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# The Problem of Alcohol in Colonial India (c. 1907–1942)

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Nandini Bhattacharya<sup>1</sup>

## Abstract

This article traces the transformation of liquor and industrial alcohol into a commercial product in twentieth-century colonial India. Liquor (alcoholic beverages for human consumption) remained prominent in political discourse and in the public sphere in this period. Temperance activists, Gandhian nationalists and medical authorities critiqued government revenue extraction from consumable liquors and advocated either partial or total prohibition. On the other hand, industrial alcohol emerged as an unchallenged and untampered commodity while it became essential to Indian industrialization, a process that accelerated between the wars. This article moves beyond cultural explanations of transformation of commodities and instead focuses on the temporal and political lives of liquor and alcohol in colonial India.

## Keywords

Colonial industrialization, liquor, temperance, revenue, excise regime, chemical industry, princely states, economic nationalism, prohibition

Alcohol is with us from the cradle to the grave, in the baby's rattle and the embalmer's fluid.<sup>2</sup>

## Introduction: From Liquor to Alcohol

The production and distribution of alcohol acquired a prominent place in public discourse and political rhetoric in colonial India. It was of the great interest to the

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<sup>2</sup> James P. McGovern, 'Industrial Alcohol', in *The Rise and Growth of the Alembic Chemical Works Limited: A History*, ed. B. D. Amin (Baroda: Alembic Printing Press, 1939), 13.

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government as well. Much like salt, the control over its manufacture and the distribution of its products through licensed vendors augmented the revenues of the colonial government. Gandhi identified salt as an everyday necessity and defied the British Raj in producing it unlicensed and untaxed, transforming it into a potent symbol of civil resistance. Alcohol had no such moral value; indeed, much like opium, the dissolute or feckless lifestyle associated with its consumption inspired many active movements in Britain and India against its sale.<sup>3</sup> Like opium, alcohol reeked of the greed and debauchery of the British Empire. Like opium, too, it was a vital product in use in therapeutic remedies.<sup>4</sup>

Unlike opium, the production of alcohol was not centralized; it was farmed out to licensees and sold at franchises for a hefty licence fee. These differed from province to province. Like other provincial tax barriers, the differing excise rates in alcohol resulted in unequal taxation levels. The entire excise structure of the administration in the late nineteenth century was directed at alcohol for consumption (or liquor) and changes within the excise regulations involved negotiations between the multidimensional temperance movements that flourished in colonial India.<sup>5</sup>

At the turn of the century, however, alcohol achieved a different dimension. The emergent pharmaceutical industry began using alcohol extensively in its preparations. Simultaneously, alcohol emerged as a key component of the chemical industry, in the manufacture of ammunition and in the motoring industry. Alcohol was transformed from an object of consumption to an essential component of Indian self-sufficiency and potentially of the regeneration of Indian nationhood. This article will map the trajectories of this transformation.

<sup>3</sup> The anti-opium crusade within Great Britain included vocal and active liberal and non-conformist parliamentarians. See J. B. Brown, 'Politics of the Poppy: The Society for the Suppression of the Opium Trade, 1874–1916', *Journal of Contemporary History* 8, no. 3 (1973): 97–111. The outrage against Britain's implication in the opium trade was responsible for an enquiry by the Royal Commission on Opium, which submitted its report in 1896. Although the anti-opium crusaders did not succeed in preventing the opium trade between India and China, the commission did bring into sharp focus the interest of the Government of India in retaining the opium monopoly in Bengal and in the opium trade to China more generally. See J. F. Richards, 'Opium and the British Indian Empire: The Royal Commission of 1895', *Modern Asian Studies* 36, no. 2 (2002): 375–420. The percentage of revenue to the Government of India from opium was around 7–8 per cent of the total revenue of the government in the late nineteenth century and increased to 10–16 per cent (with fluctuations) in the period leading to the First World War. See J. F. Richards, 'The Opium Industry in British India', *Indian Economic and Social History Review* 39, nos. 2 and 3 (2002): 149–80.

<sup>4</sup> Scholars have lately argued that alcohol was identified as 'foreign' or 'western', whereas drugs such as opium and cannabis were perceived to be indigenous and therefore their consumption was relatively lightly condemned in nationalist temperance movements in colonial India. See Jana Tschurenne and Harald Fischer-Tine, 'Introduction: Indian Anomalies?—Drink and Drugs in the Land of Gandhi', in *A History of Alcohol and Drugs in Modern South Asia: Intoxicating Affairs*, ed. Harald Fischer-Tine and Jana Tschurenne (Abingdon and New York: Routledge, 2014), 1–25. Nonetheless the licensing and generation of revenues through these commodities and the mobilization of sentiments against their use constantly challenged the policies of the government in colonial India.

<sup>5</sup> Temperance activists in colonial India included a range of political and social reformers, from Victorian missionaries to Gandhian nationalists, who favoured total prohibition. For an analysis of the strands of temperance, see Robert Colvard, 'A World without Drink: Temperance in Modern India, 1880–1940' (PhD Dissertation, University of Iowa, 2013).

In the early twentieth century, alcohol became a versatile industrial product. Liquor was one of the several uses made of it. The transformation of the commodity liquor to alcohol represented the transformation of the colonial economy itself on its journey towards self-sufficiency in industrialized products. While this self-sufficiency was never realized in fact, manufacturers emphasized the significance of alcohol in this transformation and this informed the public debate on taxation of alcohol between the wars. While liquor was still imbricated in the politics of temperance and further embedded in Gandhian regeneration of society, alcohol emerged as a commodity essential to Indian economic nationalism and industrialization. The emergence of alcohol as a commodity further subverted the contemporary excise and taxation regimes of the colonial state. Alcohol, unlike liquor, was not one-dimensional; its use enabled the establishment and sustenance of the emergent industrial economy. Through the narrative of one major firm, the Alembic Chemical Works Company (ACWL), located within the Baroda state, this article will explore the trajectories of the transformation of one controversial, morally compromised commodity—liquor—into the neutral product alcohol, that in its pure form was shorn of its moral ambivalence. Entwined within the narratives of these two commodities, we can understand the trajectories of the industrial nation-in-the-making; in political rhetoric through changes in a Victorian excise regimen that struggled to come to terms with Indian industrialization and the nationalist politics of self-sufficiency; and finally the dissolution of economic barriers between the princely states and British India, long before political boundaries were subjected to such scrutiny.

While liquor and its discontents in modern India have been well explored by historians, there has been scant notice of the emergence of alcohol and its conflictual role in modern India. Historians have generally located liquor and colonialism in the contexts of eighteenth-century concerns about the mortality of European soldiers in the tropics.<sup>6</sup> The problematic of alcohol, therefore, has emerged in historiography in the context of European bodies and the consumption of liquor in the military cantonments and within all classes, but particularly the subalterns in the British Indian communities in colonial India. Recently, scholars have investigated the politics of temperance movements within British as well as Indian Christian and Hindu communities in the twentieth century. Both these strands have highlighted the cultural norms and political rhetoric around liquor in India and have located liquor squarely in the mainstream of political discourse and praxis. Following Arjun Appadurai and Igor Kopytoff's now much-cited insights on the social lives of material objects, social scientists have viewed

<sup>6</sup> Excessive drinking by European soldiery in tropical colonies was recognized as physically and morally harmful, an act that could lead to the degeneration of the white race over time both in itself and by facilitating rampant sexuality. See Harald Fischer-Tine, "The Drinking Habits of Our Countrymen": European Alcohol Consumption and Colonial Power in British India', *Journal of Imperial and Commonwealth History* 40, no. 3 (2012): 383–408; Douglas M. Peers, 'Privates off Parade: Regimenting Sexuality in the Nineteenth Century Indian Empire', *The International History Review* 20, no. 4 (1988): 823–54; Erica Wald, 'Health, Discipline and Appropriate Behaviour: The Body of the Soldier and Space of the Cantonment', *Modern Asian Studies* 46, no. 4 (2012): 815–56.

material objects as complex entities, carrying within themselves often conflictual, multiple codes of cultural meanings within specific societies.<sup>7</sup> The cultural biographies of things require historians' perspectives to inject temporality on a political economic narrative to understand the power of the state to mobilize objects in terms of political (as well as social) readings of objects. What was the political economy of the transformation of liquor into alcohol in colonial India? This article will argue that alcohol—which had emerged as a broad category, including multifarious commodities, as well as liquor—had resonated in terms of not only its consumption but also its production, taxation and uses in the political economy of modern India. It will trace how liquor was transformed into an industrial product, alcohol, and situate its role in the political economy of colonial India.

### The Cultures of Liquor and the Paradox of Governance

Alcohol emerged from the liquor industry in the late nineteenth century, and its entanglements with the colonial state and society were often the consequence of its shared identity and history with the latter. Liquor was morally, politically and fiscally an acutely visible and contentious commodity in colonial India. From the mid-nineteenth century, Victorian values influenced revivalists and nationalists in colonial Indian society and fused easily with Brahmanical norms, sanitizing sexual and social discourse in many aspects of life.<sup>8</sup> The inculcation of these values resulted, in many aspiring middle and lower castes, in a trend towards appropriating suitable aspects of Brahmanical culture, including the non-consumption of intoxicating substances.<sup>9</sup> Meanwhile, it was one of the many paradoxes inherent to British rule in India that there was simultaneously, a condemnation of alcohol abuse in official discourse and a continuous refusal to impose prohibition on the part of the government. The expansion of the consumption of liquor and of temperance movements in both British and Indian circles were a consequence of this ambivalent government policy.<sup>10</sup> The liquor excise imposed by different

<sup>7</sup> Arjun Appadurai, 'Introduction: Commodities and the Politics of Value', in *The Social Life of Things: Commodities in Cultural Perspective*, ed. Arjun Appadurai (Cambridge: Cambridge University Press, 1986), 3–63; Igor Kopytoff, 'The Cultural Biography of Things: Commoditization as Process', in Appadurai, *The Social Life of Things*, 64–94. In particular, see the collection of essays in Susan Reynolds Whyte, Sjaak van der Geest and Anita Hardon (eds), *Social Lives of Medicines* (Cambridge: Cambridge University Press, 2002).

