Read the following papers :—

No. 80. Proceedings of the Board of Revenue, dated 17th October 1872, Miscellaneous No. 6,983 :—

From A. MACGREGOR, Esq., Collector of Malabar, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Calicut, 23rd September 1872, No. 216.

WITH reference to paragraph 6 of the Board's Proceedings of the 30th July 1872, I have the honour to forward copy of a letter* received from the Deputy Collector of Ponany on the subject of a frontier search station for boats in the southern canal.

* Dated 13th August 1872, No. 119.

2. The Deputy Collector points out that to be effectual, such search would have to be minute; that the canal is the only route in those parts and is largely used by passengers, that to families of respectability such search would be a matter of hardship, and that the number of boats passing daily, some 50, would require a considerable time for search. It may be added that the post would be far removed from the possibility of supervision.

3. I concur with the Deputy Collector in opinion that a system of search would lead to great hardship, and I do not advocate it.

4. Hitherto, in all convictions for opium smuggling, some loop-hole has been discovered, and the award has been reversed.

5. The present case will show the traders that the door has at last been effectually closed, and that the law now forbids the practice, and that the Collector is empowered to adjudicate.

6. The real point for detection is along the line of rail, where bulk is broken, and if the faculties of the railway officials and police along the line are sharpened by the payment of a good reward in the present case, it will be scarcely worth risking future consignments.

7. The opium seized in this case has now been sold for Rs. 7,828-0-2, and I request sanction for rewards as per margin.

	RS.
To the Tirur Station Master, Mr Smyth.	1,000
Maroli Ramini, Head Constable, Betal Pudiarngadi	1,000
Kunnekat Koon, Informer	1,000

8. As regards the ultimate destination of the opium, nothing can be said with certainty, as no seizure has ever been made. At Cochin there are unrivalled opportunities for shipping the article either from British Cochin or from the Mattancherry Bazaar in Cochin, which is merely a prolongation of the Cochin Bazaar. My own opinion is that the opium goes by coasting steamer to Rangoon, but the inferior officers of the steamers combine with the smugglers and make search futile, even when the drug is known almost to a moral certainty to have been shipped.

ENCLOSURE No. 1.

From O. CANNAN, Esq., Deputy-Collector of Malabar, Southern Division, to A. MACGREGOR, Esq., Collector of Malabar, Calicut, dated Ponani, 13th August 1872, No. 119.

WITH reference to your letter No. 1,542, dated 6th instant, requesting my opinion as to the propriety of establishing a Customs station for the search of boats at the point where the Cochin frontier line crosses the backwater from Tirur to Cochin, I have the honour to state, that before deciding the question, it is necessary to consider whether the project would not cause inconvenience to the public and impediment to trade.

2. If a Customs station is established, it would be the unavoidable duty of the officer in charge to search all the boats plying on the canal, every one of which will fall a victim to his rigid examinations, as the search will have to be made most minutely, opium being an article capable of concealment.

3. The traffic boats are generally large-sized, full of goods of various nature, and to satisfy him, the Customs officer will have, as a matter of course, to conduct a close examination, and a considerable time it will take before he can discharge them.

4. The number of boats using the canal daily is great, say from 46 to 55, as ascertained on a recent occasion in connection with the construction of dams. It will, therefore, be seen that the delay and disadvantages incidental to traffic will be great.

5. There being no metalled roads in the south of Ponany suitable for cart traffic, and none at all to Cochin, the principal seat of commerce in the district, the canal is the only source of communication, and if obstacles are thrown in the way, I fear the public interests would be seriously interfered with, by impeding the free course of traffic.

6. Nor are passengers by the canal less numerous. Among these, there would be respectable families, who would consider it a matter of annoyance and disgrace, and whose feelings would be hurt if searched by the Customs officers. Most of the traders and passengers may be innocent with regard to smuggling, and to subject them to undeserved inconveninence would be an injustice.

7. The temptation of the officer entrusted with the duty will be irresistible, and the inclination to abuse of authority great.

8. The ways to cross the frontier line by land are too numerous to establish Customs stations throughout. Unless those ways are guarded, I venture to think that the establishment of a station on the canal will be of but little effect to attain the object in view.

9. Under these circumstances, I respectfully beg to be excused in suggesting that it is undesirable to establish the Customs station now under contemplation.

THE proposed rewards are sanctioned. The fact that they have been granted, and the reason why, should be published in the District Gazette.

2. The Board agree with the Collector on the subject of establishing a station for searching boats on the frontier.

No. 81. Proceedings of the Board of Revenue, dated 31st January 1873, Miscellaneous No. 586.

Read the following letter from A. MACGREGOR, Esq., Collector of Malabar, to J. GROSE, Esq., Secretary to the Board of Revenue, Madras, dated Calicut, 25th January 1873, No. 19.

I HAVE the honour to acknowledge the receipt of the Board's reminder, dated 20th instant, No. 46, calling for report on their Proceedings of the 19th August last, No. 1,635, regarding the question whether clandestine export of opium takes place from British Cochin into the Sirkar's Territory, or from either British or

Native Cochin Territory by sea to other ports, and to state, that the matter was reported upon by me in the last paragraph of my letter to the Board of Revenue, dated 23rd September 1872, No. 216.

