got over by two methods :

Firstly, by any increase in consumption in a district or a province, being considered to demand an explanation, and not, *ipso facto*, to be a ground for commendation, as it has been in the past ;

Secondly, by separating the licensing from the revenue authority.

The latter suggestion was considered by the Excise Committee, and was not reported upon favourably. But a Committee composed solely of revenue officials could hardly have done otherwise. It would have been almost a miracle had they done so. And the question can never be satisfactorily determined until a further more impartial inquiry is made. But practically every non-official I have met or heard has considered the present arrangement to be fundamentally bad. The official's position is dependent on his revenue ; his revenue is dependent on the number of his licenses, and what he can get for each, at least in part ; hence the number of licenses tends to increase ; hence the revenue from license fees tends to increase ; hence, necessarily, the amount sold *must*

increase ; and hence, in a measure at any rate, the present situation. In urging a separation of the licensing and the revenue authorities, we have the backing of practically every non-official organ, European or Indian, in India. Who should be the licensing authority in such a case is more difficult to say. Some are in favour of a modified local option, some of leaving it to municipal corporations and local boards, some of putting the matter in the hands of a judicial officer like the Chief Presidency Magistrate in Calcutta. For my own part, I would be content to leave the selection of the authority to the decision of the body which I have suggested should inquire into the whole subject, provided there was confidence in their fairness and impartiality. In any case, what we desire to urge most strongly is that it is unreasonable to expect revenue officials, for this occasion alone, to discard their desire for revenue, and look at the matter from a more general point of view, especially when, as hitherto, increase of revenue is a fact marked out for commendation in nearly every excise report.

MR. MORLEY : Are you sure it is commendation ?

DR. MANN : I can quote cases in my own part of India—Bengal and Assam.

MR. MORLEY : Are you sure the description of this language is "commendation?"

DR. MANN : Well, it is taken that way by all outside critics.

MR. MORLEY : Ah, yes. Satisfaction from a purely revenue point of view : but though you speak as you have of an "official conscience," I can imagine that an official, while feeling some satisfaction in saying he had a good account, might still feel very sorry that the source of that revenue was drink. I am only quarrelling with the word "commendation."

DR. MANN : Well, then, the Resolution of the Local Government on the Excise Report very often repeats that note of "satisfaction"—if you prefer to put it that way.

I now pass to other points of general administration, which in the event of a more impartial and complete inquiry being refused, we are particularly desirous to urge. In all of them, we have the partial or complete support of the late Excise Committee.

First, we urge the gradual but complete abolition of the outstill system. As the Government of India seem to be in agreement\* with the Excise Committee in urging this abolition in most areas, there is little to say on this point, except to press that there be no unnecessary delay in carrying out the decisions as widely as possible. The system stands condemned from an administrative as well as from a temperance point of view.

Secondly, we urge also the doing away with the auction system of disposing of licenses. In this matter the Excise Committee and the Government of India have been in sharp disagreement, the former suggesting that a system of fixed fees should be gradually substituted, and the latter maintaining the superiority of the present method. We are entirely with the Excise Committee in the matter. It is not possible to reply to all the arguments of the Government (*vide* orders of 16th May, 1907) on this point in the present interview. But the actual result in practice is that the maximum inducement to sell liquor is given, and hence the attitude of Government in the matter is a most disappointing one. Considering that the critics of the administration are now, in this matter, backed by the opinion of a Committee of excise officials, we have no hesitation in asking you that the question of carrying out the Committee's recommendations may again be considered.

Thirdly, we would urge again that greater provision for ascertaining public opinion in locating liquor shops should be made, and that more regard should be paid to that opinion when obtained. The present system of merely placing a notice on the site and at the police station for a specified period, during which objections may be made, in practice amounts to no taking of public opinion at all. In Calcutta, it was only by having a very well-organised system of correspondents that we ever heard of proposals to establish or remove shops, and outside the big cities shops are planted down, removed, and again planted down without anyone having a real chance of expressing an opinion. The system proposed by the Excise Committee is a little better, but is still unsatisfactory. The Government has not yet passed its orders on this subject, and we would urge that these should go much further, and provide not only for local inquiry but also for more attention being paid to local opinion.

Fourthly, we would urge, too, that the recommendations of the Excise Committee should be carried out with regard to the management of shops, and that what may be regarded as the first principles of excise administration designed to limit consumption should be brought into operation. These relate to the conduct and construction of licensed premises, the employment of women, the sale to children and drunken persons,

\* See orders of 16th May.

&c., and we desire to see these recommendations carried out in their entirety. We would urge finally, that rules made by the Excise Department should be carried into practice, or, in other words, that the efficiency of the excise departments should be increased. The special case in my view here is the excellent rule in force in Bengal as to the placing of shops in relation to temples, markets, bathing places, and the like. In a recently compiled list of the shops in Chota Nagpur I found that a very large proportion of the shops are in positions prohibited by the rules of the province in which they are situated. In this matter the rules are not usually so much at fault as the administration of them, and the fault is usually in the atmosphere or tone of the department, which is taught in practice to have an eye for revenue alone.

Finally, in summary, on behalf of the Deputation, I would urge in the strongest manner—

- (a) That the report of the Excise Committee so far as it concerns the conduct and construction of licensed premises, the employment of women, the sale to children and drunken persons, the prohibited positions for liquor shops, &c., be carried out in their entirety ;
- (b) That the abolition of the outstill system, as agreed to by the Government of India on the Excise Committee's recommendation, should not on any account be delayed beyond what is absolutely necessary ;
- (c) That the question of the disposal of licenses by auction be reconsidered, and that the recommendations of the Excise Committee be made the basis for further reform ;
- (d) That the separation of the licensing from the revenue-receiving branch of the administration be taken into consideration at once ;
- (e) That there is necessity for a more complete realisation on the part of the officials of Government of the general principles upon which the excise policy is declared to be based, and that any increase in liquor consumption should be considered to demand an explanation, and not as a ground for satisfaction ;
- (f) Lastly, we urge that the present constant and progressive increase in the consumption of liquor, in view of the declared policy of the Government and the future of the country, demands a searching enquiry by an impartial body into the causes of the increase, and the most effective way of grappling with what all recognise to be an evil of great and increasing magnitude.

Mr. HENRY J. WILSON, M.P., said :—

Mr. Morley, I know the value of your time and I will be as brief as possible. Indeed, I have no special claim to speak on the general question or on many of the details which have been referred to already. I am going to confine myself to one single point to which Mr. Roberts has already referred, and that is the fact that in India the great races are by race, religion, habit, custom, and everything abstainers. There is no comparison between the state of things in that country and in this. We, in this country, have been for centuries, more or less, consumers of alcohol, and you know very well what a strong feeling there is in this country now to try to diminish it in various ways, by legislation and otherwise ; and it does seem a terrible thing that, while we are doing this here, we should be parties in any way whatever to offering facilities to, or encouraging, the various races of India who are opposed to it, to let their weakest and most degraded members further weaken and degrade themselves by habits which we so much deplore in that country as well as in this.

One point was referred to by the last speaker, and that is the planting of liquor shops in places where they are put. I do not presume to suggest what would be the form of arriving at popular opinion on the subject, if that is thought necessary, and how effect might be given to it in India, but I did hear, when I was there years ago, and I have heard from time to time since, absolutely scandalous cases—some published and some never published—of these liquor shops being put in districts where they were not wanted and where the whole feeling of the body of people around was against their being put there at all.

Mr. R. LAIDLAW, M.P., said :—

Mr. Morley, I shall not occupy your time more than a minute or two, and I should not have ventured to intervene at all, but it so happens that I have resided for over 20 years in India, and being, fortunately or unfortunately, a proprietor of several tea gardens, this is a question that has interested me very considerably, and it is one to which I have given more or less attention during all the period that I have been in India. Before touching on one or two points that have been brought to your notice by

Dr. Mann, I should like to ask you, Sir, to attach great weight to the testimony that has been put before you this afternoon by Dr. Mann. He has been, as you know, a scientific officer of the Indian Tea Association for seven years, and has exhaustively and, I may say, in a scientific manner, gone into this subject; and I think there is no one in India who knows it more thoroughly, either in the Government service or unofficially, than he does. Looking at the figures that have been put before us regarding the increase of revenue, these are set out for a period of 30 years, which just coincides with the term over which my personal experience of India extends; and I was very much struck by the fact that these figures have been multiplied three times during that period. We go roughly from 2,000,000*l.* to 6,000,000*l.* in the 30 years. Now, we are told by the revenue officers that superior supervision accounts to a large extent for that; as well as increase of population and increase of duty. These things may, Sir, account for some increase, I admit; that is recognised, I think, by everybody; but I think if we allow 20 or 25 per cent. of the increase as being derived from these causes, that still leaves us with 75 or 80 per cent., which, I think, we must take as representing the increased drunkenness amongst the people. It has been brought to your notice that the tea-planting community have put forth their grievances from time to time in connection with having drink shops planted down near to the gardens. That is a complaint that I know something about in Darjeeling, although there it is not so serious as in some other districts. The coolies in Darjeeling are mostly hill people, who are more or less at home in the gardens in that district; but in Assam and some of the other districts where large numbers of men are brought from Central India and other parts, they come there as sober men who have never been accustomed to drink, and they have these temptations planted in their way, and it has been a very serious injury to the planting industry, borne out by the testimony of almost every man engaged in the trade; and that is the smallest part of it, I think, because we must remember that we are responsible for the good government and for the moral and material welfare of these people; and we must take into very serious consideration the fact that by our system, the system that has gone on all these years, we are doing them a very serious wrong and a very serious injury. I am sure, Sir, there is no one more jealous than yourself for the good name of our country and that no one in India at this time—perhaps above all other times—should be able to point the finger at us, and to say that our presence in India has been injurious in any way to the people of the land. I feel that very strongly myself, and I am sure you do too, Sir.

Then I would like to say just a word about the system of putting up licenses to auction. This system has been tried in various parts of the world, and in some parts it has appeared to work fairly well, but in India it has proved most disastrous, for this reason, that there is great competition for licenses, and very very high prices are paid, such high prices that it prevents the purchaser from supplying a good article at anything like a reasonable price: and the result has been that the most deleterious stuff is swallowed without any adequate inspection. That has been most injurious amongst the native population in the larger cities, as well as in the tea gardens.

Now Sir, I do not want to take up your time at all. I was bold enough to suggest in the House the other day, that you and Mr. Hobhouse should pay a visit to India during the recess. That might not be in accordance with custom, and may be thought altogether out of the question as far as you yourself are concerned; but, if anything of that kind could have been arranged, I am sure that everybody in India would have rejoiced, both the people of India and the people in this country interested in India. I would impress upon you again, Sir, in a word,—I would implore you to attach great weight to the testimony that has been put before you to-day by Dr. Mann.

MR. LEIF JONES, M.P., said:—

I esteem it a privilege, at the invitation of Mr. Roberts, to associate myself with the objects of this Deputation. I cannot honestly say that I have any very special claim in regard to this Deputation except that as a member of the House of Commons I am, to use Sir Henry Fowler's phrase, in some sort a member for India; and in the second place I have been for a long time associated with the temperance movement in this country, and therefore know something of the liquor traffic which in India, and in every other civilised or uncivilised country, is a difficulty with which the Government of that country has to deal: and our justification in coming to you to-day, I think, rests upon your declaration on behalf of the Government of India that your policy is to discourage drinking. Accepting that declaration we are forced also to recognise that you have not succeeded.

The revenue from drink has increased during the last 30 years ; the total consumption of drink has increased ; the consumption per head of the population has increased, and the number of houses for the sale of intoxicating drinks has under our control and administration increased. And some of the reasons for that failure—as we must admit it to be, the object being to diminish it—have been pointed out to-day. May I emphasize one ? The connection between the licensing authority and the Revenue Department, tried by experience in various parts of the world, has invariably led to one result, and that is the spread of drinking, I will not say with the object of increasing the revenue, but with that result. A most salient example of that is in Russia, where some years ago the liquor traffic was analysed, and the Government took it into its own hands with the object of reducing the traffic. For a time it succeeded well enough, but the pressure of the Japanese war, and the necessity of obtaining money, led to a tremendous increase in the consumption of liquor in Russia ; and seeing that in India the Government—from the revenue point of view—is directly interested in the spread of the consumption of liquor, one cannot help feeling that there is one salient cause of the facts which we deplore.

One other point I may be allowed to urge, and that is one that has been mentioned—the association of the people themselves with the licensing of houses for drink. After all these are for the population, and I cannot myself see why in India, as in this country, the will of the people in this matter should not be operative ; and I understand from a member of our House that, even in India, or in parts of India, this system of local option has been tried with the very best results. One member of our House, who has held high office in Burma, tells me that under his administration he did set up local option under which he practically banished liquor shops and opium dens ; and I cannot help thinking that if you would, in considering the changes which you are going to make, weigh well that suggestion, you might find something of a remedy there.

And lastly, Sir, may I say that if we are right in our analysis of the situation—if we are right in thinking that this state of affairs in India is largely created by the way in which the liquor traffic is carried on—may I say that the cure for it does lie in the hands of the Government of India ?

The Rev. Dr. WARDLAW THOMPSON said :—

I think my only right to speak this afternoon, even for a moment, is that I am the Secretary of one of the oldest Missionary Societies carrying on work in India, and which has a very large number of European missionaries in all parts of India, and especially in South India, and that I have just completed a six months' journey round India, visiting our mission stations and seeing very closely the life of the people in the country places, rather than in the great cities. Now I visited India some years ago on this work, and I have been very much struck with the change since that visit in the condition of things in many parts. At one of the first stations we went to in South India my attention was called to a liquor shop in a most prominent place at some cross roads, and I found that my friends there were greatly concerned by the growth of the drinking habit, especially among the low-caste and poor people, which they attributed to the increased facilities given for the use of liquor. That led my companion and myself more carefully to inquire as we went round, and we found the same complaint again and again and again—that the number of liquor shops had greatly increased, that they were put into places naturally most convenient for the people to get what they wanted, and that as a result the number of people drinking had also greatly increased. And unfortunately—unfortunately I say with meaning—this temptation came very largely among the poor people and the low-caste people. The caste people are by the habit of centuries many of them completely separated from the use of drink, and among serious-minded Hindus and Mohammedans there is a very strong feeling against it ; but the low-caste people, who constitute a very large portion of the populations, especially in South India, are not so influenced by the strong caste feeling of the others, and are much more open to temptation. We found these temptations, then, had increased, and increased very seriously in many districts, and as a result our friends said the drinking habits of the people had increased. We found, however, that there was a difference in different districts. In some districts there was much greater freedom than in others, and, as we came to ask, the opinion was expressed : “ The fact is “ the Executive Officer here is much more careless than in some other parts ; and “ if he does not encourage, he at least is very free in his granting of licences ; ” and so we began, little by little, as we went round, to discern that it very largely depended upon the action of the local authorities ; and, though the Government was

making a very earnest effort to restrict and reduce the use of drink, we found that, as has been pointed out this afternoon, the Excise and the Executive were one practically, that is to say, the authority to grant the license came into the hands of the officer whose business it was to get the revenue; and it looked very much as if the difficulty of restriction was very largely due to that very unfortunate combination in the management of the whole subject. I came away from India much distressed. I was distressed, apart from these causes, with the discovery that in many quarters the use of wine and other intoxicating liquors was growing on festive occasions among Christians and non-Christians, among the natives, as a result of the European example. Well, the Government is not responsible for that; but, in addition to that was this difficulty about the increase of liquor shops and the difference in the different districts in the number of liquor shops, due, our friends believe, to the different attitude of the local officials. I therefore feel that, having seen this, I could not refuse Mr. Roberts' request to say a few words this afternoon.

