27-2-49. Sent to

"Reconstructed G.O."

Vide Rev. G.O. No. 40392-D/49-2-7249-49.
and H.R.O. No. 2537D2/49

Sectt. H-27—60,004—17-11-48.

Cp
7.10.49.

Rev (~~Rev~~) Department.

Ms SERIES.

G.O. NO. 508-508A

Dated 24-7-1888.

[Despatch Abstract.]

Drugs - Intoxicating drugs - passing orders on proposals for regulating the sale of - and ordering a copy of the proceedings to be forwarded to the Govt of India.

Back Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Copy of Board's Proceedings No. 241, dated 5th May 1888.

Read the following: G.O.dated 24th July, 1888, Nos. 508, 508 A, Revenue:-
G.O.dated 21st April 1888, Nos.286, 286 A, Revenue.

Abstract.- Concurring in the remarks of the Board of Revenue in regard to the revision necessary in Dr. Watt's pamphlet on hemp in so far as the Madras Presidency is concerned and ordering a copy of these Proceedings to be forwarded to the Government of India.

Read: G.O. dated 16th May 1888, Mis.No. 2915, Revenue:-
Proceedings of the Board of Revenue (Separate Revenue) dated 5th May 1888, No. 241:-
G.O. dated 10th April 1888, Mis.No. 2159, Revenue.
Proceedings of the Board of Revenue (Separate Revenue), dated 19th April 1888, Mis No. 1309.
G.O. dated 27th April 1888, Mis.No.2508, Revenue.

The Board beg to state that further investigations have been made into the subject both by Collectors and the Officers of the Salt and Abkari Department, but no information of any particular value, beyond what was embodied in the Board's Proceedings, dated 9th May 1887, No. 93, has been obtained. The Ganjam district is that chiefly concerned. Copies of the letter from the Collector, dated 17th April 1888, No. 1337, and from the Deputy Commissioner of Salt and Abkari Revenue, Northern Division, dated 13th March 1888, No. 535, will be submitted to Government. The information furnished by the Collector goes to show that the smuggling complained of by the Orissa authorities is not from this presidency. The Commissioner of the Orissa division has not replied to paragraph 2 of the letter from the Board (Proceedings dated 30th September 1887 No. 515) inquiring, whether any evidence can be adduced to prove that the ganja which finds its way into Poori, is really grown in or smuggled from the Ganjam district. The particulars furnished by the Assistant Commissioner, Chatraput division, are not sufficiently definite to set upon, but there seems ground for supposing that the consumption of intoxicating drugs in Ganjam is considerable and that it may be desirable to extend Act I of 1886 of that district.

2. In a recent Proceedings,* the Board have proposed to bring the sale of intoxicating drugs under control to some extent by levying a license fee on shops. Orders on this proposal are awaited.

*No.187, dated 21st March 1888.

Order - dated 16th May 1888, Mis.No. 2915, Revenue.

Recorded pending further report with reference to paragraph 2 of G.O. dated 21st April 1888, No. 286.

Copy of Resolution No. 187, dated 21st March 1888.

Read: Proceedings of the Board of Revenue (Separate Revenue), dated 16th June 1888, No. 308:-
Proceedings of the Board of Revenue (Separate Revenue) dated 16th May 1888, No. 271:-
G.O. dated 21st April 1888, Nos, 286, 286 A, Revenue :-
Proceedings of the Board of Revenue (Separate Revenue) dated 21st March 1888, No. 187:-
G.O. dated 27th January 1888, Mis.No. 617, Revenue.

Abstract.- Referring to the Commissioner of Salt and Abkari Revenue, Dr. Watt's pamphlet on hemp, and inquiring what revision is necessary, if any, as concerns the Madras Presidency.