A COPY of Board's Proceedings, 17th October 1872, No. 6,983, containing the letter referred to by the Collector of Malabar, will be submitted to Government with reference to Government Order, 9th August 1872, No. 1,179.

No. 82. From G. A. BALLARD, Esq., Resident in Travancore and Cochin, to the Honourable W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Trevandrum, 11th February 1873, No. 9.

ADVERTING to Government Orders noted, I have the honour to forward copies of communications from the Dewans of Travancore* and Cochin† on the subject of opium consumption in the States.

No. 345, dated 26th February 1872.
,, 1,179, ,, 9th Aug. ,,
,, 1,265, ,, 30th ,, ,,
,, 1,308, ,, 5th Sept. ,,
* Dated 21st Oct. 1872, No. 4,336.
† ,, 31st ,, ,, No. 750.

It will be observed that in both States the right of selling opium is farmed out. The State Governments leave the farmers to obtain their own supplies. It is believed that the drug is almost invariably the produce of British India. It is imported mainly by land.

2. In Travancore there is an import-duty of 10 per cent. on a tariff value of Rs. 2,138 per chest of 2 Indian Maunds of 82$\frac{2}{7}$ lbs. per maund, and an export-duty of Rs. 600 per chest.

In Cochin no import or export-duty is levied on the drug, but in his letter, dated 30th May 1871, No. 353, the Dewan observed that the State was prepared to levy any duty which the British Government might impose on opium imported into or exported from any part of the Madras Presidency.

3. As Travancore maintains Customs establishments on her land frontiers there is no difficulty in her preventing opium uncovered by the British certificate being introduced. The question is simply one of co-operation on the part of the State, and vigilance and integrity on the part of the Customs officers.

4. In Cochin the case is different. That State maintains no land Custom houses; and the Government has consequently no special means of maintaining a check against the introduction of such opium as the farmer chooses to import by land, whether covered by a certificate from British India or not.

5. I thought, and I confess still think, that the States might be requested to introduce a clause in their farm leases to the effect that the farmers bind themselves not to introduce opium uncovered by the British Indian certificate, and providing that opium so introduced shall be liable to confiscation; and that, that being done, the matter must be left on this side of the frontiers to the vigilance of the Customs officers in Travancore, and of the General Police on the Cochin land frontier, the British Police exercising due vigilance on British Territory.

But the Dewan of Travancore, with whom I have had conversation on this subject, does not seem to think this proposal altogether without objection. He thinks it would hamper the renter, and apparently injuriously affect Travancore, without benefitting British Indian interests.

Note.—I have not mooted the matter with the Dewan of Cochin awaiting an expression of the views of Government.

6. It seems to me the provision might hamper the renter to some extent if he looks for his gains by obtaining opium that is contraband in British India, but hardly otherwise.

I also think that the introduction of the clause in the leases would have very considerable effect in discouraging the renters from seeking contraband opium. If it is understood that opium intended for exportation and uncovered by a certificate is liable to be seized in British India, as in the case disposed of in the Proceedings of the Board of Revenue (Madras) dated 30th July 1872, No. 1,448, and the States give assistance in the same direction by introducing a clause in the leases constituting opium introduced without such certificate contraband, smuggling will be attended with considerable risk.

7. I am respectfully of opinion that there are grave objections to establishing a Customs station for the search of boats at the point where the frontier line (British India and Cochin) crosses the backwater, as seems indicated in paragraph 6 of the Proceedings of the Board of Revenue above quoted. The objections to establishing such stations are obvious, and with the extensive land frontier the measure, whilst it would doubtless tend to prevent large quantities passing *the guarded point*, would not affect the traffic elsewhere.

ENCLOSURE No. 1.

From A. SASHIAH SASTRI, Dewan of Travancore, to G. A. BALLARD, Esq., British Resident of Travancore and Cochin, dated Trevandrum, 21st October 1872, No. 4,336-R-1,254.

I HAVE the honour, in reply to your Memorandum No. 696, under date 5th September 1872, to make the following observations on the subject of opium.

2. The points on which information is desired are; first, the checks maintained in this State in regard to the import and export of the drug; secondly, why the opium farm of Cochin, a much smaller State, yields higher revenue than that of Travancore.

3. As to the checks, all opium is liable to an Import duty of 10 per cent. upon a tariff value of Rs. 2,138 per chest of 2 Indian Maunds of 82⅔ lbs. per maund, and to an Export duty of Rs. 600 per chest. The trade in opium (along with that in gunja) is a monopoly which is rented out by the State. Practically, whoever holds this monopoly, holds also the monopoly of importing the drug across the frontier, the Customs officers having instructions to prevent all others from bringing it into the country. As to the introduction of the drug clandestinely in large quantities, this is checked in the first instance by the frontier Excise establishments and the special police guarding the Customs. Secondly, it is the interest of the holder of the monopoly to keep out smugglers, who might otherwise under-sell him. There is, however, the contingency of the monopoly holder himself smuggling the drug to evade the Import duty, or he might also export it clandestinely. The latter contingency pre-supposes that there is less chance of detection here than at British Ports, of this, however, nothing can be said with any certainty.

