

15th July 1871.

No. 185. From the Under-Secretary to the Government of India, Financial Department, (Separate Revenue—Opium,) to the Chief Secretary to the Government of Madras, dated Simla, 8th June 1871, No. 978.

I AM directed to acknowledge the receipt of your letter No. 678, dated 15th April 1871, on the subject of the opium-trade in Madras.

2. I am to remark, with reference to the Proceedings of the Board of Revenue, dated 12th November 1870, that the estimate of 57,000 chests as the annual produce of Malwa is altogether unreliable, there being no materials for making any estimate of the produce in Malwa that can be depended upon. But 57,000 chests is quite an exceptional crop in Bengal, where the produce is believed to be much larger than in Malwa. The supposition therefore that as many as 16,000 chests are smuggled has no foundation in fact. All that is known is that opium does find its way into the Madras Presidency and on to the sea-coasts, and that some is even exported thence to foreign countries.

3. It is undoubtedly important that this traffic should be kept under control, if the means of doing so can be devised. At present the carriage of opium through the Madras Presidency can scarcely be said to be even illicit.

4. The Government of Madras should consider what means it is practicable to adopt in order to check the traffic, and specially whether it is desirable to introduce the Bengal system or any modification of it for the retail of opium for home-consumption. Under that system the possession of opium, save in very small quantities, except under license, is illegal, and the drug heavily taxed is supplied at every treasury. In considering this question it should be remembered that the object is to prevent illicit and untaxed consumption, and to hinder the evasion of the Pass-duty on Malwa opium. There is not even any *financial* object to be gained by promoting the consumption of opium in India to counterbalance the moral objections to any development of its use; for the diversion of opium from China causes a loss of revenue, even if the full duty on home-consumption be obtained.

5. The question, so far as regards home-consumption, is this: Whether there is much illicit consumption of opium, and if so, whether it is practicable to replace it by licensed and taxed consumption. If on consideration it be thought inexpedient to attempt to *tax* home-consumption, it might be sufficient simply to impose penalties upon the possession of opium without making any arrangements for licit sale or possession.

6. I am to impress this point strongly on the attention of the Government of Madras, for it appears to the Governor-General in Council that the subject has not been sufficiently considered, the only recommendation made being for the imposition of import and export duties by land and sea.

7. As to the export of opium from Madras, the intention of the law is that the Government of Madras should impose an export duty of Rs. 600 a chest as is done in Bombay, and I am to request that this may now be done irrespective of the place to which the drug may be exported, whether to Cochin, Ceylon, or elsewhere.

(True Copy.)

(Signed) D. F. CARMICHAEL,
Acting Secretary to Government.

Edw. F. R. Bantleman.

REVENUE DEPARTMENT,
FORT SAINT GEORGE,
15th July 1871.

No. 186.

No. 1

No. 10

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Separate Revenue, No. 11.

Customs.

SIR,—In acknowledging your letter No. 978 of 8th June last, I am directed to state that, in accordance with the instructions conveyed in the concluding paragraph, an Export-duty of 600 Rs.

will be imposed on every chest of opium in future.

2. With regard to the remaining question I am to explain that in view of the insignificant extent of the home-consumption of the drug, this Government is altogether opposed to any restrictions on the possession or sale of opium within the Presidency. There would be much vexatious and oppressive interference by Police and informers, without any corresponding results. It is believed at present that the Export-duty will fully answer the end in view.

I have the honour to be,

Sir

Your most obedient servant.

(Signed) D. F. CARMICHAEL,
Acting Secretary to Government.

Ed. F. R. Bantleman.

10-9-18

11/6/71

No 185-186

No. 978.

GOVERNMENT OF INDIA.
FINANCIAL DEPARTMENT.

SEPARATE REVENUE.

Opium.

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS.

SIMLA, THE 8th JUNE 1871.

SIR,

I AM directed to acknowledge the receipt of your letter No. 678, dated 15th April 1871, on the subject of the opium trade in Madras.

2. I am to remark, with reference to the proceedings of the Board of Revenue, dated 12th November 1870, that the estimate of 57,000 chests as the annual produce of Malwa is altogether unreliable, there being no materials for making any estimate of the produce in Malwa that can be depended upon. But 57,000 chests is quite an exceptional crop in Bengal, where the produce is believed to be much larger than in Malwa. The supposition, therefore, that as many as 16,000 chests are smuggled, has no foundation in fact. All that is known is, that opium does find its way into the Madras Presidency and on to the sea coast, and that some is even exported thence to foreign countries.