The account given in the pamphlet, communicated with the above order, of the traffic in hemp narcotics in this Presidency is in the main correct, but the statement on page 16 that 'there is every reason to believe that the consumption of these drugs is still very considerable in South India' is not borne out by the inquiry recently made on the subject, which went to show that, except in the Northern Circars, where the use of opium is also very prevalent, the consumption of hemp narcotics is insignificant. A copy of G.O. dated 28th September 1887, No. 942, embodying the information obtained, might be communicated to the author of the pamphlet. The loss resulting from the abandonment of this source of revenue is estimated by Dr. Watts at five lakhs of rupees annually; on what data this estimate is based does not appear, but there is no reason to suppose that anything like that sum would be realised by taxing the consumption. The average revenue derived during the last three years from opium, which is much more extensively consumed and pays a higher rate of taxation than would be imposed on hemp narcotics, is only about seven lakhs of rupees.

2. It seems to be assumed throughout the pamphlet that the discription of intoxicants is capable of bearing the same rate of taxation all over India and that because a very large revenue is derived from this source in Bengal, a heavy loss must result in other provinces from the imposition of lower rates or absence of taxation. In this connection, the diverse habits of different races do not appear to have been sufficiently considered; it by no means follow that, because a large revenue is derived from intoxicating drugs in one province the same will be the case in another. The Board believe that a high percentage of consumption of intoxicating drugs will not generally be found to coincide with an extensive use of ardent spirits; the classes which indulge in drugs do not, it is belived usually partake freely of spirits and vice versa. This is certainly the case as regards Ganjam, where the consumption of drugs in that portion of the district inhabited by Uriyas is more prevalent than that of spirits, the reverse being the case in that portion inhabited by a Telugu population. The above view is borne out by the accompanying statement showing the revenue derived from drugs and liquors, respectively, in the different provinces. Bengal, with a population more than twice, as great as Madras, has a total excise revenue but little in excess of that realised here. Whereas, however, 40 per cent of the revenue in the former province is derived from drugs only 7 percent in the latter is obtained from that source. Again, in Bombay, where a high revenue is derived from spirits the receipts from drugs is small, whilst in Assam and Burma where indulgence in drugs is habitual, the revenue from spirits is inconsiderable. These facts tend to show that no great financial gain would result from taxing the consumption of hemp narcotics in this Presidency.

3. It is a question, however, whether on other considerations it would not be well to regulate the traffic to the extent at least of imposing a moderate fee for privilege of sale, so as to bring the shops under inspection and obtain more accurate information than is available at present as to the consumption and the course of traffic etc. The

The proposals made by the Board in their Proceedings, dated 9th May 1887, No. 93, were negatived by Government, but the mere licensing of shops on payment of a fixed annual fee of, say Rs.50 in the Town of Madras and Rs.25 elsewhere would not appear to be open to objection, if such a partial application of the Act would be legal. It seems doubtful, however, whether looking to the wording of Act I of 1886, such a course would be strictly in accordance with the law. The licences issued by the Police Commissioner in the Town of Madras are granted on payment of a nominal fee of Re.1/- under the provisions of Act VIII of 1867 merely with the view of ensuring the good character and oderly behaviour of the vendors. The number of shops so licensed for the sale of hemp narcotics is 129.

In G.O.dated 28th September 1887, No. 942.

Enclosure.

APPENDIX.

Statement showing the revenue derived from liquors and intoxicating drugs in the several Provinces.

Province.	Area in square miles.	Population.	Population per square mile.	Revenue derived from Liquors (Country & foreign) including toddy.	Opium and preparations thereon.	Intoxicating drugs other than opium.	Total excise.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Acs.			Rs.	Rs.	Rs.	Rs.
Lower Provinces.	150660	66591453	442	5986207	2019146	2117777	10123130
Madras Presidency	139676	30868504	221	8490150	6,76,320		9166470
Bombay Presidency (including Sind & Aden)	124417	16454414	132	7486492	1150433	208437	8845362
North-Western Provinces and Oudh	106028	44107869	416	4400511	698466	603174	5702151
Central Provinces.	74470	9234276	124	1640056	928943	219056	2788055
Lower Buram.	86900	3736771	43	1043731	15,85,185		2628916
Assam.	20836	2225271	107	272778	1675147	247590	2195515
Hyderabad Assigned districts.	17817	2672673	150	1088102	3,09,635		1397737
Punjab.	107533	18818220	175	833234	353619	168415	1355268
Coorg.	1583	178283	112	138988	1642	698	141328

