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of the Act; and generally to carry out the provision of the Act or of any other law for the time being in force and relating to abkari revenue (section 29).

No rules have been framed under section 29 and no notifications issued with reference to any of the above quoted provisions of the Act relating to intoxicating drugs except such as relate to the delegation of powers and the extension to local areas of those provisions.

623. The hemp plant does not grow wild in the plains of Madras, and even in the hills there does not seem to be much spontaneous growth. But a few plants will be found in the enclosures of houses in several parts of the province, and there is systematic cultivation of the plant for ganja in the Kistna and North Arcot districts, and to a smaller extent in some others. Accurate information regarding the area under cultivation is not available, but the amount of regular cultivation accepted by the Commission is 350 acres. From this cultivation ganja is produced and bhang is collected, though statistics of bhang separate from those of ganja are not available, and the bhang of this province is probably in many cases only refuse ganja. Charas is not known.

Ganja is said to be imported in small quantities from the Hyderabad, Bastar, and Banganapalle States, and exports made to Ceylon, Mysore, Hyderabad, and Cochin territory. From other sources it has been ascertained that there is a considerable quantity of Madras ganja smuggled to Burma and Mysore, and that the administration of this branch of excise in the latter tract is thereby rendered difficult. Apart from smuggling, the exports of ganja from Madras to Mysore amounted to 1,829 local maunds (equal to 552 Indian maunds) in 1892-93. This alone represents a considerable area of cultivation; and, judging from the consumption within the Presidency, it appears probable that the area of cultivation has been under-estimated.

624. The only system of administration which exists in regard to the hemp drugs consists in the restriction of the sale of these drugs to licensed vendors (with the proviso contained in section 15), and no limit of retail sale having been fixed, any person may purchase any quantity of the drugs from a licensed vendor.

Up to 1st April 1891 licenses for sale were granted on payment of fixed fees, and the amount realised from these fees was in the year 1890-91 Rs. 8,805 as compared with Rs. 4,890 the previous year. In 1891-92 the system of selling the licenses by auction was introduced, and the amount realised was Rs. 54,989. In 1892-93 it was Rs. 47,292.

The number of shops is determined by the Collector, subject to the Board's approval, and no increase can be sanctioned without the special orders of the Board obtained in each case. No form of license is to be found in the Madras Excise Manual.

There are only 246 retail licenses for the whole Presidency, or one shop for 144,781 of the population. The evidence shows that a good deal of the consumption does not pass through the shops, and that in certain tracts the drug passes freely from the cultivator to the consumer.

625. The system of administration is based upon the Bombay Act V of 1878, and rules and notifications thereunder. The principal provisions are as follows :—

Import of intoxicating drugs into any part of the Presidency is prohibited save under permit and after payment of duty, if any. If the drugs have paid customs duty, this provision does not apply (section 9).

Export is prohibited save under the same conditions. This provision does not apply to drugs imported by sea, the export of which is permitted on payment of any fee or duty, if any, leviable by law on its transshipment or exportation (section 10).

Transport of any quantity of intoxicating drugs exceeding 40 tolas is prohibited save under permit (section 12).

Manufacture is prohibited save under license (section 14).

Sale is prohibited save under license : provided that no such license is necessary for the sale by a cultivator or owner of any plant from which an intoxicating drug is produced of those portions of the plant from which the intoxicating drug is manufactured or produced to a licensed vendor, manufacturer, or exporter (section 16).

The maximum quantity which may be sold by retail at one time or to one and the same person in the aggregate on any one day within any defined local area or place is half an Indian sér or 40 tolas (section 17 and notifications thereunder).

Whenever a license is granted for the manufacture or sale of any intoxicating drug, and whenever the import, export, transport, or removal from place to place of any intoxicating drug is permitted, such duty shall be levied as the Collector, acting under the general or special order of Government, thinks fit (section 27).

Under this section notifications have been issued prescribing that the duty leviable on account of a license for the joint privileges of manufacture and retail sale of intoxicating drugs shall be fixed by the Collector, who before granting any such license shall put up the said privileges to auction.

For a permit for the import or export of any intoxicating drug, or for its transport between any two places not situated within the same district, duty subject to certain exemptions is levied at the following rate:—

	Rs.
If the amount does not exceed 10 Indian maunds ...	5
For every additional 2 Indian maunds or fraction thereof ...	1

Every license, permit, or pass granted under the Act is granted—

- (a) on payment of such fees, if any,
(b) for such period,
(c) subject to such restrictions and on such conditions, and
(d) shall be in such form and contain such particulars as Government directs (section 30).

626. The wild plant is not much found in Bombay. There is cultivation of hemp for the production of ganja in a few districts, principally in Ahmednagar and Satara. The average for five years is 874 acres. The cultivator has to obtain a permit, for which no fee is levied, to enable him to dispose of his produce. The Excise Commissioner states that the cultivation is noted and watched by the village officers, and he cannot dispose of his crop without obtaining the necessary permit. There is not much evidence of the cultivation of plants in homesteads and enclosures for private use, but Mr. Sinclair, Collector of Thana, alludes to such cultivation as occurring in many private gardens. The amounts of imports of ganja from other provinces given in the statistics supplied by the Commissioner of Excise show an average for the last ten years of 1,820 maunds, and that officer in his memorandum states that the imports are chiefly from the Central Provinces. In view of the evidence the figures seem excessive, and a doubt suggests itself to the Commission whether imports from district to district have not been included.

Charas is imported in very small quantities from the Punjab. Except in the City of Bombay, it is hardly known. Bhang is produced to a small extent in Gujarat and Palanpur. It is imported from Ujjain. The average imports for the last ten years amount to 87 maunds, but not much reliance can be placed on these figures. Probably wherever the hemp plant is grown for ganja, a certain amount of bhang is also produced.

Bombay is intersected with a large number of Native States, in some of which ganja is grown. The illicit import of this ganja does not seem to be very extensive, but owing to the cheapness of the drug in these States, and to the high maximum of legal possession (40 tolas), it is inevitable that a certain amount of smuggling should take place, and this is considered to be the case by several witnesses.