<sup>8</sup> See, for instance, C. Gupta, 'Writing Sex and Sexuality: Archives of Colonial North India', *Journal of Women's History* 23, no. 4 (2011): 12–35; Sibsankar Mukherjee, 'The Social Role of a Caste Association', *The Indian Economic and Social History Review* 31, no. 1 (1994): 89–100.

<sup>9</sup> Swaraj Basu, *Dynamics of a Caste Movement: The Rajbansis of North Bengal, 1910–1947* (Delhi: Manohar Publishers, 2003).

<sup>10</sup> The varied activities of the Anglo-India Temperance Association, for instance, were regarded with deep political suspicion by the government, not least because of the close connections between British evangelical temperance reformers and Indian National Congress at the turn of the century. See Lucy Carroll, 'The Temperance Movement in India: Politics and Social Reform', *Modern Asian Studies* 10, no. 3 (1976): 417–47.

provincial governments from the mid-nineteenth century, paradoxically, was supposed both to provide substantial government revenue and to restrain the overall consumption by the population. The contrary exigencies of revenue and licensing vexed the single-minded followers of the temperance movement. In India, these included medical as well as missionary adherents, and, between the wars, it was an important plank of Gandhian social reconstruction, enforced by pickets on liquor stalls and strident propaganda against the consumption of liquor.

In the interwar years, alcohol and its by-products emerged as more significant than ever in the Indian economy as well as in nationalist politics and society. The metamorphosis of alcohol from liquor began with long-term changes in the production of liquor due to the slow move in consumption away from traditional fermented liquors and pot-distilled alcohol and towards distilled alcohol (sold in two categories, 'country' liquor and the colourfully named 'India-made foreign liquor' that included Indian whiskey, rum and gin). The commercial production and consumption of distilled spirits paved the way for the eventual production of alcohol for industrial use. The burgeoning popularity of distilled liquors among consumers occurred in the full glare of official notice and public debate. Colonial lawmakers and officials argued about whether or not country liquor was more or less harmful than, variously, imported or locally produced fermented spirits.<sup>11</sup> Nationalist activists demanded a total ban on alcohol consumption; traders and manufacturers pleaded for or against import duties and interprovincial tariff and distinguished between denatured and rectified spirits; medical men expounded on the effect of alcohol on the army (an old but persistent issue) and in civil society; scientific experts and new industrialists promoted the causes of alcohol for industries.<sup>12</sup> Industrialists emphasized that alcohol, along with sulphuric acid, was a basic necessity of several industries.<sup>13</sup> Officially termed 'denatured spirits' (obtained when chemicals were added to rectified spirits to make them unfit for human consumption), alcohol of various strengths was used in paints, dyes, varnishes, ether, chloroform, cordite and chemicals. Between the wars, moreover, there was a serious attempt to process alcohol in order to produce fuel in bulk for motor engines, or 'motor alcohol'.<sup>14</sup> Alcohol was also used to produce medicine, perfumery and essential oils. Liquor and alcohol excise remained the basis for a great chunk of revenue in most provinces.<sup>15</sup>

<sup>11</sup> *Return of Orders of GoI on Chapters II, to VI, VII, VIII and X of the Report of the Excise Committee, 1907*, P/w 147, Asian and African Collections (henceforth APAC), British Library (1907): A2.

<sup>12</sup> George Hunter, *Health in India: Medical Hints as to Who Should Go There: And How to Retain Health Whilst There and on Returning Home* (Calcutta, 1873), 23; *The Written Statement of Mavji Govindji Sheth before the Excise Committee Bombay* (Bombay: M. G. Sheth, 1922), 1–14; *Witness Interview Indian Industrial Commission, Madras and Bombay*, L/Parl/2/404B, APAC, British Library (1918): 227–29, 469–77, 499–506.

<sup>13</sup> Evidence of G. N. Potdar, Pioneer Alkali Works Limited, *Witness Interview Indian Industrial Commission, Madras and Bombay*, L/Parl/2/404B, APAC, British Library (1918): 227.

<sup>14</sup> 'Developing India's Resources', *Indian and Eastern Druggist*, April 1920, 16.

<sup>15</sup> It is difficult to precisely calculate the revenue from alcohol, as figures are available for excise (including salt and opium) overall. Between the wars, prohibitionists pointed out that five provinces in India earned more than one-fourth of its revenues from excise (Madras 39.8 per cent, Bihar and Orissa

Simultaneously, several newly elected provincial governments flirted with prohibition after 1921, therefore keeping alcohol visible in political discourse.<sup>16</sup> At the same time, alcohol assumed great importance in the more rapid phase of industrialization, especially in the chemical and dyeing industries. Trade in alcohol-based commodities and interprovincial excise duties and tariffs therefore mattered not only for consumption but also for industrial processes themselves. Since many private distilleries produced liquor for consumption and alcohol for industrial use, the tariffs over all types of alcohol assumed significance in the discourse of free trade throughout British India. The manufacture of and trade in alcohol-based commodities subverted the excise regimen of all provincial governments, as its premises were based on the use of liquor for consumption. The use and distribution of new alcohol-based products throughout India demanded a fresh response from the government.

The tariff war between home and colony was also reflected in the competition between imported and locally made alcohol. All of these generated economic nationalist rhetoric against colonial tariff policies within India from Indian industrialists. Meanwhile, princely states formulated their own excise rules and princely states such as Baroda and Mysore encouraged economic growth through industrialization. The patronage of local industries—including alcohol-based products, essential oils, soaps and pharmaceuticals—in the princely states of Baroda and Mysore, for instance, lent political and economic urgency to differential provincial excise rates and the clamour for their reform.

Attempts to control the consumption and sale of liquor by the government dated from the Company era. Medical and disciplinary concerns over drinking by the soldiers and sailors of the British military in India occurred from the eighteenth century, when the consumption of liquor in the tropical heat was supposed to have led to a slew of diseases. The army therefore attempted to regulate both drinking and prostitution in the military cantonments in the nineteenth century. Heavy drinking was the norm in European communities. The consumption of liquors, both imported from abroad and local spirits (arrack) and fermented drinks (toddy/tari), was fairly common in urban and rural areas, among all but a few high castes and sections of Muslim communities. Throughout, periodic

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34.7 per cent, Bombay, including Sind, 28.7 per cent, Assam 28.7 per cent, CP and Berar, 25.3 per cent). The figures for the other provinces were: Bengal 20.6 per cent, Burma 13.9 per cent, UP 12.7 per cent and the Punjab 11.4 per cent. See W. L. Ferguson, *The Case for Prohibition in India* (Calcutta: Baptist Mission Press, 1926), 10. The governments of Madras and Bombay agreed in 1924 and 1925, respectively, that revenue from excise had risen overall and comprised around one-fourth of the total government revenue. See *Report of Excise Committee appointed by the Government of Bombay, 1922–23* (Bombay: Central Government Press, 1924), 34; *Report of Excise Advisory Committee Appointed by Government of Madras* (Madras: Government Press, 1924), 4.

<sup>16</sup> This was especially explicit in the Bombay Presidency, where the Legislative Assembly declared the curtailment of liquor consumption with a view to implementing full prohibition as its goal in 1922. By 1927, a government report found that the deficit of ₹ 60 million in revenues resulting from prohibition could not be sacrificed and acknowledged that ‘the progress towards prohibition must necessarily be slow’. *Reviews of Administration in the Bombay Presidency No XVIII, V/8353, APAC*, British Library (1933): 26.

puritanical movements sought to restrict or prohibit entirely the consumption of liquor in any form among different communities. Such was the 'devi' movement in southern Gujarat in the early twentieth century.<sup>17</sup> The 'tana bhagat' movement in Chota Nagpur, which spread to other Oraon settlements in north Bengal, also involved purification rituals and abandoning the consumption of liquor. Other prominent communities, such as the Santhals, Mundas and the Ho, experienced similar millenarian movements that included selective high-caste purification rituals, with an emphasis on the prohibition of liquor.<sup>18</sup> Meanwhile, lower caste assertion too often prescribed prohibition or restriction of consumption of liquors as one of its tenets for entire communities.<sup>19</sup> Between the wars, nationalist assertions included Gandhian prohibition movements along with, ideally, the exclusive use of swadeshi goods and boycott of foreign goods as well as picketing of liquor vending establishments. Simultaneously, in the interwar years, India's machine-made production of commodities expanded hugely, having taken off in the years of the swadeshi movement.<sup>20</sup> Apart from textiles, the production of dyes, leather goods, sugar, matches, paper, chemicals and steel gathered pace and competed with cheap imports from Japan, Germany and the UK. Alcohol was one vital commodity that was imported cheaply from Germany and Britain and competed with local industries. These referred to alcohol for consumption as well as industrial purposes. As B. Chatterjee has pointed out, the revision of tariffs in the interwar period was directed at cheap imports from Germany or Japan, and not towards Lancashire textiles or British products.<sup>21</sup>

The manufacture and control of liquor and alcohol were entangled, and the policy obtaining revenue from alcohol in all its forms highlighted the contradictions of alcohol in colonial India. The supply of spirits and liquor was contracted out and licences issued on wholesale and retail outlets in all three presidencies. Moreover, there was a tariff duty on imported wines, beers, spirits and liqueurs, which could then be sold all over British India. The locally produced spirits were taxed by each presidency government and paid a second, fairly stiff, excise levy when exported to another presidency. Excise revenues comprised, after agricultural revenue, the largest proportion of government revenue income, of which potable liquors formed a major component.

