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MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 531	Press Mis.
159-162.	
Dated 11 . 3 . 1862.	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 11th March 1862.

Read the following letters:—

No. 159. From W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Chepauk, 15th November 1861, No. 6,324.

SIR,

In Cons. 13th November 1861, No. 7,210.

1. I am directed by the Board to acknowledge the receipt of the Government Proceedings, dated 11th November 1861, No. 2,148, Revenue Department, on their proposals for remunerating the sale of Stamps, and with reference to the remarks contained in paragraph 2 on the discount proposed to be allowed on the purchase of Adhesive Bill and Receipt Stamps, to explain that the Board had no intention of allowing any commission to licensed Vendors on the sale of Adhesive Stamps which is open to all without license, and that for the sake of uniformity they would advise that the same rate of discount of purchases be allowed as for Postage Stamps.

2. The Licensed Vendor or the private individual could alike procure Stamps from the Collector to the value of not less than Rupees 9, with an allowance of Annas 4 beyond that amount, so that for Rupees 9 Stamps worth Rupees 9-4 would be received, and these could be again retailed by either individual at the full value, with a profit of Rupees 4 on the transaction. As this rate of discount is found sufficient in the case of Postage Stamps to induce private individuals to under take the retail sale, the Board do not doubt it will be equally effective for Bill and Receipt Stamps.

3. These last would be sold to the public at the Collector's Office under precisely the same system as is in force in the case of Postage Stamps, and the Board think that the uniformity of system would secure advantages which it would not be wise to risk for some slight modifications of retail.

No. 160. From W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Chepauk, 22nd November 1861, No. 6,470.

SIR,

1. Referring to my letter, dated 15th November 1861, No. 6,324, reviewing the Board's recommendation that Adhesive Bill and Receipt Stamps should be sold under the same rules in regard to discount as are established for Postage Stamps, I am directed by the Board to state that they are informed that the rate of discount named by them as in force in regard to Postage Stamps is not correct, but that all Government Officers who are required to sell Stamps are allowed a discount of one Anna in the Rupee or 6¼ per cent. on all purchases to the value of not less than 5 Rupees, and that all other persons including Government Officers *not* required to sell Stamps are allowed a discount of half an Anna in the Rupee.

2. The Board remain of opinion that the same rate of discount should be allowed for either description of Stamp, the re-sale being open to all persons alike.

No. 161. From W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Chepuk, 22nd November 1861, No. 6,471.

SIR,

1. In reply to the Government Proceedings, dated 20th November 1861, No. 2,191, Revenue Department, forwarding for the Board's remarks a

In Cons. 21st November 1861, No. 7,394.

letter addressed by Mr. Sandeman to the Supreme Government on the subject of supplying Stamps to the general public in the Mufassal, I am directed by the Board to point out that his proposal to require the Stamp Vendor to pay cash on delivery for the Stamps supplied to him *minus* his commission is in fact

In their or

identical with the Board's proposal in their Proceedings, dated 29th October 1861, No. 3,926, to give a discount to licensed Vendors purchasing Stamps for re-sale. His rate of discount would not here hold out sufficient inducement to Vendors to purchase at a discount for re-sale, rather than to sell on commission giving security for the stock supplied, but the Board remain of opinion that the discount system is that which should be encouraged, and they believe that it would be found to work well.

2. The rate which the Board proposed, viz., 4 per cent. discount on all purchases by licensed Vendors of the value of Rupees 100 and upwards, is not too large to secure the advantages afforded by the system.

3. The Vendor has a very strong inducement to extend the use of Stamps and to bring to light evasions of the provisions of the law, which now probably pass undetected to an extent corresponding to a large amount of possible revenue. He and the Officers of Government are alike relieved of the burden of keeping numerous and complicated accounts, and registers and returns. The Government revenue will be realized with immense facility, and the operation of the law will be rendered infinitely less uncertain.