627. The rules provide that the joint privilege of manufacture and retail sale at one or more shops shall be auctioned. The vendors are the only importers of the drugs, and there are no wholesale dealers acting as middlemen between the cultivators and the farmers of retail vend. The farmers pay import and transport duties as above described. As a rule the farm of the drugs for a whole district is sold to a single vendor. The retail shops are usually fixed by the Collector. The total number of retail licenses has been very constant for some years, the average for the last ten years being 373. The number of shops, however, is larger, averaging 647 for the last ten years. The form of retail license contains no provision regarding consumption on the premises, nor regarding the persons to whom the drugs may be supplied. There is no fixed rule regarding "local option." In some districts it is attended to carefully. Any representation by the inhabitants would have full consideration, but representations relating to the location of shops are seldom received.

628. The system of administration in Sind is in almost every respect the same as in Bombay, but there is some difference in the conditions. Neither ganja nor charas are produced, and the consumption of both is not large, though that of the latter

is nearly, if not quite, equal to that of the former, and is said to be increasing. Ganja is imported from Panvel in Bombay, and charas from the Punjab. There is cultivation of hemp for bhang chiefly in Shikarpur and Karachi, averaging about 300 acres. The annual consumption of bhang is upwards of 4,000 maunds. There is a little smuggling of bhang from the Khairpur State, where it is grown and sold cheaper than in Sind.

Aden. 629. Aden is supplied with hemp drugs entirely from Bombay.

630. The Abkari rules in Berar appear to rest upon the authority of a letter of the Government of India in the Financial Department, No. 3541, dated 10th October 1873. Berar is not British territory, and the rules constitute a special local law issued by the Governor-General in Council in virtue of specially acquired jurisdiction. Cultivation is prohibited except under license, and Rs. 10 per acre or part of an acre is levied on all cultivation. The area cultivated for production of ganja is confined to the Akola, Buldana, and Amraoti districts, and amounted in 1892-93 to 85 acres. The village officials are required to destroy any plants of spontaneous growth, and this growth appears to be kept under. Ganja is imported from Khandwa, and sometimes from Khandesh. About 1,300 maunds are consumed annually. Charas is not used. No information is given regarding bhang apart from ganja, and the bhang consumed is probably that produced locally in connection with the ganja cultivation. The monopoly of vend has been hitherto sold by auction to farmers together with that of opium. This is the only taxation besides the rate on cultivation. For the future separate drug shops are to be opened. The maximum amount for retail sale is 20 tolas for ganja and bhang and 5 tolas for charas. There is no limit for legal possession. There is nothing in the nature of local option, but objections to shops are considered. The average retail price of ganja is from Rs. 2 to 2-8 per sér.

631. In these three small administrations Act XXII of 1881 is in force. Ajmere, Coorg, and Quetta-Pishin. There is a little cultivation in Ajmere, but none in Coorg or Quetta-Pishin. The contract system prevails, and the monopoly of vend is sold by auction or by tender. The amount realized is the only source of revenue. Shops are licensed, and the drugs are sold at the retailer's prices.

632. The following is a summary of the prominent features of the excise administration of the hemp drugs in the principal provinces (except Burma) :—
Summary of systems.

Bengal.—Cultivation and manufacture of ganja controlled. Smuggling rare, except in Orissa. Ganja and charas highly taxed. Bhang little controlled.

Assam.—No cultivation of ganja permitted. Illicit cultivation rare. Some smuggling of an inferior kind of ganja from the hill tracts. Ganja highly taxed. Charas not used. Bhang little controlled.

North-Western Provinces.—Cultivation and manufacture not prohibited. Some ganja produced in the province. Supply of ganja

derived from Bengal, Central Provinces, Gwalior, and Bundelkhand. Little smuggling from Native States. Charas imported mainly from the Punjab. A little charas produced in Kumaon and Garhwal, and a small quantity imported from Nepal. Bengal ganja bears the tax imposed in that province. Other ganja and charas hardly taxed. Bhang not controlled.

Punjab.—Ganja not used. Charas imported from Central Asia not smuggled, but hardly taxed, there being no direct duty, of which, however, the imposition is under consideration. Bhang not controlled.

Central Provinces.—Cultivation and manufacture of ganja controlled, Smuggling from Native States and adjoining Bombay territory not wholly suppressed. Taxation of ganja fairly high—of charas light. Local bhang controlled as ganja. Foreign bhang highly taxed.

Madras.—Cultivation and manufacture not controlled. Ganja produced to a considerable extent. Taxation very light, there being no direct duty, and licenses being very few. Charas not used. Bhang little known. Few statistics available.

Bombay.—Cultivation and manufacture not controlled. Ganja produced to a considerable extent. Amount imported uncertain. Taxation light, there being no direct duty beyond import duty of 8 annas per maund. Charas hardly used, except in Sind. Bhang little known.

Berar.—Cultivation and manufacture controlled. Production of ganja not large, but imports from Khandwa considerable. Taxation light, there being no direct duty beyond a tax on cultivation of Rs. 10 per acre or part of an acre.

CHAPTER XVI.

PROVINCIAL SYSTEMS EXAMINED.

633. In Chapter XIV the Commission dealt with the general policy which, in their opinion, should regulate the excise administration in respect of hemp drugs, and in Chapter XV they have described the systems at present existing in British India. They will now offer some remarks regarding the measures necessary to give effect to that policy, and will then proceed to examine the existing systems in the light of these remarks, adding their recommendations where change of any kind seems desirable.

634. The simplest method of dealing with the subject is to farm the monopoly of vend, leaving the lessee to make his own arrangements for a supply of the drugs and their sale to the public. This is the system (with some slight differences) which is in force in the North-Western Provinces, the Punjab, Madras, Bombay, and the minor administrations. It has the advantage of relieving the Government of all responsibility or interest in the matter beyond the disposal of the farms. It secures a preventive agency of a non-official kind for dealing with illicit sale and smuggling; and if proper care is taken to appoint respectable vendors to prevent combinations for the purpose of keeping down the price of the farms, and to license shops only when they are required by the local demand, such a system may appear to be successful and sufficient. But there are some serious objections to it. In the first place, it has the disadvantage of exercising no control over the production and consumption. Large profits do not depend upon the price being raised to the pitch necessary to check excess; they are as easily realised by large sales at low rates. Thus consumption may very probably be unduly stimulated. Secondly, the Government acquires no accurate information regarding the extent of the production, the sources of supply, and the increase or decrease of the habit of using the drugs. The Commission think it is the duty of the Government to acquire this information. Thirdly, the system leaves the whole revenue and consequent check on consumption at the mercy of competition, which is a very unsafe regulator. And, lastly, direct taxation has already been resorted to in some cases with good results, whereas in provinces where only the license system prevails control is insufficient and taxation inadequate.