Province.	Incidence of Taxation per head of population.				Ratio of Taxation on liquors to that on drugs per cent.		
	Liquors etc.	Opium etc.	Intoxicating drugs etc.	Total excise.	Liquors etc.	Opium.	Intoxicating drugs.
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Rs.A.p.	Rs. A.p.	Rs.A.P	Rs.A.P			
1. Lower Provinces.	0 1 5	0 0 6	0 0 6	0 2 5	58.6	20.7	20.7
2. Madras Presidency.	0 4 5	0 0 4	..	0 4 9	93	7	
3. Bombay Presidency (including Sind & Aden)	0 7 3	0 1 1	0 0 3	0 8 7	84.5	12.6	2.9
4. North Western Provinces and Oudh.	0 1 7	0 0 5	0 0 1	0 2 1	76	12	12
5. Central Provinces	0 2 10	0 1 7	0 0 1	0 5 10	58.6	32.8	8.6

	(9)	(10)	(11)	(12)	(13)	(14)	(15)
6. Lower Buram.	0 4 6	0 6 9		0.11 3	40	60	
7. Assam.	0 2 0	0 12 0	0 1 9	0 15 9	12.7	76.2	1.11.1
8. Hyderabad Assigned districts	0 6 6	0 1 10		0 8 4	78	22	
9. Punjab	0 0 8	0 0 4	0 0 2	0 1 2	57.1	28.6	14.3
10. Coorg.	0 12 6	0 0 2	0 0 1	0 12 9	98	1	.5

* The figures given in these columns relate to 1886-87, except in the case of North Western Provinces and Oudh, in which they are for the year ending 30th September 1886 and in Bombay, in which they are for 1885-86, these being the latest available.

Order - dated 21st April 1888, No. 286, Revenue.

The Government circular concur in the remarks of the Board of Revenue in paragraphs 1 and 2 of the Proceedings read above.

2. With reference to paragraph 3 of the Proceedings of the Board of Revenue, it is observed that this Government have already stated in paragraph 3 of G.O. dated 28th September 1887, No. 942, that they will be prepared to consider proposals to extend the provisions of Madras Act I of 1886, relating to intoxicating drugs other than opium to limited areas, if sufficient cause be shown. The wording of section I of Act I of 1886 seems to permit of the partial introduction of the provisions of the Act when necessary, but the exact meaning is not very clear and the Board should consult the Law Officers before submitting any definite proposal to the effect suggested.

3. Ordered that a copy of these Proceedings be forwarded to Government of India with reference to Mr.Under Secretary Lawrence's Circular dated 6th January 1888, No.1 - 1v1 G

Copy of Resolution dated 16th May 1888, No. 271.

The Advocate-General will be requested to favour the Board with his opinion as to whether the provisions of Act I of 1886 can be applied to the traffic in intoxicating drugs partially, that is to say, whether it is open to Government to regulate the sale of such drugs without interfering with the manufacture, transport etc.

2. The question appears to depend upon the meaning of the phrase 'to such extent' in section I of the Act. This may have reference only to the special relaxations of the provisions of the Act, which the Governor in Council may allow under the provisions to certain sections, or it may mean that one section or chapter may be applied to particular areas without bringing the rest into force.

3. The Government evidently adopted the latter view in issuing the notification dated 17th February 1886, bringing the Act into force as respects liquor only and not intoxicating drugs.

Copy of letter from the Advocate General, Ootacamund, dated 2nd June 1888.

