

Revenue (1899) Department.

MISCELLANEOUS SERIES.

G.O., No. 20

DATED 4th January. 99

[Despatch Abstract.]

Recording the reply given to a question put at the meeting of the Legislative Council regarding the rise in the price of opium in Godavari during the current year.

BACK PAPERS.

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

FURTHER PAPERS.

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

⁰/₁₈ 4,000-18-10-98.

Revenue (1898) Department.

D.O. CURRENT No. 202

From

The Hon'ble Mr. N. Subba Row Pant.
Madras.

No. —

Order

*Plaint
Please look into
this*

Dated 11th Dec: 1898

Received

Registered

Enclosures 1

Spare copies.

To Secretary.

*No modification
of the answer already
decided upon appears
necessary. Please see
notes ~~of~~ on the margin
of the memo.*

*SPW
12/12/98*

*KD
12/12/98*

*Seen
PA*

SUBJECT.

*Enclosing a memo from
the Secretary, District Association
Locanada, and requesting that
it may be sent to the Honourable
Member who will answer his
Question No: XXXIV.*

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Andis Road Mylapore

11th December

Dear Sir,

With reference to
Question no. XXXIV. asked by
me, I beg to send herein
enclosed a memo furnished
to me by the Secretary
District Association, Coimbatore.
I request you will be good enough
to send it to the member who
will answer the question
Yours sincerely
N Subbaraj

O P I U M.

The annual administration reports disclose to us figures which make us alive to the fact that the Godavari District stands first in this Presidency in the consumption of opium. More than half the opium imported every year into this Presidency is consumed in the Godavari District alone and nearly half the opium shops of the Presidency are located here:—

Year.	No. of chests consumed in the Godavari District.	No. of chests imported into the Presidency.
1889—90 ...	251½	481
1890—91 ...	297	536½
1891—92 ...	274	509½
1892—93 ...	261	508
1894—95 ...	271½	522½
1895—96 ...	331½	598

In 1895-96 the average consumption of opium in the Godavari District was 848 tola per head, while the average consumption in the Presidency was only 093 per head. In G. O. No. 57 dated 16th January 1892, para. 21, it was explained that this drug was most in demand in Godavari owing to the feverishness of the locality. This being the case, any change in the opium administration affects the people of the Godavari District more than any others in this Presidency.

2. The monopoly of the retail sale of opium and of the manufacture and sale of retail sale of intoxicating drugs prepared from opium was hitherto sold by auction on the farming system. The district was divided into 12 farms, which were sub-divided in 1895-96 into 34 farms. The monopoly of the whole District (excluding the agency tracts) is given during the current year to a single individual not for one year as before, but for a period of 3 years.

3. Opium was till recently sold at the rate of 5 annas a tola except in 1895-96 when it was raised to 5 as. 3 pies, the increase being due to the high price of opium at Indore on account of the failure of the poppy crop. During the current year, opium is sold at 8 as. per tola, the minimum fixed by the Board being 2 tolas per rupee. Thus, the price has gone up by 50 per cent. About 16 lacs of tolas of opium is consumed in the District, excluding the Agency tracts, and consequently the raising of the price by 3 annas per tola means an additional burden of about 3 lacs of rupees per annum on this District. Is not this amount a heavy burden on the impoverished masses who form the bulk of the consumers?

4. As noted by the Government, opium is largely used in the Godavari District as medicine for several complaints, especially in places where medical aid is not procurable. The opium that is now sold in villages is of a decidedly inferior quality and cannot produce the desired effects. When once a man is addicted to the use of opium, it is impossible for him to give it up. Unless opium of good quality is procurable in the market, it will not only not give temporary relief to the consumers but will also prejudicially affect their health—which is a matter of far greater importance to the Government than the paltry increase incidental to the change of policy. Under the old system, though the renter of one range was prohibited from selling opium in another, nothing prevented the people of one range from buying opium—not exceeding 3 tolas at a time—in another range where it was

*refers to quantity,
not price.*

*This was found
on analyses to
be incorrect
G.O. 3784
19-9-98*

more cheaply sold and where opium of better quality was procurable. But, since the monopoly has now been sold to a single individual, the change has resulted not only in an exorbitant rise in the price but also in opium of very inferior quality being exposed for sale throughout the District, to the detriment of the general health of the people.

5. What is more, even the agency renters are virtually compelled to buy opium from the renter of the non-agency portion of the District, and, though the minimum prescribed for the agency tracts is $3\frac{1}{2}$ tolas per Rupee, the inferior article sold in the plains is thrust into the hill tracts. One of the opium merchants is said to have applied for a pass to import a larger quantity of opium than usual to the agency tracts, but his application was refused, though it really caused a serious loss of import revenue to the Government (700 Rs. per chest). The intention apparently is to benefit the non-agency renter by indirectly compelling the agency shop keepers to buy opium from him at exorbitant rates. We are unable to find any provision empowering the Collector to refuse passes in such cases.