635. In the opinion of the Commission, the combination of a fixed duty with license fees for the privilege of vend constitutes the best system of taxation for the hemp drugs. It is the system which prevails in regard to spirituous liquors produced in India, and is equally applicable to other intoxicants, in regard to which a policy of control and restriction is necessary. Unless there are special reasons to the contrary, the Commission think that the monopoly of vend should be auctioned. The special advantage of doing this lies in the fact that a method is thus secured of adjusting the total incidence of taxation to special circumstances, such as the local demand, the expense of carriage, the facilities for smuggling, the habits of the people, and the price of other intoxicants.

The danger of relying mainly on the auction system as a check on consumption is that a combination, or the absence of competition, among the vendors might at any time destroy its efficiency. The fixed duty should therefore be as high as possible, due regard being paid to the considerations mentioned in Chapter XIV, paragraph 586. When this is done, the auction of licenses for vend will come in as a valuable adjustment, and, if properly worked, will indicate whether the limit of taxation has been reached. If the proceeds of the auction sales of licenses have a decided tendency to increase, this will be an indication that the fixed duty will bear an increase.

636. But besides that which results from adequate taxation, another method of restricting consumption is available to the Government in the limitation of the sources of supply. **Control of cultivation.** And the most effective way of doing this, at all events in the case of ganja, is to prohibit cultivation of the hemp plant, except under license, and to grant licenses for cultivation in such a way as to secure supervision and registration of the produce. Unless this is done, it is impossible to have any idea of the extent of consumption. The opinions formed from time to time in regard to this matter in provinces where cultivation is not controlled are mere guesses doomed to be falsified. It is of the greatest importance that this control should be exercised. In regard to charas, the only way of limiting the supply is by taxation, and the conditions of the trade are such that the supply can be completely regulated by the application of this method. Where the hemp plant grows spontaneously in abundance, the supply of bhang cannot be regulated, but in other places there is no reason why its cultivation should not be placed under the same restrictions as that of ganja, and a direct duty, which must be light in proportion to the facilities for importing the drug free of charge, imposed. The subject will be referred to again further on.

637. Another most effective way of reducing the sources of supply is by keeping the number of licensed shops to the lowest limit compatible with meeting the real demand. **Limitation of shops.** The increase of shops or failure to reduce them has often been pointed out as an error committed by individual district officers whose aim was too much to raise revenue. The impropriety of this and its danger cannot be too strongly insisted upon. The matter is one which should be kept constantly in view by the Local Governments and by the Government of India.

638. The Commission do not, however, advocate any attempt to restrict the supply of the drugs by an artificial check, such as **Artificial checks not desirable.** limiting cultivation of ganja or import of charas, with reference to an ascertained or computed average demand. It is not for the Government to determine how much of the drugs should be consumed. Its function is to exert pressure, but not to fix limits; to regulate the conditions, but not the actual quantity; and it is far better that, subject to those conditions, the laws of supply and demand should not be interfered with.

639. The incidence of taxation in different provinces ought not *cæteris paribus* to vary greatly. The following table shows the retail prices per sér prevailing in the different provinces :—
Prices of the drugs.

	GANJA.		CHARAS.		BHANG.	
	Minimum.	Maximum.	Minimum.	Maximum.	Minimum.	Maximum.
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Bengal	12 0 0	30 0 0	35 0 0	40 0 0	1 0 0	6 0 0
Assam	15 0 0	40 0 0	...	...	...	...
North-Western Provinces.	2 8 0	30 0 0	7 8 0	40 0 0	0 4 0	1 0 0
Punjab... ..	...	...	4 0 0	15 0 0	0 2 0	0 8 0
Central Provinces	5 0 0	10 0 0	...	...	Not given	
Madras	1 4 0	4 2 8	...	...	0 6 8	3 5 4
Bombay	0 6 0	5 0 0	...	...	0 8 0	3 0 0
Sind	6 6 0	10 0 0	15 0 0	30 0 0	1 0 0	1 4 0
Berar	2 0 0	2 8 0	...	...	0 8 0	0 8 0
Ajmcre	4 0 0	5 0 0	16 0 0	20 0 3	0 8 0	1 0 0
Coorg... ..	0 14 0	1 0 0	...	...	Not given	
Quetta-Peshin ...	7 8 0	7 8 0	20 0 0	20 0 0	1 0 0	1 0 0

The figure given as the maximum for ganja in the Central Provinces is not the true maximum. It is "the average retail price in most districts for small quantities of ganja." The maximum must, therefore, be higher. In Jubbulpore, the Commission found that in some shops ganja was selling at Rs. 12 per sér. The maximum for the province is not available. A maximum quotation of 4 annas per tola, equal to Rs. 20 per sér, is given for Ganjam in Madras: this may be Rajshahi ganja. Bhang is said to reach a maximum price of Rs. 10 per sér in the same district. In Malabar, Vellore ganja is said to reach 4 annas per tola, but the maximum price in North Arcot is 4 pies. Wynaad ganja in the same district is said to reach a maximum price of 2 annas per tola. With these exceptions, no district shows a higher maximum price than that given in the statement.

It is evident that if the systematic treatment advocated by the Commission is to be applied, some means must be taken, especially in regard to ganja, of removing the extraordinary inequalities disclosed by this comparison. Up to year 1892-93, notwithstanding the high price of Rajshahi ganja, the cost of the daily average allowance of liquor to the habitual consumer in Bengal is, according to the memorandum, much higher than in the case of ganja. Judged by this test, there is room even in Bengal for increased taxation. *A fortiori* is this the case in other provinces except Assam. No doubt the quality of the drug varies in different provinces, but there is nothing in the analysis of the different kinds of ganja which points to such marked discrepancies in the price. And the general conclusion which must be drawn from these figures is that in all the provinces, except Bengal and Assam, taxation is totally inadequate to the due restriction of consumption. The same may be said of charas. As regards bhang, many witnesses are of opinion that there is no need to impose the same restrictions upon its consumption as

641. This table shows that up to the year 1892-93 on five occasions some increase was made in the rate of fixed duty. The

Results obtained.

revenue steadily increased, until at the end of the period it was double as much as in 1876-77; notwithstanding this, the number of retail licenses after the first period of six years steadily diminished up to the year 1891-92, though in the following year there was an increase. The result is that the number of the population per retail license increased by 38 per cent. in the whole period. The increase in the total average taxation per sér of the taxed drug increased from Rs. 4-0-2 to Rs. 10-15-1. As regards the area cultivated (column 2), it has to be remembered that these figures represent the growth of the plant for consumption in Assam, the North-Western Provinces, and some Native States as well as Bengal. The figures in column 4 represent the ganja actually consumed in Bengal, which has decreased largely since the first two years, and since then has been nearly stationary.

