

## **THE EXCISE POINT OF VIEW OF THE PALM SAP PRODUCTS**

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### **Introduction**

The word excise means a duty or tax levied on goods and commodities produced or sold within a country and on the issue of various valid licences. Excise also means to cut away a passage of a book or a limb or an organ, etc. The Excise department is interested in the former definition and not the latter. The Excise Ordinance dates back to 1912 and centres round the collection of excise revenue from excisable articles. According to this Ordinance “an excisable article” means and includes any liquor as defined by this Ordinance.

### **Excise Ordinance**

Liquor is defined in the Excise Ordinance to include Spirit of Wine, Spirit, Wine, Toddy, Beer and all liquids consisting of or containing alcohol and also any substance which the Minister may by notification declare to be liquor for the purpose of this Ordinance. However, alcohol has not been defined as such in the Excise Ordinance but for excise purposes it has been construed as the potable alcohol, namely Ethyl Alcohol, and as far as the department is concerned other forms of alcohol do not get into the picture at all. Therefore from the inception of the Excise Ordinance up-to-date the only excisable article has been liquor and the excise revenue derivable has been any duty, fee, tax or composition fee as provided for under the Ordinance relating to only liquor. Since 1912, there was a State monopoly in the manufacture, sale and distribution of liquor and for this purpose officers were appointed under the amended Section 7 of the Excise Ordinance to enforce the laws relating to liquor, while the Government Agent of a district continued to be in-charge of the collection of excise revenue. This system continues to exist up-to-date unlike in other revenue earning departments which collect their own revenue. The word “Manufacture” is defined under the Ordinance as every process whether natural or artificial by which any excisable article is produced or prepared and also redistillation and every process for the rectification, flavouring, blending or colouring of liquor. In lighter vein, I may say that shandyng an arrack or a whisky or brandy with even a soda or a

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ginger ale as we generally do at home constitutes an offence according to this definition. Preparation of cocktails at parties and hotels also constitutes an offence according to this definition. But the Excise department has turned a Nelson's eye to this type of situation because it is an every day happening at home and hotels. Clarification on this matter has however been sought by the department recently as otherwise everyone of us perhaps will be committing an excise offence in the evening or before dinner.

To tap a palm tree and extract toddy is tantamount to the manufacture of an excisable article. To convert unfermented toddy though it may have been produced by the act of another into fermented toddy is also tantamount to a manufacture of an excisable article. To allow the natural process of fermentation to proceed unchecked and thereby produce fermented toddy is to manufacture an excisable article and under Section 15 of the Excise Ordinance no excisable article shall be manufactured, no toddy providing tree shall be tapped, no toddy shall be drawn, etc. except under the authority and subject to such terms and conditions of a licence granted in that behalf by the licensing authority.

The possession of utensils, use, or keeping of materials, etc. for the purpose of manufacturing an excisable article is also prohibited except those utensils used to tap toddy from a palm tree. "Toddy" means a fermented or unfermented juice drawn from any coconut, palmyrah, kitul or any other kind of palm trees. You will therefore see that to tap a palm tree for toddy (unfermented or fermented) without a valid licence is an offence under the Excise Ordinance. However under subsidiary legislation in the form of notification gazetted under the Excise Ordinance from time to time, tapping of kitul and palmyrah trees for sweet toddy has been exempt from the provisions of Excise Ordinance, in that tapping such trees for sweet toddy, no licences are required. This has been done in order to help the genuine tapper and boost the jaggery and treacle industry. However, our experiences have been that more often than not these palm trees are tapped for fermented toddy, and on complaints received such offenders are brought to book by the Excise Department officials. In fact, under Section 43 of the Excise Ordinance all proprietors, tenants, under-tenants and cultivators who own or hold land, etc. where trees are tapped for fermented toddy are bound to give information of such offences to the Excise or the Police etc. and failure to do so on their part, such persons are liable to be charged before a Court of Law for failure to give information. Thus when officers detect a person in the act of tapping a palm tree for fermented toddy such person is charged under the excise law for unlawful drawing of fermented toddy, but invariably it has been found difficult to detect a person in the act of committing such an offence so that when officers find pots and other utensils attached to the spadices of palm trees such pots and utensils are lowered and the owner of the tree is charged for failing to give information under Section 43 of the Excise Ordinance.



**Licence**

The exception that has been granted to persons for tapping kitul and palmyrah trees for sweet toddy without a licence has not been granted for tapping coconut trees for sweet toddy. In this respect, any person who wants to tap a coconut tree or a number of coconut trees for sweet toddy should obtain a licence to do so from the local revenue officer in the area, such as the Grama Sevaka or the Assistant Government Agent in the division. The licences issued for tapping palm trees (coconut, palmyrah and kitul) for sweet toddy fall into two broad categories.

