Chapter 1

EVOLUTION OF THE BRITISH LIQUOR POLICY
IN TAMIL NADU
CHAPTER I

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On First January 1802, the British Government implemented Akbari Regulations in Tamil Nadu. But the implementation was done not all on a sudden. The British studied various aspects of Akbari from the past and came to know the potentiality of raising revenue from the Alcohol. In the 1790's the British tested the Liquor Policy in Bengal. The success in Bengal Presidency forced them to introduce the Liquor Policy in other provinces and Tamil Nadu was no exception.

ALCOHOL - A BRIEF HISTORICAL STUDY

Alcoholic drinks were known to India from Vedic times. 'Rig Veda' contains 114 hymns in praise of 'soma', the celestial drink of the Vedic period, which is generally believed as the juice of a plant.\(^1\) Besides 'Soma', there were different kinds of liquors. Among them 'sura', a distilled spirit manufactured from grain was very popular.\(^2\) 'Soma' and 'sura' were also used in the later Vedic period.\(^3\) The Vedic Aryans worshipped 'soma' as

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this liquor gave them strength in their wars with their enemies.\(^4\) Indra, the most popular God of the Vedic period was also said to have drunk 'soma'.\(^5\)

These drinks were used in the age of Upanishads and Sutras.\(^6\) Liquor was also used during the Epic Period. 'Bhagavada Purana' gives examples of the use of liquor.\(^7\) The leading characters of the Mahabharath were addicted to strong drinks. The Ramayana also frequently noticed spirit drinking.\(^8\)

Alcohol was also used in the period of Empires. Kautilya, who was the minister of the First Indian Emperor, Chandragupta Maurya, in his celebrated work 'Arthasastra' mentioned the use of liquor by the people. The Arthasastra mentions Six Principal Kinds of Liquor.\(^9\) He devoted a whole chapter to the regulation of liquor traffic in the land. As Kantilya was fully aware of the evil effects of liquor, he restricted the quantities, which can be sold to the people. In clause 119, he laid down: "Liquor shall not be taken out of villages, nor shall liquor shops be closer to each other".\(^10\) Kantilya was also particular about strict discipline in military camps and prohibited drinking and gambling as detrimental to war preparedness and to

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\(^4\) Sama Veda – Part-II, III, 1, 3, 1
\(^5\) Ibid., VI, 2, 20, 2.
\(^6\) R.C.Majumdar, op. cit., p 526.
\(^7\) Tek Chand, op. cit., p 4.
\(^8\) Report on the Historical Sketch of Excise of Country Spirit in Bengal 1883-84, Calcutta, 1884, Vol 1, p 6 (Hereinafter referred to as HECB)
\(^9\) Vincent A. Smith, The Oxford History of India, New Delhi, 2000, p 114.
\(^10\) Tek Chand, op. cit., p 4.
the safety of the king. In spite of the restrictions, the people were addicted
to drinking. Megasthnes also spoke of the drinking habit of the people.\textsuperscript{11}

After embracing Buddhism, the Great Mauryan Emperor Ashoka took
efforts for implementing the abstention from liquor as a universal practice.
However, the habit of drinking continued in the next centuries. During the
time of the Guptas, a large section of the Hindus were over-indulged in
spirituous drinks. In the contemporary dramas and prose romances the habit
of drinking was described.\textsuperscript{12} Kalidasa, the great author of the Gupta period
described that drinking seems to have been very common not only among
men, but also even among women of high rank. He also gave descriptions of
the different kinds of spirits, of the materials from which they were made,
and of the manner of making them.\textsuperscript{13}

During the medieval period, the spirits and other intoxicating drinks
have been extensively used in India by all classes. As Muhammad, the
Prophet forbade drinking, early Muslim rulers in India tried to prohibit
drinking. But it was not a complete success. Al-Beruni\textsuperscript{14} noticed that wine
was forbidden to the caste Hindus, but the Sudras were allowed to drink it.\textsuperscript{15}
During the time of Ala-ud-din Khilji, he found that use of wine was one of

\begin{footnotes}
\item[12] R.C.Majumdar, “The History and Culture of the Indian People: The Classical Age”
\item[14] Al-Beruni (973-1048) was the great Muslim historian of Medieval Period.
\end{footnotes}
the reasons for the various revolts in the sultanate. Ibn Batuta, who visited India during the time of Ala-ud-din Khilji, wrote:

Spirituous liquor was strictly forbidden and the Sultan himself set an example by giving up the habit of drink. Chinaware and glass vessels of the Sultan's banqueting room were broken into fragments and jars and casks of wine were brought out of the royal cellars and emptied at the Badaon gate as such abundance that mud and mire were produced in the rainy season.