In addition to the above facts, the evidence before the Commission tends to show that, except in Orissa, where the Garhjat ganja competes with the Rajshahi ganja, smuggling does not prevail in any part of the province; also that ganja is still the cheapest form of intoxicant, and that there is no evidence to lead to the belief that it is being displaced in Bengal by more noxious stimulants. The Bengal Government seems to have kept in view with the most successful results the principles which have been enunciated in Chapter XIV, paragraph 586, of this Report as essential to an efficient excise system, and to have intervened, when occasion demanded, to restrict the use of the Rajshahi ganja by administrative control and enhanced taxation. The effect of the enhancements which have been made since the year 1892-93 cannot be gauged, but the Commission have no hesitation in saying that this part of the excise administration in Bengal is being most carefully and ably supervised.

642. The weak points in the Bengal administra-

Weak points in Bengal system.

tion are—

- (1) The defective arrangements for storage of the Rajshahi ganja.
- (2) The smuggling into Orissa of the produce of the Tributary Mahals.

643. The Bengal Excise rules provide that the cultivator must send into the public gola all the ganja he manufactures, and

Storage.

private golas are only permitted in the case of a cultivator who can satisfy the supervisor that he has a secure private place of his own. It has been shown above (paragraph 595) that there is no public gola for the storage of the crop, and that all the produce is stored in private golas. The opportunity for smuggling thus afforded has not escaped the notice of the authorities. In his report on the cultivation of and trade in ganja, 1877, Babu Hem Chunder Kerr (paragraph 131) dealt with the question, and recommended the absolute prohibition of private storage and the establishment of public godowns where the drug might be warehoused in bond. He was of opinion that six storehouses 125 feet X 20 feet, three of which should be at the sadar station of Naogaon and three at three outposts, would be sufficient to warehouse the crop. The Board of Revenue did not support the proposal, remarking that it would involve a very radical change in the existing system, and would also necessitate a very considerable expenditure on the part of Government in the construction of the necessary warehouses. The absence of any

evidence as to extensive smuggling was mentioned as obviating the necessity for the measure. In 1892 the Board were of opinion that the objections to public golas appeared to be insuperable. Mr. Lyall in his evidence says that the storage arrangements can be improved, but that under existing circumstances it would be impossible without enormous expenditure to have a public gola. Mr. Gupta, Excise Commissioner, says that the "difficulty of having a public warehouse is that the ganja stored in it would consist of numerous parcels, all belonging to different individuals, and this would lead to much confusion. Again, the drug has to be frequently aired, turned out, and handled in order to keep it in good condition, and it is next to impossible to secure this periodical examination when the ganja is stored in public golas situated at a distance from the houses of the cultivators." He therefore considers the scheme "impracticable," on which Mr. Lyall notes: "Rather, I would say, too costly." Mr. Price, Collector of Rajshahi, does not recommend public golas because Government servants would not take care of the ganja as the owners would. But he does not think there would be any great difficulty if there were several Government golas situated in central places, though he does not think the cultivators would view the change with favour. He concludes by saying that he sees no great objection to the plan; and adds: "You cannot have a perfect system without Government golas." Babu Hem Chunder Kerr retains his former opinion in favour of the system, which is also advocated by Ganendra Nath Pal, Sub-divisional Officer, Naogaon, and Abhilas Chandra Mukharji, Excise Inspector. The Commission have formed the opinion that the objections are not insuperable, and that the system of Government storehouses should be introduced. The example of the Central Provinces system seems to prove its practicability, and they are of opinion that it would have the effect of bringing about the speedy conclusion of bargains between the cultivator and the wholesale dealer, in which case the main difficulty would be removed. The expense of erecting several godowns should not, in their opinion, operate to prevent the measure considering the very large revenue at stake and the great desirability of removing the existing temptations to illicit dealing. The matter should, however, be left to the discretion of the Local Government.

644. The smuggling of ganja from the Tributary States of Orissa into British territory has a long history, and more properly belongs to the general subject of excise administration in Native States, which will be dealt with further on.

645. The proposal of the Excise Commissioner to abolish flat and round ganja and have only chur is one that deserves notice. He explains rather more clearly in his evidence that what he advocates is not the compulsory production of chur, but the adoption of the chur rate of duty which is the highest for all ganja, which would result in the elimination of stick from the produce, and consequent reduction of the whole stock to chur. There are obvious advantages in having one rate of duty, but other considerations enter into this subject, such as the question as to the form in which the drug can best be packed and transported without deterioration. The experiments which are being conducted in connection with this question are still incomplete. The Commission feel that the matter is one for the Local Government to decide. It is mentioned here because

it would materially reduce the bulk of the produce and make the introduction of public golas more easy of accomplishment. The plan is also advocated by some subordinate Excise officers and Deputy Collectors.

