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A HISTORY OF THE EXCISE SYSTEM
IN THE PUNJAB
(1846—1884).

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PREFACE.

The subject of my monograph is so vast that this work cannot even pretend to be a summary, much less a complete account of the development of the excise system.

The material that was available for this thesis was mostly scattered here and there in the Punjab Administration Reports, in the Reports of the excise administration and in those submitted by various officers. Very little non-official information about this period could be found anywhere, and whatever there was has been studied with the utmost care and caution.

I am afraid I have not been able to do full justice to the subject.

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•• I cannot claim to have made a thorough study of all the acts passed and circular orders issued in this period, but their bearing on the working of the system has been studied and given. Details have been avoided as far as possible. A certain amount of repetition could not be avoided.

In the end I gratefully acknowledge the guidance and valuable suggestions that I have received from my respected teachers, Lieutenant-Colonel H. L. O. Garrett, Lala Sita Ram Kohli, Lala Kahan Chand Khanna, and Lala Amolak Ram Khanna.

R. K. K.

LAHORE :

December 1930.

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APPENDIX I.

The Rules relating to opium grown in the Punjab under the Excise Act X of 1871.

The principal changes introduced by these rules were as follows :—

- (1) The poppy could be cultivated freely in all parts of the Punjab, except in the districts of Delhi and Hissar divisions, where it was absolutely prohibited. Any person transgressing this rule in the latter districts was liable to the penalties in section 50 of the Punjab Laws Act.
- (2) An acreage duty of Rs. 2 was to be levied on every acre of poppy cultivation.
- (3) Purchases of opium or poppy respectively were to be made from the cultivators by persons holding license for—
 - (a) wholesale vend of Punjab grown opium ;
 - (b) retail sale of opium ;
 - (c) purchase of standing crop of poppy.
- (4) Cultivators were not allowed under these rules to consume their own opium or " post ". They must buy any such drug for their own consumption from the retail seller.

The reason for this was that in the Punjab a mixed system of taxing the products of the poppy had been adopted —

- (a) by an acreage duty,
- (b) by a monopoly of retail sale.

In order to maintain the income derived from the latter source, all private consumption and private sale had to be checked, and this would have been impossible if permission had been given to cultivators of the plant to use their own opium. If it had been considered desirable to levy the whole excise revenue derivable from the Punjab-grown opium by the acreage duty, the rate would have been fixed at a higher figure than Rs. 2 per acre.

As regards opium grown out of the Punjab, the provisions of section 65 of the Excise Act were in force. Under this section every person other than a licensed seller (that is, a licensed retail seller or his agent) who was found to have in his possession a greater quantity than 5 tolas weight of such opium, was liable to fine and confiscation. Licensed retail sellers, that is,

the persons holding the monopoly of retail sale, and his agents, were allowed to make their own arrangements for the purchase of the drug in places beyond the British frontier, subject to the rules and regulations which may be in force within the provinces through which the drug would pass. In all such cases the importer had to take out a pass from the place where he purchased the opium, as well as from the district where he was licensed to sell it; and when that place was in foreign territory, he had to apply to the Collector of the nearest district. Importers were made to understand that if their drugs were not covered by a pass, or if the packages were to be found open in the North-Western Provinces, or in any place where they were not authorised to sell by retail to the Government farmers, the opium would be liable to confiscation and they themselves to punishment under the Excise Laws. Foreign opium could be disposed of by licensed retail sellers according to the term of their licenses, in which no distinction was drawn between Punjab-grown and other opium.

Punjab Government Notification No. 39, dated 6th January 1873, exempted all districts in the Punjab from the operation of section 18 of the Excise Act, which provided that opium shall be supplied to licensed sellers from the Government stores, and that no other description of opium shall be sold by such sellers.

¹*Farm duties.*—The excise income from intoxicating drugs in the Punjab was derived from the farm of the monopoly of sale within tahsil or other sub-divisions of districts. In some districts the monopoly of opium and other drugs prepared from the poppy was formed separately from that of other intoxicating drugs, while in others the same farm included both.

¹Rules under section 26.

APPENDIX II.

Rules under section 49, Act IV of 1872 (Punjab Laws Act) relating to opium grown in the Punjab.

The Opium Law of the Punjab, as contained in the Excise Act (X of 1871), having been amended by the Punjab Opium Law Amendment Act (XXVI of 1872), the following rules which received the sanction of the Punjab Laws Act (IV of 1872), were prescribed by the Local Government under section 49 of that Act, regarding the cultivation, possession, purchase, sale, transport and export of opium grown in the Punjab.

These rules did not extend to opium imported into the Punjab, but only to opium grown within the Punjab.

As regards opium not grown in the Punjab, the provisions of the Excise Act relating to possession, purchase, sale and transport, were in full force.

Cultivation.—The cultivation of the poppy was permitted in all parts of the Punjab, except in the districts of the Dehli and Hissar Divisions, where it was prohibited.

2. The "acreage" system heretofore in force in the divisions of Lahore, Amritsar, Jullundur (except Kangra) and Ambala (except Simla) was hereby extended to all parts of the Punjab including Kangra and Simla, but except the Delhi and Hissar Divisions.

3. A duty of Rs. 2 was to be levied on every acre of poppy cultivation. Any area under one acre, but over half an acre, was to be charged as one acre, and any area under half an acre, was to be charged as half an acre.

4. The measurements were to be affected by the Patwaris under the supervision of the Tahsildars.

5. After measurements had been tested, the patwari was to inform the lambardar of each village of the amount payable on account of poppy acreage duty and the persons who were to pay it; and the lambardar was to be responsible for the collection of the same and its payment to Government, along with the instalments of Government land revenue. No "pachotra" was to be claimable by lambardar on account of such collections.

6. If a cultivator wilfully concealed any portion of the opium cultivation, he was, if the crop be standing, to be liable to pay double duty, in addition to any other penalty to which he may be liable; and if the opium had been extracted or the poppy-heads gathered, he was to be prosecuted at the discretion of the Collector for an infringement of these Rules,

A licensed-holder who purchased the standing crop of poppy was authorised to extract the opium and to gather the poppy-heads, and to sell the same in accordance with the rules applicable to licensed opium sellers and purchasers.

The authorised purchaser of the standing crop of poppy was entitled to all the privileges attaching to the actual cultivation of the poppy.

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