However, he further wrote,

The nobles were permitted to drink individually in their houses but all social intercourse with them was strictly prohibited.

After the advent of the Mughals, the use of liquor was increased. Some of the Mughal Emperors were also fond of liquors. The founder of the Mughal Empire in India, Babur, in his memoirs, reveals his temptation for drinking. However, he renounced liquor in his later part of the life.

Even though Emperor Akbar prohibited the sale of drinks, he permitted Christians to drink. His successor Jahangir was a man of loose

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17 Tek Chand, op. cit., pp 5-6.
18 Ibid., p 7
morals. He was fond of drinking and addicted to alcohol. Jahangir used to remark: "I have sold my kingdom to my beloved queen for a cup of wine and a dish of soup."20

The French traveler Francois Bernier who traveled in India from AD 1656 to 1668, wrote memoirs of his travels in the Mughal Empire. Bernier was fond of wine. According to him, even though wine was not easily available in the shops of Delhi, he got it from Ahmedabad and Golkanda. He also mentioned about the import of wine from Persia and Netherlands. He wrote: "The liquor peculiar to this country is arrack, a spirit drawn by distillation from unrefined sugar."21

Aurangzeb considered drinking as an evil and took measures to stop it. However, he also allowed the Christians to drink. After Aurangzeb, there was no strict rule regarding the use of wine.22 In the south in Tamil Nadu also drinking was common. While the king and rich people used imported liquor, the poor used toddy.

In Tamil Nadu, from Sangam period itself people knew drinking. Different kinds of toddy, known as 'mattu', 'madu', 'naravu', 'theral' and 'topi' were used during Sangam period.23 'Mattu' was prepared from honey. 'Madu' was extracted from flowers.24 Rice cooked with toddy was known as 'naravu', 'theral' was distilled from toddy. 'Topi' was extracted from

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20 V.D.Mahajan, "India Since 1526", S. Chand & Co. Ltd., New Delhi, 1980, p 129.
21 Tek Chand, op. cit., 6.
22 Ibid., p 9.
24 Ibid., p 507.
paddy\textsuperscript{25} or fruits\textsuperscript{26}. Toddy was also derived from a coarse grain called 'thinai'\textsuperscript{27}. The Sangam people looked toddy as kind of food.\textsuperscript{28} To promote intoxication the people who drunken toddy also took fruits.\textsuperscript{29} People used to offer toddy to the stone they worshipped in honour of the dead.\textsuperscript{30}

Toddy flowed like water in the Sangam period.\textsuperscript{31} The habit of drinking was wide spread.\textsuperscript{32} Soldiers drunk toddy stomach full, eyes red with intoxicant they plunged into the battle.\textsuperscript{33} They celebrated their victories with drinking and merry making.\textsuperscript{34}

There was a reference in the Sangam Literature that a chieftain offered toddy to his ministrals.\textsuperscript{35} When the king was seated on the throne, administrating the affairs of the state and offering prizes to the laureates, he used to indulge in drinking.\textsuperscript{36} Women too used to drink. Adhiyaman, one of the very important chieftains of the Sangam period gave toddy to a women