MR. MORLEY: What was the interval of time?

DR. THOMPSON: Between my journeys—twenty years.

MR. MORLEY: And at the end of the twenty years you noticed a rather lamentable difference?

DR. THOMPSON: A very marked difference.

MR. MORLEY, replying to the Deputation, said:—

Gentlemen, I am very much obliged to you for coming here. You are an important body representing a great set of opinions in this country—opinions, which, coming from the men who hold them, I greatly value, and you need make no apology for coming. On the other hand, you need not have come to persuade me of the virtues of local option because, as Mr. Leif Jones, at all events, may remember, I have even sacrificed a parliamentary seat to that cause many years ago. I have always held that doctrine very strongly, and I hold it now; and though I think there are a great many English ideas that cannot well or wisely be transported to India, this certainly is an idea that I hope will take root there. I confess that I think it shocking, as my friend Mr. Wilson pointed out, to think that, while we are flattering ourselves that we are spreading Western civilisation in the East—a long and difficult operation—we are at the same time, by transporting our industrial system, to some extent, and for other reasons, spreading what is one of the main causes of much social unhappiness in the West. Well, Dr. Mann, who made a very interesting speech indeed, and delivered it with sincerity and conviction,—and though I quarrelled with one of his words, I fully recognise that—said that you ought to have another inquiry, and this, after all, is one of the main objects that you wish to press upon me, I think, this afternoon. Well, he said you ought to probe to the fundamental causes of the growth of this mischievous practice and habit. But I am perfectly sure that Dr. Mann knows that to probe fundamentally and effectively into the growth of a social habit of that kind is not an operation that can be conducted by any mere Government or official inquiry. The roots and the growth of social habits are wide, and deep, and obscure, and subtle, and they require enormous and prolonged and penetrating search; and if anybody said to me, "You must probe into the growth of drink in India"—if it be a growth—I should say "Very well, but it will take ten years to get to the bottom of it." Now, Gentlemen, I think you are applying the wrong scale, if you will allow me to say so, to the Report of the Excise Committee. That was not intended to be anything like an exhaustive and sociological inquiry—if I may so call it—into this particular question; it was an administrative and Government inquiry, and though Dr. Mann complained about it as being somewhat meagre in its scope and meagre in its conclusions, yet all or nearly all—I say it in the presence of officials—administrative operations are, if they are measured by abstract standards, if they are measured by social and personal enthusiasm—they are meagre. Now I submit to you, when you read the report of this Excise Committee—but I need not say more upon that head because Mr. Roberts himself said, I think his expression was, that "we consider that their recommendations are of the utmost value"; and even Dr. Mann, who was a little more critical, admitted that there was a great deal to be said for those recommendations, though they fall short of what he would himself have recommended. Well, now, the Government of India have adopted and accepted, I think, nearly all—with one exception, which I will say a word about in a moment—the recommendations of that Committee, and they will see, I am perfectly sure, that they are adopted and acted upon and carried out. Therefore I cannot see that the

occasion has yet arisen for a new inquiry, and I think the Government of India would be perfectly within their rights if, were I to say to them—following your desire—“I do urge you to have another inquiry,” they were to say “But will you not give us time to see what comes of the present rather copious set of recommendations made by the present Committee?” Copious they seem to you, do they not, though not exhaustive? I do not think that I can promise you—I am sorry to disappoint you—that I will make a recommendation to the Government of India to make a further inquiry; but what I will promise is this, to inform the Government of India that I have received, and had pleasure in receiving this deputation, that it represents important opinion, and that the objects you have in coming here were enforced by statements of fact and by reasonable arguments; and I will take care that they have a report of all that has been said, and I am certain that they will weigh well the effect and force of it.

Gentlemen, I would say in reply to Dr. Mann, that you must not suppose that the Government of India, or, indeed, any other Government, really is callous and conscienceless, or that it only keeps what he has called—I have already noted it—an “official conscience.” Well an official conscience is better than none. It is the conscience that is proper when you are dealing with great affairs of State and of Government. An official conscience means—well, I will not detain you with a definition; but I will say this, that the Government of India have considered, without a further inquiry, the causes of the undoubted increase and spread of drinking habits, and they have set forth their views in what strikes me, who have thought of these things for a great many years, as thoroughly reasonable. They take a large body of social conditions which undoubtedly lead to a greater consumption of exciting and intoxicating liquors. I think it was admitted all through that the Government of India is perfectly clear of stain or reproach in having declared its entire sympathy with all efforts that can be made to decrease consumption. They throw off, as they are bound to throw off, revenue interests; they throw them off and they declare—in perfectly good language—that fiscal considerations are important not as an end in themselves, but simply because the most effective method of forwarding the policy of Government in regard to consumption is to make the tax upon liquor as high as it is possible to raise it, without stimulating illicit production. Do remember this. There is an excellent illustration constantly present in my mind in all questions of social reform, an illustration of Herbert Spencer’s, where he is warning people against the idea that you can make a reform whenever and wherever you like; and he says: “Take care you are not producing another evil when you are relieving a mischief; it is as though you have a great plate of metal with a bulge in it, and you come down with a blow from the hammer of State intervention; the bulge disappears, but it has reappeared at the other end of the plate.” Therefore the Government is bound to be careful in what it does; and the Government of India, I should say, view with satisfaction and commendation the growth of revenue; but they expressly dissociate themselves from that, for they say that the most effective method to forward their policy is to make the tax upon liquor as high as it is possible to make it, and is the most effective remedy without stimulating illicit production to a degree that would increase rather than diminish the total consumption.

Well, now as to causes, I see in these papers the passage that I mean, and I say that it is an explanation which, gentlemen, we ought to bear in mind when we are considering the whole of this temperance question—bear it in mind in this country, but still more in a country where it is horrible to think that, by want of energy now—or by misdirected energy, which is very often as bad as want of energy—we allow this dreadful curse of our own social system to spread there. Now what do the Government of India say? They say that the industrial development of India, diverting labourers to large towns just as we find here, as they find in our own white Colonies—where they are employed at relatively high wages on exhausting work and are at the same time free from the checks afforded by local public opinion of their own villages, is bound to lead to larger consumption. And when we are boasting of the glorious work that we do—much of which will justify boasting—in spreading our Western civilisation into India, I for one never forget that by spreading there also our industrial system—and the mischief that has flowed from it, along with all its many blessings and evils, is a thing that we cannot overlook, and is a tremendous counterbalance to all those advances of civilization on which we justly pride ourselves,—we are making the same causes to produce the same lamentable results in eastern countries as they produce here.

On one single point more I would say a word. I think everybody who has spoken has complained of the Government of India for not adopting the recommendation of the Excise Committee to substitute for the auction system the system of selecting license-holders. Well, it is a very difficult question as we well know, but discussions have gone



on all my lifetime in this island as to what is the best system of license. Of course, as some of you here, no doubt, think, the best system would be no license at all; but what is the best system of license? The Government of India think, as far as I understand their views, that by the system recommended and suggested by the Excise Committee you would be creating a vested interest. You might be doing it legally; but I should be afraid if the Government of India were to adopt that suggestion, and therefore, so far as my own, in this respect, outside opinion goes, I cannot but think that the Government of India are on the right tack. But, be that as it may, it is not for me to decide. The Government of India must discuss it with their revenue authorities, and whether they are eventually converted to the view of the Committee or not, or whether they adhere to the auction system, we shall discover. I cannot myself undertake to exercise any pressure of this view upon them, because the local circumstances, which are really decisive in these things, make it impossible, I think, for any of us, except those gentlemen who have been to India, like Dr. Mann, to pronounce definite opinions.

Well now, gentlemen, really that is all I have got to say. I am all interest in the subject. I am greatly interested in it, especially in its reference to India, as to which I have not had time very deeply to consider it; but I will tell the Government of India what has passed this afternoon, and I am sure that it will have the effect, at all events, of making them more zealous than before, if it be possible and wise, to forward movements for putting down this drink traffic. It is not promoting temperance in India after all. In this island, and perhaps other islands too, the people are not naturally inexorable abstainers; in India they are naturally abstainers; and I am sure the Government of India are as anxious as any of us can be to prevent the spread of this dire new additional plague.

MR. ROBERTS: Mr. Morley, I am sure I am expressing the view of all of us when I say that we thank you very heartily for your reception of us this afternoon, and for your appreciation of the interests which this Deputation represents. There is one question that I would like, with your permission, to put to you. You have indicated your views upon what we have laid before you, and you have also said that the report of these proceedings will be communicated to the Government of India, and that no doubt the Government of India will give what has been said to-day due consideration. I may say that we recognise in coming here that it was absolutely impossible for you to-day to give any decision upon the many points which we have brought before you. Our desire was that you should consider, and that the Government of India should also consider, the representations which we have made. We have handed in a preliminary statement, circulated to the members of the Deputation this morning, but with your permission we would like to forward to you that statement in a more complete form, with more figures and facts than it was possible to quote in the space of a memorandum, and, if you agree to that course, we should be very glad if you could see your way to forward the memorandum in a complete and final form to the Government of India, as representing what we have said to you to-day.

MR. MORLEY: I am not very fond of pledging myself to documents that I have not seen, but I do not think there is likely to be any difficulty whatever in my doing that.

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## No. 2.

*Statement submitted by Mr. Herbert Roberts, M.P., on behalf of the Deputation which waited upon the Secretary of State for India on the 1st August, 1907, relative to Excise Administration in India.*

1. During the deputation which waited on the Secretary of State for India on 1st August last, relative to Excise Administration in India, it was suggested that a more complete statement of the position of the Deputation should be prepared and laid before the Government. The present is such a statement, and has been drawn up in accordance with the promise then made.

2. The fact that the consumption of alcoholic liquor, and especially spirits, is increasing can no longer be doubted by any student of the condition of things in any province in India. It is shewn by the increase in revenue being greater than the increase in taxation or improved administration would warrant, as well as by the testimony of

almost every close observer of the social conditions. As the increase is recognised by most excise authorities also, it is perhaps unnecessary to labour the point as much as would have been otherwise the case, but it is advisable to make the fact and the conditions of this increase as clear as possible.

As regards the revenue, the figures for the net produce of the excise taxation from liquors and drugs are sufficiently decisive, whether considered as totals, or in relation to the population of the country. They are as follows\* :—

Date.	Total Revenue.	Revenue per 10,000 of Population.	Date.	Total Revenue.	Revenue per 10,000 of Population.
	£	£		£	£
1874-75 ... ..	1,755,000	—	1900-01 ... ..	4,239,000	—
1883-84 ... ..	2,840,000	139·1	1902-03 ... ..	4,741,000	202·7
1894-95 ... ..	3,965,000	176·8	1903-04 ... ..	5,476,000	231·8
1895-96 ... ..	4,118,000	182·8	1904-05 ... ..	5,861,000	245·7
1897-98 ... ..	3,940,000	—	1905-06 ... ..	6,281,000	260·7
1898-99 ... ..	4,107,000	—	1906-07 (estimated)	6,510,000	267·5

As it is important to make evident the fact that this huge increase in revenue is confined to no corner of the country, but is universal, it is only necessary to compare the revenue in several of the more important provinces at several dates.

Provinces.	Liquor Revenue.				Country Spirit Revenue.			
	1891-92.		1901-02.		1891-92.		1901-02.	
	Total.	Per 10,000.	Total.	Per 10,000.	Total.	Per 10,000.	Total.	Per 10,000.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bengal ... ..	81,32,416	1144	91,88,467	1231	48,14,643	677	70,21,727	941
Assam ... ..	3,96,071	731	7,20,870	1252	3,58,687	662	7,02,814	1220
Bombay ... ..	79,16,478	4942	82,46,874	5382	65,00,537	4058	66,96,490	4370
Madras ... ..	1,23,86,778	3478	1,32,00,454	3466	55,89,050	1569	53,69,542	1406
United Provinces	37,55,307	801	58,49,587	1215	32,02,731	683	50,02,864	1048

In all but one of these cases there has been a further increase till in 1905-6† the revenue stood as follows :—

Provinces.	Liquor Revenue.		Country Spirit Revenue.	
	Total.	Percentage increase over 1901-02.	Total.	Percentage increase over 1901-02.
	Rs.	Per cent.	Rs.	Per cent.
Bengal ... ..	1,02,04,454	11·05	82,67,892	17·75
Assam ... ..	7,09,175	—1·62	6,88,877	—1·98
Bombay ... ..	1,12,10,643	35·94	93,07,107	38·98
Madras ... ..	1,75,60,689	33·03	76,07,078	41·67
United Provinces ... ..	70,16,874	19·95	56,48,662	12·71

We shall indicate in the sequel what we think is the cause of the recent decrease in Assam, but the condition of things shewn by these figures is sufficiently serious, we think, to cause everyone interested in the future well-being of India to pause and at least consider the meaning of the huge increase.

\* These figures are obtained partly from the "Statement exhibiting the Moral and Material Progress and Condition of India," partly from a reply given by the Secretary of State to a question in the House of Commons, on April 15th, 1907.

† The calculations per 10,000 of population in the case of the years since 1901 have been made on the supposition that the rate of increase in population has been the same as in the decade 1881-1891; if this is wrong it will probably tend to make the revenue per 10,000 of the population too low.

† For Bengal and Assam the revenue is given for 1904-5, instead of 1905-6, as the partition of Bengal complicates matters in the latter year.

3. There have been those who deny that these figures, calculated from revenue only, represent a very material real increase in consumption, but chiefly greater care in recovering revenue, and higher duties on the liquor consumed. The effect of the latter can be eliminated by taking the *quantity* of country spirit consumed in the distillery areas of the provinces instead of the revenue as the guiding figure in these matters. It will be seen that the increase in quantity consumed, especially in Bengal, is sufficiently obvious, though the occurrence of famine in Bombay, and, to a less extent, in Madras, caused (between the periods represented by the two figures given) a temporary reduction in the famine years.

QUANTITY OF COUNTRY SPIRIT CONSUMED IN DISTILLERY AREAS.