<sup>17</sup> David Hardiman, *The Coming of the Devi: Adivasi Assertion in Western India* (Delhi: Oxford University Press, 1987). See also I. M. Saldanha, 'On Drinking and Drunkenness: History of Liquor in Colonial India', *Economic and Political Weekly* 30 (1995): 2323–31.

<sup>18</sup> Ranajit Das Gupta, 'Oraon Labour Agitation: Duars in Jalpaiguri District, 1915–16', *Economic and Political Weekly* 24, no. 39 (1989): 2197–202; Binay Bhushan Chaudhuri, 'Revaluation of Tradition in the Ideology of the Radical Adivasi Resistance in Colonial Eastern India, 1855–1932', *Indian Historical Review* 37, no. 1 (2010): 39–62.

<sup>19</sup> Lucy Carroll, 'Origins of the Kayastha Temperance Movement', *Indian Economic and Social History Review* 11, no. 4 (1974): 432–47. See also Mukherjee, 'The Social Role'.

<sup>20</sup> David Arnold, *Everyday Technology: Machines and the Making of India's Modernity* (Chicago: The University of Chicago Press, 2013), 4. Arnold has argued that the years 1904–14 represent the period of 'technological watershed' in modern India.

<sup>21</sup> B. Chatterjee, *Trade, Tariffs and Empire: Lancashire and British Policy in India 1919–1939* (Delhi: Oxford University Press, 1995).

In a few areas where it was logistically all but impossible to control illicit distillation, or in remote areas where the logistics of transporting liquor to the consumers was impossible, there was a system of 'outstills', where the license to brew or distil and sell alcohol was auctioned to the highest bidder.<sup>22</sup> These were generally tribal districts where home-brewing and drinking were a way of life. Although a government-appointed excise committee recommended that the system of 'outstills' and auction be limited as far as possible, and there was considerable pressure from temperance lobbyists to do so, they remained widespread in many rural areas where home-brewing was commonplace.<sup>23</sup>

Cultures of consumption were changing as well. In general, alcoholic spirits of all kinds experienced rising demand by the late nineteenth century. Urban men developed a taste for 'foreign' spirits including rum, whisky and gin, as with other metropolitan consumer items.<sup>24</sup> The consumption of fermented liquors, which were available legally only in areas where 'outstills' were licensed, declined and the consumption of 'country' liquor or distilled spirits increased. Outside the tribal districts, in urban and semi-urban areas, liquor was consumed by communities across classes. Consumers were divided by class and race; the British and Eurasians indulged themselves generally with 'foreign liquor' in licensed retail units such as their clubs, railway refreshment rooms and restaurants. They moreover bought imported liquors and wines for consumption in their homes from general stockists, wine merchants and even the large pharmacies.<sup>25</sup> These last retail establishments sold premium brands of imported liquors and wines and the Indian landed aristocracy and affluent merchants and professionals bought from them, often having them transported across large distances. There was heavy drinking in the military establishments across the subcontinent; apart from being served in the army messes, there existed a number of licensed retail units to supply the demand in the cantonments.<sup>26</sup> Cheaper imports of generic 'foreign' liquor from the Continent—mostly Bavaria, Saxony, Belgium, East Prussia and Austria—and from Scotland, catered to the professional middle classes as well as the better paid mill-hands and craftsmen in the metropolises.<sup>27</sup> These were sold by licensed retailers, who also served several categories of imported rectified spirits diluted or treated in India and labelled, variously, 'whisky', 'rum', 'brandy' or 'gin' to their less solvent customers. These last categories of spirits were in competition with 'country' liquor. 'Country' liquor itself was a generic term for

<sup>22</sup> Sir James Thomson, *Report of the Indian Excise Committee 1905–06* (Madras: Government Press, 1906), 7–9.

<sup>23</sup> See the reply of the Secretary of State John Morley to a deputation including the president of the Calcutta Temperance Federation and the London Missionary Society, 'Proceedings of the Excise Committee', *Indian Trade Journal* 6, no. 73 (1907): 440.

<sup>24</sup> V/26/333/6, APAC, British Library: 11–14.

<sup>25</sup> Large European-owned pharmacies usually stocked imported medicated wines as well as highly priced liquors and spirits. See, for instance, Exile, 'Situations in East India', *Chemist and Druggist* (16 May 1908), 767.

<sup>26</sup> *Return of Orders of GoI on Chapters II, to VI, VII, VIII and X of the Report of the Excise Committee*, P/w 147, APAC, British Library (1907): 4.

<sup>27</sup> V/26/333/6, APAC, British Library, 5.

distilled spirits, most commonly from the mahua flower, particularly where it was abundant in western and central India.<sup>28</sup> Later, they were also manufactured from molasses, a by-product of the sugar industry.<sup>29</sup> The manufacture of spirit alcohol required investment in the form of a factory plant but was cheap to produce, especially for those who distilled it from the leaves of the mahua tree. The raw material was very cheap; often its cost comprised only the pittance paid to the forest tribes who collected it. When the Government of Bombay passed the Abkari Act in 1878, it was designed to discourage home-brewing and fermenting, largely in order to prevent haemorrhaging of excise revenue.<sup>30</sup> This left the use of mahua flowers for producing alcohol legally and exclusively to the distillers who paid the relevant excise duties and fees. In the late nineteenth century, the marketing and sale of 'foreign' liquor between the provinces was proportionately insignificant. Most provinces had large distilleries that were endorsed and licensed by the government and which distributed their products to licensed retailers. These producers were mostly British Indian firms whose histories included long years of trading and supplying to the English East India Company, and they were trusted by the government establishment to keep to the required and declared standards of strength and purity.<sup>31</sup>

Imported foreign liquors comprised the higher end of the market. They paid a customs duty at the port of entry in British India but were exempt from excise duties on interprovincial marketing. This comfortable relationship between relative demand and supply under benevolent governance was gradually disrupted with the increase in the consumption as well as the production of spirits overall. The increase in consumption was the consequence both of the government policy of using excise as a major source of revenue in all the presidencies, and of the change in taste and habits of consumption.

This change in consumption from fermented liquors to distilled spirits occasioned the mass production of alcoholic spirits generally; rectified and denatured alcohol required the same raw materials and distillation plants. The burgeoning market for alcohol now included not only liquor but also a significant quantity of alcohol for manufacturing perfumes, toiletry articles, essential oils and medicines. This increased the number of alcohol producers and the expansion of marketing and distribution across India, most of whom produced alcohol for consumption and industrial use.

<sup>28</sup> L/Parl/2/404B, APAC, British Library: 504. In British Indian vocabulary, 'country' signified anything of local origins.

<sup>29</sup> P/9354, APAC, British Library: 1447.

<sup>30</sup> I. M. Saldanha, 'On Drinking and Drunkenness'; David Hardiman, 'From Custom to Crime: The Politics of Drinking in Colonial South Gujarat', in *Subaltern Studies IV: Writings on South Asian History and Society*, ed. Ranajit Guha (Delhi: Oxford University Press, 1987), 165–228.

<sup>31</sup> In colonial India, the government establishment as well as general consumers believed in the superior quality of manufactured goods by British-owned companies, and this included most consumer products, including liquor, therapeutic commodities or cosmetics and toiletries. This reputation for quality led to Indians using English nomenclature for their trading and manufacturing companies, which in turn instigated continual tensions between Indian and British Indian associations. See Nandini Bhattacharya, 'Between the Bazaar and the Bench: Making of the Drugs Trade in Colonial India, ca. 1900–1930', *Bulletin of the History of Medicine* 90, no. 1 (2016): 61–91.

When alcohol in its various forms began to cross provincial borders, the manufacturers came up against differential rates of excise at every province border, and protested loudly against ‘interprovincial excise barriers’. The excise regime, generally focused on taxing liquor and its consumption, did not make space for the new alcohol-based products. The differential rates of imposition of excise duties on alcohol of all kinds by the provinces assumed increasing importance in the 1900s and continued to inform economic and political discourse after the First World War. As we shall see later, decentralization and the provincialization of excise revenues after 1919 lent great urgency to the interprovincial tariffs that continued to inform the production and distribution of alcohol.

In this context, one particular chemical company whose principal product was alcohol chose to situate its factory in the Native State of Baroda to take advantage of its concessions for industry and to obtain its patronage in order to negotiate the excise regimen of British India. The Baroda state allowed the Alembic Chemical Works Limited (ACWL) to build its factory near its capital and its patronage enabled the ACWL to become the foremost producer of alcohol and pharmaceuticals in colonial India. The extraordinary expansion of the ACWL and the unique support offered to it by the Baroda Durbar also demonstrates the journeys of alcohol in its multiple forms in modern India.

## Princely Industrialization and the Baroda State

The princely state of Baroda under Maharajah Sayajirao III (1875–1939) modernized its administration by employing Western-educated Indian officials, streamlined its revenue collections, patronized Indian music and dance and established the Baroda College based on the Western model of education. Historians have differed over interpretations of Sayaji III’s actions; while many of his policies were undoubtedly modernist, his anti-imperial bias was arguably more ornamental than indicative of indigenous or nationalist resistance to colonial rule.<sup>32</sup> Most of his modernist policies, including administrative reforms, a library movement, and the establishment of the rudiments of the public education and health systems, were generally endorsed by the colonial government. But his patronage of Indian nationalists, his ability to defy the British resident on occasion and his attempts to secure a degree of autonomy for his administration were not quite so favourably received. Mutual disagreements and distrust between the princely state and British India, more immediately Bombay, often made sharing or distribution of trade

<sup>32</sup> B. S. Cohn, ‘Cloth, Clothes and Colonialism: India in the Nineteenth Century’, in *Colonialism and its Forms of Knowledge: The British in India* (Princeton, NJ: Princeton University Press, 1996), 106–61. David Hardiman, ‘Baroda: The Structure of a “Progressive” State’, in *People, Princes and Paramount Power: Society and Politics in the Indian Princely States*, ed. Robin Jeffrey (Delhi: Oxford University Press, 1978), 107–35; Manu Bhagavan, ‘Demystifying the “Ideal Progressive”’: Resistance through Mimicked Modernity in Princely Baroda, 1900–1913’, *Modern Asian Studies* 35, no. 2 (2001): 385–409.

revenues fractious and difficult. Contiguous territories between Baroda and Bombay aided smuggling in defiance of brewing regulations in the princely territories.