\textsuperscript{25} \textit{Ibid.}, p 505.
\textsuperscript{26} 'Ahananuru Perumozhi Pulavar Urai', (Tamil Literary Work), Saiva Siddhanta Kzaham, Madras, 1970, p 130.
\textsuperscript{27} Aham (Tamil Poem), 284: 8.
\textsuperscript{28} Puram (Tamil Poem), 172, 1-2.
\textsuperscript{29} Puram, 177, 6-11.
\textsuperscript{30} Puram, 232, 3-4.
\textsuperscript{31} Puram, 343, 9.
\textsuperscript{32} Aham, 368, 14-15.
\textsuperscript{33} Aham, 157, 1-4.
\textsuperscript{34} Aham, 178, 18.
\textsuperscript{35} Puram, 170, 12-13.
\textsuperscript{36} Puram, 123, 1-4.
Women used to serve toddy in fish shaped gold vessels. Poor classes such as labourers, soldiers and wandering ministrals drank toddy, drawn from coconut and palm. Scented liquor manufactured from rice, the richer classes cool and fragrant wines brought used flowers and fragrant substances by 'yavana' ships were the favourite of the kings. A poem referred to cool smelling wine brought by the 'Yavanas'. It was drunk by the king and his guests.

The drinking habit continued to prevail in the Tamil society in the post-Sangam period also. Even during the Pallava, Chola, Pandya, and Vijayanagar period, drinking habit continued.

During the period of Nayaks of Madurai, toddy preparation was a popular industry in Tamil Nadu.

After the advent of the Britishers, Alcoholic beverages received two distinctions. It acquired a social status and it also received recognition as a source of revenue. The East India Company introduced the Abkári excise system in India. But they were not the first to introduce the Akbari revenue system.

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37 Puram, 235, 1-3.
38 Puram, 178, 18.
39 Greek ships.
40 V.Kanakashabai, 'The Tamils Eighteen Hundred Years ago', Asian Education Service, New Delhi, 1979, p.25.
41 Pruam, 56, 18-20.
42 T.V.Sadhasiva Pandarathar, 'Pirkkala Cholar Varalaru' (Tamil), Chidambaram, 1974, p 524.
system in India. They studied Indian History and came to know that the people were fond of drinking. In spite of various measures taken by some rulers, the habit of drinking continued. As a result of this, some of the previous rulers of India imposed tax on liquors, to raise their revenue. The British Government followed this in India.

LESSONS FROM THE PAST

The practice of deriving revenue from a tax upon the sale of intoxicating liquors appeared to have been very ancient among the Hindu Governments. The Institutes of Manu point to an excise duty upon liquors, and other articles, as a proper mode of raising funds for the purposes of the Government.\(^{44}\)

The old Hindu Governments manufactured and sold ardent spirits themselves and kept the sale of fermented palm juice under their own immediate supervision.\(^{45}\) Arthasastra gives a detailed account about the taxation system of Manryas. The drinking of and traffic in liquor were recognized officially and encouraged as a source of revenue. The whole business was under the control of a superintendent, who was responsible for the necessary police and licensing arrangement, as well as for the collection of the government dues.\(^{46}\)

\(^{44}\) Report of the Abkári System of the Madras Presidency, with some details of the Excise Taxation in the other provinces of India (1805-1875), (Herein after referred to as ASMP), Madras, 1875, p 1.


\(^{46}\) Vincent A. Smith, op. cit., p. 114.
During the period of the Imperial Guptas, all articles sold in the shops were subject to taxation and intoxicating liquors were no exception.\textsuperscript{47}

During the medieval period, the Delhi Sultanate raised revenue by means manufacture and sales of spirits and liquor.\textsuperscript{48}

The tax upon the sale of intoxicating liquors also found in the list of taxes among the Mughals.\textsuperscript{49} However the great Akbar remitted the tax on liquors. Ain-i-Akbari\textsuperscript{50} gives a list of taxes which were remitted by Akbar among which were includes taxes on Salt and Spirituous liquors, but both these taxes as well as several others of those must have been subsequently re-imposed for they were included in the sayer of later fiscal statement when the English assumed power, their main aim was to increase revenue. Hence they imposed tax on liquor.\textsuperscript{51}

In Tamil Nadu also, the imposition of tax upon liquor was ancient one. The Pallava kings who levied eighteen taxes including taxes on palm and coconut trees, a separate tax was imposed for extracting liquor.\textsuperscript{52} Likewise we had evidence about later Cholas who levied tax upon toddy

\textsuperscript{47} HECB, p 1.
\textsuperscript{49} ASMP, p 1.
\textsuperscript{50} Biography of Akbar written by his court Scholar Abul Fazl.
\textsuperscript{51} HECB, p 6.
tappers for extracting toddy from palm and coconut taxes. After the British period, in Tamil Nadu also tax was imposed on liquor.