6. Under the altered system, competition will be practically limited to Marwaris and consequently the wealth of the District will be drained away every year. This District will sustain in this way a loss of about 4 or 5 lacs a year. But, if the monopoly is to be sold in small ranges, men of average wealth can compete and the profits will remain in the District itself.

7. It appears that the present monopolist first put in an application for a grant of the monopoly of the whole district but was informed that his request could not be granted, perhaps on the ground that it was opposed to the general policy of the Government. The monopoly was then sold as usual by ranges and, when the sales fetched about Rs. 80,000, the present monopolist renewed his application, but with a different result. It may be noted here that when the income from rentals rose to Rs. 1,00,256 in 1894-95, it was remarked that this sum was due to the reckless bids obtained that year. (Vide para. 119 of the Administration report for 1895-96). Again, remarks to the same effect were made when the income was Rs. 85,585 in 1890-91 (vide para. 129 of the Administration report for 1891-92.) Now the Board is not apparently satisfied with Rs. 80,000 during this year of high prices. It is not clear to us why the Board should have preferred to give the monopoly to this reckless bidder, without even waiting to ascertain his solvency and status and without giving a fair opportunity to other competitors to enter the field. In fact, we are told that before the final settlement of the present lease one of the opium merchants actually came forward with a higher offer, which, for reasons not known to the public, was rejected. If the Board could not get more than Rs. 80,000 for the current year under the former system, it does not certainly justify a sudden change of the policy. When systems are changed, due notice ought to be given to the public to enable them to state their objections, and it is to be regretted that in this case the whole thing was managed confidentially without any notice to the public who are deeply affected by the change, and much

acceptance of less to the intending bidders. Rule 31 of the Opium rules says that "shops shall be sold singly or in groups." This excludes the idea of giving the whole District to a single individual, as is now done. Again, what necessity is there for extending the lease to 3 years, in contravention of Rule 34 which requires that all leases shall generally be granted for one year only? The procedure followed in the case appears to be irregular and in view of this fact, and in view also of the hardships caused by the change of policy, the Godavari District Association respectfully requests the Board of Revenue to reconsider its orders and direct the sale of the monopoly by ranges, as usual. (Vide Resolution XIII passed at the Fourth Godavari District Conference.)

XXXIV. (1) Whether Government is aware that during the current year the price of opium in the Godavari district, which consumes more than half the quantity of opium imported into the Presidency, largely as medicine for several complaints, has risen by nearly 50 per cent., a tola now selling at 8 annas against about 5 annas of previous years, thus causing an additional burden of 3 lakhs of rupees per annum on the district, particularly on the poorer classes who form the bulk of consumers?

(2) Whether Government is aware that this rise in the price of opium is due to a change in the vend of the opium monopoly of the district by selling it for three years instead of for one and to a single individual instead of several in ranges, thus stifling healthy competition and against the spirit of the rules framed by the Board of Revenue, and that the above change was made without any notice to the public?

(3) Is it a fact that an application of an Agency renter to import a larger quantity of opium within the Agency tracts was refused by the District Collector, thus compelling Agency renters to buy opium from the sole monopolist of the non-Agency tracts?

(4) Will Government be pleased to state on what grounds the said change was made in the policy of the sale of the opium in the district and why the application of an Agency renter was refused?

(5) Will Government be pleased to state whether the above change of policy meets with its approval?

Draft reply for approval.

MA 8.12.98.

*(G.O. 1834)
27.4.98*

Gp. mis. No. 2074 dated Jan 1899.

Recorded

*He
4/1/99*

*SA
3/1/99*

KD

31/1/99

*(G.O. 562
26.10.96, page 8)*

*(G.O. 1834)
27.4.98*

The Govt. is aware that, owing to combination of among the former renters at the auction sales, the Board of Revenue leased the privilege of vend of opium for three years. The Govt. has no information on the other questions put by the H.M.

The Govt. has approved the Board's action, which is in accordance with rule

XXXV of the rules prescribed by the Govt. under the Opium Act, and has approved it and has fixed a price of two tolas per rupee for two tolas for

not for retail sales.

FOR ORDERS.

KD

7/12/98

Hu.

Draft answer

In approval

S. B. Sule

The Hon'ble M.R. N. SUBBA RAO PANTULU:—

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The Hon'ble Mr.

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The Government has approved the Board's action, which is in accordance with rule XXXV of the rules under the Opium Act. A maximum price of ~~the~~ tolas per rupee was fixed for retail sales. two

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When given for copying _____
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 When examined _____
 When signed _____

189 .

READ AGAIN G.O., No.
 189 ,

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LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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