4. Turning to the second point mooted, viz., the comparatively higher revenues from the farm of the Cochin State, I beg to draw your attention to an apparent error in the figures

quoted against Travancore in the letter addressed to the Dewan Peishcar in charge, Cochin. The figures in question indicate the Import duty derived and not the revenues of the opium farm, which latter are given in the margin, side by side, with the former. Although the revenue of Travancore for 1,046 was Rs. 13,505, still, relatively, to size and population, that of Cochin for the same year was high, viz., Rs. 9,959, which is accounted for almost entirely by one single fact, viz., that "opium" is not consumed in the Central and Southern portions of Travancore, but is almost exclusively confined to the Northern division which is densely populated by the Syrian or Nasarani Moplas, to whom the drug is almost a necessary of life.

	Import Duty. Rs.	Opium Farm. Rs.
1,042	4,765	7,860
1,043	3,424	7,860
[illegible]	4,600	13,000
[illegible]	7,084	13,000
1,046	1,954	13,505

ENCLOSURE No. 2.

From T. SHUNGOONY MENON, Dewan of Cochin, to G. A. BALLARD, Esq., British Resident of Travancore and Cochin, dated Trichoor, 31st October 1872, No. 750.

I HAVE the honour to acknowledge the receipt of your letter, No. 695 of the 5th ultimo, and, with reference to your Memorandum of the 6th March, No. 190, giving cover to Government Order, dated 26th February 1872, No. 345, I beg to inform you that it is very difficult for this Sirkar to satisfy itself that all opium imported by land into this country is covered by a pass testifying to its having paid the established Excise duty to the British Government.

2. The opium farm is put up for sale annually, and knocked down to the highest bidder who purchases the drug without the intervention of the Sirkar, and imports it generally by land into the country. We had a cordon of Chowkies round our northern frontier, and if they were in existence it would have been in our power to prevent, to a certain extent at least, the importation of opium which has not paid the British Excise duty. These Chowkies have, however, been long ago abolished and with so extensive a frontier it is next to impossible for this Sirkar to prevent such importation. The Excise duty when compared with the Export duty by sea is certainly moderate, but, as the former duty is not paid by the opium consumed in Malabar and Coimbatore, the opium sellers of these districts are enabled to sell the drug at a much lower rate than that adopted by the Sirkar contractor, and this induces private individuals residing near the boundary to purchase the opium they require at British Cochin, Paulghaut, and other places in British territory rather than of the Sirkar contractor. This is a grievance of which the contractor has been complaining to me very often.

3. Considering the facility with which this compact article could be smuggled, the certain though not large gain resulting from such transactions, and the contractor's above mentioned grievance, I am not prepared to say that some opium is not clandestinely brought away from British Territory. Such illicit importation cannot be put a stop to except by the maintenance of a large force of special employés entailing an amount of expenditure which the Sirkar can ill afford to incur. Under these circumstances I would respectfully submit, for the consideration of the British Government, whether the License duty is of sufficient importance to justify the continuation of the present unsatisfactory state of the trade in this article. In the case of salt the British Government have recognised the principle that the Native States should get their salt at the same price as the British Government. If this principle be extended to opium, and the License duty now specially collected on opium imported by land to the Native States be discontinued, the illicit trafic would cease of itself; and these States will of course undertake to prevent the export by sea of this drug into any foreign territory, it being impossible to export it by land to such territory. Or if it be considered inadvisable to prevent altogether the export of opium by sea, we shall be glad to collect any Export duty imposed by the British Government and to hand over the duty so levied to that Government. By the adoption of these measures it is true the British Government will lose the License duty on opium *bona fide* consumed in the two Native States,

but it will be a just and graceful concession to these States, and, if I am not mistaken, the loss will be comparatively small.

4. With regard to the comparative statement of the sales of opium farms in Travancore and Cochin contained in your letter under acknowledgement, I beg to observe that no Import duty is collected by this Sirkar on the opium consumed in their territory. It is, I believe, otherwise in Travancore. That Sirkar collects an Import duty in addition to the amount for which the farm is put up and sold; and the Travancore farmer, who pays a heavy duty to the Sirkar on the opium imported by him, cannot of course afford to pay for the sale of the drug anything like the sum which is paid by the Cochin farmer who has no Import duty to pay. If the duty so collected be added to the proceeds of the farm, the profits of the two Sirkars from opium will, I conceive, be found to be not so much out of proportion. Perhaps, also, the opium consumers in Cochin bear a higher proportion to the total population of the country than they do in Travancore.

No. 83. ORDER THEREON, 19th April 1873, No. 415.

Separate Revenue, No. 5.
Customs.

THE above are replies from the Board of Revenue and the Resident in Travancore and Cochin to the G. O., (No. 1,179 dated the 9th August 1872,) calling for information regarding a conjectured clandestine export of opium on the Cochin frontier, and regarding the source of the supply of opium obtained by the Travancore and Cochin Sirkars for their respective monopolies.