3. It is undoubtedly important that this traffic should be kept under control, if the means of doing so can be devised. At present the carriage of opium through the Madras Presidency can scarcely be said to be even illicit.

4. The Government of Madras should consider what means it is practicable to adopt in order to check the traffic, and especially whether it is desirable to introduce the Bengal system or any modification of it, for the retail of opium for home consumption. Under that system the possession of opium, save in very small quantities, except under license, is illegal, and the drug heavily taxed is supplied at every treasury. In considering this question it should be remembered that the object is to prevent illicit and untaxed consumption, and to hinder the evasion of the pass duty on Malwa opium. There is not even any *financial* object to be gained by promoting the consumption of opium in India to counterbalance the moral objections to any development of its use; for the diversion of opium from China causes a loss of revenue, even if the full duty on home consumption be obtained.

5. The question, so far as regards home consumption is this: Whether there is much illicit consumption of opium, and if so, whether it is practicable to replace it by licensed and taxed consumption. If, on consideration

it be thought inexpedient to attempt to *tax* home consumption, it might be sufficient simply to impose penalties upon the possession of opium without making any arrangements for licit sale or possession.

6. I am to impress this point strongly on the attention of the Government of Madras, for it appears to the Governor General in Council that the subject has not been sufficiently considered, the only recommendation made being for the imposition of import and export duties by land and sea.

7. As to the export of opium from Madras, the intention of the law is that the Government of Madras should impose an export duty of Rs. 600 a chest as is done in Bombay, and I am to request that this may now be done irrespective of the place to which the drug may be exported, whether to Cochin, Ceylon, or elsewhere.

I have the honor to be,

SIR,

Your most obedient Servant,

Wentland

Under Secy. to the Govt. of India.

*an abstr. sent to the Secy. to the Govt. of India
under Secy. to the Govt. of India
Ind. Secy. to the Govt. of India*

2 & 12 April / 71 No 110-118
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Rev = 1871. No 1936
GOVERNMENT OF INDIA.
FINANCIAL DEPARTMENT.
SEPARATE REVENUE.
Opium.

To
THE CHIEF SECY. TO THE GOVT. OF MADRAS.

No. 978.
Dated Simla, 8 June 1871.
Received 17th -

No 1230 15 July 71

Acknowledging receipt of
letter No 698 of 15 April 1871,
on the subject of opium trade
in Madras.

No 135

No. 1230
To Secy - Govt of India
Financial Secy

Sir,

In acknowledging for Calcutta No 978
of 8 June last, I am directed to
state that, in accordance with the
instructions conveyed in the concluding
Para, an Export duty of 600 Rs
will be imposed on every chest of
Opium, in future.

2. With regard to the remaining
question, I am to explain that
in view of the insignificant extent
of the Home Consumption of the drug,
His Govt is altogether opposed to any
restrictions on the possession or sale
of Opium within the Presidency.
There will be much vexation and
-pressure interference by Police and
Informers, without any corresponding
results. It is believed, at present, that
the Export duty will fully answer

Copy of correspondence sent in view.
to Secy of Govt. for information.
L. J. - 11/7/71

15th July 1871

No.

From Govt of India. Financial Dept No 970
Dated 24 June 1877.

FOR ORDERS.

To take the last Para, first, we are directed to impose an export duty of 600 Rs per chest, as is done at Bombay. Mr. Henderson has remarked "do he draw a tariff provide for this?" I can find nothing, except a notice in the Bombay Gazette, which, apparently, is hardly the point.

2nd of this Govt Order it was proposed to tax some consumption, penalties for the possession of opium are suggested in Paras 4 & 5. See Page 187 of the Bengal Revenue Handbook, accompanying, for the Bengal Rules. Notably, it seems, but various books & news especially accepted, many papers more than 500 weight opium.

I should tell the fact of India that the subject has been very carefully & minutely considered here. That we are to be careful to any restrictions on the possession or sale of opium in the land & country. It prohibits by law to make & supply the creation of new houses and the opening of a new to prevent & suppress.

practice by his sentence &
which officers I can never
inform: and that all
we can advise is an Export
Duty. of his account (but
we shall present them
directly as in Royal Liberty.
The Customs House will I believe
advise of them being done.

S. P.

A. J.

I would enforce the Export Duty
refused to but I am also disposed
to render the possession of any
quantity of Opium without a permit
a criminal offence. This would
probably be the only way of preventing
the present illicit traffic.

is so valuable a drug.

The question may be discussed
in Council. W. P.

No 185-08

FOR ORDERS.

Expert duty in
opinion as to some
at London

A 49 15 July 1871
1230

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