Provinces.	1894-95. Gallons, London Proof.	1904-05. Gallons, London Proof.
Bengal ... ..	4,55,595	7,00,100
Bombay ... ..	20,73,730	23,83,878
Madras ... ..	12,55,665	12,79,537
United Provinces ... ..	10,05,521	14,45,557 —

That is to say, the actual consumption of country spirit, in distillery areas only, has increased in the ten years as follows :—

Bengal ... ..	53·8 per cent.
Bombay ... ..	15·0 „
Madras ... ..	1·9 „
United Provinces ... ..	43·8 „

The fact that the increase in Madras is only slight, is a feature which temperance reformers would be glad to note in itself were it not accompanied by an enormous increase in the amount of foreign liquor, or spirits dutiable as such, produced in the country. In the other cases which have not been visited by famine, the increase (not in revenue, but in actual gallonage consumed) is between 40 and 55 per cent. In Bombay, where a disastrous famine has intervened, there is nevertheless an increase in gallons consumed of fifteen per cent. In each case except Madras, the percentage increase is much greater than the percentage increase in population.

4. In view of these figures it is not necessary to lay before the Government a large number of official or private opinions as to the increase of the drinking habits. They can be found in the pages of excise reports, in the speeches of governors, officials and private individuals, and in the Excise Committee's report. We may, therefore, turn to a consideration of what have been alleged to be the causes of this increase, and try and indicate, so far as present information gives the opportunity, the weight to be attached to each of these causes.

5. Before doing so, we would, however, desire to urge most strongly the point insisted on by the deputation to Mr. Morley on August 1st, that the materials for getting at the causes of the present increase do not exist. While we recognise that to get at the absolute bottom of the question would demand many years of the most serious sociological inquiry, we cannot help feeling that much more information on this point should be at hand before large changes in excise policy are made. To carry out the expressed policy of the Government, it is essential to understand, so far as is possible, the nature of the problem to be faced. This cannot be ascertained either from excise reports, the Excise Committee's report, or reports of any kind because except for private investigation made in Calcutta, and to a less extent in Assam, there has been no definite inquiry conducted on the subject. Without pressing, therefore, for an impossibly detailed investigation we do feel most strongly that until the causes of the present increase in consumption of liquor are more accurately known, it is impossible to found or to carry out a definite temperance policy, or introduce effective legislation with this object in view. We would, therefore, urge strongly that a small committee be appointed for the purpose of trying to get at the facts of this subject, and that its report should precede any large measure of excise legislation which may be contemplated.

In the meantime, however, we will review the suggested causes of the increase and indicate such information as may be at hand in the matter.

6. In the first place, it has been alleged, chiefly by excise officials, that higher duties are the chief cause of increased consumption. And in a measure this has no doubt been the case. But the figures in paragraph 3 are sufficient to indicate how false this is as an adequate reason. There, not only the revenue, but the actual gallonage of

country spirit consumed, is shown to be increasing in the principal provinces (save Madras) at an enormously faster rate than the population. And they can be repeated for districts in almost every province. We will only give illustrations of the actual gallonage of country spirit consumed in individual districts, where the duty has not varied at all, from Bengal, and of the revenue derived (which should here be a fairly exact measure of consumption) in one or two outstill districts in Assam. These are, of course, only given here as typical, and have been selected almost at random :—

BENGAL, 24 PARGANAS. Duty = Rs. 5 per proof gallon.

1893-94 = 17,254 gallons L.P.

1901-02 = 26,373 " "

1904-05 = 31,427 " "

1905-06 = 35,973 " "

BENGAL—PURI. Duty = Rs. 2 per proof gallon.

1893-94 = 1,894 gallons L.P.

1901-02 = 1,889 " "

1904-05 = 2,762 " "

BENGAL—MYMENSINGH. Duty = Rs. 4 per proof gallon.

1901-02 = 26,373 gallons L.P.

1904-05 = 31,427 " "

1905-06 = 35,973 " "

ASSAM—CACHAR (Outstill).

Revenue—1893-94 = Rs. 95,976

1901-02 = Rs. 1,15,463

1904-05 = Rs. 1,25,432

ASSAM—GOALPARA (Outstill).

Revenue—1893-94 = Rs. 17,726

1901-02 = Rs. 32,800

1904-05 = Rs. 40,823

1905-06 = Rs. 42,488

These typical cases are sufficient to prove that consumption is increasing independently of higher duties. Complications in the system of excise make it difficult to give equally clear cases for all the other provinces, but the facts are undoubtedly the same in most parts of the country except Madras, and here the increased foreign spirit consumption again complicates matters.

But even were the plea that higher duties account for the principal part of the increase in revenue in a measure true, the fact that the consumption and the revenue are rising concurrently would indicate that the taxable capacity of liquor has by no means been reached. We maintain (and in this matter we believe the Government of India is with us) that the rate of taxation should be as high as possible. We think, however, that very nearly all the taxation should be on the liquor itself and only a small proportion as licence fees. The answer has usually been made to our position that a nearer approach to the taxable capacity of liquor in India would lead to wide-spread illicit distillation. Whether it would necessarily do so or not, the concurrent increase in the consumption with a rise of duty would seem to indicate that this point is still far off.

7. Among other causes of increase in total revenue and in total consumption is, of course, the increase of population. Already we have shown, however, that for the whole of India the revenue per head is itself increasing, having risen in a fairly regular manner from £139 per ten thousand of population in 1883-84 to £203 in 1903-04, and to £267 in 1906-07, that is to say, there has been an increase in consumption *per head* of 92·3 per cent. in 23 years. In actual country liquor consumed per head, where the figures are obtainable, we have the following results, from 1894-95 to 1904-05, in Bengal and the United Provinces. The famines in Bombay and Madras make any calculation of increase of population from census figures for these provinces exceedingly difficult, so they are omitted :—

BENGAL.—1894-95 to 1904-05.

Percentage increase in population ... .. 4·99

Percentage increase in gallons of country spirit  
consumed in distillery areas ... .. 53·80

UNITED PROVINCES.—1894-95 to 1904-05.

Percentage increase in population ... .. 1·63

Percentage increase in gallons of country spirit  
consumed in distillery areas ... .. 43·80

These figures are conclusive as to the increase in consumption of liquor occurring at a greater rate than the rise in population in the areas to which they refer, and were the figures available, all the evidence would point to the same conclusion for other provinces.

8. It has been, however, held that though these figures show a most evident increase in recorded consumption, yet this increase is largely due to the greater proportion of licit and the lesser amount of illicit liquor that is used; in other words, that it is due to the better administration of the excise laws. No doubt this administration was, and is (as we shall show later), in great need of improvement, and we are prepared to admit that sudden and large increases in revenue are often due to more careful administration of the excise laws. But gradual and progressive increases are not so to be accounted for. So-called improvement in administration would usually be most obvious in the revenue from licence fees, and would later on be shown in increase in receipts from duty, but this has very rarely been the case, as is well illustrated by the figures for Bengal. In this case the increase from fees and the increase from duty seem to move quite independently (except when a check occurs in both as in 1897-98, and again in 1901-02), proving almost conclusively that the regular, steady increase in the consumption must have other causes.

In the case of Calcutta, the regularity and the steadiness of the increase is remarkable, and is given per 1,000 of the population below, as near as can be calculated. (Owing to a blunder in the office of the excise department for Bengal, now acknowledged, for nearly ten years up to 1901-02, the figures published by that office were wrong in this case, and led to the obscuring of the fact on which we are insisting.)

Date.	Population.	Revenue per 1,000 Population.		Quantity Country Spirit per 1,000 Population.
		Total.	Country Spirit.	
		Rs.	Rs.	Gallons, L. P.
1893-94 ... ..	1,006,700	1843·3	1170·0	163·9
1899-1900 ... ..	1,141,300	1905·5	1427·4	200·0
1901-02 ... ..	1,190,027	1816·7	1442·7	197·8
1902-03 ... ..	1,215,200	1941·4	1545·5	202·7
1903-04 ... ..	1,240,900	1928·1	1559·4	207·6
1904-05 ... ..	1,267,100	1940·5	1571·3	208·5

While, therefore, we are prepared to admit that improved administration may account for some of the large and sudden increases in excise revenue, and even in consumption of licit liquor, yet there seems little doubt that this plea fails entirely to account for the gradual and regular increase which has taken place and which has been already illustrated in paragraphs 2 and 3.

But the administration has been and is still undoubtedly open to great improvement. We have already quoted one case of carelessness in returns which led to the publication of misleading figures in every excise report for ten years. But we can quote actual cases in the districts which our correspondents have met with, which show how extremely lax is the supervision and control in excise matters. We will quote one or two cases. There exists a licence for selling country liquor at *Anarbat*, a village near Howrah, Bengal. Some time ago our correspondents were informed that liquor selling was going on at *Antpur*, a newly established railway terminus some miles away. No licence could be traced for the site at the latter place where this was going on, but on inquiry it was found to be the *Anarbat* licence transferred there, without the excise authorities knowing anything about it! An appeal to the district officer caused its return to the proper place, but within a few weeks the licensee had again transferred his shop to *Antpur*; again without the knowledge of the authorities! That this should go on within a few miles of Calcutta is hardly conceivable. In Calcutta itself, an unofficial investigation revealed the presence in a large number of drink shops of side entrances so curiously concealed that no ordinary observer would detect them—distinctly against the law. These have, since details were published, been closed, but had previously been in existence many years. In the same city shops are nominally closed at 9 p.m., but whether this time is a nominal or a real closing time depends almost entirely on the personality of the Commissioner of Police. During the present year sales have been easy till long after nine o'clock. Such illustrations, showing the lax character of excise administration even in and near Calcutta, could be multiplied almost indefinitely.

But in this connection there are two special cases in Bengal and Assam which are again only illustrations, but which do indicate the action of the authorities towards excise matters. The first of these is the selling of the licences for a number of shops together. This practice is forbidden in the Bengal Excise Manual, Rule 45, Section III. Yet it has prevailed to a great extent in Bengal, if not generally,\* and has led to the maintenance of many shops for which individually there would have been no bidders, and whose licenses would hence have collapsed. To get over the difficulty that the price of each shop had to be separately reported, the price obtained for the group "was distributed among the different shops at the discretion of the deputy collector." In other words, the figures reported to the Government have been manipulated. The second illustration concerns the Bengal Excise Rule as to the position of drink shops. This prohibits the presence of such shops (and has done so for many years) "in a bazaar or at the entrance to a bazaar, or near a bathing *ghât* or any other place of public resort, school, hospital, place of worship, factory, in the interior of a village, at the side of a road leading to a bathing *ghât* or other place of public water supply. In some districts the side of a main road or a village inhabited by aborigines of known drinking habits should also be avoided. A liquor shop should not be inaccessible to persons requiring liquor, but it should not be in such a situation as to obtrude itself on the attention of the public or to render persons passing by subject to annoyance from persons drinking." This rule has been in force for many years, and yet a careful unofficial census of shops in certain parts of the province, notably in Chota-Nagpur, has shown that the greater number are in their present position in direct opposition not only to the spirit but also to the letter of the above rule. The fact that such a condition of things exists, despite the definitely laid-down rule of the department, indicates that the administration is animated by other wishes than that of carrying out the policy of Government. This fact, which has been admitted to our correspondents by excise officers themselves, indicates how lax, and even bad, the administration of the excise departments continues to be.

It is, therefore, with something akin to indifference that critics of the excise administration see new rules promulgated or alterations made; judged by past experience it is more than likely they will be ignored in practice as in the three or four cases cited above. And this must continue unless a new spirit can be infused into the department. Hitherto, in practice, increase in *revenue*; and this almost alone, has been the one thing which made a successful excise officer. Sir Frederick Lely states it in his well-known Budget Memorandum. The Excise Committee acknowledges it, and hitherto—except in Assam to a certain extent—there has been no effort to alter the state of affairs.

The only means of changing this condition of things in our opinion is by ceasing to make revenue the principal consideration either in Government resolutions or in Excise Commissioners' reports. That commendation in the department depends on ability to increase revenue is the opinion usually expressed to our correspondents by excise officers, and a perusal of the reports and resolutions themselves justifies the opinion. We will give a few short extracts, which are taken at random from various provincial reports:—

"I am not satisfied that the attitude of excise officers towards applicants for licences to sell Rosa Rum is always an entirely just one, and that it is not partly responsible for the slow progress this spirit makes in the popular favour."—A. B. Bruce, United Provinces, Report, 1900-01.

"It is satisfactory to find that the revenue increased under all heads except opium."—Proceedings of Government of Madras. Dept. 1900-01. "The Government notes with satisfaction the increase of thirty-six in the number of depôts opened for the distribution of country spirits to retail venders."—Proceedings of Government of Madras. Revenue Dept., 1900-01.

"The Question for decision is, shall we sit quiet and allow the movement to continue and to spread and thereby to forfeit a large amount of revenue, or are measures to be adopted which will bring the people to their senses."—Bombay Commissioners' Report, 1886.

"The result has been satisfactory, and there has been a noticeable increase in the revenue in five out of the eight Bengal districts where the District officers personally held and attended the sales."—Eastern Bengal and Assam Commissioners' Report, 1905-06.

"Mr. Raghunath Prasad, employed as Excise Extra-Assistant Commissioner, is highly spoken of by his Deputy Commissioner; the great success of the new system in the Wun (Yeotmal) District is no doubt largely due to his exertions. In this district the demand proved nearly four times greater than that specified in the Tender, and in Wardha, though already entirely under a distillery system, licit consumption proved 40 per cent. higher than expected."—Central Provinces Report, 1905-06.

"No branch of revenue responds better to attention than Excise, and a substantial portion of the increases now being obtained is due to the greater attention paid to Excise following on the visit of Mr. Todhunter's Committee."—Central Provinces Report, 1905-06.

\* See Excise Report, Eastern Bengal and Assam, for 1905-6, para. 12.

Many other quotations might be cited if space allowed, but the spirit which pervades the reports is nearly always the same. Satisfaction when revenues goes up; commendation of officers in whose districts the increase has occurred; dissatisfaction when the revenue goes down, are, with a few notable exceptions, practically always shown. We think the attitude should be—and must be if real reform is to take place—precisely the reverse. A reduction in consumption should be a title to commendation, an increase should call for a searching inquiry; while improvement of the staff of the department should be such that the administration would be really improved in the sense of trying to restrict rather than to encourage the consumption of liquor. This spirit has been recently discernible to a certain extent in Assam, and to a lesser extent in the Punjab. In 1904 the Government of India instructed the local authorities in Assam to go on the lines of limiting consumption, as suggested in a memorandum by Mr. (now Sir James) Buckingham, and strictly supervising the sale of liquor. (See letter No. 2015 S.R. Calcutta, March 26th, 1904, reprinted in Papers relating to Excise administration in Assam, 1904.) The result has been remarkable. One of our correspondents who has constantly travelled in the Assam Valley tells us that the improvement is quite marked, and is generally recognised by tea planters. True the revenue has gone down (see para. 1), but there is a very general feeling among the excise staff that the Government is in favour of a very watchful eye being kept on consumption, and the whole spirit in which matters are worked has been, at least temporarily, altered. This is illustrated by the figures for consumption in one or two districts, which we will quote :—

SIBSAGAR.			
1901-02	...	...	Revenue Rs. 1,49,147
1904-05	...	...	„ Rs. 1,15,098 (following reforms).
1905-06	...	...	„ Rs. 1,30,922
CACHAR.			
1901-02	...	...	Revenue Rs. 1,15,463
1904-05	...	...	„ Rs. 1,25,432
1905-06	...	...	„ Rs. 1,16,691 (following reforms).