2. Since the issue of the Order now replied to, the Notification of the Supreme Government, dated the 5th December 1872, has been promulgated. This has set at rest the question as to the best mode of securing the legitimate export of opium, inasmuch as it prohibits the exportation entirely except from the ports of Calcutta and Bombay.

3. The Resident in the States of Travancore and Cochin will direct the attention of the Governments of those States to the Notification, and will take measures to secure its being fully and accurately understood.

4. The Government concur in the policy of granting liberal rewards as sanctioned by the Board in the case noted in their Proceedings, No. 6,983, dated the 17th October 1872. Steps should be taken to make these and all future grants widely known so that every inducement may be given to informers, and seizures be stimulated.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.
,, the Resident in Travancore and Cochin.

Exd. W. H. French.

Miscellaneous N° 6983.

Revenue Department.

Proceedings of the Board of Revenue.
dated 17 October 1872.

Read the following.

N° 216.

From
A. MacGregor Esqr
Collector of Malabar

To
J. Grose Esqr
Secretary to the Board of Revenue

Sir

In pursuance to para 6 of the Board's Proceedings of the 30 July 1872, I have the honor to forward copy of a letter* received from the Deputy Collector of Ponany on the subject of a frontier search station for boats in the Southern Canal.

2. The Deputy Collector points out that to be effectual, such search would have to be minute; that the canal is the only route in those parts and is largely used by passengers, that to families of respectability such search would be a matter of hardship, and that the number of boats passing daily, some 50, would require a

* 13 August 1872 N° 119.

a considerable time for search. It may be added that the spot would be far removed from the possibility of supervision.

3. I concur with the Deputy Collector in opinion that a system of search would lead to great hardship, and I do not advocate it.

4. Hitherto, in all convictions for opium smuggling, some loop-hole has been discovered, and the award has been reversed.

5. The present case will shew the traders that the door has at last been effectually closed and that the law now forbids the practice and that the Collector is empowered to adjudicate.

6. The real point for detection is along the line of part, where bulk is broken, and if the facilities of the pail-way officials and police along the line are sharpened by the payment of a good reward in the present case, it will be scarcely

scarcely worth risking future consignments.

7. The opium seized in this case has now been sold for Rs 7828—-—2 and I request sanction for rewards as per margin.

To the Excise Station Master Mr Smyth Rs 1000.
Marolé Ramiru
H. Constable
Belal Pudiangade } - 1000
Kunnekal Kunhi
Informer } - 1000

8. As regards the ultimate destination of the opium, nothing can be said with certainty, as no seizure has ever been made. At Cochin there are unrivalled opportunities for shipping the article either from British Cochin or from the Mallancherry Bazaar in Cochin, which is merely a prolongation of the Cochin Bazaar. My own opinion is that the opium goes by coasting steamer to Rangoon, but the inferior officers of the steamers combine with the smugglers and make search futile, even when the hang is known almost to a moral certainty to have been shipped.

Malabar Collector's Office
Calicut 23. September 1872

I have &c.
/Signed/ A. MacGregor
Collector.

From

No. 119.

From

The Dy Collector of Malabar
Southern Division

To The Collector of Malabar
Calicut.

Sir

With reference to your letter —
No. 1542 dated 6 instant, requesting my opinion as to the propriety of establishing a Customs station for the search of boats at the point where the Cochin frontier line crosses the backwater from Tirur to Cochin, I have the honor to state, that before deciding the question, it is necessary to consider whether the project would not cause inconvenience to the public and impediment to trade.

If a Customs station is established, it would be the unavoidable duty of the officer in charge to search all the boats plying on the Canal, every one of which will fall a victim to his rigid examinations, as the search will have to be made most minutely, opium being an article capable of concealment.

The traffic boats are generally large-sized, full of goods of various nature, and to satisfy him, the Customs officer will have, as a matter of course, to conduct a close examination, and a considerable time it will take before he can discharge them.

The number of boats using the canal daily is great, say from 46 to 55, as ascertained on a recent occasion in connection with the construction of dams.

It will therefore be seen that the delay and disadvantages incidental to traffic will be great.

There being no metalled roads in the south of Ponani suitable for Cart traffic, and none at all to Cochin, the principal seat of commerce in the district, the canal is the only source of

of communication, and if obstacles are thrown in the way, I fear the public interest would be seriously interfered with, by impeding the free course of traffic.

Nor are passengers by the canal less numerous. Among these, there would be respectable families, who would consider it a matter of annoyance and disgrace, and whose feelings would be hurt if searched by the Customs officers.

Most of the traders and passengers may be innocent with regard to smuggling, and to subject them to undeserved inconvenience would be an injustice.

The temptation of the officer entrusted with the duty will be irresistible, and the inclination to abuse of authority great.

The ways to cross the frontier line by land are too numerous to establish Customs stations throughout. Unless those ways are guarded, I venture to think that

that the establishment of a station on the canal will be of but little effect to attain the object in view.

Under these circumstances I respectfully beg to be excused in suggesting that it is undesirable to establish the Customs station now under contemplation.