The patronage to indigenous industry by the Baroda state under Sayajirao III had begun early enough in his reign. The state began industrial concerns as ‘models’, providing the initial infrastructure, capital and running costs. The plan was to hand over the successful concerns to private capitalists gradually. In this, the Baroda state differed significantly from the princely Mysore, where the state preferred to own industrial enterprises outright.<sup>33</sup>

The first such ‘subsidized’ enterprise in Baroda was a sugar factory at Gandevi, begun as a joint stock company where the state owned and ran the factory for a few years before releasing it to a private entrepreneur in 1905.<sup>34</sup> This was followed by an aborted attempt to use local sand to manufacture glass; the state established a more successful venture when it started a cotton spinning and weaving mill in 1892. After these scattered attempts, Baroda focused on modern prerequisites of industrialism: railway lines, a public works department and the technical institute Kala Bhavan to train future industrial workers.<sup>35</sup> A few years after the Swadeshi movement swept through Bengal in 1905, where gentlemen zamindars patronized industrial works, the state of Baroda had established the Bank of Baroda, which would help potential entrepreneurs.<sup>36</sup> Moreover, in a long-term commitment to modern industrialism, the state established a department of commerce and industry, abolished import and export duties and cleared policies to facilitate industrial concerns.

One of the industrial units was the Kala Bhavan workshops, which was given the contract produce goods for the use of several state departments. Within a decade, Baroda boasted of a total of 142 industrial units, which included the production of cotton ginning, metal works, cotton presses, cutlery works, candle works and glycerine and soap, distilleries and chemical works, oil mills, sugar, ice, printing presses, slate, china clay, dyeing, chocolate, mortar mills, electric works, brush factory and foundries. These also included the large production units at the Kala Bhavan workshop itself.<sup>37</sup> In effect, partly as a consequence of

<sup>33</sup> Mysore (along with Travancore) was celebrated in British India and by nationalist Indians for their ‘enlightened’ rulers, whose policies were progressive and ‘hardly distinguishable from that of the provinces in British India’. See Patabhi Sitarayya and Balvantray Mehta, *Mysore: A Study Being a Report on the Present Political Situation in Mysore* (Bombay: All India State Peoples’ Conference, 1937), 1–16; the quote is from page 16. Bhagavan has pointed out that the colonial state had construed the modernist agendas and ‘progressiveness’ of the so-called model states of Baroda and Mysore as almost, but not quite, British, destined to always strive to attain the liberalism of British India. See Manu Bhagavan, *Sovereign Spheres: Princes, Education and Empire in Colonial India* (New Delhi: Oxford University Press, 2003), 1–31.

<sup>34</sup> M. H. Shah, *Baroda by Decades* (Baroda, 1942), 104–5.

<sup>35</sup> Makrand Mehta, ‘Science versus Technology: The Early Years of the Kala Bhavan, Baroda, 1890–1896’, *Indian Journal of History and Science* 27 (1992): 145–69.

<sup>36</sup> Manilal B. Nanavati, *Notes on Industrial Development of the Baroda State* (Baroda: Baroda Printing Works, 1916), 14; *Baroda Economic Development Committee 1918–19* (Bombay: The Times Press, 1920), 25.

<sup>37</sup> Nanavati, *Notes on Industrial Development of the Baroda State*, 14–31. See also *Indian Trade Journal* (9 March 1911): 309.

a policy to develop industries, and partly also on account of its location between Ahmedabad and Bombay, Baroda could sustain both the training of artisans and technicians who served in the textile mills and corollary industries in Ahmedabad and Baroda, and modest industrialization within its own borders.<sup>38</sup>

Traditional craft and indigenous (mostly Hindu) epistemology also figured largely in the revival of Indian epistemologies as well as industry, and some princely rulers committed resources to this cause substantially. The Gwalior state patronized research and pharmaceutical education on Ayurvedic drugs.<sup>39</sup> The rulers of Benares and Mysore contributed to the swadeshi cause.<sup>40</sup> These included patronizing the swadeshi exhibitions organized by the Indian National Congress. Imitating the Empire Exhibitions in London, the Indian National Congress had begun to organize swadeshi exhibitions from 1901, coinciding with its annual meetings. As Lisa Trivedi has argued, the exhibitions served to consolidate the spatial and political geography of the Indian nation.<sup>41</sup> Princely rulers (and zamindars of lower Bengal) attended the first ceremonial inauguration in Calcutta, and the Maharaja of Cooch Behar was the chair of the exhibition. The second exhibition in Ahmedabad was inaugurated by the Gaekwad of Baroda, and third, at Madras, by the Maharaja of Mysore.<sup>42</sup>

The support for industrialization from several princely rulers in the twentieth century has generated robust historiographical debates about the nature of industrialism in the princely states. Nasir Tyabji has suggested that notable rulers in southern India—the Maharaja of Mysore and the Nizam of Hyderabad—who had cultivated the trust and loyalty of the British, could pursue economic goals independently, especially in comparison with the Madras Presidency government.<sup>43</sup> Manu Bhagavan, on a different note, has compared Baroda and Mysore to argue that princely industrialism was the product of a general thrust towards modernity and a mimicry of Western ideologies, which included museums, Western education and fragmented infrastructural development. The culmination of these was a model of development that was distinct and, as he argues, an ‘alternative’

<sup>38</sup> For a recent argument that artisanal production of cotton burgeoned in smaller towns in western India, including Baroda, in the early twentieth century, see Douglas E. Haynes, *Small Town Capitalism in Western India: Artisans, Merchants and the Making of the Informal Economy, 1870–1960* (Cambridge: Cambridge University Press, 2012), 63.

<sup>39</sup> M. J. Gajjar and M. R. Engineer, ‘The Preliminary Note on the Research Work Undertaken for the Development of Indigenous Drugs of the Gwalior State’, *Indian Medical Record* (September 1918): 172–79; ‘Industrial Education from a Pharmaceutical Point of View’, *Indian Medical Record* (January 1921): 13–15.

<sup>40</sup> They were active in the Indian industrial and agricultural exhibitions promoted by the Indian National Congress in the early swadeshi years. *A Report of the Indian Industrial and Agricultural Exhibition, Calcutta, 1906–7* (Calcutta: ‘Industrial India’ Office, 1907), 1–3.

<sup>41</sup> Lisa Trivedi, ‘Visually Mapping the “Nation”’: Swadeshi Politics in Nationalist India, 1920–1930’, *Journal of Asian Studies* 62, no. 1 (2003): 11–41.

<sup>42</sup> Janaki Nair has argued that the Mysore State’s annual Dasara exhibitions served to render and sustain Mysore’s identity as a ‘cohesive regional economy’. See Nair, ‘Mysore’s Wembley? The Dasara Exhibition’s Imagined Economies’, *Modern Asian Studies* 47, no. 5 (2013): 1549–87.

<sup>43</sup> Nasir Tyabji, *Colonialism, Chemical Technology and Industry in Southern India* (Delhi: Oxford University Press, 1995).

modernity. David Hardiman had pre-empted some of these perspectives when he pointed out how the Baroda state under Sayajirao III refashioned its agrarian revenue, finance policies and, indeed, its collaborators to reinvent its sovereign as both an enlightened and nationalistic ruler.<sup>44</sup>

Bhagavan has further argued that the establishment of an autonomous university with its own system of accreditation signified a breaking away from increasing centrally controlled education policies.<sup>45</sup> Bhagavan's work does not analyze the political and social consequences of the assertions of sovereignty and the construction of an 'alternative modernity' that arguably made the princely state of Baroda distinct. Yet princely modernization need not be understood necessarily as an 'alternative' to the modern in British India. As Janaki Nair has demonstrated, the formulations of enlightened princely rule in Mysore was multifaceted and embraced princely spectacle, city-planning, industrial exhibitions, the obliteration of specific cultural norms and changing of others; overall, the creation of a host of cultural motifs that integrated and sustained the identity of the Mysore state.<sup>46</sup> One can argue in turn that the drive towards 'modernization' in Baroda in effect did not necessarily (or exclusively) contribute to the autonomous modernity of the princely state, but that the process of the integration of the political economy of India led to the expanding sites of entrepreneurship, which was a crucial component of the self-identifying modernity of the Baroda state. Several princely states in western India similarly used their proximity to Bombay to initiate industrialization and attract capital and revenues from British India. Dhrangadhra, a minor political entity in Kathiawad that paid tribute to Baroda as well as to the paramount power, installed a salt and alkali work, capitalizing on the raw materials and technological resources available from Bombay and Ahmedabad.<sup>47</sup> The ruler of Morbi, another minor princely state in Kathiawad, similarly instituted the study of mineralogy in his capital to facilitate a ceramic industry in his territories.<sup>48</sup> Bhavnagar, Junagadh and Nawanagar, all small maritime states in Kathiawad, improved their ports and road transport links to attract overseas trade to their states instead of Bombay. Indeed, the princely rulers of western India were so successful at diverting trade (and customs revenues) to their ports away from Bombay that the Government of India established in 1905 the Viramgam customs cordon, a tariff control line around Kathiawad and Kutch, collecting tariffs at Government of India rates from all goods crossing over from princely states' boundaries. The history of the Viramgam Line (as it was generally called) is deeply

<sup>44</sup> David Hardiman, 'Baroda: The Structure of a "Progressive" State'.