In each case though there has been an increase of population, there has been a decline in consumption following the reform of 1904.

9. Among the causes of increase of liquor drinking, the prevalence of plague is often given. This has been specially brought forward as an important factor in the Punjab, and in Nagpur (Central Provinces). In any case it is a cause which, on present inadequate information, it is quite impossible to value. If, however, it is a material factor in increasing consumption, and we have no reason to doubt that it is, the obvious duty would be to warn the public of the danger of alcohol consumption in connection with this disease. This is no new suggestion. That the Government should take a positive temperance attitude, is only to act on the lines which are now taken by a large number of English municipalities, and it was urged with considerable force before the Excise Committee in India. It is, furthermore, the logical outcome of the declared policy of the Government. And seeing that the consumption of drink is held by medical opinion, not to be merely inefficacious as a prophylactic against plague, but to be actually a favouring cause, we have no hesitation in urging that the people should be warned against the danger in plague stricken districts, and the question of the special reduction of facilities in these districts should be considered.

10. We now come to what are probably the most important of the natural conditions at present favouring an increased consumption of intoxicating drink. These are (1) the change from agricultural to industrial conditions; (2) the incipient breaking down of the caste system; and (3) the apparently increasing prosperity of the bulk of the people. It is difficult to judge in any way to what extent each of these causes is responsible, and an inquiry, as already suggested, is, in our opinion, very urgently needed, as only after such an inquiry could the best way of carrying out the definite temperance policy of the Government be ascertained.

That the increase is not entirely due to the change from agricultural to industrial conditions is obvious, because it is occurring in districts which are and have been always purely agricultural. Two such cases are cited in Bengal (Mymensingh and Puri) in paragraph 6. Others might be given for Madras, the United Provinces, or other parts of India, but the rate of increase has, of course, been much greater in growing industrial centres. The second point above—the incipient breaking down of the caste system—as a cause of increased drinking was most obvious during the unofficial investigation made

n Calcutta during the past three or four years. High caste men who, a few years ago would never have been seen visiting a drink shop, now form in many cases a large proportion of the drinkers. This we consider is a matter of extremely serious moment, and, by itself, almost sufficient to call for an early and searching inquiry. The higher castes were found to drink usually cheap foreign spirit. We cannot look upon the future, if the higher castes become drinkers, without terrible misgiving.

It is because of the, at present unknown, stress which should be laid on each of these three important factors in the extension of the drink habit, that we are so insistent on the need for an inquiry into the causes underlying the present extension of the drink habit.

11. We come finally to what has been always considered by temperance critics as one of the principal causes of increase, namely, the direct action of the Government. It seems to become only clearer every year that under the plea of supplying an already existing demand, the Government is directly encouraging consumption. It seems also that the general system of licensing is framed so as, while obtaining a definite financial return, to encourage as much as possible the use of liquor.

We may take the second of these positions first, especially as, in the main, our contention is supported by the Excise Committee. We consider that any system of licensing which has the auctioning of licenses as its base, and where, as a result, the fees paid for the license form an appreciable proportion of the revenue from a shop, the incitement to drink must be great. Such a statement as the following by Mr. Geake, the Commissioner of Excise for Bengal (Report 1905-06), seems to show a total failure to grasp the principles on which excise taxation as a measure restrictive of consumption rests. He said, speaking of the position which the temperance critics have taken, "Alcohol apparently enjoys the exceptional advantage of being the sole commodity which flourishes in proportion as taxation upon it is increased. Beyond vague asseverations there is, however, no attempt at a scientific explanation of the economic paradox involved in the allegation that in this particular instance both manufacture and consumption are encouraged by the imposition of additional taxation. Such a theory does not appear very acceptable to the producers or consumers of tea, sugar, cotton or any other merchandise....." Now so long as the taxation on liquor is divided into two parts—fees and duty—and the former are determined by auction, so long must it be recognised that the economic effect of increased revenue from liquor may be either to restrict or to *actually encourage* drinking. If the whole revenue were composed of duty then the contention of Mr. Geake (*see above*) would be unassailable for every increase in duty necessarily increases the cost by precisely the amount of the duty and discourages consumption approximately to this extent. The increase of duty on foreign spirits in 1906 had this effect exactly.

But the economic effect of taxation by license fees is totally different, and here an increase may actually encourage consumption, and not hinder it. For in practice any increase in license fees has no effect on the price of liquor, unless all fees are raised in the same proportion, which never happens. *If more is paid for the licence, the licensee must recoup himself by increase in sales and not by increase in prices.* There is no other way: the increase of taxation by license fee must mean inducement to sell more and more liquor. This is the basis of our condemnation of the auction system, which we consider encourages the consumption of liquor by giving the greatest inducement to sell as much as possible, and in this sense is inconsistent with the declared policy of the Government of India. In this matter we have the support of the Excise Inquiry Committee (Chap. X. of their report), of the Excise Commissioner for the Punjab (Major Parsons), of the general practice of other countries, with the exception of certain States of America.

It was one of our disappointments in connection with this subject that the Government of India (Orders, dated May 16th, 1907) have decided to ignore their own Committee and recommend the continuance of a competitive auction system. We desire to urge that even yet this decision should be reviewed, if possible, after more adequate and impartial inquiry than the Excise Committee were able to give.

The matter would not be so serious if the proportion which the licence fees bear to the total taxation were very small. But it is very high. The attached table shows the proportion in each province for 1901-2, the latest easily accessible figures.



Provinces.	Charges per Gallon (proof) of Liquor.			
	By Duty.	By Licence Fees.	Total.	Proportion of Licence Fees to Total.
	Rs.	Rs.	Rs.	Per cent.
Bengal ... ..	3·6	2·1	5·7	37·0
United Provinces ... ..	2·2	1·9	3·1	61·3
Punjab ... ..	4·0	2·5	6·5	38·5
Madras ... ..	4·1	1·8	5·9	30·5
Bombay ... ..	3·3	·4	3·7	10·8
Sind ... ..	5·1	·2	5·3	3·8
Central Provinces ... ..	2·1	1·7	3·8	44·7
Berar ... ..	2·3	1·7	4·0	42·5

In every case, therefore, except in Bombay and Sind, the licence fees are over 30 per cent. of the country spirit revenue. That is to say, the element of the drink revenue *which definitely encourages consumption* is over 30 per cent. of the total (on country spirit). And we feel strongly that this state of things can hardly be done away with so long as there is an auction system of disposing of the licences. We cannot think that the explanation of the Government's position (see paras. 10, 11 and 12 of the Orders above referred to) is either satisfactory or really adequate, and we feel that the difficulties there mentioned as following any other method but that of auction are such as can be and ought to be got over by better administration, and not by sticking to a system which the Excise Committee has branded as being wrong in principle.

12. We have already said that we consider that the Government encourage consumption not only by their system of licensing, but also by maintaining the number of shops and by placing these in the most prominent positions. We have been pleased to note a tendency towards reducing the number of shops in certain of the provinces in the last few years, but this has only taken effect recently to any great extent. The actual numbers of country spirit and of total Excise licences on three separate dates has been as follows :—

Provinces.	Total Excise Licenses.			Country Spirit Retail Licenses.		
	1891-2.	1901-2.	1905-6.	1891-2.	1901-2.	1905-6.
Bengal ... ..	26,705	25,254	} 40,775 {	2,919	3,349	} 3,798
Assam ... ..	1,608	1,374		194	218	
United Provinces ... ..	16,325	15,351	15,844	} (Figures not obtainable.) {	6,022	5,971
Punjab ... ..	} 5,176 {	4,276	3,908		1,265	1,237
N.W. Frontier Province ... ..		247	278		54	51
Burma ... ..	1,800	2,140	1,936		68	133
Central Provinces ... ..	9,770	8,674	} 10,339 {		6,003	} 6,425
Berar ... ..	2,591	2,660			1,078	
Bombay and Sind ... ..	7,250	6,839	15,539		2,756	2,806
Madras ... ..	33,179	31,286	31,841	10,296	10,267	

We maintain that in most parts of India the number of shops is too large. This has been recognised in places by the Excise Committee. They say "*Tari* shops are too numerous in Behar"; in the Punjab "the number of country spirit shops in towns . . . should be scrutinised"; in Madras "the foreign liquor taverns should be reduced in number"; and again "the number of shops, particularly in towns and large villages, should be reduced"; in Coorg "the number of shops might be reduced." In Calcutta it has been found possible in 1905 to reduce the number of country spirit and rum shops by over 10 per cent. at one swoop (147 to 132), and no evil result has followed. We wish for a general policy of limitation of facilities because we cannot help recognising that in many cases it is the presence of the shop, largely, which causes the drinking. This was insisted on by Sir Frederick Lely in the memorandum already quoted; it came out most clearly in the Calcutta investigation already mentioned; one of our correspondents in particular has given us very striking instances of this being the case in Assam, and many more cases might be quoted. The greatest hesitation should, therefore, occur before a new shop is licensed. To us, the ultimate introduction of a system of local option will alone meet the difficulty of licensing just the number of

shops for which there is an absolute demand and no more. This, we understand, is not favourably considered at present by the Excise Committee nor by the Government of India. In its default, however, we would urge that, at any rate, the licensing power should be removed from the hands of those who have to receive the revenue. We should welcome the power of licensing becoming a judicial function in charge of a judicial officer like the chief Presidency Magistrate in cities like Calcutta, or the Sessions Judge in non-urban areas. If this is not possible, we would welcome the power being given to Municipal Corporations in towns or to local boards in rural districts. We think, however, the separation of licensing from the receipt of custom a vital point in carrying out any system of restricting the increase in drinking, and can hardly consider any reform as real unless this is a part of it. In this we are supported by practically the whole of the press—European and Indian—in India, and some of the most influential papers (such as “Capital” Calcutta) have expressed themselves very emphatically on the point.

If it is found impossible (and we see no reason why it should be) to separate the two powers of licensing and revenue, we would suggest that, as far as new licences are concerned at any rate, not only should definite local inquiries be made, but some procedure analogous to that which takes place in the compulsory purchase of land under the Lands Clauses Act in England should be adopted, where all objections would be heard by a Commissioner specially appointed for the purpose, in public, who would be obliged to register his grounds of decision, which would be made public.

Then, we believe the Government of India has agreed to the proposal of the Excise Committee to prescribe a maximum number of shops in each district. We are glad of this, but can hardly see why it should be necessary equally to prescribe a *minimum*.

We have already mentioned that not only the number of licenses and the manner in which they are now given are open to serious objection, but also that the positions in which they are placed afford a justification for the belief, on the part of many critics, that the excise authorities distinctly foster the drink traffic. To take two big towns only, Calcutta and Madras. In the former city, out of fifty-six country liquor shops in the old town area, no less than thirty-three are on the three main roads north and south, and the three main roads east and west, and a large number of them occupy the most prominent corner positions. In Madras, the taverns for the sale of *arrack* are often almost in rows. We are aware that the Excise Committee has recommended the reduction of the number of taverns in Madras. We are also aware that the Government has agreed to the examination of the positions of the shops in Calcutta by a special Committee. But these are belated reforms of abuses to which special attention has been called in the places cited. The case already quoted of Chota Nagpur, where the bulk of the shops are in positions which defy a rule of their own department is one illustration, and one only, of a very widespread practice of placing shops in the most prominent positions. Then the structure of the shops has been most open to objection, but in this matter we believe that the Government propose to issue orders covering the recommendations of the Excise Committee, with which we heartily agree.

13. We have now, in the form of a discussion on the basis of present evidence as to the causes of increase in drinking habits, indicated what we consider should be the lines on which excise reform should go in India. It may be well to summarise here the points which we are anxious specially to urge. They are as follows:—

- (a) The recommendations of the Excise Committee with regard to the construction of shops, the restriction of sales to children and to drunken men, the abolition of the employment of women, the enforcement of an early closing hour should be carried out in their entirety.
- (b) The *maximum* number of licenses in every district should be fixed.
- (c) The Bengal rule, properly carried out, should be made absolute as regards the positions in which liquor shops should not be placed.
- (d) No new license should be given, or no transfer made, without a proper local public inquiry. We suggest a procedure in the matter analogous to that under the Lands Clauses Act in England, and deference should be paid to local opinion.
- (e) The authority granting the license should *not* be that which has to receive the revenue. We suggest either a judicial authority or an elected authority like a municipal corporation or local board might be used for the purpose.
- (f) The direct encouragement to sale which is inevitably the result of the auction system should be removed by the substitution of a higher duty and small fixed license fee as recommended by the Excise Committee.

- (g) The Government should not merely maintain a negative attitude "on the side of abstinence," but should adopt a positive one by at least (1) considering in all excise administration an increase in consumption as being a matter calling for inquiry rather than as a ground of satisfaction and commendation; (2) encouraging temperance as do English municipalities by definite warnings as to the evils of drink; and, in towns, by providing open spaces with attractions, where no drink can be obtained; (3) making temperance teaching (as a part of hygiene) compulsory in all schools.
- (h) The administration of the present excise rules, which is at present (as we have shown in at least one case) often a dead letter, should be improved at any cost, and by commendation of the officers involved on consumption going down and the like methods, every effort should be made to change the spirit animating the excise departments.

14. But all this is only recommended in case our strong suggestion for an inquiry by a more impartial body than the last Excise Committee into the causes of the present increase in consumption be rejected. We are not satisfied that, at present, these causes are known sufficiently to permit of legislation on the lines of the Excise Committee's report or otherwise, and firmly believe that any such legislation would be premature. We feel that more knowledge of these causes is an essential preliminary to a well-considered plan of excise reform. We believe, however, that the suggestions we have made are based on a more thorough examination of the question than has, hitherto, been made, and pending the more complete inquiry which it is hoped will be instituted, we believe they will be found the best existing basis for a policy of real excise reform.

## APPENDICES.

TABLES OF COMPARATIVE FIGURES RELATIVE TO COUNTRY SPIRITS CONSUMED IN THE PRINCIPAL PROVINCES.