I have &c.

/signed/ A Lannan

D.C. Collector.

Malabar D. Coll.r's Office
Ponani 13 August 1872.

/True Copy/

/signed/ R. MacGregor

Collector.

The proposed rewards are sanctioned. The fact that they have been granted, and the reason why, should be published in the District Gazette.

The Board agree with the Collector

WS

on the subject of establishing a station for searching boats on the frontier.

/ Spne Copies & Extract /

/ signed / J. Grose

Secretary /

To The Collector of Malabar.

/ True Copy /

J Grose

Secretary /

Rev. 386/73.

Enclosure in Proceedings of the Board of Revenue & the Secretary to Government, C.S. dated 31st January 1873 No: 215.

Copy of Board's Proceedings Dt 17th March 1872 No: 1595. regarding opium dutyfree from Cochin.

MISCELLANEOUS No. 386. REVENUE DEPARTMENT.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 31st January 1873.

Read the following

No 19.

From A MacGregor Esqr. Collector of Malabar

To J. Grose Esqr. Secretary to the Board of Revenue Madras.

Sir,

I have the honor to acknowledge the receipt of the Board's reminder dated 20th instant No 56, calling for report on their Proceedings of the 19th August last No 1635, regarding the question whether clandestine export of opium takes place from British Cochin into the Sircar's territory, or from either British or native Cochin territory by sea to other ports, and to state that the matter was reported upon by me in the last para of my letter to the Board of Revenue dated 23d September 1872 No 216.

Malabar Collector's Office
Calicut 25th January 1873.

I have &c
(signed) A. MacGregor
Collector.

A

A copy of Board's Proceedings
17th October 1872 No. 6983, containing
the letter referred to by the Collector
of Malabar, will be submitted to
Government with reference to Govern-
ment Order 9th August 1872 No. 1179.

/ True Copy & Extract /

J. Grole
Secretary.

To The Secretary to Government.
Revenue Department.
with Copy of Board's Proceedings
Miscle No. 6983 of 1872.

E. Thurston
Trailer

GOVERNMENT OF INDIA

No. 9.

Residents Office,
Trevandrum, 11th February 1873.

From,

G. A. Ballard Esquire
Resident in Travancore & Cochin

To,

The Honorable W. Hudleston
Chief Secretary to Government
Fort Saint George.

Sir,

Adverting to Government Orders noted, I have the honor to forward copies of Communications from the Dewans of Travancore and Cochin on the subject of Opium Consumption in the States.

It will be observed that in both States the right of selling opium is farmed out. The State Governments leave the Farmers to obtain their own supplies. It is believed that the drug is almost invariably the produce of British India. It is imported mainly by land.

2. In Travancore there is an import duty of 10 % on a tariff value of Rs. 2,138 per Chest of 2 Indian Maunds of 82 1/4 lbs per Maund. and an export duty of Rs. 600 per chest.

In

* R. 345 d/6th March 1872
" 1179 d/9th Augt "
" 1265 d/30th do -
1308 d/9th Sept "

* d/21st Octr/72 No 4336.
* d/31st do - No 750.

GOVERNMENT OF INDIA

No. 309 August 1872 Pro 68-69.

Revenue 1873 Jany

No. 306.

PROCEEDINGS OF THE BOARD OF REVENUE.

Dated 31 January 1873.

Despatched 31 — .

Read

SUBJECT.

Submitting to Govt. copy of Resident's Pro. con. = Examination of Travancore report regarding export of Opium = with Govt. Order thereon =

S.O. No 415 = 19 Feb 73

R. 15 = Bunder 1/3 R 1st Qui.

In Cochin no import or export duty is levied on the drug - but in his letter dated 30th May 1871 No 383 the Diwan observed that the State was prepared to levy any duty which the British Government might impose on opium imported into or exported from any part of the Madras Presidency.

3. As Travancore maintains Customs Establishments on her land frontiers there is no difficulty in her preventing opium uncovered by the British Certificate being introduced. The question is simply one of cooperation on the part of the State, and vigilance & integrity on the part of the customs officers.

4. In Cochin the case is different. That State maintains no land customs houses, and the Government has consequently no special means of maintaining a check against the introduction of such opium as the farmer chooses to import by land whether covered by a certificate from British India or not.

5 I thought, and I confess still think, that the States might be requested to introduce a clause in their farm leases to the effect that the farmers bind themselves not to introduce opium uncovered by the British Indian certificate and providing that opium so introduced shall be liable to confiscation; and that that being done the matter must be left on this side of the frontiers to the vigilance of the customs officers in Travancore - and of the general police on the Cochin land frontier - the British Police excercising due vigilance on British territory.