<sup>45</sup> Bhagavan, *Sovereign Spheres*, 82–155.

<sup>46</sup> Janaki Nair, *Mysore Modern: Rethinking the Region under Princely Rule* (Minneapolis: University of Minnesota Press, 2011).

<sup>47</sup> G. P. Kane, *The Indian Chemical Industry in Retrospect* (Bombay: Colour Publications, 1990), 1–3. See also *Indian and Eastern Chemist* 21, no. 1 (January 1940): 10.

<sup>48</sup> See: Indian National Congress, 'Welcome Address to Indian Industrial Conference, by Professor T. K. Gajjar, Chairman of the Reception Committee of the Third Industrial Conference, Surat, 1907', in *The Surat Congress and Conference: A Collection of the Presidential and Inaugural Speeches etc.* (Madras: G. A. Natesan and Co., n.d.), 146–66.

conflictual; the government suspended the tariff wall from 1917 to 1927 after unqualified princely support to the War effort. This again enriched the princely states' ports at the expense of Bombay, and consequently the Virangam Line was reimposed in 1927.<sup>49</sup> Therefore, although historians have previously argued that the princely states' internecine jealousies and local tariffs prevented greater economic unification of the region in western India, it is evident that at least within the capital-towns and ports of western India, industrialization and trade had accelerated in the twentieth century.<sup>50</sup> The Virangam Line was an acutely sensitive point of contention between the princely states and the Government of India. The proximity of Bombay, the hub of indigenous capital, and the traditional links between Bombay and the entrepreneurial communities—with their own homelands in Kathiawad and Gujarat—contributed to these developments. At this time, Kathiawad provided raw cotton to the mills of Bombay; its cotton traders migrated to Bombay and formed a chain of credit and mercantile activity that stretched from Kathiawad to Bombay, and Zanzibar and Durban to Kutch.<sup>51</sup> Within Baroda itself, as Hardiman has pointed out, specific agrarian peasant communities (Patidars) benefitted from Sayaji's reforms and invested their income in business.<sup>52</sup> Many prominent traders and mill owners in Bombay maintained their links with their home states in the princely states and were active within the Congress. Baroda provided the ideal site for a new entrant in a pioneering industry such as pharmaceuticals and spirits in the new century.

### **Between Princely Enclave and British India: The Travails of the Alembic Chemical Works Limited**

Under Sayajirao III, the Baroda state aspired to become a centre for indigenous industry as well as Indian education. In one instance, the two were connected. The Kala Bhavan at Baroda was established to provide technical education to young men. The principal advisor for the Kala Bhavan was T. K. Gajjar, a professor of chemistry. In the end, the Kala Bhavan provided a reliable technical basis for the dyeing industry, and the skills of its students came to be chiefly employed in the textile mills of Ahmedabad and Bombay.<sup>53</sup> However, T. K. Gajjar, along with his former student A. S. Kotibhaskar, began on his own initiative a small laboratory

<sup>49</sup> Barbara Ramusack, *The Indian Princes and Their States* (Cambridge: Cambridge University Press, 2004), 202–04.

<sup>50</sup> For the argument that princely jealousies and tariffs impeded trade in Kathiawad, see Howard Spodek, 'Urban Politics in the Local Kingdoms of India: A View from the Princely Capitals of Saurashtra under British Rule', *Modern Asian Studies* 7, no. 2 (1973): 253–75; and, by the same author, *Urban-Rural Integration in Regional Development: A Case Study of Saurashtra, 1800–1960* (Chicago: University of Chicago, 1976).

<sup>51</sup> Claude Markovits, 'Indian Merchant Networks outside India in the Nineteenth and Twentieth Centuries: A Preliminary Survey', *Modern Asian Studies* 33, no. 4 (1999): 883–911.

<sup>52</sup> Hardiman, 'Structure of a "Progressive" State'.

<sup>53</sup> Dhruv Raina and S. Irfan Habib, 'Technical Content and Social Context: Locating Technical Institutes: The First Two Decades in the History of the Kala Bhavan, Baroda (1890–1910)', in *Science*

in 1899 that chiefly manufactured and marketed spirits, chemicals and a few galenicals in Parel in Bombay. In 1907, they were joined by B. D. Amin, an entrepreneur whose family wealth was derived from agricultural land rather than from the traditional merchant communities that generally comprised the western Indian entrepreneurs at this time.<sup>54</sup>

The Alembic Chemical Works Limited was registered in Bombay and moved to Baroda in 1907. The intent was to make the best use of the many concessions offered by the Baroda Durbar to pioneering industries in the state.<sup>55</sup> The ACWL was granted free land outside the capital city for its factories. It also benefited from a revenue holiday for a period of 10 years and incentives included the construction of roads at the government's cost for the supply of the goods from the factory to the nearest port, the supply of free water and sewerage facilities, etc.<sup>56</sup> But the most lucrative aspect of the princely connection for ACWL was that it received the exclusive contract to produce alcohol in the state of Baroda. A monopoly contract for supply of alcohol was a departure; it radically transformed the political economy of alcohol within the state. The contract to was part of a larger plan to streamline the state's revenues, much as the Bombay government had rationalized its excise incomes after the Abkari Act of 1878. The controversial Act in the Bombay Presidency was part of the long-term policy of the government to control the revenues on the production and consumption of liquor in the Presidency. It succeeded in marginalizing the small-scale toddy tappers and manufacturers and effectively handed over the production of liquor to large manufacturers. One consequence of this was a move away from fermented toddy to distilled 'country liquor', which was, at that time, procured from the mahua flower.

Following the British government, the Baroda government de-legitimized the production of fermented alcoholic drinks within its territories. By this measure, the Bombay government in British India had obliterated long traditions of home-brewing within the presidency, principally because locally made wines were difficult to control, quantify and tax, while the distilled country liquor and the so-called Indian-made foreign liquor (IMFL—gin, rum and whisky) produced a large income through excise duties. The Baroda Durbar banned the local home-brewed mahua wine. Instead, it commissioned the ACWL to produce all the mahua-based distilled alcohol to be sold and consumed within Baroda. This increased in a large measure the amount of taxation for the Baroda government. And it contributed a very interesting aspect of colonial industrialization in princely India. A firm that had previously manufactured alcohol for pharmaceutical purposes now entered the liquor market and was cushioned by a monopoly contract and the patronage of a powerful princely government, looked to having a share in the greater British Indian market in both liquor and industrial alcohol in its broadest sense.

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*and Empires: Historical Studies about Scientific Development and European Expansion*, ed. Patrick Petitjean, Catherine Jami and Anne-Marie Moulin (Dordrecht: Kluwer Academic, 1992), 121–36.

<sup>54</sup> D. Tripathi and M. Mehta, *Business Houses in Western India: A Study in Industrial Response 1850–1956* (London and Delhi: Jaya Books, 1990), 116–30.

<sup>55</sup> Nanavati, *Notes on Industrial Development of Baroda State*, 24–28.

<sup>56</sup> B. D. Amin, *The Rise and Growth of the Alembic Chemical Works*, 115–21.

Although the ACWL manufactured tinctures and galenicals and simple drugs for pharmaceutical use, the pharmaceutical business was soon eclipsed by the compulsion to produce enough liquor to supply the distributors in the state. Within a year of establishing the factory at Baroda, the ACWL applied for permission to the Baroda Durbar for a monopoly ‘for the next 20 years to come’ to manufacture within the state potable spirits similar to ‘foreign alcohol’—comprising Indian rum, whisky and gin—which was granted.<sup>57</sup> It also applied for and received excise remissions for the sale and distribution of all the potable liquor manufactured by the firm. In a few months, the ACWL acquired permission to export a significant portion of its potable spirits to British India. The government agreed to this provided the ACWL adhered to the Bombay Excise Act of 1878, which the Resident at Baroda ratified and granted.<sup>58</sup>

This placed ACWL in competition with other industrial units in British India. As I will argue here, the ACWL’s attempts to secure ‘fair’ excise rates for its commodities on sale in British India exposed the fault lines of the excise administration in British India, which was enmeshed in the conflictual morality and temperance debates. The ACWL’s determined entry into the British Indian market with the full support of the Baroda government highlighted not only the inconsistencies of the intra-provincial tariff barriers in between princely and British India, but also queried the fundamental basis of the excise system, for it argued that alcohol for use in medicine, toiletries and for industrial use should not be taxed in the way that alcohol for consumption was taxed. This plea addressed multiple concerns—Indian industrialization and self-sufficiency, fairness to princely states and more generally to Indian enterprise instead of cheap Continental imports. More fundamentally, the ACWL’s continued negotiations and campaign for excise ‘rationalization’ inverted the morality of alcohol. The moral dimensions of the excise on alcohol was now placed in counterpoint to the moral imperative of the production of alcohol for medicinal/pharmaceutical and industrial use. This subverted the legitimacy of the excise duty on alcohol in British India.

Other pharmaceutical and chemical companies too engaged with the excise regime and lobbied for excise concessions for alcohol produced for industries, both to the government directly and to the Indian Industrial Commission of 1916–18.<sup>59</sup> However, B. D. Amin of the ACWL—being actively vocal, persistent and very well connected with nationalist Indians as well as privileged with the Baroda Durbar’s patronage—was the most articulate of the Indian alcohol and pharmaceutical manufacturers. A look at the expansion of ACWL’s sales to British India will highlight the contradictions and exigencies of alcohol in India between the wars.

<sup>57</sup> ACWL to Baroda Government, Huzur Political Office, General Daftar 200/61, 1908–09, Baroda Record Office, 2.

<sup>58</sup> *Ibid.*, 5.