	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of O. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		
<b>BENGAL.</b>						
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891-92 ...	48,14,643	15,50,123	8,14,375	24,50,145	3,99,384	2,919 (1,149+1,770)
1892-93 ...	50,23,417	15,43,048	8,60,015	26,20,354	3,98,478	3,106 (1,175+1,931)
1893-94 ...	51,96,557	15,62,947	8,25,886	28,07,724	4,16,857	3,289 (1,255+2,034)
1894-95 ...	54,97,599	16,98,642	8,06,044	29,92,913	4,55,595	3,255 (1,217+2,038)
1895-96 ...	58,50,251	17,95,429	8,81,324	31,73,528	4,90,476	3,288 (1,197+2,091)
1896-97 ...	60,21,351	17,77,384	10,11,430	32,32,537	4,78,687	3,288 (1,191+2,097)
1897-98 ...	55,27,396	16,73,122	10,13,325	28,40,949	4,42,104	3,211 (1,193+2,018)
1898-99 ...	60,33,546	19,67,440	10,73,628	29,92,478	5,30,083	3,262 (1,186+2,076)
1899-1900...	65,13,739	21,00,315	11,53,462	32,59,962	5,74,952	3,288 (1,192+2,096)
1900-01 ...	67,67,430	21,80,693	12,25,834	33,60,923	6,08,298	3,286 (1,206+2,080)
1901-02 ...	70,21,727	21,75,558	12,77,580	35,68,589	6,10,354	3,349 (1,221+2,128)
1902-03 ...	74,58,587	23,21,154	14,10,866	37,26,567	6,52,009	3,371 (1,237+2,134)
1903-04 ...	79,03,682	24,46,787	14,43,653	40,13,222	6,92,664	3,371 (1,237+2,134)
1904-05* ...	{ A. 82,67,892	24,79,837	14,94,745	42,93,310	7,00,100	3,409 (1,255+2,154)
	{ B. 73,80,405	23,70,746	13,72,052	36,37,607	6,75,984	3,091 (1,089+2,002)
1905-06 ...	80,18,359	25,62,842	15,93,332	38,62,185	7,26,508	3,015 (1,141+1,874)

\* Two sets of figures are given for the year which cannot be reconciled, one is in the Report for 1904-05 (A), and the other 1905-06 (B).

—	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of C. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		

## ASSAM.

	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891-92 ...	—	—	—	3,58,687	—	194
1892-93 ...	—	—	—	3,69,800	—	192
1893-94 ...	—	—	—	4,07,600	—	200
1894-95 ...	—	—	—	4,39,153	—	206
1895-96 ...	—	—	—	5,02,847	—	213
1896-97 ...	—	—	—	5,54,841	—	218
1897-98 ...	—	—	—	5,48,407	—	217
1898-99 ...	—	—	—	6,28,651	—	218
1899-1900...	—	—	—	6,65,060	—	221
1900-01 ...	—	—	—	6,95,997	—	217
1901-02 ...	—	—	—	7,02,814	—	218
1902-03 ...	—	—	—	6,95,733	—	216
1903-04 ...	—	—	—	7,07,632	—	213
1904-05 ...	—	—	—	6,88,877	—	213

## BOMBAY.

	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891-92 ...	65,00,537	59,79,957	4,14,590	25,440	—	—
1892-93 ...	65,45,435	61,45,249	3,74,786	25,400	20,68,652	2,586
1893-94 ...	65,23,378	61,96,429	2,96,249	30,700	20,32,703	2,565
1894-95 ...	67,34,729	64,16,093	2,91,236	27,400	20,73,730	2,546
1895-96 ...	70,39,512	66,52,416	3,60,369	26,727	20,96,948	2,522
1896-97 ...	—	—	—	—	—	—
1897-98 ...	69,71,035	65,80,601	3,83,237	7,200	20,38,026	2,523
1898-99 ...	72,40,487	67,47,962	4,85,325	7,200	20,60,280	2,520
1899-1900...	67,20,781	56,16,314	10,90,067	14,400	16,19,926	2,442
1900-01 ...	67,60,987	55,88,175	11,64,412	8,400	17,17,775	2,443
1901-02 ...	66,96,490	60,22,849	6,65,241	8,400	17,92,618	2,463
1902-03 ...	69,47,783	61,89,651	7,49,707	8,425	—	2,463
1903-04 ...	77,97,636	67,34,627	10,57,374	5,625	20,86,955	2,473
1904-05 ...	89,63,315	76,07,467	13,48,573	7,275	23,83,878	2,521
1905-06 ...	93,07,107	83,72,491	9,24,319	10,297	25,39,919	2,514

## MADRAS.

	Rs.	Rs.	Rs.	Rs.	Galla. L.P.	
1891-92 ...	—	—	—	—	—	—
1892-93 ...	—	—	—	—	—	—
1893-94 ...	54,64,141	29,51,817	25,12,321	—	12,62,961	11,402
1894-95 ...	59,76,835	34,78,127	24,98,708	—	12,55,665	11,362
1895-96 ...	62,12,789	36,16,680	25,96,109	—	12,78,403	11,261
1896-97 ...	65,47,240	39,38,147	26,09,093	—	12,10,708	10,636
1897-98 ...	61,04,484	37,61,983	23,42,501	—	11,12,971	10,383
1898-99 ...	55,15,197	31,57,555	23,57,642	—	9,50,227	10,376
1899-1900...	50,04,999	30,14,612	19,90,387	—	8,95,659	10,295
1900-01 ...	50,59,160	32,59,995	17,99,165	—	8,86,369	9,895
1901-02 ...	53,69,542	35,96,534	17,73,008	—	8,75,755	10,296
1902-03 ...	60,49,235	41,58,042	18,91,193	—	10,18,925	10,072
1903-04 ...	71,77,725	49,74,072	22,03,653	—	12,14,660	10,178
1904-05 ...	76,89,243	51,81,517	25,07,726	—	12,79,537	10,316
1905-06 ...	76,07,078	50,15,593	25,91,485	—	12,30,168	10,267

## UNITED PROVINCES.

	Total Revenue (Gross).	Revenue from Duty.	Revenue from Fees.		Consumption of C. Spirits in Distillery Areas.	Number of Retail Shops.
			Distillery Areas.	Outstill Areas.		
	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891-92 ...	32,02,731	19,49,848	8,72,091	3,80,792	—	—
1892-93 ...	35,75,389	22,36,844	9,23,953	4,13,590	11,15,672	6,713 (5,257 + 1,456)
1893-94 ...	38,44,025	23,16,771	10,51,689	4,75,565	11,58,785	6,614 (5,195 + 1,419)
1894-95 ...	45,90,881	20,10,781	10,91,715	4,88,385	10,05,521	6,276 (4,894 + 1,382)
1895-96 ...	32,56,531	18,25,474	10,05,089	4,25,968	9,11,599	6,276 (4,881 + 1,395)
1896-97 ...	23,77,315	12,88,793	7,71,531	3,16,971	6,60,656	6,126 (4,697 + 1,429)
1897-98 ...	28,74,235	17,24,699	7,97,040	3,52,496	8,84,964	6,029 (4,635 + 1,394)
1898-99 ...	36,72,019	22,75,633	9,63,064	4,33,322	11,69,429	6,044 (4,568 + 1,476)
1899-1900...	40,22,876	22,89,467	12,14,163	5,19,246	10,87,623	6,051 (4,544 + 1,507)
1900-01 ...	42,52,473	—	—	4,79,597	12,14,798	6,022 (4,546 + 1,476)
1901-02 ...	50,02,864	31,78,223	13,00,296	5,24,345	12,82,766	5,965 (4,525 + 1,440)
1902-03 ...	55,28,069	33,83,931	15,08,385	6,35,753	13,67,461	5,998 (4,543 + 1,455)
1903-04 ...	60,84,300	37,35,380	16,03,832	7,45,088	13,83,649	6,013 (4,521 + 1,492)
(Up to September 30th for this year and previous years.)						
1904-05 ...	64,95,170	39,52,967	17,36,159	8,06,044	14,45,557	5,993 (4,512 + 1,481)
1905-06 ...	56,48,662	32,20,380	17,03,073	7,25,209	11,48,888	5,971 (4,487 + 1,484)

## PUNJAB.

	Rs.	Rs.	Rs.*	Rs.	Galls. L.P.	
1891-92 ...	—	—	—	—	—	—
1892-93 ...	—	—	—	—	—	—
1893-94 ...	—	—	—	—	—	—
1894-95 ...	—	—	—	—	—	—
1895-96 ...	—	—	—	—	—	—
1896-97 ...	—	—	—	—	—	—
1897-98 ...	—	—	—	—	—	—
1898-99 ...	14,87,093	8,49,373	6,34,567	3,153	(?) 1,57,686	1,378 (1,363 + 15)
1899-1900...	14,88,029	8,75,081	6,09,494	3,454	3,04,669	1,360 (1,345 + 15)
1900-01 ...	14,73,230	7,88,407	6,80,942	1,465	2,48,524	1,357 (1,342 + 15)
1901-02 ...	14,26,815	8,69,298	5,53,642	1,375	2,64,579	1,265 (1,250 + 15)
1902-03 ...	15,27,976	9,19,371	6,06,175	1,130	3,00,224	1,271 (1,256 + 15)
1903-04 ...	16,31,019	9,57,372	6,71,152	1,585	3,27,179	1,275 (1,260 + 15)
1904-05 ...	19,70,334	12,06,956	7,61,408	1,470	3,63,807	1,308 (1,291 + 17)
1905-06 ...	22,32,206	14,64,114	7,65,662	1,930	4,80,396	1,282 (1,265 + 17)

\* This column includes both wholesale and retail.

## CENTRAL PROVINCES.

	Rs.	Rs.	Rs.	Rs.	Galls. L.P.	
1891-92 ...	—	—	—	—	—	—
1892-93 ...	—	—	—	—	—	—
1893-94 ...	—	—	—	—	—	—
1894-95 ...	—	—	—	—	—	—
1895-96 ...	—	—	—	—	—	—
1896-97 ...	22,70,600	—	—	—	2,78,464	7,680
1897-98 ...	18,51,488	—	—	—	3,16,701	7,314
1898-99 ...	21,23,749	—	—	—	3,14,131	7,331
1899-1900...	20,24,085	—	—	—	2,79,931	7,284
1900-01 ...	18,22,905	5,99,763	4,94,688	7,28,454	2,66,180	7,250
1901-02 ...	19,02,891	8,03,661	6,13,579	7,94,700	3,64,370	7,277
1902-03 ...	22,28,620	9,30,982	6,90,997	10,18,161	4,16,382	7,715
1903-04 ...	31,62,606	12,65,823	7,04,783	11,92,000	5,04,083	8,143 (2,344 + 5,799)
1904-05 ...	40,53,136	13,79,598	10,90,817	15,82,721	5,64,453	7,763 (2,297 + 5,466)
1905-06 ...	53,70,227	19,42,862	25,60,917	8,66,448	9,75,628	6,580 (2,953 + 3,627)

### No. 3.

*Despatch from the Secretary of State for India to the Governor-General in Council  
No. 200, Revenue, dated the 15th November, 1907.*

I forward, for the consideration of Your Excellency's Government, a copy of a Statement relative to Excise Administration in India submitted to me by Mr. J. Herbert Roberts, M.P., on behalf of the deputation which waited upon me on the 1st August, 1907.

2. I desire to receive a full expression of the views of your Government upon the Statement, both in respect of the extent to which the consumption of liquor has increased in India in recent years and the causes of such increase, and also with regard to the recommendations made for improving the excise administration.

I have, &c.,  
(Signed) JOHN MORLEY.

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### No. 4.

*Letter from the Government of India to the Secretary of State for India, No. 294,  
dated Simla, the 8th October, 1908.*

In accordance with the request contained in your Despatch No. 200 Revenue, dated 15th November, 1907, we have the honour to submit an expression of our views upon the Statement relative to Excise Administration in India which was submitted to you by Sir J. Herbert Roberts, Bart., M.P., on behalf of the Deputation which waited on you on the 1st August, 1907.

2. From the remarks which you made in reply to the Deputation on the 1st August, 1907, we gather that you are not disposed to consider favourably the suggestion made by the Deputation, and repeated in the Statement submitted by Sir J. Herbert Roberts, that another Excise Committee should be appointed specially to inquire into the causes of the increased consumption of alcoholic liquors in India. We consider the appointment of any such Committee to be entirely unnecessary; while we would strongly deprecate it as being likely, at the present juncture, to offer fresh material for political agitation and attacks upon the Government. It must be admitted that there is a tendency for the consumption of alcoholic liquors to increase among certain classes of the population. The tendency, however, is in our opinion sufficiently explained by causes which are already known. The increasing material prosperity of the people, the steady growth of industrial enterprise, the construction of important public works leading to the more regular and extended employment of labour, the rise in the rates of wages for agricultural and artisan labourers and for domestic servants, the unsettlement of popular ideas and beliefs, and the relaxation of social and religious restrictions on the use of spirituous liquor owing to the spread of Western education, have all contributed to increased consumption. The first four causes have improved the condition and increased the purchasing power of the working classes who, with the aboriginal races, are the principal consumers of liquor in this country. The two last are responsible for the spread of the habit of drinking, to such extent as it may have occurred, among persons who have received some education. It is possible also that the improvement of the quality of the liquor manufactured in India, which has been effected in recent years, may have helped to increase the recorded consumption. The necessity for improving the quality of the country spirit produced in India was urged upon us by Mr. Harold Mann and others; and in the past three years considerable attention has been given to the subject of the production of a more wholesome spirit.

3. In Statements I. and II. attached as appendices to this Despatch will be found statistics showing exactly what increase has occurred in the recorded issues of country spirit from distilleries in India and in the imports of foreign spirits and fermented liquors from 1883-84 to 1907-08. Accurate figures for the years before 1883-84 are in some cases not available.

4. In regard to the statistics of issues of distillery spirit it is necessary to make a few explanatory remarks. It is the policy of the Government of India to abolish the outstill system in all areas in which this may be found practicable, and approval of this policy is

expressed by the members of the Deputation. The quantity of liquor consumed under the outstill system is not recorded, and as the distillery area increases the recorded issues of distillery liquor will also increase. This is a self-evident proposition, but unless it be borne in mind and variations in distillery areas are allowed for, a comparison of the recorded distillery issues of spirit in different years is likely to mislead in regard to the actual increase of consumption. The distillery area has been very largely increased and the outstill area reduced during the period covered by the statistics.

It is important, moreover, to remember that an increase in the recorded issues of spirit even where the distillery area is constant does not necessarily denote an increase in actual consumption. In so far as it may be due to the substitution of licit and highly taxed for illicit and cheap spirit, an increase in the quantity of distillery spirit issued may be accompanied by an actual decrease of consumption. In our Despatch No. 29, dated the 4th February, 1890, we have shown that illicit distillation is exceedingly common in many parts of India; and that wherever British territory is interlaced with the territory of Native States, smuggling flourishes and the difficulties of Excise administration are materially increased. It is unnecessary to add to the length of this Despatch by recapitulation of the facts and arguments adduced in 1890, as this branch of the subject is not specially referred to in the Statement submitted to you by the Deputation; but in any consideration of the subject of the consumption of alcoholic liquor in British India it is very important that this point should not be lost sight of.