But the Diwan of Travancore with whom I have had conversation on this subject does not seem to think this proposal altogether without objection - He thinks it would hamper the Renter, and apparently injuriously affect Travancore, without benefitting British Indian interests -

Note. I have not mooted the matter with the Diwan of Cochin awaiting an expression of the views of Government -

6. It seems to me the provision might hamper the renter to some extent if he looks for his gains by obtaining opium that is contraband in British India, & so dealt by otherwise -

I also think that the introduction of the clause in the leases would have very considerable effect in discouraging the renters from seeking contraband Opium. If it is

understood that opium intended for export-
-ation and uncovered by a certificate is liable
to be seized in British India, as in the case
disposed of in the proceedings of the Board
of Revenue (Madras) dated 30th July 1872
No 11448 and the States give assistance
in the same direction by introducing
a clause in the leases constituting
opium introduced without such certificate
Contraband, smuggling will be attended
with considerable risk.

7. I am respectfully of opinion
that there are grave objections to Establish-
-ing a customs station for the search of
boats at the point where the frontier
line (British India and Cochin) Crosses
the backwater as seems indicated
in para 6 of the proceedings of the
Board of Revenue above quoted. The
objections to Establishing such stations
are obvious, - and with the extensive
land frontier the measure whilst it
would doubtless tend to prevent large
quantities passing the guarded
point would not affect the

traffic elsewhere -

I have the honor to be,
Sir,
Your most Obedt Servant,
G. A. Maclean
Resident.

D.

Revenue 1873 Opium
From
The Resident in
Travancore Cochin
The Chief Secretary
to Government
Fort St George
No 415 dated 13 February 1873
Rec'd 19th

To
Collectors &c

Sir
Referring to the
subject of the Opium Con-
tract of 1873 I have the
honor to request that
Travancore Cochin
Rs 80-87

S.O. No 415 - 19 Feby 73

R.C. with Opp. S.O. 7th April
c - 15 - Received 13 Ryt April

Kurrore Cutcherry
Trevandrum 21st Oct 1872

No 4336.
R. 1254.

To
C. A. Ballard Esquire
British Resident of Travancore

Sir

I have the honor reply to your Memorandum No 696 under date 5 Sept 1872 to make the following observations on the subject of Opium -

2. The points on which information is desired are first the Checks maintained in this State in regard to the import and export of the drug, secondly why the Opium farm of Cochin, a much smaller State yields higher revenue than that of Travancore.

3. As to the checks all opium is liable to an import duty of 10 per cent upon a Tariff value of Rs 2138 per chest of 2 Candies Maunds of 82 1/2 lbs per maund, and to an export duty of Rs 600 per chest - The trade in Opium (along with that in Ganja) is a monopoly which is rented out by the State - Practically, whoever holds this monopoly, holds also the monopoly of importing

	Opium Farm
	1860.
	1861
	13000
	13000
	13505.

	Import Duty
1862	4765 —
1863	3424. —
1864	4600. —
1865	4084. —
1866	1954. —

latter are given in the margin, side by side, with the former. Although the revenue of Travancore for 1866 was Rs 13505 still relatively to size and population, that of Cochin for the same year was high viz Rs 9959 - which is accounted for almost entirely by one single fact, viz:- that "Opium" is not consumed in the central and Southern portions of Travancore but is almost exclusively confined to the Northern Division which is densely populated by the Syrean or Nasarani Noplas to whom the drug is almost a necessary of life.

I have &c

Signed/ A Sashiah Sastri

Dewan.

/True copy/

Gossard

Resident.

the drug across the frontier - the Customs Officers having instructions to prevent all others from bringing it into the Country - As to the introduction of the drug clandestinely in large quantities, this is checked in the first instance by the frontier Excise Establishments and the Special Police guarding the Customs. Secondly, It is the interest of the holder of the monopoly to keep out smugglers, who might otherwise render all hazardous. There is however, the contingency of the monopoly holder himself smuggling the drug to evade the import duty - or he might also export it clandestinely. The latter contingency presupposes that there is less chances of detection here than at British Ports. Of this, however, nothing can be said with any certainty -

4. Turning to the second point noted, viz the Comparatively higher revenues from the Farms of the Cochin State - I beg to draw your attention to an apparent error in the figures quoted against Travancore in the letter addressed to the Dewan Peishcar in charge, Cochin - The figures in question indicate the import duty derived and not the revenues of the opium farm which

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Mayoor Cutcherry
The 31st October 1872.

No 750.

To

G. A Ballard Esquire
British Resident of Travancore and Cochin

Sir,

I have the honor to acknowledge the receipt of your letter No 695 of the 5th Ultimo and with reference to your Memo of the 6th March No 190 giving Cover to Government Order dated 20th February 1872. No 345, I beg to inform you that it is very difficult for this Circar to satisfy itself that all opium imported by land into this Country is Covered by a pass testifying to its having paid the established Excise duty to the British Government.