<sup>59</sup> For instance, Smith, Stanistreet and Company of Calcutta’s protest against the Government of Madras, IOR/P/11247, GOI/Commerce/April 1922, APAC, British Library: 11–13. See also evidence of G. N. Potdar, Pioneer Alkalie Works; evidence of Jehangir C. Mehta of Messrs J. C. Mehta and Sons, Perme Distillers Bombay, East India (Industrial Commission) Minutes of evidence, vol. IV (London: H.M. Stationery Office, 1919), 227–30, 469–77.

The monopoly over the production of alcohol within the Baroda state guaranteed a fixed profit to the ACWL, enabling it to expand its production quickly. The mahua flower, the raw material for their products, grew wild in Baroda territories. The ACWL therefore paid very insignificant sums of money to the mahua collectors (who were the indigent adivasi population of the areas), thereby resulting in low production costs.

Its princely connections were critical in this expansion, for the Durbar intervened on many occasions on its behalf, during negotiations on the rates of excise with the provincial governments in Bombay, Madras, Calcutta and the Punjab. The ACWL comprised a crucial component of the Baroda Durbar's second stage of industrialization. Here the government did not establish its own factories, but instead provided all manner of concessions, tax grants and infrastructural and financial facilities to emergent industries. In the case of ACWL, it also received preferential treatment in the use of its pharmaceutical products in all the medical departments' and hospitals' purchases within the state.<sup>60</sup> This prerogative of an assured market had previously only been given to the state-owned Kala Bhavan workshops. This was a significant triumph; formerly, the Baroda Durbar had imported its medicines and surgical instruments from British manufacturers and distributors.<sup>61</sup>

The competition between British manufacturers and distributors of pharmaceutical products had increased by the turn of the century, when they all reached out to the urban consumer market in British India. The distribution and marketing of alcohol was also dominated by large European concerns at this time. The large manufacturers included Rosa Distillery in Shahjahanpur, first established up in 1835; Parry and Company's distillery in Nellikuppam, Tamil Nadu and in Mungpoo, Bengal, and Dyer's and Meakin's distilleries in Solan, Quetta, Ranikhet, Darjeeling and Ootacamund.<sup>62</sup> All of these were long-established British-owned companies that commanded the bulk of the distilled liquors for consumption in British India. Newer Indian distilleries competed with them at the turn of the century. In 1906, the Excise Committee remarked on the 'crude and unsatisfactory' distillery units that had proliferated in all provinces and recommended tighter controls over the quality of distilled liquors, as the number of units producing them had increased substantially.<sup>63</sup> These strictures were generally directed at the newer Indian distilleries. The proliferation of Indian distilleries reflected the

<sup>60</sup> Nanavati, *Notes on Industrial Development of the Baroda State*, 23.

<sup>61</sup> For instance, Huzur Political Office, General Daftar 479: 309–11 and 662–65; Huzur English Office, General Daftar 104, File 5: 79; Huzur English Office General Daftar 127, File 26; Huzur English Office, General Daftar 127, File 19: 39 (Baroda Record Office).

<sup>62</sup> Parry's and Company supplied all the alcohol needed for industrial and pharmaceutical purposes to the Medical Store Depot in Madras, a government-owned manufacturing unit that supplied pharmaceuticals and industrial products to the Indian army and some civil hospitals. *Witness Interview Indian Industrial Commission Madras*, L/Parl/2/404B, APAC, British Library: 349. The Government of Bombay preferred to rely on the spirits supplied by Messrs Carew and Company in Solan without issuing tenders that could have opened the market to other distillers. Government of Bombay (Revenue) to Government of India (Commerce), P/Conf/66, 2 May 1921, APAC, British Library: 1.

<sup>63</sup> Sir James Thomson, *Report of the Indian Excise Committee 1905–06* (Madras: Superintendent, Government Press, 1906), 11.

increase in overall consumption of liquors, particularly distilled alcoholic spirits, at this time. Therefore, the ACWL's rapid expansion challenged the older British Indian companies' hold over the sale of alcohol in several provinces.

The ACWL achieved a reputation rare among Indian manufacturers for its high-quality therapeutic products in the crowded medical marketplace of colonial India. The company continued to display its pharmaceutical products prominently in industrial exhibitions.<sup>64</sup> In its first few years, it had won prizes at the regular swadeshi industrial exhibitions, where its pharmaceutical and toiletry preparations were judged, along with those of the Bengal Chemical and Pharmaceutical Company's, to be 'almost equal to similar articles of foreign manufacture'.<sup>65</sup> But its principal business was alcohol, both rectified (for consumption) and denatured (for industrial use). Along the way, ACWL expanded to become one of the biggest indigenous pharmaceutical companies; state-backed industrialism was crucial for its expansion. Once the contract to supply potable country liquor within the state of Baroda was secured, ACWL trimmed the pharmaceutical side of its business, even closing the original pharmacy in Parel, and concentrated on the supply of liquor within Baroda.<sup>66</sup>

By handing over the monopoly to ACWL, Baroda was able to hand over its substantial alcohol production to one single producer, and the older system of liquor farming to Parsi producers and retailers ended. The directors of ACWL claimed compensation from the Baroda government at the end of the first 5 years of the liquor monopoly contract, supposedly to offset losses because the supply of liquor had exceeded the average demand. The Baroda government granted them a one-off compensation amounting to ₹ 30,000 at this time. The company also requested for, and received, the continuation of the alcohol monopoly within the state in 1912.

Initially, ACWL also had to transport all their commodities to Bombay for excise clearance, even if they were meant to be re-exported to the rest of India. This caused resentment on the part of both ACWL and the Baroda government, which repeatedly intervened on its behalf to the Government of Bombay.

The company wanted four things from the provincial and federal government in British India: a 'bonded' warehouse (where excise inspectors verified the specific alcohol content of all products) in Baroda, so that their liquor for re-export to western India need not have to transit through Bombay; an exemption on the import sea-customs duty, on the grounds that it was an Indian company with a registered office at Parel in Bombay; an eventual retraction of interprovincial excise barriers; and finally, a reduction of the excise duty on alcohol-based 'spirituous' (this included alcohol in various strengths for industrial use) and pharmaceutical productions. While ACWL made common cause with other Indian pharmaceutical companies in this period on the final two demands, the first two were unique to its position as a client-company of the Baroda Durbar.

<sup>64</sup> Huzur English Office, General Daftar 200/70 A, Baroda Record Office, 105.

<sup>65</sup> *A Report of the Indian Industrial and Agricultural Exhibition, Calcutta, 1906-7* (Calcutta: 'Industrial India' Office, 1907), 21.

<sup>66</sup> Amin, *The Rise and Growth of the Alembic Chemical Works*, 52-54.

The Baroda Durbar had allowed ACWL to manufacture 'foreign spirits' for export outside Baroda within a year of the establishment of the distillery in Baroda. Its exports to British India were transported through Bombay, sent by train from Baroda. The company was still subject to the Bombay Abkari Act, that is, it was to pay excise duties at the same level as the manufacturers in Bombay 'for the liquor that it sold in the Bombay Presidency, and a sea-customs duty on import of their liquor'.<sup>67</sup>

At the beginning of World War I, imports of cheap German liquors and alcohol to British India ended abruptly.<sup>68</sup> This left the field clear to Indian suppliers, including the ACWL. During the War, like other Indian pharmaceutical companies, ACWL expanded its pharmaceuticals production and annual sales of pharmaceutical products rose from ₹ 39,000 in 1915 to ₹ 109,000 in 1918.<sup>69</sup> Although ACWL was now a prominent manufacturer of pharmaceuticals, its 'foreign liquor' production provided the bulk of its sale. ACWL's sale of whiskey, rum and brandy leapt from ₹ 28,000 to ₹ 761,000 in the same period.<sup>70</sup> This was distinct from its sale of 'country' liquor within the Baroda state.

The expansion in ACWL's alcohol trade triggered a round of diplomatic wrangling between the Baroda Durbar and British India. Excise officials in Bombay alleged that ACWL actively colluded with distributors and wholesale dealers in smuggling liquor for consumption into British India. Smuggling of illicit or untaxed goods across the native states to the Bombay Presidency's territories was a constant irritant to British Indian customs officials. Opium smuggling in western India, for instance, was almost as long-standing as the East India Company's monopoly on the sale of opium in India, conducted through the princely ports and roadways as well as the Portuguese enclaves of Diu and Daman. Historians have debated whether this smuggling represented a 'subversion' of British (or rather, English) monopoly trade by indigenous capitalists or whether it was merely 'opportunism'—a contingent trade that demonstrated the robustness of indigenous capital even in the nineteenth century.<sup>71</sup> There is evidence of continued smuggling across princely borders throughout the colonial period, and this involved

<sup>67</sup> Emphasis in original. Huzur Political Office, General Daftar 200/6, 1909–18, Baroda Record Office, 2.

<sup>68</sup> The competition from Germany to British exporters of chemicals and pharmaceuticals began in the 1880s and was a persistent source of anxiety for British exporters and distributors. In 1906, the British Consul at Hamburg reported that exports from Germany to India had increased 100 per cent in the previous decade, the most significant commodities being chemical products. See 'The German Drug Market', *Chemist and Druggist*, 3 February 1906, 211. These included chemical dyes, soaps, pharmaceuticals and alcohol. For an analysis of the German export trade of chemical dyes with India, see Christina Lubinski, 'Global Trade and Indian Politics: The German Dye Business in India before 1947', *Business History Review* 89, no. 3 (2015): 503–30.

<sup>69</sup> Amin, *The Rise and Growth of the Alembic Chemical Works*, 55–56.