There is another point which has to be considered. In the early days of the central distillery system, when distilleries were numerous and Excise establishments were badly organised and insufficiently controlled, large quantities of country spirit were smuggled from Government distilleries without payment of duty, and the recorded consumption of distillery spirit was *pro tanto* diminished. The Bengal Excise Commission of 1884 in the extract from their Report which we quoted in paragraph 24 of our Despatch No. 29, dated the 4th February, 1890, drew attention to the importance of this subject. As they observed, the recovery of duty which in former years used to be divided between the distillers and the distillery officials naturally increases the revenue to the extent of the previous frauds but implies no real increase in the consumption of alcoholic liquor. The attention which is now being given, under the orders contained in our Resolution No. 2,994-Exc., dated the 16th May, 1907, on Chapters III. to VI. of the Report of the Excise Committee of 1905-06, to the concentration of distillation will help to prevent the smuggling of liquor from licensed distilleries. Establishments will be strengthened, the operations of the distillers will be brought under effective control, and collusion between them and the distillery officers will be rendered less likely. But for some years to come it is probable that the prevention of this form of leakage will help to increase the recorded consumption of spirit.

5. Reverting to the actual figures of consumption, we cannot find that Sir J. Herbert Roberts and the other members of the Deputation made any reference to the facts stated and the statistics produced by our late colleague, Sir Edward Baker, in the course of his speech on the Financial Statement of the Government of India for 1905-06. It was there shown by statistics that in the period of 20 years—1883-84 to 1903-04—the consumption of country spirit in distillery areas decreased from 4.95 London proof gallons per 100 of the population to 4.06 gallons, while the taxation imposed on the spirit was increased from Rs. 2-10-7 per gallon to Rs. 4-7-8. 132,000 square miles of territory were transferred from the outstill to the distillery system during the 20 years; and although the issues of distillery spirit increased from 4,513,945 London proof gallons in 1883-84 to 6,999,328 gallons in 1904-05, the consumption per 100 of the population in the distillery area decreased by 18 per cent. Since 1903-04 there has, however, as the statistics show, been a considerable increase of recorded consumption.

6. Sir J. Herbert Roberts in the course of his remarks on 1st August, 1907, observed that "the vast majority of the people of India are total abstainers by religion, \* \*," and Mr. H. J. Wilson, M.P., also observed that "in India the great races are by race, religion, habit, custom and everything abstainers." These statements are only partly correct. It is true that the consumption of intoxicants is prohibited by the Muhammadan religion, and to some Hindus of the higher castes alcohol in any form is forbidden. It is, however, also true, as was pointed out in paragraphs 100 and 101 of our Despatch No. 29, dated the 4th February, 1890, that there are aboriginal races in India who not only habitually drink when they are able to do so, but in some instances consider the consumption of liquor to be a part of their religion. Between these two extremes there exists in India many classes to whom alcohol is neither enjoined nor forbidden. Sikhs are not forbidden to use alcoholic liquor and by many of the lower castes of Hindus alcohol is not considered

to be forbidden and is in practice regularly consumed. There is, moreover, abundant historical evidence to show that under both Hindu and Muhammadan rule the prohibition of the use of alcohol, however far it may have extended, was only fitfully and incompletely observed. The members of the Deputation may be referred to the remarks made on this subject by the Bengal Excise Commission in paragraph 7 of their Report, and to the remarks by Mr. Romesh Chunder Dutt, C.I.E., which are quoted in paragraph 10 of our Despatch No. 29, dated the 4th February, 1890. The Muhammadan classics abound in references which show that the use of alcohol was common under the Delhi Emperors. His Excellency the Governor of Bombay has recently pointed out that the same was true under the domination of the Peshwas ; and the historical evidence on the point has been summarised in the chapter on Drink in Mr. S. M. Mitra's "Indian Problems." We may be permitted a quotation from the *Myntakhab-ut-tawárikh* of Budaoni, to show how similar are the liquor problems of to-day to those which faced the Emperor Akbar :—

"Wine also was allowed, if used for strengthening the body as recommended by doctors ; but no mischief or impropriety was to result from the use of it, and strict punishments were laid down for drunkenness, or gatherings, and uproars. For the sake of keeping everything within proper limits His Majesty established a wine-shop near the palace, and put the wife of the porter in charge of it, as she belonged to the caste of wine-sellers. The price of wine was fixed by regulations, and any sick persons could obtain wine on sending his own name and the names of his father and grandfather to the clerk of the shop. Of course, people sent in fictitious names, and got supplies of wines ; for who could strictly inquire into such a matter ? It was in fact nothing else but licensing a shop for drunkards. Some people even said that pork formed a component part of this wine ! Notwithstanding all restrictions, much mischief was done, and though a large number of people were daily punished, there was no sufficient check."

7. We have no desire, however, to appeal to ancient history, or to go further back than the period of 25 years which are covered by the appendices to this letter. Reading the figures given therein with our knowledge of what is happening in India, we feel little ground for doubt that the increase in recorded consumption in the distillery area is largely due to an increase in this area and to the substitution of licit for illicit liquor ; that the use of alcoholic liquor by the aboriginal races in India has been restricted by our Excise administration ; and that although the use of such liquor by some other classes of the population does show a tendency to increase, we have hitherto been able to keep this tendency in check by taxation, and we are of opinion that similar measures of repression will be found sufficient in the future. Nor have we any reason to suppose that an increase of consumption implies necessarily an increase of drunkenness. It has been our policy to make the taxation of spirituous liquors as high as possible and strictly to limit the number of shops for the sale of liquor, and in paragraph 2 of our Resolution No. 5001-Exc., dated the 7th September, 1905, the general lines of our policy have been authoritatively defined. We reproduce the summarised definition of our policy which is there enunciated :—

"The Government of India have no desire to interfere with the habits of those who use alcohol in moderation ; this is regarded by them as outside the duty of the Government, and it is necessary in their opinion to make due provision for the needs of such persons. Their settled policy, however, is to minimise temptation to those who do not drink, and to discourage excess among those who do ; and to the furtherance of this policy all considerations of revenue must be absolutely subordinated. The most effective method of furthering this policy is to make the tax upon liquor as high as it is possible to raise it without stimulating illicit production to a degree which would increase instead of diminishing the total consumption, and without driving people to substitute deleterious drugs for alcohol or a more for a less harmful form of liquor. Subject to the same considerations, the number of liquor shops should be restricted as far as possible, and their location should be periodically subject to strict examination with a view to minimise the temptation to drink and to conform as far as is reasonable to public opinion. It is also important to secure that the liquor which is offered for sale is of good quality and not necessarily injurious to health."

8. We shall now examine the specific allegations and suggestions contained in the Statement which has been forwarded for our consideration. It is urged that the large increase of Excise revenue which has occurred since 1874-75 is greater than the increase in taxation or improved administration would warrant, and is mainly therefore due to an increase in the consumption of alcoholic liquor. This contention we believe to be based, to a large extent, on the fallacy that revenue and consumption are synonymous terms. A striking, though doubtless an unintentional, illustration of this fallacy will be found in the beginning of paragraph 7 of the Statement. The revenue has increased from £139 per 10,000



of the population in 1883-84 to £267 per 10,000 in 1906-07—that is to say, argues the Statement, there has been an increase in consumption per head of 92·3 per cent. in twenty-three years. We have given accurate statistics to show the extent to which the recorded consumption of locally manufactured and imported spirits has increased since 1883-84, and it is clear from these figures that the large increase of revenue which has taken place is due to increase of taxation and improved administration to a far greater extent than it is due to increased consumption.

9. The members of the Deputation give figures of consumption in London proof gallons for Bengal, Bombay, Madras, and the United Provinces in 1894-95 and 1904-05, and urge that during the ten years the actual consumption of country spirit increased in Bengal by 53·8 per cent., in Bombay by 15 per cent., in Madras by 1·9 per cent., and in the United Provinces by 43·8 per cent. It is the case that there was during this period a considerable increase in the distillery issues of country spirit in Bengal, Bombay, and the United Provinces; but it is important to note that in the United Provinces, if a period of 20 years be taken from 1884-85 to 1904-05, the increase did not exceed 7 per cent. In these provinces also the distillery issues have decreased since 1904-05, owing mainly no doubt to the occurrence of unfavourable seasons. In 1904-05 the issues amounted to 1,445,578 London proof gallons. In 1905-06 they amounted to 1,148,888; in 1906-07 to 1,282,771; and in 1907-08 to 1,032,079 London proof gallons only. The fact, which is admitted indirectly in paragraph 3 of the Statement, that the consumption of country spirit rises and falls in accordance with the character of the seasons affords strong proof of the soundness of the view that an increase of material prosperity is one of the principal causes of the large increase which has occurred in the Excise revenue. In Bombay the distillery issues of country spirit fell to 1,609,842 London proof gallons in 1899-1900. In the two following years they were 1,713,873 and 1,792,618 London proof gallons, respectively. With the return of more prosperous times they rose to 2,383,878 London proof gallons in 1904-05, and the rise since that year has been continuous, the issues in 1907-08 amounting to 2,731,982 London proof gallons. As regards Madras, it is observed that temperance reformers would be glad to note that the increase during the ten years 1894-95 to 1904-05 is slight “were it not accompanied by an enormous increase in the amount of foreign liquor or spirits dutiable as such produced in the country.” If this statement means that there has been an increase in the consumption of foreign spirits in Madras, it is incorrect. We attach a statement marked Appendix III., showing the imports into the Madras Presidency of potable foreign liquors of all kinds and the issues of similar liquors of all kinds from local distilleries during the 13 years from 1894-95 to 1906-07. It will be seen that there has been no increase during this period in the quantities of foreign spirits and wines imported and that the local production of foreign spirit has decreased. The revenue from toddy (fermented palm juice) has increased largely, and there may have been some increase in the consumption of this form of fermented liquor during this period. There has also been a considerable increase in the quantity of beer imported into the Presidency and locally manufactured. To check the increased consumption of malt liquor in India, the duty (both customs and excise) upon this liquor was raised from 1 anna to 2 annas a gallon with effect from January, 1908.

10. In view of the detailed information as to consumption which we have now supplied it is unnecessary to say much regarding the increase of consumption in the two Bengal and three Eastern Bengal and Assam districts which have been selected for special notice in paragraph 6 of the Statement. In the 24-Parganas there is every reason to suppose that the increase in the recorded consumption is partly due to the repression of illicit practices, as several persons were convicted of the offences of illicit distillation and smuggling during the ten years 1894-95 to 1904-05. In Puri a very large proportion of the Excise revenue is obtained from the town of Puri itself. Mymensingh is a jute-producing district, and the cultivating classes which benefit by the industry include many low caste Hindus who have no religious scruples about drinking spirits. It is not known, however, from what source the figures given for this district in paragraph 6 of the Statement have been taken. In respect of the two Assam districts we invite attention to our despatch No. 97, dated the 31st March, 1904. It is admitted in paragraph 8 of the Statement that the Excise reforms which have been introduced in Assam have effected a marked improvement, and the complete abolition of the outstill system throughout the province is now in contemplation.

11. The passage in paragraph 8 of the Statement in which it is urged that the regularity and steadiness of the increase in the consumption of country spirit in Calcutta was obscured for nearly 10 years by a blunder in the office of the Excise

Department for Bengal, is not understood. Licences for the sale of country spirit and rum in Calcutta are sold by auction for triennial periods, and from the annual Excise Report for 1901-02 (paragraph 12) it appears that the amount of the fees paid in advance in 1898-99 on account of the triennial settlement was adjusted in 1899-00 as part of the revenue receipts for the year instead of in 1901-02 as it should have been. It is not known if this is the blunder to which reference is made, or whether it is intended to draw attention to the fact that up to 1901-02 the population of Calcutta used to be shown in the annual Excise Reports according to the Census of 1891 without any allowance for the average annual growth of the population. In neither case, however, is the point very material.

12. It is unfortunate that the rule in the Bengal Excise Manual forbidding the sale of shop licences in groups has not been properly complied with. The irregularity was confined to a few districts; it was promptly dealt with when brought to notice; and we do not think that the circumstances justify the aspersion that the figures reported to the Government have been manipulated. The other rule which the Statement cites as having been infringed—the rule regarding the location of shops—is so comprehensive in its wording that it is not surprising that shops have been found to exist in places which contravene the instructions. We entirely approve the cardinal principle stated in the rule that a shop should not be inaccessible to persons requiring liquor, but should not be in such a position as to obtrude itself on the attention of the public or to render persons passing by subject to annoyance from persons drinking. This principle is in general accord with the recommendations of the Indian Excise Committee with regard to the sites of shops which we have approved in paragraph 6 of our Resolution No. 5,086-Exc., dated the 15th August, 1907; and the question of shop sites in Chota Nagpur, which is referred to in the Statement, will be examined in course of the investigation of the number of shops required in the province which we have ordered to be undertaken in paragraph 3 of the Resolution above quoted.

The other instances of laxity of supervision and defective administration in Excise matters which are given in paragraph 8 of the Statement do not appear to us to be incidents of any real importance.

13. Owing partly to inability to find money for the purpose and partly to reluctance on the part of some Local Governments and Administrations to take any action which might have the effect of harassing the people by unnecessary prosecutions, Excise establishments have not until recently been adequately strengthened and organised in any province, except Madras. The orders which we have now issued in our Resolution No. 4341-Exc., dated the 11th July, 1907, reviewing Chapter XIII. of the Report of the Indian Excise Committee of 1905-06, will lead to the improvement of the Excise administration. We recognise that the manufacture and issue of spirit must be controlled by adequately paid and technically trained distillery officers, and that the employment of a well paid and properly recruited preventive staff is essential to prevent and detect offences and ensure that orders issued for the improvement of the administration are properly observed. But we consider it to be practically certain that the result of these measures will be to increase and not to reduce the Excise revenue.