**EXPERIMENTS IN BENGAL**

The modern excise system was introduced in Bengal in 1790. The British Government at the initial stages resolved, on moral grounds to resume the Abkári Sayer without reference to other duties. We accordingly find this done by the following notification, dated the 19th April 1790, nearly two months before the general resumption of the other species of Sayer:

> It having been resolved by the Governor General in Council that no person within the company's provinces shall in future make or vend spirituous liquors without a licence from the collectors of the districts, and that no tax shall be levied on the making or vending of spirituous liquors except on the part of Government, public notice is hereby given that the first part of this resolution will be enforced as soon as the form of licence and necessary Regulations relative thereto shall have been determined on (of which further notification will be hereafter issued), and that in the mean time the latter part of the above Resolution, prohibiting the levy of any tax on the making or vending of spirituous liquors, except on the part of Government, is to be

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considered in immediate force. The collectors of the several districts have been instructed to take the charge of the collection, and the rates of duty now levied are to be paid to them until the final regulation there of shall have been determined on. All persons who may think themselves aggrieved by this arrangement are authorized to prefer a claim for compensation to the collector of the district, who will investigate the same and pass a decision thereon, subject to an appeal to the Board of Revenue, if preferred within one month after the passing of the Collector’s decree, and subject, also, to a further ultimate appeal to the Governor General in Council if preferred within one month from the passing of the decision of the Board of Revenue.\footnote{HECB, p 6.}

Many Abkári Regulations followed this. After Lord Wellesley became Governor General, he decided to regulate the excise on spirituous liquors. In 1801 Lord Wellesley circulated a series of interrogations to various high officers. One of the interrogatories was regarding the operation of the regulation for taking spirituous liquors, and whether the tax had rendered the vice of drunkenness more prevalent. Some of the officers, including four Magistrates of the adjoining districts of Calcutta considered that the tax on spirituous liquors in the districts subject to their jurisdiction had been beneficial in reducing drunkenness, and that it would have been still more
beneficial if it had been levied to its fullest extent. Hence Lord Wellesley decided to implement Liquor Regulations to other Presidencies.

**INTRODUCTION IN TAMIL NADU**

The British Government was in a dilemma as to the mode of raising revenue from liquors in Tamil Nadu. In the earlier years of the 19th century, considerable discussion took place on this subject. The Board of Revenue finally decided to implement tax on liquors in Tamil Nadu also. The right of the British Government to the revenue from Abkári or tax on the sale of spirituous liquors and intoxicating drugs was reserved under Section IV of Madras Regulation XXV of 1802.

The Board of Revenue did not consider the plan prepared for Bengal Presidency suitable for Tamil Nadu. In Bengal, it was proposed to levy tax on the sale of arrack or country made spirits, as a daily duty upon stills, of a known capacity, at rates varying with reference to the size of the still. This system was known as 'out still' or 'monthly tax' system, the daily rate having been merged into a monthly payment. But in the case of Tamil Nadu, where the practice of letting, in farm, the exclusive privilege of manufacturing and selling spirituous and fermented liquors in a district or sub-division was generally in force, they proposed an alternative regulation for the taxation of arrack, toddy, and foreign spirits under the latter mode of management. They reported to the Government that there would be


56 Titles of the Regulations passed on the first of January in the year 1802, Madras Regulation XXX of 1802, p 189.
difficulty in inducing people to take out licences for single stills, and that the farming system had the effect of inducing more respectable people to embark in the spirit of trade, as the magnitude of the operations in a large farm necessarily involved the possession of capital and some administrative capacity. In reply to some objections, which were made to their proposals, which also included the taxation of toddy, or fermented palm-juice, betel, and tobacco, they urged that the levy of an assessment upon these articles as well as upon spirits was warranted by the common law of the country.