646. The present system of ganja administration in the Central Provinces ^{Ganja administration in the Central Provinces.} has been in force since 1882-83, previous to which there were several changes, which may be briefly recapitulated. In 1871-72, the first year during which Act X of 1871 was in force, the monopoly of vend of drugs (which included madak) was put up to auction for each district as a whole, or for smaller areas, and knocked down to the highest bidder. The contractors were free to make their own arrangements for obtaining the drug from cultivators, and cultivation was free. In 1873-74 the Local Administration had to consider complaints by the retail contractors to the effect that the extensive cultivation of ganja for home consumption by private individuals seriously interfered with their profits, and prevented them from paying to Government as high a revenue as they otherwise might. Meanwhile the Government of India had issued instructions to all Local Governments to discourage the consumption of ganja and bhang as far as possible by placing restrictions on their cultivation, preparation, and retail, and imposing on their use as high a rate of duty as could be levied without inducing illicit practices. Accordingly, in April 1875, rules were introduced prohibiting cultivation except under license, for which the levy of an acreage fee was authorised, and embodying other provisions for inspection of stocks and licenses to cover the possession of the produce until its purchase by the licensed vendor. The acreage fee was fixed soon afterwards at Re. 1, and in 1876-77 a special penal fee of Rs. 10 per acre on unlicensed cultivation was introduced. These acreage fees were, however, pronounced illegal by the Judicial Commissioner in 1878, and new rules were framed providing for the storage of all ganja in Government godowns or in authorised private storehouses and for levy of duty on the drug when removed. The duty was fixed at Re. 1 per sér. Difficulties were experienced in working these rules, the cultivators not being able to dispose of their produce to the licensed vendors. The wholesale vendors held aloof, feeling uncertain of the effect which the enhanced duty might have on consumption, and the retail vendors would not purchase direct from the cultivators. The Local Administration accordingly purchased nearly the whole crop, amounting to some 6,856 maunds, at a cost of nearly Rs. 50,000. The Government of India, however, objected to the creation of a Government monopoly of ganja; so in 1880-81 the monopoly of wholesale vend for the province was granted to a single individual, who agreed to pay a duty of Rs. 2 per sér on all ganja sold by him to retail vendors, and to supply them with the drug at Rs. 3 per sér. It was contemplated in the agreement that the price might be raised by increments of 4 annas to Rs. 4 per sér, and the duty by increments of 3 annas to Rs. 2-12 per sér, within the year 1880-81. At the same time the system of auctioning the monopoly of retail vend by circles was done away with, and monthly licenses were issued at fixed rates, varying according to the size of the town or village, and without limit as to the number of licenses existing in one place. This system, however, was abandoned in the following year, and the auction system was again for the most part introduced. This was the origin of the system of monopoly of wholesale which exists to the present time in the Central Provinces. Since 1882-83, by which time Act XXII of 1881 had become law, the wholesale

monopolist has been called upon to pay a certain amount per sér in addition to the direct duty of Rs. 2 per sér, the rate varying in different districts and being generally determined by tender. Such tender is limited by the necessity of supplying retail vendors at Rs. 3 per sér to an amount per sér less than Re. 1. The object of this measure was to fix the difference between the duty on the drug, Rs. 2 per sér, and the price at which it was to be sold to retail vendors, Rs. 3, at a figure considerably in excess of the cost price of the drug, and to put up the gross profits thereby secured to the wholesale vendor to auction in the form of tender. It was thought that this would practically raise the direct duty in the districts where the cost price of the drug was least, and so equalize prices throughout the province. Cultivation in British territories has been concentrated, and since 1891 it has only been allowed in the Khandwa tahsil of the Nimar district.

647. During the changes above described there were great fluctuations in the area of cultivation, but the revenue steadily increased. The amount of consumption is not available. From 1882-83 the statistics are more complete, and the tabular statement subjoined will show the progress of the administration in regard to exports and consumption of ganja, the amount and rate of taxation, and the number of shops. Column 2 contains the figures as accurately as possible for the area cultivated; the table appended to the Excise Commissioner's memorandum gives the areas for which licenses were taken out, which were generally in excess of the area actually cultivated. Column 5, showing the fixed duty, represents the Rs. 2 per sér duty levied on all ganja issued to the retail vendors of the province. Column 6 represents retail license fees, and the amounts, called wholesale license fees, obtained in accordance with the tenders of wholesale vendors:—

1	2	3	4	5	6	7	8	9	10	11
Year.	Area cultivated in acres.	QUANTITY OF GANJA.		Fixed duty.	License fees.	Total.	Total taxation per sér (Cols. 4 and 7).	Rates of fixed duty.	Number of retail licenses.	Population per retail license.
		Exported.	Sold (retail) in the province.							
		Mds.	Mds.	Rs.	Rs.	Rs.	Rs. A. P.	Rs.		
1882-83 ...	452	2,241	600	47,935	61,676	1,09,612	4 0 1	2	814	11,344
1883-84 ...	834	5,551	757	50,064	68,141	1,27,805	4 3 6	2	851	10,851
1884-85 ...	1,166	4,790	845	66,123	94,491	1,60,614	4 12 0	2	921	10,026
1885-86 ...	1,659	13,380	1,005	77,508	1,13,272	1,90,780	4 11 11	2	956	9,659
1886-87 ...	928	6,052	864	69,473	1,40,859	2,10,332	6 1 4	2	1,026	9,000
1887-88 ...	524	4,227	831	65,244	1,23,350	1,88,594	5 10 9	2	1,026	9,000
1888-89 ...	915	5,052	941	74,191	1,24,054	1,98,244	5 3 10	2	1,081	8,543
1889-90 ...	954	7,933	971	74,836	1,25,770	2,00,606	5 3 8	2	1,078	8,566
1890-91 ...	477	4,108	1,019	78,205	1,32,709	2,10,914	5 2 10	2	1,081	8,596
1891-92 ...	903	3,916	1,156	88,613	1,38,875	2,27,488	4 14 10	2	1,053	8,951
1892-93 ...	984	4,232	1,194	91,629	1,61,141	2,52,770	5 4 8	2	1,047	9,552

648. It will be seen from this statement that the fixed duty of Rs. 2 per sér has not been raised since 1882-83. As above remarked, an increase was contemplated as far back as 1880-81. In 1887 the Local Administration declined to raise the duty, the principal reason assigned being that the effect would be to lower the bids for retail vend monopolies. The total taxation per sér of consumption has slightly decreased

Review of Central Provinces system.

since 1887-88. The local consumption shows a tendency to increase. The number of shops per head of population has on the whole increased; and, although the revenue has increased, this is due partly to increased consumption, and partly to keener competition in the auction sales of licenses.

The basis of good administration has been laid, but progress has not been secured, and to this result it is essential that attention should now be directed.

649. One important defect of the system is that exported ganja is very lightly taxed. In regard to this subject, the Excise Commissioner in 1887 remarked: "The part played by the Khandwa store as an *entrepôt* for the supply of the ganja demand of those provinces (the Central Provinces) is quite insignificant when compared with its use as a mart for the convenience of foreign purchasers. To it throng traders from Bhopal, Indore, Gwalior, Rutlam, Dhar, Jodhpur, Udaipur, Rewa, Panna, Baroda, and other States of less note; and licensed vendors from the North-Western Provinces compete with contractors from Berar for the purchase of the cultivators' stock. Between 6,000 and 7,000 maunds of ganja have on the average of the last four years been annually exported from Khandwa to other provinces and Native States." Since these words were written the permit and registration fees have been imposed, and all the exported ganja pays something before being removed for export. But besides a small fee for storage, Government licensed vendors exporting to the North-Western Provinces or other British provinces only pay Re. 1 per maund by way of registration fees, and foreign purchasers only pay Rs. 2 per maund for permit and registration fees. An instance is here afforded of the necessity of the systematic treatment advocated in Chapter XIV, paragraphs 588 and 590. A large amount of ganja which leaves the Khandwa store is insufficiently taxed, and it is absolutely necessary that arrangements should be made both with British provinces and with Native States to ensure its being adequately taxed in future. Whether the duty should be levied at the place of production or at the place of consumption is a matter of detail: the main point is that it should be levied somewhere before it reaches the consumers.