14. The authors of the Statement, however, regard administrative improvements "with something akin to indifference," and press the old argument that our officers rank revenue higher than morality. On this point we can promise that the policy of checking the increased consumption, which is now occurring, by an enhancement of taxation will be steadily pursued; but we cannot agree with the suggestion that a reduction in recorded consumption in any area should, in itself, be a title to commendation. A reduction in the issues of distillery spirit may simply mean an increase in the consumption of illicit liquor. Nor can we accept the far-reaching conclusions which the members of the Deputation draw from certain *obiter dicta* on the subject of revenue in Excise Reports. Every Government servant knows that useful public works and reforms in every branch of the administration have hitherto often been delayed or rejected for want of funds; and it is therefore not surprising that an improvement in Excise revenue has at times been regarded and referred to in Excise Reports with satisfaction. Moreover, it must be remembered that the writers were aware that the character of the Excise administration has been such as to restrain intemperance, and frequently that the improvement in revenue has been obtained from enhanced taxation on a stationary or diminished consumption. Furthermore, it would be unreasonable to expect that in Reports written for the information of Government by officers who are overburdened with work, passages will not occasionally be found which, when detached from their context, will lend themselves to misapprehension or

misrepresentation. The extracts from provincial reports which are quoted in paragraph 8 of the Statement should be read in the light of these remarks. In the Central Provinces, to which two of the extracts refer, the abolition of the outstill system and the imposition of a direct still-head duty on each gallon of spirit consumed will inevitably reduce consumption, but the result of the partial substitution of the distillery for the outstill system which has been effected has been a large increase of revenue, and there is every reason to suppose that as the distillery system is extended the revenue will still further increase. The recorded issues of distillery spirit will be larger, but consumption will actually be less. Satisfaction with such results may, in our opinion, properly be expressed. Satisfaction also may legitimately be expressed, as in the Eastern Bengal and Assam Report for 1905-06, when by attention to the details of administration the profits of licensed vendors have been reduced and the revenue of Government has been proportionately increased. In the United Provinces the duty on Rosa rum was higher in 1900-01 than the duty on country spirit, and as it was probably a more wholesome spirit the Excise Commissioner was not unnaturally anxious that it should not be handicapped in competition by any unfair discrimination. The extract which is selected for Bombay is, we observe, 22 years old. In our Circular letter No. 2455-S.-R., dated the 21st April, 1904, to all Local Governments and Administrations, we have laid stress upon the importance of making it clear both by word and deed that the recovery of revenue is not the primary object of the Excise administration, that the growth of Excise revenue is to be regarded as satisfactory only when it results from the substitution of licit for illicit manufacture and sale, and from a general decrease of consumption, and that Government is on the side of abstinence.

15. The prevalence of plague has in places been given as a cause of increase of spirit drinking; and in paragraph 9 of the Statement it is suggested that it is the obvious duty of Government to warn the public of the danger of alcohol consumption in connection with this disease. We are not aware that the consumption of alcohol in moderation is held by medical opinion to be "not merely inefficacious as a prophylactic against plague but to be actually a favouring cause;" on the contrary, we are informed that, in the Punjab at least, medical practitioners, both English and Indian, prescribe liquor in moderate but continuous doses in their treatment of the disease. We accordingly doubt if it is necessary specially to reduce the number of liquor shops in plague-stricken districts. We cannot believe that it is expedient to deprive people of one of their few resources for alleviating the depression which accompanies and aggravates a calamitous visitation such as plague.

16. In paragraph 11 of the Statement it is said that the direct action of the Government has always been considered by temperance critics to be one of the principal causes of the increase in the consumption of alcoholic liquor, and it is further observed that the general system of licensing seems to be "framed so as, while obtaining a definite financial return, to encourage as much as possible the use of liquor." It is argued that the Government encourages consumption, firstly by adopting a system of auctioning the licences for the retail sale of country spirit and by adhering to the system notwithstanding the opinion expressed on the subject by the Excise Committee, and secondly, by maintaining the number of shops and by placing them in the most prominent positions. "We consider," it is said, "that any system of licensing which has the auctioning of licences as its base, and where, as a result, the fees paid for the licence form an appreciable proportion of the revenue from a shop, the incitement to drink must be great." Sir J. Herbert Roberts, in his remarks on the 1st August, 1907, goes somewhat further than the allegation in the Statement that Government maintains the number of shops, and says that the members of the Deputation think that the fact of the "increased facilities" which are afforded is a "contributing influence towards the increase in the drinking of the people."

17. In our Resolution No. 2997-Exc., dated the 16th May, 1907, we have given fully our reasons for not accepting the recommendations of the Indian Excise Committee as to the methods under which licences for the retail sale of country spirit should generally be disposed of. We understand from the reply which you gave to the Deputation on the 1st August, 1907, that you accept those reasons as sufficient, and it is unnecessary to add to the length of this Despatch by recapitulating all the arguments which may be urged for or against the system. It has, as you have recognised, the supreme advantage of completely preventing the growth of vested interests; and the objection urged against it in the Statement which has been forwarded for our consideration—that it must stimulate consumption, as the licensee, if he has paid high for his licence, must recoup himself by an increase in sales and not by an increase of prices—is not, we believe, in

accordance with the facts. An objection to the system, which has more force, is that a licensee who has paid high for his licence and who has (as is frequently the case owing to the limited number of shops licensed) a practical monopoly of sale over a considerable area is tempted to charge unduly high prices and to sell diluted or adulterated spirit, and that consumers are thereby tempted to indulge in illicit liquor. It would be easy to multiply instances in the Punjab, the Presidency districts of Bengal, and in districts of Eastern Bengal where the incidence of taxation per gallon of the recorded distillery issues has been much higher than the tariff rate of duty upon imported spirit. Again, our recent experience in the Punjab does not support the view that the auction system must necessarily stimulate consumption. The experimental abolition of that system and the issue in the rural areas of four selected Sikh districts of licences for the retail vend of country spirit on low fixed fees led immediately to a large increase of consumption; while the sale by auction of the licences of all foreign spirit shops dealing principally with Indian customers has been found in that province to be a powerful check on the consumption of these spirits.

18. The system we recognise is not perfect. Its merits and demerits are engaging our closest attention in connection with a representation on the subject from the Government of Bombay; and we may find it expedient to allow some latitude to Local Governments in its application. If, however, it be worked in accordance with the principles laid down in paragraph 5 of our Resolution No. 2997-Exc., dated the 16th May, 1907, we believe that the auction system will be found to be the best that can be devised for keeping the liquor trade entirely under control and for securing to the Government the highest possible revenue on the lowest possible consumption. The organisation of adequate establishments for the supervision of the shops to prevent malpractices by the licensees is now being carefully examined, and we believe that the supervision which will in future be exercised will remove many of the objections which have been urged against the system, as it has hitherto been worked, by the Excise Committee and by other critics.

19. Opinions may reasonably differ as to the best method of determining the fees which should be charged for licenses; but in dealing with the question of the number of shops licensed, or, as Sir J. Herbert Roberts expresses it, the facilities for sale, the Deputation have done the Government of India less than justice. In paragraph 12 of the Statement they give figures of total Excise licences and country spirit retail licences for the years 1891-2, 1901-02, and 1905-06 for the eight principal provinces, and say that they "have been pleased to note a tendency towards reducing the number of shops in certain of the provinces in the last few years, but this has only taken place recently to any great extent." At the same time they maintain that in most parts of India the number of shops is too large, and they quote some passages from the Report of the Indian Excise Committee in support of their contention. The statement, which forms Appendix IV. to this Despatch, will show that it is not correct to say that the reduction in the number of shops has only been effected to any great extent in recent years. The reduction in all provinces, except in Bombay (excluding Sind) and the Punjab and Burma, where the number is strictly limited, has been continuous. In 1883-84 the number of country spirit shops in the eight\* principal provinces of India was 44,821. In 1906-07 it was 30,442.

20. The following table shows for each of the principal provinces the number of country spirit retail shops in 1906-07, the area per shop in square miles, and the population per shop:—

Province.	Number of country spirit retail shops for 1906-07.	Area per shop in square miles.	Population per shop.
Madras ... ..	11,451	12	3,338
Bombay ... ..	2,515	31	6,095
Sind ... ..	293	161	10,959
Bengal ... ..	3,060	37	16,575
Eastern Bengal and Assam ... ..	775	126	39,092
United Provinces ... ..	5,584	19	8,693
Punjab and the North-West Frontier Province ... ..	1,337	88	16,850
Central Provinces and Berar ... ..	5,270	18	2,243
Burma ... ..	157	1,074	58,519

\* The Punjab and the North-West Frontier Province have been treated as one province for the purpose of the comparison.

Except perhaps in Madras, and the Central Provinces (where, however, there has been an enormous reduction in recent years), the number of shops cannot be regarded as excessive. We have, however, in our Resolution-No. 5086-Exc. dated the 15th August, 1907, requested Local Governments and Administrations to investigate the question of the number of shops required in their provinces with reference to the remarks and criticisms of the Excise Committee and the following criteria :—

“The considerations which, in the Government of India’s opinion, must govern the decision as to the number of shops to be established in a given area are perfectly clear. If shops are allowed to be so sparse that each has a practical monopoly over a considerable area, prices will inevitably be raised and illicit practices encouraged ; this danger will be accentuated if the limit of private possession of liquor is reduced, as suggested in paragraph 12 below. On the other hand, while shops need not necessarily be so limited in number as to make it impossible for a resident in a particular area to get his liquor except from one particular shop, it should only be possible for him to do so at the cost of considerable inconvenience, and he ought to have as little freedom of choice in the matter as possible. If two or more shops are equally convenient to any considerable number of persons, the fact affords what the Government of India would regard as *prima facie* evidence that the number of shops in that particular area is excessive.”

We have added that the investigation should aim at a redistribution where the present arrangement is uneven, and at a reduction where the number is now in excess, and that it is not suggested that there should be any addition to the total number of liquor shops in India.

21. Paragraphs 7 to 11 of the same Resolution contain our orders on the recommendations of the Indian Excise Committee regarding the construction of shops, prohibition of sales to children and to persons known or believed to be intoxicated, the employment of women, and the enforcement of an early closing hour. The recommendations of the Committee have been approved ; and in regard to the prohibition of the employment of women, which the members of the Deputation apparently favour, we have passed the following orders :—

“As regards sale by women, the Government of India agree with the view taken by the Government of Bombay in 1905 that there is no necessity for its absolute prohibition, and that it will be sufficient to cancel the licence and to refuse renewal in the case of any person who is found to allow the business of a refreshment room to be carried on in a manner which is open to reasonable suspicion. It is, however, ordinarily desirable to confine permission to a wife, daughter, or other near relative of the shopkeeper who is living with him ; and there may, as the Committee indicate, be particular places in which it is desirable to forbid sale by women altogether. The Collector should in all cases have power to call for the names of persons employed or proposed to be employed in liquor shops, and to forbid sale by such as he may disapprove.”

It is not right that respectable women should be deprived of a means of earning a livelihood in rural tracts merely because the employment of women in liquor shops is in some places and in certain circumstances liable to abuse.

In paragraph 3 of the Resolution we have also expressed our approval of the Committee’s proposal to consider separately, with reference to local conditions, a minimum and a maximum scale of shops for every tahsil or other convenient sub-division of a district. For proper administration a minimum as well as a maximum scale is required ; otherwise, as explained above, there is a risk of unhealthy monopolies in areas served by individual shops.

22. It is further urged by the deputation that the positions in which shops are placed afford a justification for the belief on the part of many critics, that the Excise authorities foster the drink traffic, and that the Bengal rule as to the location of shops should be properly carried out and made absolute. We have suggested in paragraph 12 above that the Bengal rule is to some extent a counsel of perfection and that its complete enforcement in all places may be a matter of difficulty. The location of shops is a question on which considerable diversity of opinion has been expressed both by officers concerned in the administration and by persons interested in temperance. The Excise Committee in paragraph 237 of their Report commend the following opinion on the subject of the Excise Commissioner of the Punjab :—

“The correct principles to follow in locating a shop appear to be these ; its position should be so far public that persons entering it should not escape observation, and that supervision should be rendered easy, but it should not be so prominent as to compel attention, *e.g.*, by occupying a whole side of a public square (as in the Bansawala Bazar, Jullundur) or a ‘corner-lot’ (as near the Rambagh Gate, Amritsar), it should never

occupy a position to which the near neighbours object on grounds which upon enquiry appear to be other than grounds of personal spite ; and so far as possible it should be at a distance from religious and other institutions."

The Government of India have expressed their general accord with the principles thus laid down, and have approved the further suggestions of the Committee for the notification of proposed sites with the object of ascertaining objections to them and of obtaining the opinions of all persons specially interested. The principles do not differ materially from those contained in the Bengal rule, which is approved by the Deputation ; but, as the Excise Committee have observed, it will be exceedingly difficult in towns to secure sites fulfilling the necessary conditions unless the sites are acquired for the purpose by Government. The subject is at present under the consideration of the Local Governments.

23. We have now dealt with heads (a), (b), (c), (f) and (g) (1) of the points specially urged by the Deputation as summarised in paragraph 13 of the Statement. In regard to the licensing arrangements the Deputation urge :—

"(d) No new license should be given, or no transfer made, without a proper local public enquiry. We suggest a procedure in the matter analogous to that under the Lands Clauses Act in England, and deference should be paid to local opinions.

"(e) The authority granting the license should *not* be that which has to receive the revenue. We suggest either a judicial authority or an elected authority like a Municipal Corporation or Local Board might be used for the purpose."

On this subject our orders on the recommendations of the Excise Committee are contained in paragraphs 4 and 5 of the Resolution No. 5086-Exc., dated the 15th August, 1907 ; and, as the subject is a difficult and important one, we reproduce them here :—

"The licensing authority in India, outside the Presidency towns, is the District Officer, and the Excise Committee have carefully considered whether the existing practice calls for modification. In the granting of liquor licenses and the location of liquor shops, the extent to which public opinion can be ascertained, and the weight which should attach to such opinion as is expressed, are questions of no small difficulty. Local option, in the sense in which that term is generally understood, is quite impracticable in India.

As the Government of India wrote in 1890, it 'would throw the whole administration into confusion, and would in some places create an intolerable class tyranny which might have very serious political effects.' The position has not materially changed since this was written ; and it is impossible for the Government to lay aside its responsibilities for fixing, whether by itself or through its officers, the number and sites of liquor shops. The Government of India would be glad, however, to see local opinion consulted more systematically and recorded more definitely than is the case at present, and to that end they suggest for the careful consideration of Local Governments the following modifications in the present procedure, which are based to a certain extent on the Committee's recommendations.

"The machinery which the Committee proposed for the licensing of shops in the Presidency and other large towns is a small local Committee, and the Government of India think that a similar body might suitably be utilised for drawing up the maximum and minimum scales both in the Presidency towns and other large municipalities with a population exceeding, say, 20,000 or some other suitable figure to be fixed by the Local Government. The Committee in the Presidency towns and Rangoon might consist of (1) the Collector, the Excise Commissioner, or other Chief Revenue Officer ; (2) the Commissioner of Police ; (3) the Chairman of the Corporation ; and (4) the Municipal Commissioner or Commissioners for each ward separately. In other municipalities it might similarly consist of (1) the District Officer ; (2) the District Superintendent of Police ; (3) the Chairman of the Municipality ; and (4) the members (or a selected member) for each ward separately. The precise constitution of the Committees must, however, in all cases be left to the discretion of the Local Government concerned, and there is no need for uniformity. These Committees might prepare their proposals, or consider those of the Collector, once in three to five years, and submit them to the Chief Revenue authority for the approval of Government, whose decision should be final. Whether a similar agency could be employed for rural areas, or even for small towns, appears to the Government of India to be somewhat doubtful. Members of District and Local Boards are rarely in a position to gauge the requirements of the rural population in the same way as the leading citizens of large towns can judge the number of shops

required in the smaller and more densely populated areas with which they are familiar. The extension of the system outside the larger towns, however, is a matter which may be left to the discretion of Local Governments."