Read: Proceedings of the Board of Revenue (Separate Revenue), dated 31st May 1888, Mis.No.1748, recording Government Order on Board's Proceedings dated 5th May 1888, No. 241.

G.O.dated 30th May 1888, Mis.No. 3143.
Opinion of the Advocate-General in the matter of the partial extension of Madras Act I of 1886:-

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I do not think that the words"to such extent" in section 1, can be construed, as suggested, to refer to the "special relaxations of the provisions of the Act, which the Governor in Council may allow under the Provisios to certain sections"

2. They refer to the partial introduction of the Act, i.e., to the introduction of such provisions of the Act as may be deemed necessary or expedient by the Governor in Council; for example, if it be considered advisable "to regulate the traffic" in intoxicating drugs in any local area, sections 15, 16, 24, 25 and 26 might be extended to that area. It is be decided that a'duty'shall be paid on such drugs in such area as a check on sales, sections 17)f), 18(c) and 28 might be added to those above-mentioned.

3. The effect of such partial extension of the Act would be "to regulate the sale of such drugs without interfering with the manufacture, transport etc."

Copy of Resolution No. 308, dated 16th June 1888.

The opinion of the Advocate-General will be submitted to Government, with reference to G.O., dated 21st April last No. 286, embodied in the first paper read above. As he considers that there is no objection to the partial application of the Madras Abkari Act, 1886, in respect of the traffic in intoxicating drugs, the Board recommend that throughout the Presidency the sale of such drugs be brought under control by prohibiting sale without license. For the present the Board would not place any restrictions on the cultivation of the hemp plant, or the manufacture and possession of intoxicating drugs for domestic consumption except in respect of the quantity of such drugs, which might be restricted to 40 tolas. The fee for a license to sell by wholesale or retail, might be fixed at Rs.50/- per annum in the Town of Madras and Rs.25/- elsewhere. To guard against smuggling from Ganjam into Orissa, the export of intoxicating drugs should be prohibited. If these proposals are approved, a set of rules, forms of licences, etc. will be drawn up and submitted fo-r approval in time to admit to the regulation of the traffic being brought into force from the 1st April next.

2. With this object, it would appear necessary to bring into force throughout the Presidency, with the exception of the Scheduled Districts,the following portions of the Abkari Act so far as they relate to intoxicating drugs;-

Chapters I and II
Section 7 of Chapter III
Sections 13, 15 and 16 of Chapter IV.
Sections 17 and 18 of Chapter V.
Chapter VI
Sections 28 and 29 of Chapter VII
Chapters VIII, IX and X.

Order - dated 24th July 1888, No. 508, Revenue.

The Government are of opinion that for the present it will be sufficient to control the sale only of intoxicating drugs manufactured from the hemp plant and that the Board should prosecute in other portions of the Presidency inquires in regard to the cultivation of the plant and the manufacture and consumption of ganja similar to those made in Ganjam. The fees for wholesale and retail vend licences should be fixed at Rs.30/- per annum for the Town of Madras and Rs.15 elsewhere.

2. The Government are further of opinion that the prohibition of exports to Orissa need not be carried out at present, as such a measure to be effectual would necessitate the entertainment of preventive establishments on the frontier and interfere with transport and possession of the drug also within the Presidency. The extent to which the drug is exported to Orissa has not been ascertained, the Commissioner of Orissa not having furnished the information asked for in Board's Proceedings, dated 30th September last, No. 515.

3. The Board of Revenue should, in consultation with the Advocate-General, report what portions of the Act should be extended and submit drafts of the notifications rules, etc. to be issued as so to have effect from the 1st April next.

4. Ordered that these Proceedings, together with a copy of G.O. dated 21st April 1888, No. 286, be forwarded to the Government of India, with reference to Mr. Under Secretary Shirres' letter of the 23rd November last No. 6177.

~~True copy~~

AC.3.9.

No 508 A - Revenue

Copy to the Government of India, Department of Finance and Commerce

(Sd) C. A. GALTON
Ag. Secretary to Government