The first category is called a cottager's licence to tap, manufacture and draw unfermented toddy. This type of licence is issued to the chief householder and not more than one such licence is granted to each householder, and the total number of palm trees that could be tapped should not exceed 10 trees and such trees other than palmyrah and kitul should be in his residing garden. No fees are charged under such a cottager's licence but a licensee is bound under various licence conditions among which fermentation in any degree what so ever shall be permanently and effectively prevented and the pots or other utensils attached to the spadices shall be internally coated daily with a sufficient quantity of fresh unslacked lime. The sweet toddy so produced shall be converted to treacle or jaggery immediately on drawing or consumed by the licensee, this tapper or members of his household so that there is no provisions under the Excise Law for the sale of such sweet toddy or conversion of sweet toddy to fermented toddy.

The other type of licences issued for drawing of sweet toddy is called a commercial licence to tap and draw unfermented toddy. Under this type of licence, a fees of Rs. 5/- per tree is payable for a period of 12 months depending on the number of trees the prospective licensee hopes to tap and draw sweet toddy. There are no restrictions on the number of trees to be tapped under such a licence and naturally this number would have to exceed the 10 trees allowed under the cottager's licence free of licence. Under this type of licence, a licensee is prohibited from consuming the sweet toddy. He has to manufacture treacle and jaggery from all the sweet toddy drawn from the licensed trees and maintain daily accounts in a proper form in respect of the sweet toddy drawn, the treacle or jaggery manufactured and sold. Here too fermentation in any degree what so ever as in the case of cottager's licence is prohibited and the pots and vessels attached to spadices have to be coated daily with fresh unslacked lime.

Now we come to the subject of tapping palm trees for fermented toddy. Palm trees, invariably coconut, palmyrah and kitul in that order are tapped for fermented toddy for the following purposes .

- (a) for sale at toddy taverns located throughout the Island ;
- (b) for distilleries as a base to distil arrack ;
- (c) for vinegar manufactories to manufacture vinegar ;
- (d) for bottled toddy manufactories ; and
- (e) on medical grounds, for specific diseases such as neuritis, etc. to individuals on payment of a licence fee for a period not exceeding 6 months in the first instance and the fees being Rs. 12.50 per coconut tree and Rs. 17.50 per kitul or palmyrah tree. Not more than one such tree is allowed to be tapped for the purpose.

Toddy taverns throughout the Island other than those numbering about 250 toddy taverns in the Jaffna District are sold annually to the highest bidder under a system of Rent Sales by the respective Government Agents in districts with the concurrence and approval of the Excise Commissioner. Tapping of fermented toddy is allowed in approved villages for each toddy tavern in the Island and is usually within a 2 mile radius of the location of a toddy tavern. Urbanised areas such as Colombo where the larger toddy taverns are found, coconut trees cannot be found in close proximity. Tapping for Colombo city toddy taverns has been allowed in the Chilaw area. Licences for tapping fermented toddy are issued free for such purposes as revenue is collected as an annual rental from each tavern. Such trees are marked yearly with paint of different colours by our officers to denote that the trees are either tapped for a toddy tavern, a distillery, a vinegar manufactory or a bottled toddy manufactory. In a tavern, fresh unadulterated toddy has to be sold at a price fixed at the beginning of the day per bottle of toddy and to be continued till the closing hours unchanged. The limit of acidity allowed is 0.6%. However samples drawn by me in respect of many toddy taverns in the Island, on analysis by the Government Analyst, has shown that the toddy had varying degrees of added water from 5-50% and acidity higher than 0.6%. The toddy analysed appears to be not genuine. In such instances the toddy tavern renters are penalised heavily by way of composition fine. It has been my experience that the general ruse adopted by toddy tavern keepers is to collect toddy sediments for a day or two to which they add sugar, saccharin and yeast and a large volume of water to make synthetic toddy.