650. The Commission cannot regard the possible falling off in retail license fees as any reason for refusing to raise the duty on the ganja consumed in the province. Khandwa ganja consumed in the province unless such a falling off produces other consequences detrimental to the Administration. Caution is always necessary in raising the duty lest it should lead to illicit practices, and the circumstances of the Central Provinces require special watchfulness in this respect. The difficulties in the way of increasing the duty owing to the much lower price of the drug beyond the borders of the province are brought out clearly in the Excise Commissioner's memorandum. But making all allowances for these difficulties and for the fact that the Khandwa ganja is inferior to that produced at Rajshahi, the Commission are of opinion that the rate might safely be raised.

651. The question, however, is one which is intimately bound up with the whole system of monopoly existing in the Central Provinces, and this system demands close examination. It has arisen, as has been shown, from special circumstances. Its main features are

that Government interferes at the point where the ganja passes from the wholesale to the retail vendor to fix the price at Rs. 3 per sér, and that the monopoly of wholesale vend is given to a small and selected number of persons who tender for payment of duty at Rs. 2 per sér *plus* as much of the margin between Rs. 3 and Rs. 2 as can be got from them. There can be little doubt that, apart from the difficulties above referred to, the system itself may have operated against a rise in fixed duty. The interference in the natural operation of the laws of supply and demand has rendered it more difficult for the Government to gauge for itself the necessity for increasing the direct duty. And it may be remarked that, in spite of the fact that the direct duty has not been raised, the receipts from licensed fees have not very materially increased, and therefore, while Bengal has doubled its taxation on the ganja consumed, the Central Provinces taxation has remained stationary. The cause of this may partly be found in the different circumstances of the two provinces. Except in Orissa, the question of smuggling has been set at rest in Bengal. In the Central Provinces the arrangements with the Tributary States which were undertaken with this object have only just been completed, and it may have been considered advisable to postpone any increase in the duty until this should have been done. But even allowing for this, the Commission think there is reason for attributing to the different systems, at all events in part, the widely different results obtained.

Advantages claimed for the system.

652. The advantages claimed for the system are—

- (a) that it enables the retail vendor to know what he is about, and makes him independent of combinations and caprice among the wholesale vendors. This would tend to induce him to bid more for his license :
- (b) that it enables Government to secure part of the wholesale dealer's profits :
- (c) that it tends to equalize the price to the consumer all over the province.

The first two of these are not in themselves of any great importance. The main object is to secure that the drug is adequately taxed ; and if, as appears possible, the license fees instead of being raised are kept down by the present system, while obstacles are placed in the way of raising the fixed duty, the advantage is more than counterbalanced. And as regards the third, it may be observed that the check imposed upon the price of the drug by fixing the price to be paid for it by the retail dealer may very possibly keep the price to the consumer unduly low in some districts, while in others, where the opportunities for smuggling are greater, there is no adequate test of its suitability.

653. The principal disadvantage of the system appears to be that it imposes upon the Government the responsibility of taking

Disadvantages of the system.

into consideration several factors the precise value of which it is difficult to estimate; and the effects of which are better gauged by the unimpeded competition arising from the auction of the privilege of retail sale. And it seems possible that the present system may operate to a certain extent in checking the cost of production and the profits of the cultivator. If these had free scope, they would probably tend to raise the price of the article. Moreover, the profits of the wholesale vendor as such are kept down to such a low figure that it is almost

certain that he recoups himself in many cases by taking out licenses for the retail vend. The system thus encourages a combination of interests which is not generally desirable. The subject is unfortunately not treated in the memorandum, but in Jubbulpore the Commission ascertained that out of 71 retail shops, 20 were held by the wholesale monopolist. The status of the latter is such as to give him practical command of the situation, and the inference is almost irresistible that he will make use of this power to acquire for himself some of the profits attaching to the retail business if dissatisfied with the profits of the wholesale business. Viewed in this light, the limitation of the price may be to a large extent inoperative.

654. Upon the whole it appears to the Commission that any attempt to regulate the price of ganja otherwise than by a combined system of fixed duty and auction vend of monopoly of retail sale in tracts differently circumstanced is a mistake. It amounts to an interference either too great or too little. A Government monopoly under which, through the agency of Government officers, the drug would be offered to the public at a maximum price would be a simple arrangement. This has been shown not to be the best system for ganja (Chapter XIV, paragraph 589). The alternative is to levy a duty which must be regulated according to experience, the maximum being determined by those general considerations which have been elsewhere explained, and leave the supply unhampered, except by such check as is afforded by the auction of monopoly of retail sale. The latter affords the necessary adjustment for disadvantages pertaining to different localities, such as unusual cost of carriage, facilities for smuggling, etc. If on account of such disadvantages the rate of duty needs to be reduced, there is nothing to prevent the adoption of special rates of duty for particular tracts.

In recommending an increase of duty, therefore, on Khandwa ganja, the Commission are prepared also to recommend that the rule under which ganja is supplied by wholesale to retail vendors at a fixed price should be abolished, and that wholesale vendors should not be required to pay fees for their licenses.

655. In one respect the Central Provinces system is more efficient than that of Bengal, *viz.*, the storage of the produce. No difficulty seems to have occurred in these provinces in bringing all the ganja to a central godown at Khandwa. This is probably because the establishment of the godown has obliged the cultivators to come to early terms with the wholesale dealers or their agents. Mr. Robertson, Deputy Commissioner of Nimar, says: "The agents buy up the ganja on their own account as a speculation frequently while the crop is standing. The whole outturn thus passes into the hands of about a dozen men, who are then able to run up the price at the Khandwa storehouse to all except the wholesale vendors, by whom they have been specially retained. The existence of the 'corner' in no way affects the vend of ganja, so far as this province is concerned. The wholesale vendors have to supply the retail vendors at Rs. 3 per sér, so that the latter, and through them the consumers, are not affected. But wholesale vendors from other provinces undoubtedly find it difficult to make purchases at Khandwa." The Commission think that a system which leads to the speedy disposal of the crop by the cultivators to the wholesale vendors is desirable, but the monopoly of wholesale vend seems to be in this province in too few hands, whereby combination against a rise of

Storage of ganja and increase in number of wholesale vendors.

duty is facilitated. Subject to the adoption of the measures advocated in paragraph 654, the Commission recommend that wholesale licenses should be more freely granted without charge as in other parts of India, the selection being carefully made by local officers according to requirement.