24. Committees have been appointed in the Presidency towns of Calcutta, Bombay and Madras to report on the location and distribution of shops, and the Local Governments are giving their attention to the subject. The problem of local option is attended with difficulties which may not be appreciated by those who have no personal acquaintance with the working of local self-Government in India. We agree, however, with the Excise Committee that Municipal Committees should be consulted as valuable exponents of a certain section of public opinion to which proper attention should be paid; and we shall take steps to ensure that local opinion both in urban and in rural areas is more systematically consulted and the result more formally recorded than it has hitherto been. At the same time we agree with the Excise Committee that persons, who are taught by religion or caste to regard all alcohol as an evil, cannot be allowed to have a sole determining voice in regard to the requirements of their fellow townsmen, and that due regard must be paid to the wishes and needs of persons to whom alcohol is not prohibited. We are unable, therefore, to accept the recommendation made by the Deputation that the licensing functions should be assigned to municipal or other elected local bodies.

As to the method of inquiry to ascertain local opinion outside municipal areas, we agree with the Excise Committee that a notice put up at or near the proposed site and published in the locality by beat of drum is to be preferred to a notification in the Gazette, and that a local and personal inquiry by a district officer is preferable to formal proceedings undertaken at district headquarters. The inquiry should be public but should not necessarily be formal, and the orders recorded should in each case set forth the procedure observed in making the inquiry and the conclusions arrived at.

The Magistrate and Collector of the district is, under the existing conditions of our administration, the officer who is most likely to possess the local knowledge required for the satisfactory discharge of the licensing functions, and we cannot accept the view that these officers have any such interest in the growth of the Excise revenue as to disqualify them from performing the duty impartially. We are unable to convince ourselves that any material advantage would be gained if the power of granting licenses were transferred from the Magistrate and Collector to a judicial authority; and any change in this direction would have to be undertaken tentatively and with caution. The subject is a most important one and will continue to receive our earnest attention.

25. There remain the suggestions that the Government should adopt a positive attitude on the side of abstinence by encouraging temperance, as some municipalities do in England, by warnings as to the evils of drink and by providing open spaces in towns with attractions where drink cannot be obtained and by making temperance teaching compulsory in all schools. The Excise Committee in paragraph 269 of their Report, which was submitted on the 4th July 1906, suggested that the educational authorities might arrange for temperance teaching in schools, as had, they understood, already been agreed to in Bombay and the Punjab. A question regarding the inculcation of temperance principles in schools was also asked in Parliament by Sir J. Herbert Roberts, M.P., on the 6th December 1906. As a result of the consideration which has been given to the subject, all Local Governments and Administrations have been informed in the letter from our Home Department, No. 730-737, dated the 12th September 1907, that the Government of India are of opinion that a few sensible lessons on the subject of temperance should be included in the sanctioned readers in schools. In provinces where such lessons do not already exist Local Governments have been asked to arrange for their introduction when the readers are revised or when new readers are being prepared. The replies received from Local Governments showed that intemperance is almost unknown among school boys in India; and it has not therefore been considered expedient or necessary to require the Departments of Public Instruction to deal with the subject in any formal or direct manner.

26. Formal warnings by Government as to the evils of drink are in this country much less needed than warnings against other crimes and vices which unfortunately exist, and the suggestion about the provision of open spaces with attractions is utterly impracticable. Such spaces could only be provided by a liberal use of the Land Acquisition Act; the cost would be enormous; much individual hardship would be caused; and the benefit to the community would be altogether incommensurate with the advantages that would be secured. Except possibly in a few isolated localities the evils arising from drink in India are not to be compared with what may be seen in any town in the United Kingdom.

Enclosure No. 2.

APPENDIX II.—A.

Statement showing the Total Imports into India of Foreign Liquors of all kinds.

(In thousands of bulk gallons.)

Year.	Fermented liquors.	Potable spirits.	Liqueurs.	Wines.	Total.	Non-potable spirits ( <i>i.e.</i> , perfumed and methylated spirits and spirits used in drugs, &c.)	Grand Total.	RATES OF CUSTOMS DUTY ON				Year.
								Fermented liquors per imperial gallon.	Potable spirits per London proof gallon.	Liqueurs per imperial gallon.	Wines per imperial gallon.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(1)
1883-84...	1,269	876	422		2,567	18	2,585	Rs. A. P. 0 1 0	(c) 4 0 0	4 0 0	(d) 2 8 0 and (e) 1 0 0 (f) 2 8 0 and (g) 1 0 0	1883-84
1888-89...	2,403	(a) 1,072	13	361	3,849	(b) 47	3,896	0 1 0	5 0 0	5 0 0		1888-89
1893-94...	2,790	(a) 1,013	13	379	4,195	(b) 54	4,249	0 1 0	6 0 0	6 0 0	Ditto	1893-94
1898-99...	3,231	1,098	15	332	4,676	151	4,827	0 1 0	6 0 0	6 0 0	Ditto	1898-99
1903-04...	4,068	1,285	14	333	5,700	138	5,838	0 1 0	6 0 0	6 0 0	Ditto	1903-04
1904-05...	4,614	1,289	14	319	6,236	171	6,407	0 1 0	6 0 0	6 0 0	Ditto	1904-05
1905-06...	5,011	1,369	16	342	6,738	236	6,974	0 1 0	6 0 0	6 0 0	Ditto	1905-06
1906-07...	4,927	1,192	12	329	6,460	285	6,745	0 1 0	7 0 0	10 0 0	Ditto	1906-07
1907-08...	4,889	(h) 1,647	13	347	(h) 6,896	(i)	6,896	(j) 0 1 0	7 0 0	10 0 0	Ditto	1907-08

(a) These figures presumably include imports of methylated spirits.

(b) These figures exclude imports of methylated spirits.

(c) Duty on potable spirits was levied in 1883-84 per *bulk* gallon and not in proportion to strength.

(d) Rate charged on champagne and other sparkling wines.

(e) Rate charged on other sorts of wines.

(f) Rate charged on champagne and other sparkling wines containing more than 42 per cent. of proof spirit.

(g) Rate charged on other sorts of wines not containing more than 42 per cent. of proof spirit.

(h) Includes imports of non-potable spirits, separate figures of which are not at present available.

(i) Included in column 3.

(j) Duty raised to 2 annas per gallon from 3rd January, 1908



## Enclosure No. 3.

## APPENDIX II—B.

*Statement showing the gross amount of Customs Duty collected in British India on imported liquors of all kinds.*

(In lakhs of rupees.)

Year.	Fermented liquors.	Spirits and liqueurs.	Wines.	Total.
(1)	(2)	(3) (a)	(4)	(5)
1883-84 ... ..	·81	35·52	(b) 5·69	42·02
1888-89 ... ..	1·54	48·93	4·36	54·83
1893-94 ... ..	1·76	53·69	4·11	59·56
1898-99 ... ..	2·05	63·66	3·82	69·53
1903-04 ... ..	2·54	75·17	3·80	81·51
1904-05 ... ..	2·88	76·59	3·74	83·21
1905-06 ... ..	3·12	90·31	3·97	97·40
1906-07 ... ..	3·09	77·98	3·83	84·90
1907-08 ... ..	3·85	92·66	3·99	100·50

(a) The figures in column 3 represent duty on spirits imported from foreign and Indian ports, and also from 1888-89 the duty on liqueurs.

(b) Includes duty on liqueurs.

Enclosure No. 4.

APPENDIX III.

Statement showing the imports in gallons of potable foreign liquors of all kinds and the issues of similar liquors from local distilleries in the Madras Presidency during each of the years 1894-95 to 1906-07.

Description of Liquors. (1)	1894-95. (2)	1895-96. (3)	1896-97. (4)	1897-98. (5)	1898-99. (6)	1899-00. (7)	1900-01. (8)	1901-02. (9)	1902-03. (10)	1903-04. (11)	1904-05. (12)	1905-06. (13)	1906-07. (14)
Imports from foreign countries of—													
Brandy ... ..	25,709	27,997	28,445	22,787	28,882	24,692	27,037	31,126	36,933	42,697	41,795	37,513	41,706
Gin ... ..	9,706	10,099	8,610	9,991	9,147	10,931	11,564	11,110	11,357	13,112	15,885	13,823	12,307
Rum ... ..	1,551	951	1,417	2,393	1,882	1,826	2,231	2,041	1,645	2,645	2,745	1,681	1,730
Whisky ... ..	53,025	53,145	62,644	48,455	61,598	69,188	59,432	63,653	66,717	73,765	70,401	71,141	70,848
Other sorts of spirits ... ..	98,631	109,385	97,558	96,931	62,616	71,278	54,234	47,268	64,555	73,062	77,730	71,052	59,402
Liqueurs ... ..	1,140	908	1,389	1,044	1,309	970	596	781	900	1,152	864	783	1,011
Wines ... ..	49,670	50,396	47,712	46,492	45,098	47,295	42,509	45,990	42,190	53,726	47,597	51,774	52,360
Total ... ..	239,432	252,881	247,775	228,093	210,532	226,180	197,603	201,969	224,297	260,159	257,017	247,767	239,364
Issues of locally manufactured potable spirits excised at tariff rates.(a)	9,139	12,786	13,173	13,969	11,177	8,225	13,142	22,129	12,961	8,681	9,931	5,363	6,810
GRAND TOTAL, WINES AND SPIRITS ...	248,571	265,667	260,948	242,062	221,709	234,405	210,745	224,098	237,258	268,840	266,948	253,130	246,174
Imports from foreign countries of—													
Ale, beer and porter ... ..	445,330	530,808	538,930	412,515	464,500	449,664	463,437	388,472	512,089	532,898	648,601	604,459	624,704
Cider and other fermented liquors... ..	212	234	388	402	38	157	281	859	921	752	994	1,345	2,087
Total ... ..	445,542	531,042	539,318	412,917	464,538	449,821	463,718	389,331	513,010	533,650	649,595	605,804	626,791
Issues of locally manufactured beer ... ..	542,091	474,086	495,592	379,216	298,717	334,331	286,777	370,212	415,606	412,185	402,353	494,227	572,280
Imports of Bangalore beer ... ..	4,272	36,024	7,834	108	—	—	—	16,462	28,439	61,628	92,399	91,042	163,445
Total ... ..	546,363	510,110	503,426	379,324	298,717	334,331	286,777	386,674	444,045	473,813	494,752	585,269	735,725
GRAND TOTAL, FERMENTED LIQUORS ...	991,905	1,041,152	1,042,744	792,241	763,255	784,152	750,495	776,005	957,055	1,007,463	1,144,347	1,191,073	1,362,516

(a) The figures under this head are in proof gallons, while those under other heads are in bulk gallons.

## APPENDIX IV.

Statement showing the number of shops for the retail sale of (a) country spirit, and (b) foreign liquors of all kinds.

Province.	NUMBER OF SHOPS FOR THE RETAIL SALE OF COUNTRY SPIRIT.																	
	Outstill Areas.						Distillery Areas.						Total.					
	1883-84.	1888-89.	1893-94.	1898-99.	1903-04.	1906-07.	1883-84.	1888-89.	1893-94.	1898-99.	1903-04.	1906-07.	1883-84.	1888-89.	1893-94.	1898-99.	1903-04.	1906-07.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Madras (a) ... ..	7,634	6,522	2,764	1,615	1,346	(b) 1,212	9,341	11,134	8,638	8,761	10,102	10,239	16,975	17,656	11,402	10,376	11,448	11,451
Bombay ... ..	832	102	24	1	1	1	1,722	2,511	2,542	2,520	2,473	2,514	2,554	2,613	2,566	2,521	2,474	2,515
Sind ... ..	606	—	—	—	—	—	—	279	283	296	296	293	606	279	283	296	296	293
Bengal ... ..	4,133	3,473	2,034	2,076	2,145	1,894	481	575	1,255	1,186	1,237	1,166	4,614	4,048	3,289	3,262	3,382	3,060
Eastern Bengal and Assam (c)	226	249	200	218	213	512	—	—	—	—	—	263	226	249	200	218	213	775
United Provinces ... ..	2,636	1,638	1,419	1,476	1,492	1,100	6,244	5,552	5,195	4,568	4,521	4,484	8,880	7,190	6,614	6,044	6,013	5,584
Punjab and the North-West Frontier Province.	—	15	16	15	15	18	1,010	1,384	1,403	1,383	1,296	1,319	1,010	1,399	1,419	1,398	1,311	1,337
Central Provinces and Berar	5,012	6,702	5,989	4,913	5,799	2,388	4,898	2,795	1,399	2,227	2,344	2,882	9,910	9,497	7,388	7,140	8,143	5,270
Burma ... ..	(d) 46	75	63	69	7	1	—	—	—	—	—	86	(d) 46	75	63	69	72	157
<b>TOTAL</b> ... ..	<b>21,125</b>	<b>18,776</b>	<b>12,509</b>	<b>10,383</b>	<b>11,083</b>	<b>7,196</b>	<b>23,696</b>	<b>24,230</b>	<b>20,715</b>	<b>20,941</b>	<b>22,269</b>	<b>23,246</b>	<b>44,821</b>	<b>43,006</b>	<b>33,224</b>	<b>31,324</b>	<b>33,352</b>	<b>30,442</b>

Number of shops, including hotels, refreshment rooms, &amp;c., for the retail sale of foreign liquors of all kinds.

Province.	1883-84.	1888-89.	1893-94.	1898-99.	1903-04.	1906-07.	Province.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(1)
Madras ... ..	559	868	632	728	784	840	Madras.
Bombay ... ..	340	215	317	341	367	348	Bombay.
Sind ... ..	24	50	86	57	72	84	Sind.
Bengal ... ..	866	672	526	511	556	488	Bengal.
Eastern Bengal and Assam (c)	138	127	103	69	60	228	Eastern Bengal and Assam.(c)
United Provinces ... ..	155	205	(e) 278	(e) 311	(e) 379	(e) (g) 313	United Provinces.
Punjab and the North-West Frontier Province...	482	598	468	311	332	333	Punjab and the North-West Frontier Province
Central Provinces and Berar ... ..	92	55	88	108	135	125	Central Provinces and Berar.
Burma ... ..	(d) 399	(f) 269	437	447	442	259	Burma.
<b>TOTAL</b> ... ..	<b>3,055</b>	<b>3,059</b>	<b>2,935</b>	<b>2,883</b>	<b>3,127</b>	<b>3,018</b>	<b>TOTAL.</b>

(a) The figures for the years 1883-84 to 1898-99 exclude the number of shops in the Agency tracts, of which no record exists.

(b) Excludes 83 shops opened in the Chavakat Deputy Tahsildar's division during the first half of the year.

(c) The province of Eastern Bengal and Assam was constituted on the 16th October, 1905. The figures for the years prior to 1906-07 relate therefore to Assam only.

(d) Figures for Lower Burma only.

(e) These figures include shops open for a part of the year.

(f) This figure represents the number of licences granted for Lower Burma only. The corresponding figure for Upper Burma is not ascertainable from the Excise Report.

(g) Excludes 18 bar licences granted to hotels.