4. The objections that suggested themselves to Government in connection with Sections 28 and 29 of the Stamp Act, as stated in their Order of the 11th instant, No. 2,148, would really not impede the plan, as it is not to be supposed that a Vendor will desire to resign his license with a stock of Stamps on his hand, from which he must be certain of realizing a considerable profit, and the disposal of the balance of Stamps left by a deceased Vendor might be entrusted to his heirs. A simple provision in the license would suffice to effect this.

See "Revenue Hand-book." 5. The system has long been in force in Bengal, and appears to have given satisfaction, and the Board cannot doubt it would prove equally effective here.

6. The only provision that they would add to the scheme is that the Vendors should be allowed to exchange Stamps that may prove to be unsaleable for other Stamps of equal aggregate value. This provision would involve no expense to Government as no second discount would be allowed and ordinary precautions would suffice to guard against risk of consequent frauds in the Collector's Office in omitting to bring the returned Stamps again to stock. It is at the same time necessary to enable the Vendor to adjust his supply to the demand, but a short experience would teach him what values are most in demand.

7. The discretion which Mr. Sandeman proposes to give to Collectors in the matter of licensing Stamp Vendors is already possessed by them under the Act.

8. The Board trust that on further consideration Government may be able to support the scheme.

No. 162. ORDER THEREON, 11th March 1862, No. 531.

1. In their Order of the 11th November 1861, No. 2,148, the Government sanctioned the adoption of the principle of remunerating Stamp Vendors by a commission on their sales instead of by fixed salaries. They also approved of the Board's recommendation to allow purchasers of Adhesive Stamps a discount on their purchases, but requested the Board to re-consider the rate of discount proposed by them, viz., 4 Annas in every 9 Rupees or less than 3 per cent. This it was thought was insufficient, inasmuch as the rate of commission on sales under 200 Rupees was 4 per cent.

2. The Board's proposal to extend the discount system to other Stamps was disallowed for the reasons given in paragraph 3 of the order.

3. The Board explain, in the first instance, that they did not contemplate the allowance of any commission to licensed Vendors for the sale of Adhesive Stamps, as the sale of these is open to all without license. It is certainly the case that such Stamps may be sold by any one, but it is not the less the duty of Government to ensure a certain supply of them for the use of the public, and it is not clear how this can be assured, if the sale is left entirely to the option

Proceedings of the Madras Government, Revenue Department,
11*th March* 1862.

of the Vendors. The Stamp Act does not apparently compel a licensed Vendor to purchase any Stamps for re-sale, and a Vendor might reasonably object to buy Adhesive Stamps of the high values required for Foreign Bills of Exchange. In such a case the public might be put to serious inconvenience. The safest plan would seem to be to encourage the purchase of Adhesive Stamps by giving a higher rate of discount than the commission allowed, when they are supplied by Government. The commission allowed on Adhesive Stamps might reasonably be lower than that allowed for other Stamps, and thus there would be little if any additional expense.

4. The Board next point out that they were mistaken in supposing that the rate of discount allowed for the sale of Postage labels was 4 Annas in every 9 Rupees. The actual rate they have ascertained is 1 Anna in the Rupee or 6¼ per cent. to Government Officers required to sell labels, and half that rate to all others provided that not less than 5 Rupees worth are bought at once. They would, however, grant the same rate of discount to all alike.

5. In making this recommendation the Board overlook the important consideration on which the difference in the rate of discount is based. The Post Office compels a certain number of its officials to buy and keep labels for sale, and in return it grants them a higher remuneration than it offers to those on whom no such obligation rests. This is only just, but the practice is important in another respect, it shows that the Post Office, notwithstanding the comparatively low value of its labels, none of which exceed 8 Annas, the currency which the smaller denominations have as money in many instances, and the trifling penalty which the non-use of a label involves does not consider it right or safe to leave the public dependent on optional sellers.