The tree tax system in the North that existed from the inception of the Excise Ordinance gave way to a tavern system in or around 1974/75. There are about 250 such taverns where mainly palmyrah toddy is sold. The tappers of the tree tax system days were called upon to form Co-operative Societies around 1975 and each such Co-operative Society was entitled to run a toddy tavern. These toddy taverns were primarily sold under "Toddy Tavern Rent Sale" conditions as prevalent in the rest of the Island. Due to the fact that the Societies defaulted in payment of excise revenue these toddy taverns are no longer sold by way of rent sales but a business turnover

tax is levied by the Inland Revenue Department since 1979/80. The supervision of the taverns are done by the Co-operative officials and occasionally by the Excise officials. No excise revenue is derived there from. Licensing of trees for these taverns however is done by the Excise officers stationed in the area. Under the Tree Tax System a tapper was allowed a certain number of trees for drawing toddy and he had to sell his produce within close proximity of the trees that he tapped. He was allowed a 4' x 4' shed to collect his toddy and sell under a tree foot so that a customer was assured of a fresh and wholesome drink. Under the new system of taverns in the Jaffna district the reports received by me show that the wholesome fresh toddy that existed in the past under the tree tax system does not exist any more as it is a general custom of all toddy tavern renters to adulterate.

Coming to distillery tapping—most of the arrack distilleries are located in the Kalutara District. The tapping belt for these distilleries being along the Southern coastal belt South of the Moratuwa Bridge upto and around Induruwa down south and a stretch of 5 miles inland from the shore. The State Distillery at Seeduwa gets its toddy from the villages in Chilaw and North of Negombo from places such as Olli Daluwa, Kakkapalliya, Welahapitiya etc. and other villages in and around them. Since 1.1.74 the manufacture and distribution of arrack was vested in the State Distilleries Corporation. The toddy and arrack in the control of the State Distilleries Corporation have been declared by notification, as non-excisable articles. These areas of manufacture and distribution are no longer supervised by the Excise authorities. However, licensing of trees tapped for the State Distilleries Corporation S. D. C. is being done by the Excise officers for the State Distilleries at Seeduwa. The other distilleries down south are now supervised solely by the (S. D. C.) officials. No licence fees are charged for trees tapped for Distilleries.

About 60,000 gal of vinegar are manufactured annually and their prime locations being Colombo, Gampaha, Kalutara, Galle, Chilaw and Badulla Districts. A fee of Rs. 2/- per tree tapped during May to December and Rs. 1/- per tree tapped during January to April is being levied for trees tapped for vinegar manufacture. It must however be understood that toddy in the course of its manufacture to vinegar is deemed to be a liquor till the process is complete and the vinegar is issued out of vinegar stores. There are 8 bottled toddy manufactories in the Island. Their prime locations and names are as follows .

Commander Bottled Toddy at Mahawewa  
Ambassador Bottled Toddy at Madampe  
Leo Bottled Toddy at Negombo  
Empire Bottled Toddy at Katuneriya  
Apollo Bottled Toddy at Waikal  
Regal Bottled Toddy at Galmuruwa, Madampe  
Singha Bottled Toddy at Madampe  
Palmyrah Bottled Toddy at Jaffna



Bottled toddy licences are issued on a payment of a licence fee of Rs. 100/- annually and on each bottle manufactured -/15 cts is levied as excise duty. The price of coconut bottled toddy is controlled at Rs. 1.30 in the retail outlets throughout the Island. The trees licensed for bottled toddy manufacture should be within a radius of 1 mile of the bottled toddy manufactory. However, there is no price control on the palmyrah bottled toddy at sales outlets. In case of toddy and arrack the limit of possession and transport has been limited to 1,500 ml. or 16 dr. per individual throughout the Island other than on permits issued by the department for limits exceeding this amount. No liquor can be sold to women within the premises of a tavern and under any circumstances to any person under 21 years of age or to an insane person or to a person known or believed to be intoxicated.

### **Some Anecdotes**

I would now wish to relate some anecdotes in my 30 years of experience as an excise officer in the checkered history of the excise department. As a young Superintendent of Excise on first appointment, working in Jaffna, living with another officer who now is Head of another department I have something interesting to say. My colleague was used to take a bottle of fresh toddy in the morning instead of his bed-tea as in his opinion it was more invigorating than the tea. Tasting palmyrah toddy especially during week ends was a passtime and was real fun. The best palmyrah toddy that we had encountered in the Jaffna District and its neighbouring Island was found in the villages of Keerimalai and Senthana Kulam in the Kankesanturai area. The sap from the male palmyrah tree in these areas far excelled any other toddy found in the Jaffna district. I feel the strain of the palmyrah trees found therein and the soil and climatic factors matter in bringing about this condition in toddy. When I came soon afterwards from Jaffna in charge of the State Distillery at Seeduwa there was an Asst. Government Analyst on loan to this department for brief period of 2 years at a time. However, the toddy supplies to the State Distilleries at Seeduwa were obtained from contractors who had their topes in the Chilaw area and they were paid on the pure toddy (alcohol) content of 7.5% on the gallonage supplied depending on the strength of toddy supplied as indicated by the Ebulliometer test conducted by our officers located at the distillery. It was found that large quantities of toddy received had reached the final stage of fermentation and the toddy did not appear genuine. With the collaboration of the Govt. Analyst at the distillery a random test check was done on suspicion for the presence of starch as there was a rumour that boiled rice water was used in preparing this synthetic toddy. One application of this starch test the results were startling and positive. Starch being not a component of toddy the next obvious thing we had to do was to roll the barrels down the drain leading to Dandugan Oya near-by, to find most of the distillery employees were happily waiting at the far end of the drain away from our sight and having their fill. However this action of destroying such toddy had its desired effects and the problem of synthetic toddy was solved.