656. If the suggestions made in paragraphs 643, 649, 650, 654, and 655 of this chapter are accepted, the systems of Bengal and the Central Provinces will be practically assimilated. **Assimilation of the Bengal and Central Provinces systems.** And apart from the fact that the system advocated appears to possess the greatest advantages, this result is in itself most desirable.

657. The statistics for the North-Western Provinces are regarded by the **Excise Commissioner** as very defective so far as regards the amount of imports and exports. **North-Western Provinces.** In the absence of any fixed duty, and with a revenue determined solely by the license fees, no provincial record of the traffic has been kept up. Mr. Stoker is not confident that allowance has been made for transfers from district to district, and he thinks there is much risk that the same drugs may have been counted twice, and the provincial total thus exaggerated. Moreover, licenses for the sale of the different kinds of drugs have not been sold separately. All that can be gathered from the statements furnished is that the total amount of the license fees has increased by about 75 per cent. in the last 20 years and the number of retail licenses by 50 per cent., and that the imports and consumption of ganja seem to be on the increase. The excise ganja of Bengal is being displaced by the drug from the Central Provinces and Native States, which is almost wholly untaxed, and this is one of the weak points in the North-Western Provinces administration as pointed out in Chapter XV, paragraph 609. The total revenue from license fees is in 1892-93 Rs. 7,04,788, but from this would have to be deducted the amount due to licenses for the sale of charas and bhang which cannot be ascertained. At a rough guess, it may be put at one-third, leaving Rs. 4,70,000 due to ganja. To this must be added the duty on Bengal ganja levied in Bengal (about Rs. 1,12,600) and the registration fees at Re. 1 per maund levied on Central Provinces ganja at Khandwa, making a total of about Rs. 6,00,000, or Rs. 3-2-3 per sér on all imported ganja reckoned on an average of 4,774 maunds. On the whole this does not appear to be a very inadequate incidence of taxation, but it must be remembered that there is no control of production in the province, and that the taxation on the different kinds of ganja imported is very unequal. The number of shops is very large, nearly double in proportion to population of that which is found in Bengal. There can be no doubt that in this province more control is necessary, and some measures are urgently required for reducing the taxation of the different kinds of ganja which are brought into the province to some kind of uniformity. The need of remodelling the system has been fully recognised by the officers in charge of the excise; and the proposals of the Excise Commissioner, which have the support of the Member of the Board of Revenue in charge of Excise, include the following measures:—

- (1) Prohibition of cultivation except under license.
- (2) Prohibition of manufacture of ganja.
- (3) Establishment of bonded warehouses, with control of storage and issue of ganja.

It is also proposed to control the import of ganja, and to impose an import duty at first of Rs. 50 to Rs. 80 per maund on *pathar* ganja from the Central Provinces and Native States, to be increased by degrees. For this purpose an amendment in the law will be required. Subject to the remarks which will be found further on (paragraph 679), the Commission agree in these proposals.

658. In Madras and Bombay the general opinion among local officers appears to prevail that no changes are necessary, though the Commission have reason to believe that these Governments recognise the impossibility of continuing the present state of affairs in view of general considerations affecting the whole of India. A seizure of 14 maunds 24 sérs of Madras ganja imported by sea to Calcutta was made in January 1894. When the Madras Collector of Customs was communicated with and asked to enquire full particulars and take action if he considered it necessary, he replied to the Calcutta authorities asking under what law he was desired to interfere. The Madras Act contains full provisions regarding the import and export of drugs; but these provisions have not been extended to the province. In view of the illicit imports into Burma from Madras, regarding which there is ample evidence from the former province, of the complaints from Mysore which are mentioned in Chapter XVII, and of the cheapness of the drug, there can be no doubt that reforms are urgently required. The system in Bombay is somewhat more formulated, but in view of the large amount of ganja produced, and the still lower price of the drug in the producing districts, there is no less need of an improvement in the system of administration. The annexed table gives a comparative view of the cultivation and taxation of ganja in these provinces, and in Bengal and the Central Provinces. The only comparison which can be made is that of total taxation per acre of reported cultivation, because the areas of cultivation and totals of taxation are the only figures on which any reliance can be placed in these two presidencies :—

1	2	3	4			7	8	9
Province.	Average area under cultivation in acres (10 years).	Whether cultivation is restricted or not.	AVERAGE TAXATION FOR TEN YEARS.			Average revenue per acre of cultivation.	Average retail price per sér.	REMARKS.
			By fixed duty.	By license fees.	Total.			
			Rs.	Rs.	Rs.	Rs.	Rs. A. P.	
Bengal ...	740	Yes	13,75,837	10,85,292	24,61,129	3,326	20 0 0	
Central Provinces ...	900	Yes	74,549	1,22,266	1,96,815	219	{ 5 0 0 to 10 0 0	
Madras ...	350*	No	Nil	47,292†	47,292†	135	1 10 8	* 1893-94 probably under-estimated. † 1892-93 only.
Bombay ...	1,152‡	No	Not given	Not given	1,22,987‡	107	{ 0 6 0 ‡ to 5 0 0	‡ 8 years only.

659. The Bengal figure in columns 4, 5 and 6 represents nearly the whole of the revenue levied on all the ganja produced on the area given in column 2, as the Assam and Kuch Behar duties, which are not levied in Bengal, have been added.

The only item which cannot be added is that portion of the North-Western Provinces license fees which is due to the sale in those provinces of Bengal ganja. If this is calculated according to the proportionate amount of such ganja, it would not materially affect the calculation. If a similar calculation is made to determine the amount of the license fees due to the sale of Khandwa ganja in the North-Western Provinces, about Rs. 1,57,000 would have to be added to columns 5 and 6 of the Central Provinces figures, and the result of this will be to raise the average revenue per acre of cultivation in column 7 from Rs. 219 to Rs. 393. Some of the Khandwa ganja also finds its way into Bombay and Berar and other tracts, and pays duty there in the form of license fees; so the average per acre of Rs. 393 is still under the mark, but in any case the taxation thus calculated is very much less than in Bengal.