6, This goes far to confirm the doubts entertained by Goverment of the safety of leaving the sale of Adhesive Stamps entirely to those who may see fit to buy them on their own account.

7. The Board are requested to reconsider the subject, with reference to the above remarks, and to state how far the commission system has been introduced, and how it has worked.

(Signed) T. PYCROFT,
Chief Secretary.

Revenue Stamps

No. 531.

Proceedings of the Madras Govt
under date the 11th March 1862

Read the following
Letters from the Secretary
to the Board of Revenue

Recommending
that the same rate of
discount of purchases be
allowed to adhesive stamps
as for postage stamps.

(Here enter 15th Nov/61
No. 6,824)

Stating that the
same rate of discount
should be allowed to ad-
hesive and postage stamps,
the resale being open to all
persons alike.—

(Here enter 22d Nov/61
No. 6,470)

Replying to the Pro-
ceedings of Govt of 20th Nov
1861 No. 2191 forwarding for the
Board's remarks a letter
addressed by Mr. Sandeman
to the Supreme Govt on the
subject of supplying stamps
to the General public in
the Mofussil.—

(Here enter 22d Nov/61
No. 6,471)

In their order

of the 11th November 1861
No 2148 the Govt sanctioned
-ed the adoption of the
principle of remunerating
stamp vendors by a
commission on their
sales instead of by fixed
salaries - They also ap-
-prove of the Board's
recommendation to allow
purchasers of adhesive
stamps a discount on
their purchases, but re-
-quested the Board to re-
-consider the rate of dis-
-count proposed by them
viz 4 annas in every Rupee
or less than 3 per cent -
This it was thought was
insufficient inasmuch as
the rate of commission
on sales under 200 Rupees
was 6 per cent -

The Board's proposal
to extend the discount
system to other stamps was
disallowed for the reasons
given in para 3 of the order -

The

The Board state to
in the first instance
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of any commission to Li-
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sale of adhesive stamps,
as the sale of these is open
to all without licence -
It is certainly the case
that such stamps may be
sold by any one but it is
not the less the duty of
Govt to ensure a certain
supply of them for the use
of the public, and it is
not clear how this can be
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left entirely to the option
of the Vendors - The stamp
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to purchase any stamps
for resale and a Vendor
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of the high values required
for Foreign Bills of Ex-
-change - In such a case

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the public might be put
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seem to be to encourage
the purchase of adhesive
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higher rate of discount
than the commission
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The Board next
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mistaken in supposing
that the rate of discount
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Postage labels was 4 annas
in every nine Rupees -
The actual rate they have
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quired to sell labels

and

and half that rate to
all other provided that no
not less than 6 Rupees
worth are bought at
once - they would however
grant the same rate of
discount to all alike -

In making this
recommendation the Board
overlook the important
consideration on which
the differences in the rate
of discount is based -
The Post Office compels
a certain number of its
officials to buy & keep labels
for sale - and in return
it grants them a higher
remuneration than it offers
to those on whom no such
obligation rests - This is
only just but the practice
is important in another
respect - it shows that
the Post Office, notwith-
standing the compa-
ratively low value of its
labels - none of which

exceed

exceed & answer the cur-
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commission system
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and how it has
worked.

worked:-

4 Copies to the Postmaster Dept 12

R.D. 122.123

11-11-61

207.208

20-11-61

~~From~~ Bd of Reve ~~to~~ 15-11-61 Cho 2701 in Bro.

Regarding the sale of Adhesive Stamps

Revenue 1862 Despts.
Procs/ Govt for March

No 531.

Pro: of the Madras Govt.
Dft 11th March/62

From the Bd of Rev. 22 March/62
& No 845 in Pro: 9 April 1798.

~~From~~ Dt 28 Forwd/62 Cr 3284
6 Jun/63 A 25

Passing) orders on letters from Revenue Board on the subject of remunerating Stamp Venders by a Commission on their Sales.

No 159 at 162.