The Home Government sent two despatches in 1805 and 1806 regarding the implementation of Abkári revenue in Tamil Nadu. The Home Government strongly objected, “the principle of farming out to individuals any article of taxable consumption”, and the direct management of the revenue derived from arrack and toddy was urged upon the local government.57

The Board of Revenue and the Government of Madras considered that the objections based on general principles to farming the revenues did not apply, “to the renting, as in the present case under restrictions an article of luxury by no means necessary, nay even detrimental, to the public weal”. It was declared that the object held in view was, “to restrain and regulate”. The consumption of liquor and the opinion was expressed that the health and good order of the people, which were objects of far more importance than the augmentation of revenue, would be more surely promoted by the

57 ASMP, p 1.
farming than by the out still system.\textsuperscript{58} The Board of Revenue considered that these objects would be more surely promoted by a system which insured the respectable persons rather than one which would place the entire liquor trade in the hands of petty distillers and shop keepers, whose irregularities it would be impossible to control, and from whom the punctual realization of the revenue would be by no means easy. These opinions of the Board were very nearly identical with those expressed by Sir Thomas Munroe.\textsuperscript{59}

\underline{EARLY ABKÁRÍ REGULATIONS IN TAMIL NADU}

In order to regulate the Abkári Revenue the Madras Government as well as Home Government passed many rules and regulations. To prevent the immoderate use of country Arrack and Foreign Spirits in Tamil Nadu, which is injurious to the health and morals of the people, and to the peace and good order of society, the Madras Government passed a Regulation. According to the Regulation all persons were prohibited from manufacturing or selling country arrack, and from retailing Foreign Spirits, otherwise than prescribed by the Regulation.\textsuperscript{60} The Collector further provided that the exclusive privilege of manufacturing and selling arrack should be farmed in each district, and that the places at which distillation and sale might take place should determine it. The separate licensing of each still was also authorized as an alternative and collectors were recommended by exclusive

\textsuperscript{58} Collection of papers relating to the Excise Administration of India. Reprinted from the supplement to the Gazette of India (herein after referred to as CEAI), Calcutta, Dated: Saturday, March, 1890, p 87.

\textsuperscript{59} ASMP, p 2.

\textsuperscript{60} A.D. 1808, Regulation I, Fort St. George, 9\textsuperscript{th} February 1808, p 1.
instructions to try both plans in different parts of their districts. Some rules were prescribed for the formation of the annual rent of the exclusive sale of Foreign Spirits, and the exclusive manufacture and sale of country arrack. In fixing the rates collectors were to be careful not to enable renters to under fell those in a neighbouring jurisdiction. The number of stills and shops and the retail rates of sale being determined to be established an advertisement inviting proposals for the rent of each zamindary or division to be published by the collectors. All licences for the manufacture and vend of country arrack and foreign spirits, should be in the prescribed form as provided by the Madras Presidency. The renter had to undertake to perform the rules and regulations without fail. The renter was not to work a still or open a shop, other than the specified area. He was also not permitted to use any ingredient, which is pernicious to health. He should prevent gaming and disorder within his shops. He should not harbour robbers, thieves, or riotous persons. He should not receive any grain, goods, wearing apparel, or property, in barter for liquor. He should not open any shop before sunrise, nor kept in open after 8 p.m. Upon any break of the above conditions, his licence should be forfeited, and a fine of two hundred and fifty rupees should be imposed on, and levied from the render. In addition to this system of management, section XVII of the Regulation also authorized the licensing of separate stills as an alternative mode. When the regulation was sent to the Collectors of Districts, they were recommended to

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61 CEAI, p 87.
62 A.D. 1808, Regulation I, p 3.
63 Ibid., pp 4-5.
make a trial of both plans of management. In districts of Nellore, South Arcot and Trichinopoly, however, was the licensing or out still system adopted and only for a few years. In 1815, the out still system had been abandoned in favour of the farming system, except in Madras city, where, a special system of direct management had been maintained. In 1815-16, we find that the renting system was in force throughout the Presidency, except within the Abkári limits of the town of Madras. The rents, as a rule, included the exclusive privilege of the sale of fermented toddy as well as arrack, though there was no legal sanction for this course. As expected, difficulties soon arouse in regard to the realization of this portion of the revenue. The regulation was also found to be defective as there was no legal punishment for breach of licence. Hence its amendment was finally resolved upon in 1819.