On the other hand, the average revenue per acre for Madras and Bombay is probably over the mark, as the amounts in column 6 represent the license fees paid for all the hemp drugs and not ganja only; and in the sales effected under these licenses is included a certain amount of ganja, at all events in Bombay, imported from other provinces. Against this, however, must be set the fact that both the presidencies export ganja,—in Madras to the extent of about one-seventh of the total produce, and in Bombay to the extent of more than one-half. But as the bulk of these exports goes to Native States, or is exported by sea, no revenue is realized therefrom, and the figures of column 7 are therefore on the whole probably in excess of the true figures. The general conclusion is that as compared with Bengal, or even with the Central Provinces, the taxation of the ganja produced in Madras and Bombay is very light.

650. In the Madras Presidency various proposals have been made from time to time for introducing some control into the excise administration in respect of hemp drugs. In 1886 a circular was issued to all Collectors by the Commissioner of Salt and Abkari calling for information as to the extent and nature of the trade in these drugs. In this circular it was suggested that for the present it would probably suffice (a) to forbid cultivation except under license, which would be granted free of payment; (b) to prohibit manufacture except under license; (c) to sell the monopoly of manufacture and vend by districts or taluks as might appear best, licenses for manufacture and retail vend being granted at the Collector's discretion in such number as might appear requisite as in the case of the opium farms. Most of the officers consulted recommended the adoption of these proposals. The Board of Revenue, although they considered that the information collected showed that the consumption of intoxicating drugs was very limited, remarked that it was clearly the intention of the legislature that cultivation should be licensed, and they made the following proposals to Government :—

- (a) to prohibit cultivation except under license to be granted free;
- (b) to restrict possession by persons other than licensed wholesale and retail vendors;
- (c) to grant free licenses to wholesale dealers;
- (d) to put up to auction licenses for retail sale; and
- (e) to impose a pass duty.

In view, however, of the indefinite and uncertain information obtained regarding the extent of the traffic in the drug and the limited nature of the consumption, the Madras Government came to the conclusion that in most parts of the Presidency no restriction was called for, but remarked that it was prepared to extend the provisions of the Abkari Act relating to intoxicating drugs to limited areas on adequate cause being shown.

Experience, however, showed that the demand for the drugs was considerably larger than was suspected, and that the competition in certain districts for the privilege of vend was very keen. Accordingly the licenses for retail vend were sold by auction, with the result that the revenue from this source rose the first year from Rs. 8,805 to Rs. 54,989. No further measures for controlling cultivation or restricting consumption were taken. The Board again considered the question of limiting the legal possession of the drug, which had been advocated by the majority of the Collectors, but came to the decision that restrictions on the cultivation of the plant should precede those on possession, and their objections to revising the idea of licensing cultivation appear to have been (*a*) that this would involve the taking out of a license by every person who had a plant or two in his garden; and (*b*) that it would have been necessary to make a large increase in the number of shops in order to meet the legitimate demands of consumers. It is not clear why the Board changed their views regarding prohibition of cultivation which they had previously recommended. And the number of shops existing in Madras is under the existing arrangement manifestly inadequate, being one for every 144,781 of the inhabitants. Considering that the consumption of the drugs in Madras is found to be much larger than was suspected, and that the propriety of introducing more control into the administration has for several years been recognized, the Commission are of opinion that the needed reforms should be no longer delayed.

661. The system in Bombay, which was introduced in 1880, does not seem to have been brought under discussion since that time. The Commissioner of Excise states that the subject attracted little attention till the Commission was appointed. The Commissioner of the Northern Division says that the system seems to have grown up in a haphazard way. The subject has been treated mainly from the revenue point of view, and the control exercised has not been strict. At the same time the area of regular ganja cultivation in Bombay seems to be considerably larger than in any other province; and if measures with a view to restriction in consumption are necessary anywhere, they certainly appear to be so in this Presidency.

662. The Commission on a full review of the whole circumstances connected with the ganja administration have framed the opinion that cultivation of the hemp plant for the production of narcotics in Madras and Bombay should be prohibited except under license, and that the licensed cultivators should be restricted to a limited area as in Bengal and the Central Provinces. They are of opinion that no greater difficulties exist in this respect than have been already overcome in these provinces. A few remarks are offered in justification of this view.

663. *First.*—In Madras and Bombay, as was formerly the case in Bengal and the Central Provinces, the regular cultivation is already confined to limited areas. There is practically scarcely any regular field cultivation of ganja except in the Kistna and North Arcot districts of Madras and the Ahmednagar and Satara districts of Bombay; and the prohibition of cultivation in other districts will involve no serious difficulty. And though the ultimate inclusion of all the ganja cultivation in an area more circumscribed than that of two whole districts is desirable and probably feasible, still the limitation even thus far would be a considerable step in the right direction.

664. *Secondly.*—If it be objected that the prohibition of occasional cultivation of a few plants in the private gardens or enclosures of individuals will be difficult to enforce, to this the Commission would reply—

- (1) This difficulty has been overcome in Bengal, Assam, and the Central Provinces, in parts of which, as abundantly established by the evidence taken by the Commission, this sporadic cultivation was equally prevalent.
- (2) The difficulty is not so great as it seems; for whereas at first sight it seems that it would be necessary in order to enforce the prohibition to increase establishments and exercise vexatious interference with the people, such has not been found from experience gained in other provinces to be actually the case. The difficulty of concealing the plant and the evidence of illegality involved in the mere existence of a prohibited plant in occupied lands, coupled with a legal prohibition, has in fact sufficed almost to exterminate such growth in tracts where ganja is produced with a minimum of prosecutions and penalties.

665. *Thirdly.*—If it be objected that the wild hemp plant growing in unoccupied lands is so plentiful that, even if the prohibition against cultivation is successful, ample opportunity will still be found to bring a large amount of ganja into the market from this source, to this the Commission reply—

- (1) That the ganja derived from such spontaneous growth, untended and unimproved, is so inferior as to obviate all likelihood of its competing with the cultivated ganja.
- (2) That wild hemp in the strict sense is not found in tracts removed from human habitations, past or present; and the amount of ganja capable of being smoked which can be procured from such growth will not interfere with the success of the proposal.

666. *Fourthly.*—If it be objected that the ganja produced in Native States adjoining the Madras and Bombay Presidencies cannot be kept out of the province, and that this fact alone vitiates the scheme, to this the Commission reply—

- (1) That even if this be so, the same may be said of the provinces where cultivation is controlled; and while the arrangements of these