<sup>70</sup> *Ibid.*

<sup>71</sup> See Amar Farooqui, *Smuggling as Subversion: Colonialism, Indian Merchants, and the Politics of Opium* (New Delhi: New Age International Publications, 1998); Claude Markovits, 'The Political Economy of Opium Smuggling in Early Nineteenth Century India: Leakage or Resistance?', *Modern Asian Studies* 43, no. 1 (2009): 89–111.

subversion of political borders and the reinforcement of an economic union with British India in the long run. K. Boheme has recently argued that smuggling in western India needs to be seen as part of traditional, even precolonial, trading networks, involving salt, cotton and opium, across old and newer trade routes between Kathiawad, Kutch, south Gujarat, the Goan ports and Zanzibar, and the western Indian ports, between Pali, Jaisalmer and Karachi.<sup>72</sup> The chequerboard of criss-crossing boundary lines between the princely states and British territories, tensions of sovereignty and autonomy between them and British India and an ambivalence about what comprised a legitimate commodity at the customs tolls (that depended on witness accounts of the provenance of the goods)—all contributed to a robust tradition of smuggling between the princely borders and British India in the nineteenth century. ACWL's agitations against 'interprovincial tariff barriers' was in fact a twentieth-century reformulation of an older problematic. The new element involved the multiple uses of alcohol and industrialization that made these multiple uses both possible and necessary.

When a British customs official discovered that liquor bottles with labels marked 'tariff duty paid', and only specifying 'within Baroda state only' in a smaller, detachable label, were being sold in Navsari in British India, the Collector of Customs in Bombay intervened to charge the ACWL with fraud.<sup>73</sup> The company protested the charge vigorously through the Baroda Durbar and accused British excise officials of doubting the integrity of not just ACWL but the Durbar itself:

Our sales and profits are equally assured whether a customer lives and drinks within Baroda or British territory provided he drinks our stuff...Or he [the Excise Commissioner] is simply charging the Baroda Durbar indirectly as the party chiefly to be profited in the matter.<sup>74</sup>

Later, Amin met the Commissioner himself to finalize a compromise; the British government withdrew the charges and ACWL removed the offending labels from the bottles.<sup>75</sup> Smuggling between the princely states and British India was a continual source of diplomatic conflict. ACWL tenaciously and vocally protested excise regulations that forced it to freight its alcohol products to Bombay and pay excise duties, only to have them transported back to British Gujarat in the neighbourhood of Baroda territories. Amin persistently pleaded for a 'bonded' warehouse for ACWL in Baroda. The Government of Bombay finally agreed during the Congress government's rule (1921–23), when Chunilal Mehta, the forests and excise minister, intervened personally to allow the bonded warehouse in Baroda,

<sup>72</sup> Kate Boehme, 'Smuggling India: Deconstructing Western India's Illicit Export Trade, 1818–1870', *Journal of the Royal Asiatic Society (Third Series)* 25, no. 4 (2015): 685–704.

<sup>73</sup> Acting Commissioner of Customs, Salt and Excise, to Resident, Baroda, Huzur English Office, General Daftar 200/61, Baroda Record Office, 21 October 1919, 21.

<sup>74</sup> Reply from ACWL to Baroda Government, 4 February 1920, Huzur English Office, General Daftar 200/61, Baroda Record Office (1920): 26.

<sup>75</sup> *Ibid.*, 33.

where the alcohol content of its rectified and denatured spirits was officially endorsed prior to their export to British India.<sup>76</sup>

With the support from the Durbar, ACWL extended its sales of liquor as well as alcohol-based pharmaceuticals in places as far off as Madras, Bengal and Central India, competing successfully with British Indian manufacturers and distributors of liquors and importers of therapeutic products from Calcutta, Punjab and Madras. The Baroda Durbar negotiated with all the provincial governments in British India to collect excise duties on their behalf in Baroda from ACWL, sparing the latter great logistic difficulty and expense.<sup>77</sup> Although its manufacture of pharmaceuticals expanded considerably during World War I, its liquor trade remained its mainstay. The company used its status as a client-company of the Baroda Durbar to pressure the British provincial governments to grant it tax exemptions. These tactics were often unsuccessful, but its secure monopoly of supply of alcohol to the Baroda Durbar nevertheless provided it with a foundation to expand its manufacture of rectified spirits and pharmaceuticals and toiletries for export to British India.<sup>78</sup> The advantages offered by the Baroda court enabled ACWL to outmaneuver its rival companies that also manufactured spirits in neighbouring British Gujarat.<sup>79</sup> ACWL was present in all swadeshi industrialist associations, much like its rival, the Bengal Chemical and Pharmaceutical Works in Calcutta.<sup>80</sup> There were few moral dilemmas between cottage industry and large-scale industry in this case. In fact, ACWL revelled in its status as an advanced company using the latest machines imported from Germany.<sup>81</sup> It harnessed itself to the progressive, industrial swadeshi movement. This created awkward anomalies; for instance, a relative of Kotibhaskar's, Seth Naraindas, who had joined the board of directors of ACWL, resigned during the non-cooperation movement and gave over his company shares to Kotibhaskar's family. Gajjar's biographer glossed over the production of alcohol in ACWL in a later development.<sup>82</sup>

<sup>76</sup> Amin, *The Rise and Growth of Alembic Chemical Works*, 72–77.

<sup>77</sup> *Ibid.*, 115–19.

<sup>78</sup> For instance, see the exchange between the Dewan of Baroda Manubhai Mehta and the Government of Bombay, October 1915–September 1916, Huzur English Office, General Daftar 70 A/200, 25–39, 55–60, 71–132.

<sup>79</sup> Correspondence between Commissioner of Customs/Abkari and Chief Secretary, Government of Bombay, March–November 1913, P/9354, APAC, British Library: 1422–95.

<sup>80</sup> For an analysis of the social history of industrialization and the Bengal Pharmaceutical and Chemical Works, see Pratik Chakrabarti, 'Science and Swadeshi: The Establishment and Growth of the Bengal Chemical and Pharmaceutical Works', in *Science and Modern India: An Institutional History c. 1784–1947*, ed. U. Das Gupta (New Delhi: Pearson Education, 2010), 117–42.

<sup>81</sup> D. Tripathi, 'Colonialism and Technology Choices in India: A Historical Overview', *The Developing Economies* 34, no. 1 (1996): 80–97. The author argues that Indian industrialists across all industries did not aspire to 'technological autonomy' and consequently did not develop indigenous technology in large industries, instead borrowing technical expertise from industrialized nations. The Bengal Chemical and Pharmaceutical Works was an exception to this norm. P. C. Ray, a fervent advocate of technological education in India, exclusively used locally made equipment and staff in his manufacturing unit. See Suvabrata Sarkar, 'Bengali Entrepreneurs and Western Technology in the Nineteenth Century: A Social Perspective', *Indian Journal of History of Science* 48, no. 3 (2013): 447–75.

<sup>82</sup> Prachyavidya Mandri, *A Biography of Professor Tribhuvandas Kalyandas Gajjar* (Baroda: M. S. Vishwavidyalaya, 1960), 43–44. The author attributed ACWL's shift of focus from pharmaceuticals to

## Liquor and Alcohol: The Entangled Lives of an Industrial Commodity

Between the wars, alcohol entered the framework of the industrial nation-in-the-making. Although spirits had been manufactured and taxed on an industrial scale in India from the nineteenth century and had caused moral dilemma in both official and public discourse, the interwar years lent particular urgency to the Byzantine regulations on the taxation and control over alcohol in India. The wider implications for the manufacture of alcohol was that industrialization required alcohol in its various processes, particularly in the chemical and pharmaceutical industries. The manufacture of pharmaceuticals became a priority in an aspiring industrial colony. Used in paints and varnish, perfumery and essences, munitions, photography and in the laboratories, alcohol now became an industrial commodity and its manufacture and sale subverted an excise regime that was directed towards the production and distribution of consumable spirits. The excise regime was not equipped to confront alcohol as an industrial product that might be potentially freighted across several provinces. There was little difference between denatured (for industrial use) and rectified spirits in the manufacturing process; the identification of denatured alcohol was fraught with difficulties. The Indian Industrial Commission report of 1918 advised the government to facilitate the production of alcohol for industrial use and emphasized the use of denaturants to prevent subsidized alcohol for industries being siphoned off for consumption. The report recommended ‘that a more liberal policy should be followed by the excise authorities in respect of...the denaturant...and more regard might be paid to the likelihood rather than the mere possibility of frauds upon the revenue, when the requirements of commercial users conflict with excise regulations’.<sup>83</sup>

This was easier said than done. The demands of an emergent industrialized nation required alcohol in large quantities.<sup>84</sup> The vocal protests and lobbying of the temperance activists and the nationalist prohibitionists succeeded in eliciting pious sentiments and several commissions to negotiate between the rival demands of prohibition—or at least temperance—and excise revenue. Meanwhile, the Government of India instituted a committee to advise it on the control and licensing of alcohol, particularly for use in the automobile industry, as well as more widely in the chemical industry after the First World War. Their report acknowledged that the distinction between ‘potable’ and ‘industrial’ was difficult to make

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potable alcohol to the Government of India’s refusal to protect Indian industry through tariffs and the consequent financial woes of ACWL in its first two decades.

<sup>83</sup> T. H. Holland, *Report of the Indian Industrial Commission 1916–18* (Calcutta: Government Printing, 1918), 66.