The opium farm is put up for sale annually and knocked down to the highest bidder who purchases the drug without the intervention of the Sircar and imports it generally by land into the Country. We had a cordon of Chowkies round our Northern frontier and if they were in existence it would have been in our power to prevent, to a certain extent at least the

1873 Nov. 751/J
Cochin
Letter from the Resident in Travancore & Cochin
Memo to the Dewan of Travancore & the Resident in Travancore & Cochin
No 1336 dated 21st Oct 1872.
No 1254
Copy of Letter No 345 dated 20th February 1872
from the Secretary to Government Fort St George
to the Resident in Travancore & Cochin
Marking observations
on the subject of Opium
Farming in Travancore.

the importation of opium which has not paid the British excise duty. These Chowkies have however been long ago abolished and with so extensive a frontier it is next to impossible for this Sirkar to prevent such importation. The excise duty when compared with the export duty by sea is certainly moderate, but as the former duty is not paid by the opium consumed in Malabar and Coimbatore, the opium sellers of these districts are enabled to sell the drug at a much lower rate than that adopted by the Sirkar contractor and this induces private individuals residing near the boundary to purchase the opium they require at Britis h Cochin, Paulghaut and other places in British Territory rather than of the Sirkar Contractor. This is a grievance of which the Contractor has been complaining to me very often.

Considering the facility with which this compact article could be smuggled, the certain though not large gain resulting from such transactions, and the Contractors above mentioned grievance I am not prepared to say that some opium is not clandestinely brought away from British Territory. Such illicit importation cannot be put a stop to except by the

maintenance

maintenance of a large force of special employees entail-ing an amount of expenditure which the Sirkar can ill afford to incur. Under these circumstances I would respectfully submit for the consideration of the British Government whether the License duty is of sufficient importance to justify the continuation of the present unsatisfactory state of the trade in this article. In the case of Salt the British Government have recognised the principle that the native States should get their Salt at the same price as the British Government. If this principle be extended to opium and the License duty now specially collected on opium imported by land to the native States be discontinued the illicit traffic would cease of itself, and these States will be of course under a like to prevent the export by sea of this drug into any foreign Territory, it being impossible to export it by land to such Territory. Or if it be considered inadvisable to prevent altogether the export of opium by sea, we shall be glad to collect any export duty imposed by the British Government and to hand over the duty so levied to that Government. By the adoption of these measures it is true the British Government will lose the License duty on opium bona-fide consumed

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in the two native States, but it will be a just and graceful Concession to these States and if I am not mistaken the loss will be Comparatively small.

With regard to the Comparative Statement of the sales of opium Farms in Travancore and Cochin Contained in your letter under acknowledgement I beg to observe that no import duty is collected by this Sirkar on the opium Consumed in their Territory. It is, I believe, otherwise in Travancore. That Sirkar Collects an import duty in addition to the amount for which the farms is put up and sold. And the Travancore farmer who pays a heavy duty to the Sirkar on the opium imported by him Cannot of Course afford to pay for the sale of the drug anything like the sum which is paid by the Cochin farmer who has no import duty to pay. If the duty so collected be added to the proceeds of the farms the profits of the two Sirkars from opium will, I Conceive, be found to be not so much out of proportions.

Perhaps also the opium Consumers in Cochin bear a higher proportion to the total population of the Country than they do in Travancore.

I have &c.

Signed/ T. Shungoonny Menon
Dewan

/True Copy/

C. Addams
Resident.

D
Comp
Trn. Dept.

1873 Rev-451/73.

Endorsing a letter from
the Secretary to Government
Ex. Dept. to the Chief Secretary
to Government No 6 K.W. Sept.
No 9 dated 11 Sept. 1873.

From The Director of Excise
to the Secretary to Government
and Enclosure No 50 dated
31st October 1872.

Ma Kingsbury
m. Ld. Ex. Dept.
forwarding Ex. Rep.

Revenue Dept.

Memo: for Orders in No 306 & 451.

The correspondence now submitted for order contains replies to G.O. dated 26 February 1872 No 345, G.O. dated 9th August 1872 No 1179, and para 6 of Board's Proceedings dated 30 July 1872 No 1448 which all refer to the opium traffic between the Madras Presidency and the Travancore and Cochin States.

Before proceeding to consider the questions themselves it may not be out of place to state briefly the legal position of the opium traffic in question.

Opium is a monopoly in Bengal, and Malwah opium

is

The restrictions of the Ld. Govt. of last year to Executive to Opium save from Bombay & Calcutta illegal - ment all duties incurred by a pass. is therefore liable to seizure &c. all we can do is to report to the Resident

is seized in transit through Bombay. In Madras the production and consumption is so insignificant that the introduction of an excise or restrictive law has been deemed unnecessary and therefore unadvisable, and to this opinion the Govt of Madras have constantly adhered.

In a letter dated 8 June 1871 No 948 the Govt of India stated that the intention of the law was that an export duty of Rs 600 per chest should be charged on all opium exported by land or sea. This Govt issued orders accordingly, but also requested the Govt of India to point out the necessary provisions of the law to such provisions apparently did not exist the Govt of India in reply asked this Govt if they had any objection to the absolute prohibition of the export of opium from Madras. The Govt of Madras replied that they had no objection but that they would prefer a law to legalize the levy of a Customs duty. To this no reply has been received, but in the Gazette of India of the 9th December 1872 a notification appeared under section 23 of the Consolidated Customs Act 1863 restricting the exportation of opium to the Ports of Calcutta and Bombay. As the section

section under which the above Notification was issued has been extended by section 1. Act XIV of 1871 to exportation by land as well as by sea it appears that all exportation of opium from this Presidency to Travancore and Cochin is now illegal.