In the following year a new law was enacted on the subject which was known as Regulation I of 1820. The new Regulation was passed to remove the defects found in the Reguation-I of 1808. According to the new Regulation, under the orders of the board of revenue, the Collectors were authorized to issue licences for the establishment of distilleries for manufacturing from, Arrack or other spirit to Europeans, descendants of Europeans, Armenians or other persons when Sub-Collectors might

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64 ASMP, p 2.
66 ASMP, p 2.
approve. It also permitted renters to sub-rent their farms and to recover their dues from the under-renters by summary process. Special provisions against the use of noxious ingredients in the manufacture liquors and against any irregularities in the liquor shops were also made in this enactment. The Board of Revenue was empowered to frame rules, from time to time, as occasion might require, for regulating the sale of all spirits and of toddy or other fermented liquors. It also gave powers to the board of Revenues for determining the places at which stills and shops should be erected, the retail rates of sale to be established, and the measures to be used, and generally all matters relating to the detailed management and control of such distilleries and shops. Passes were also required for any quantity of liquor in transit in excess of one bottle. Penalty was imposed on people for working distillery without licence. Penalty was also imposed on people who mixed noxious ingredients with the liquor. Magistrates were authorized to issue search warrants for the discovered of unlicenced stills or of spirituous liquors illicitly sold, manufactured or deposited in any place. However, no such search warrant shall be executed, but between sun rise and sun set, nor in the apartments or women of respectability and credit who do not ordinarily appear in public, except by women who shall be specially deputed by the Magistrate to execute such want.

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67 A.D. 1820, Regulation-I, passed by the Governor in Council of Fort St.George, on 2nd June 1820, p 2.
68 ASMP, p 2.
70 Ibid., p 10.
The Abkári revenue of Tamil Nadu was managed under this enactment for the next 44 years. But in 1841, the question whether a higher rate of taxation could not be imposed on arrack and toddy was considered. The proposal was however eventually abandoned. The district officers being merely enjoyed to see that no liquor was permitted to be sold below the minimum prices prescribed. The Akbari of the town of Madras is regulated by a special enactment. It provides for the direct management of this branch of revenue by the Collector of the town under the orders of the Board of Revenue.

An Act for regulating the sale of spirituous liquors in cantonments was passed in the year 1853. It makes liable to fine or imprisonment any person not subject to Military Law who supplies spirituous liquor to or for the European soldiers. Another Act was passed by the Government in 1856 to regulate Abkári revenue, which also contains provisions regarding the Rules regarding the manufacture and sale of spirits in military cantonments within the limits of any Military cantonment, and within a circle drawn as the distance of two miles, or such other distance as may in any case be prescribed by Government from such limits, licences for the manufacture of spirits and for the sale of spirituous and fermented liquors should not be granted, nor should the duties leviable upon such spirits and liquors be let in farm, otherwise than with the knowledge and consent of the

71 ASMP, p 2.
72 Act XIX of 1852, p 2.
73 Ibid., p 3.
74 Act No. XVIII of 1853 of Governor General in Council passed on 2nd December 1853, pp 156-157.
Commanding Officer, and upon the requisition of such Officer, any licence which might have been granted, either by the Collector or by a farmer, within such circle or limits, should be immediately withdrawn.  

**AFTER 1858: DIRECT CONTROL OF THE CROWN**

The Revolt of 1857 brought out far reaching changes in the character of the Indian Administration. After the Mutiny, the East India Company lost its power and the Government of India was brought under the direct control of the crown. From 1858, the governor General received the title of Viceroy who became responsible to the Secretary of State in London. The Queen’s Proclamation of 1\(^{st}\) November 1858 guaranteed the rights of Indians. These administrative changes were implemented throughout India, including Tamil Nadu.

After 1858, the Abkári department of Tamil Nadu was modernized. Many rules and regulations were passed to control the production and sales. Hence the British were able to get a good amount of Revenue from the liquor. In spite of the opposition from the people and congress, they continued to levy tax on liquor products.

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75 Clause LXXXV, Act XXI of 1856, passed by governor General in Council, pp 555-556.