When I was at Kalutara thereafter in charge of the large storage and bottling warehouses in the Island I happened to be on leave and the young Superintendent attending to my work had been informed that a large vat containing about 3,000 gallons of over proof arrack was leaking. Perhaps it may have been a simple job for a cooper to stop the leak but this young Superintendent had decided to transfer the arrack to another empty vat near by with the aid of a hand pump. Somehow the operation went on till dusk and the warehouse being newly constructed there were no lights. The hand pump had been used to hard work and suddenly the vat went up in flames, a porter who was on top of the vat hit the warehouse ceiling and fell into the burning vat and must have died instantaneously because what we recovered of him for burial was only his pelvic bone. All attempts to bring down fire was in vain and the balance vat containing overproof arrack, 48 in number, had started bursting like chinese crackers and a good 100 thousand gallons of over proof arrack was lost in the process. This happend in or around 1957.

### **Special Arrack**

Apart from the severe loss suffered by the department at this stage we were faced with the problem of giving the renters arrack for the taverns they had tendered and a solution had to be found to bridge the gap. This was a time the Gal-Oya and Kantalai Distilleries had ample stocks of rectified, spirits which they were prepared to sell. Samples of rectified spirit and coconut arrack were taken by me to the Government Analyst Department in order to find out a suitable blend for issuing to the public as an alternative to coconut arrack. The Government Analyst Department reported that a blend of 2 of coconut arrack to 1 of rectified spirits would be a satisfactory solution. Thereupon the first such blend was prepared by me at Kalutara and the employees (always hard and inveterate drinkers) were asked to taste and express their opinions. They did so with glee, and that was the birth of what is presently known as Special Arrack or 'Gal' Arrack. These proportions are not said to be maintained now and what is put out to the market as special arrack is said to contain more rectified spirit than coconut arrack. The consequences or effects that the consumer of this arrack would have in the long run could be a matter for study. Perhaps the recent census showing a negligible increase in the population may be a result of this.

### **Quick Maturation**

The late Mr. Mervyn de Silva during his stinct of service at the State Distillery experimented with the action of wood shavings on arrack in bottles and on his advice I got a miniature vat constructed, and having placed Halmilla wood shavings, roasted slightly, packed in cylindrical stainless steel wiremesh inserted inside the miniature vat we found that Arrack could be made to mature quickly. A usual 5 year maturation in a vat could be reduced to 2 years by this method. However after we went and took up positions elsewhere in the



departments it was found that the few gallons of arrack left in the miniature vat was so good in bouquet and taste that it had an excuse for going fast “*evaporated.*” Any how this method is still being used on a large scale at the distillery for quick maturation.

### **Flavours**

In 1968, I went to France on a French Government Scholarship to study the distillery practices in that country, and I had the good fortune to visit many manufactories in that country. What struck me most was the strain of grapes used to distil Brandy in the Cognac district of France. These grapes unlike the more edible and sweeter grapes in the rest of the country were remarkably sour in taste, and year in year out the same grapes, farmed in that district, were used for the distillation of the more prestigious Cognacs like “Hennessy” or “Remmy Martin”, so much so that the saying goes that “a Cognac is a Brandy” but “all Brandies are not Cognacs”. The Armanages, the Salyangnecs, the Polynagcs are all Brandies with distinct flavours produced in specified districts. However, in Sri Lanka we have been slaughter tapping the coconut tree in the tapping belt of Kalutara and allied areas for years. To feed the distilleries therein, the State Distillery has had its supply of toddy year in year out from specific areas. The coconut trees found in these tapping areas are presumably of different strains in as much as “Kurumba Water” taste different from different coconut trees, the sap tapped from the spadices thereof must necessarily be different. I say this as a pointer to those who would like to study this aspect intensively because we are still to find the equivalent of the Cognac district and the particular strains of coconut trees to obtain our toddy to produce a better arrack.