In return to the reports- The order of the 26 February 1872 under reply in the Resident's letter now submitted for orders was passed

passed on a letter from the Diwan of Cochin stating that the opium contractor complained that the British authorities do not permit him to export the opium purchased by him at Madras. It stated that no restrictions were imposed on the importation into Cochin and Travancore, but that the Govt presumed that the Sirkars take proper precautions to satisfy themselves that the opium was covered by a pass issued to pass being necessary under section 4 Act 13 of 1871.

The

The Resident now reports that the State Govts farm out the opium monopoly and leave the farmers to obtain their own supplies. It is believed that the drug is the produce of British India and it is imported mainly by Land. In Travancore there is an Import duty and a customs cordon, hence cooperation on the part of the State, and integrity on the part of the custom officers is all that is required. In Cochin there is no Import duty and no customs cordon, but they are prepared to impose the former. The Resident proposes as a check that the States should bind their farmers

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to submit to the confiscation of any opium imported without the British pass. The Dewan of Travancore objects on the ground that it would hamper the revenue. The Resident thinks that it would do so hamper him only in the case of his hoping to illicit traffic for his gains.

As it would not therefore cheaper for the renter to get properly excised opium stored from Bombay by sea, it seems probable that the bulk, if not the whole of the opium imported by land is smuggled. Under these circumstances the Dewan is doubtless correct in assuming not only that the revenue would be hampered but that the Revenues of the States would suffer in the event of any restriction being imposed on illicit traffic.

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It is submitted that the attention of the State Government may be drawn to the notification restricting the importation to the ports Calcutta and Bombay, and that they be asked to bring to their readers to procure their supplies by sea above.

Her order of the 9th August requires information as to whether the large clandestine import of opium to the place from British Cochin into the Native territory or from either British or Native Cochin territory by sea & other ports.

The Collector of Malabar states that there are unrestricted opportunities for shipping the article either from British Cochin or from the Mattancherry bazaar in Cochin. Its ultimate destination is probably Rangoon.

If the importation of the

the smuggled article into the State territory by land be stopped its importation by sea will necessarily be stopped also.

The reply to the question in G.O. dtd 9th August 1892 regarding the mode in which the opium supply is obtained is given above.

In para 6 of the Board's Proceedings on which the above G.O. was passed Mr. MacGregor's opinion was requested regarding the establishment of a custom station where the frontier line crosses the back water. Mr. MacGregor in reply deprecates the establishment of such a station. An effective search would require 6 the minute. About 50 boats pass daily, many of them containing respectable native families as passengers

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to whom a search would be a matter of hardship. The post also would be far removed from supervision.

Mr. MacGregor is further of opinion that the real point for detection is along the line of rail where bulk is broken and recommends the sharpening of the faculties of the Police and Railway officials by the payments of large rewards.

The Board of Revenue agree with the Collector.

H.

Revenue Department.

No. 445

PROCEEDINGS of the MADRAS GOVERNMENT.

Under date the 19th April 1873.

Read the following Papers.

Pro: Board of Revenue. Submg: copy of Bd's Pro: conveying Malabar Collector's Report regarding export of Opium from British Cochin, &c.	M. E. 31 January 1873, Mis. No. 586
Resident in Travancore & Cochin Reporting on the subject of Opium consumption in the States of Travancore Cochin.	" 11 February 1873, No. 9.

The above are replies from the Board of Revenue and the Resident in Travancore and Cochin to the G. O. (No. 1179 dated the 9th August 1872) calling for information regarding a conjectured clandestine export of Opium on the Cochin frontier and regarding the source of the supply of Opium obtained by

Memo

Opium Consumption in Travancore & Cochin

Cus

C-15: Inscribed B R 1st April

by the Travancore and Cochin Sirkars for their respective monopolies.

2. Since the issue of the order now replied to the Notification of the Supreme Govt. dated the 5th Decr. 1872 has been promulgated. This has set at rest the question as to the best mode of securing the legitimate export of opium inasmuch as it prohibits the exportation entirely except from the ports of Calcutta and Bombay.

3. The Resident in the States of Travancore & Cochin will direct the attention of the Govts of those States to the Notification and will secure its being fully and accurately understood.

4. The Govt. concur in the policy of granting liberal rewards as sanctioned by the Board in the case noted in their Proceedings of the 17th Octr 1872. Steps should be taken to make these and all future grants widely known so that every inducement may be given to informers and seizures be stimulated.

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14 To the Board of Rev Dec 21st 1872
4 " Resident in Travancore & Cochin.

c. 7te apl/73 Re 10 apl.

10-9-18.

V Cr 1445/73
V Cr 2232/74

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Govt. of {1873} Madras.

REVENUE.

To

THE BOARD OF REVENUE.

&c., &c., &c.

Dated April 19th.

Read. &c.

G. O., 19th April 1873, No. 415.

APRIL.

Nos. 80—83.

Opium.—Resident of Travancore and Cochin to direct the attention of those Governments to the Notification of the Supreme Government on this subject, and Board of Revenue to take steps to make known the subject of granting rewards to informers widely.