<sup>84</sup> In 1908, Germany had used 12,000,000 gallons of alcohol for lighting, heating as well as manufacturing. The USA used 5,000,000 gallons in the same year; see *Merck’s Report*, November 1908, 316. In Britain, alcohol was used on a large scale to manufacture cordite and mustard gas during World War I, and with the rise in prices of petroleum products after the War, the urgency of identifying sources for the supply of alcohol intensified. See J. H. Holland, ‘Sources of Industrial Alcohol’, *Royal Botanic Garden, Kew, Bulletin of Miscellaneous Information* 5 (1925): 192–216.

as the chemical processes used to ‘denature’ or render alcohol unfit for human consumption were not adequate; it also acknowledged the impossibility of diluting excise controls from the production of alcohol for industrial use:

We are not prepared to say that the existing denaturant in use in India for ordinary purposes fulfils these requirements sufficiently to enable spirit denatured with it to be released entirely from excise supervision. ... present provincial regulations are so wide, ... it would be impossible, ... to lessen these restrictions without making them ineffective...<sup>85</sup>

In the spirit of the post-War support to Indian industry, this committee advised against the import of alcohol for industrial use and instead recommended that the Indian states encourage their production and export them to British India.<sup>86</sup> Like most of the recommendations of the Indian Industrial Commission, the central and provincial governments largely ignored them; the manufacture of spirits into ‘power alcohol’ for use in automobiles did not expand in India, although the use of and debates on variants of alcohol for fuel continued in many industrializing nations until the 1940s.<sup>87</sup> The changeableness of alcohol persisted. The transformation of this commodity from an item of consumption to an industrial chemical was not seamless. Indeed, the process of ‘denaturing’ remained incomplete. In 1909, a government report on ‘foreign’ spirits had pointed out that ‘natives will drink it [methylated spirit] when mixed with one-third or more of mhowra spirit’.<sup>88</sup> In 1921, ACWL and the Baroda Durbar found themselves pleading with the Bombay government to allow ACWL to market its ‘denatured’ alcohol at the concessionary rate of 7.5 per cent ad valorem that was charged from importers of foreign denatured alcohol into British India, but acknowledged that the denatured spirit was also consumed by people regularly: ‘There may be instances of some drunkards drinking denatured spirits ... but it would be hardly right for the Government to base its fiscal policy upon such cases’.<sup>89</sup> This promiscuous nature of alcohol, never ‘denatured’ enough to entirely prevent its consumption, sabotaged its identity as an industrial commodity and proved difficult to control.

After World War I, the Government of Bombay had appointed a committee to resolve the needs of industrialization and the demands of an excise system that sought, in accordance to the Excise Committee’s recommendation in 1906, ‘to minimise temptation for those who do not drink and to discourage excess among

<sup>85</sup> *Report of the Industrial Alcohol Committee* (Simla: Government Central Press, 1920), V/26/323/3, APAC, British Library: 7.

<sup>86</sup> *Ibid.*, 8.

<sup>87</sup> Michael S. Carolan, ‘Ethanol versus Gasoline: The Contestation and Closure of a Socio-technical System in the USA’, *Social Studies of Science* 39, no. 3 (2009): 421–48; Fiona Gordon-Ashworth, ‘Agricultural Commodity Control Under Vargas in Brazil, 1930–1945’, *Journal of Latin American Studies* 12, no. 1 (1980): 87–105; and Helen Smyth, ‘China’s Petroleum Industry’, *Far Eastern Survey* 15, no. 12 (1946): 187–90.

<sup>88</sup> *Report of the Foreign Liquor Committee, 1908–09* (Bombay: Government Central Press, 1910), 4.

<sup>89</sup> Huzur Cutcherry forwarding memorandum from ACWL, to Resident, Baroda State, Baroda Residence/English Dept, File no 32-IV-8, National Archives of India, 12 May 1921, 1–15, 194–96.

those who do'.<sup>90</sup> This Committee submitted its report in 1924 and recommended that the government's goal should be to declare that its excise policy would comprise 'the total extinction of the traffic in alcoholic drink and drugs by suitable steps'.<sup>91</sup> Instead, it proposed the encouragement of the industry and use of the available distilleries and resources for the large-scale production of alcohol for industrial purposes: 'With Government assistance a large industrial spirit trade might be fostered and this would also increase the revenue from spirits not only in a very unobjectionable, but in an industrially advantageous direction'.<sup>92</sup> A coherent industrial policy for alcohol did not emerge. Between the wars, the state's half-hearted industrial policy and the ambiguous character that alcohol itself had assumed led to ambivalence in the excise administration of alcohol as well. This lack of clarity was further complicated by the fact that excise duties were transferred to the provinces in the Montague-Chelmsford reforms (1919), and one of the consequences was undoubtedly that provincial governments had to scramble for revenue generation, excise duties comprising a large section of revenues in all provinces.

Provincial governments also remained committed to protecting local monopolies. This took various forms. Punjab continued its policy of not allowing any alcohol manufactured beyond its borders to be imported, except from Rosa Distillery, owned by the old and established Carew and Co, with which it had a special relationship as it '... occupied a peculiar position in virtue of its long-standing recognition as a subsidiary source of supply to the Punjab...'<sup>93</sup> This, the Government of Punjab explained, was to ensure that their alcohol policy 'was framed with a view to safeguard the interests of Punjab distillers whose still-power was ... so calculated as to suffice for the requirements of this province... except for the imports from the Rosa Distillery'.<sup>94</sup>

The only Presidency that reduced excise duties on spirits used in medical preparations was Bengal, possibly on account of the lobbying from British-Indian distributor-manufacturers in Calcutta. Madras and Bombay followed their policies of high rates of excise duties for spirits freighted across India, including those used for industrial purposes. It is here that ACWL, and particularly B. D. Amin, used the nationalist industrial networks to undertake an astonishing campaign on behalf of his own company and the alcohol industry generally. This included representations to provincial and central governments, speeches at all available public forums, the publication of a 'charter of rights' and continual pressure on the community of Indian political actors.<sup>95</sup> The ACWL sent countless

<sup>90</sup> Return of Orders of GoI on Chapters II, to VI, VII, VIII and X of the Report of the Excise Committee, P/w 147 (APAC), British Library: A2.

<sup>91</sup> Government of Bombay, Revenue, V/26/323/7 (APAC), British Library (12 February 1925): 1.

<sup>92</sup> *Ibid.*, 147. This was supported by several Indian industrialists, including the prominent nationalist Purshottamdas Thakurdas.

<sup>93</sup> Finance Secretary, Government of Punjab, To Resident Baroda, Baroda Residence/English, File 32-IV- 8. 1915, National Archives of India, New Delhi (16 October 1919): 120.

<sup>94</sup> *Ibid.*, 121.

<sup>95</sup> Amin, *The Rise and Growth of the Alembic Chemical Works*, 66–71.

memoranda to provincial governments and was represented on the Federation of Indian Chambers of Commerce & Industry (FICCI) and Indian Merchants' Association, arguing for special concessions from Baroda on the one hand and a drop in excise duties on all forms of alcohol—potable, industrial and medicinal—on the other hand. It succeeded in the Bombay Presidency, when representations from the Indian Merchants Chamber elicited a reduction in imported spirits from Baroda (and other provinces) from ₹ 17.18 per gallon to ₹ 21.14 in 1924.<sup>96</sup> In spite of vigorous lobbying, principally by ACWL, the government did not offer a tariff review to the alcohol and fine chemicals industry as it did to the heavy chemicals industry (albeit only for 18 months) in 1931.<sup>97</sup> In 1937, after considerable pressure from the pharmaceutical industry, the Government of India convened a conference of all provinces and princely states to discuss the possibilities of a uniform excise policy.<sup>98</sup> The conference agreed, in principle, on the desirability of avoiding double duty imposed by provinces on the export and consumption of alcoholic medical preparations as well as rectified spirits.<sup>99</sup> Nonetheless, in effect, the conference left the decision on the rates of excise policy to the respective provinces where alcohol in its various forms were manufactured.<sup>100</sup> It failed to clarify and recommend a clear and uniform excise policy for the many uses of alcohol in the pharmaceutical and chemical industries.<sup>101</sup>

The division of alcohol for industry and potable alcohol occurred in 1942, when the huge rise in wartime profits for the indigenous pharmaceutical industry attracted the resources of ACWL to medical and industrial alcohol, and it discontinued the production of spirits for consumption.<sup>102</sup> The development of the chemical industry in western India in general contributed to the rise in demand for ACWL's industrial alcohol. In independent India, the Bombay state finally imposed prohibition on liquor. In 1960, when the new state of Gujarat confirmed its policy of prohibition, alcohol was shorn of its moral or immoral content and instead in its 'absolute' form, a pristine product, assumed its position as catalyst of industrialization in India. The ambiguities of alcohol were hidden in medicine—Glycodine, which contained both alcohol and codeine—which was one of the ACWL's most visible and lucrative products.<sup>103</sup> This ambiguity persists to this day. Liquor meanwhile is traded by the criminal underworld.<sup>104</sup>

<sup>96</sup> *Annual Report of Indian Merchants Chamber 1925–26* (Bombay: Crown Press, 1926), 49.

<sup>97</sup> J. P. de Sousa, *History of the Chemical Industry in India* (Bombay: Technical Press Publications, 1961), 39–40.

<sup>98</sup> 'Council of State: Drug and Pharmacy Act', *The Medical Bulletin* (20 March 1937): 171.

<sup>99</sup> *Excise Conference: Summary of Proceedings* (New Delhi: Government of India Press, 1938), 2.

<sup>100</sup> *Ibid.*, 4.

<sup>101</sup> 'The Excise Conference', *The Indian and Eastern Chemist* (September 1938): 277.

<sup>102</sup> Tripathi and Mehta, *Business Houses*, 124–25. The wartime profits raised the authorized capital of ACWL from ₹ 2 million in 1939 to ₹ 5 million in 1945.

<sup>103</sup> Debasish Basu, Munish Aggarwal, Partha Pratim Das, Surendra K. Mattoo, Parmanand Kulhara and Vijoy K. Varma, 'Changing Pattern of Substance Abuse in Patients Attending a De-addiction Centre in North India (1978–2008)', *The Indian Journal of Medical Research* 135, no. 6 (2012): 830.

<sup>104</sup> Howard Spodek, 'From Gandhi to Violence: Ahmedabad's 1985 Riots in Historical Perspective', *Modern Asian Studies* 23, no. 4 (1989): 765–95.

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